

**HAINESPORT TOWNSHIP
SCHOOL DISTRICT**

Hainesport, New Jersey
County of Burlington

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

HAINESPORT TOWNSHIP SCHOOL DISTRICT

HAINESPORT, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Prepared by

**Hainesport Township School District
Finance Department**

TABLE OF CONTENTS

PAGE

INTRODUCTORY SECTION

Letter of Transmittal	1
Organizational Chart	7
Roster of Officials	9
Consultants and Advisors	11

FINANCIAL SECTION

Independent Auditors' Report	15
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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion & Analysis	21
------------------------------------	----

BASIC FINANCIAL STATEMENTS

A. Government-Wide Financial Statements:	
A-1 Statement of Net Position	33
A-2 Statement of Activities	34

B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	39
B-2 Statement of Revenues, Expenditures & Changes in Fund Balance	40
B-3 Reconciliation of the Statement of Revenues, Expenditures & Changes in Fund Balance of Governmental Funds to the Statement of Activities	41
Proprietary Funds:	
B-4 Statement of Net Position	45
B-5 Statement of Revenues, Expenditures & Changes in Fund Net Position	46
B-6 Statement of Cash Flows	47

Notes to Financial Statements	51
-------------------------------	----

REQUIRED SUPPLEMENTARY INFORMATION - PART II

C. Budgetary Comparison Schedules:	
C-1 Budgetary Comparison Schedule - General Fund	91
C-2 Budgetary Comparison Schedule - Special Revenue Fund	97

Notes to the Required Supplementary Information:	
C-3 Budget-to-GAAP Reconciliation	98

REQUIRED SUPPLEMENTARY INFORMATION - PART III

L-1	Schedule of the District's Proportionate Share of the Net Pension Liability Public Employees' Retirement System	103
L-2	Schedule of District's Contributions - Public Employees' Retirement System	104
L-3	Schedule of the District's Proportionate Share of the Net Pension Liability Teachers' Pension and Annuity Fund	105
M.	Schedules Related to Accounting and Reporting for Other Post Employment Benefits (GASB 75)	
M-1	Schedule of Changes in the Net OPEB Liability and Related Ratios - OPEB	109
	Notes to the Required Supplementary Information- Part III	110
D.	School Based Budget Schedules Fund:	
D-1	Combining Balance Sheet	N/A
D-2	Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D-3	Blended Resource Fund - Schedule of Blended Expenditures - Budget & Actual	N/A
E.	Special Revenue Fund:	
E-1	Combining Schedule of Revenues & Expenditures - Special Revenue Fund - Budgetary Basis	117
E-2	Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis	N/A
F.	Capital Projects Fund:	
F-1	Summary Statement of Project Expenditures	N/A
F-2	Summary Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis	N/A
F-2a	Schedule of Project Revenues, Expenditures, Project Balance & Project Status - Budgetary Basis	N/A
G.	Proprietary Funds:	
	Enterprise Funds:	
G-1	Combining Statement of Net Position	N/A
G-2	Combining Statement of Revenues, Expenses & Changes in Fund Net Position	N/A
G-3	Combining Statement of Cash Flows	N/A
	Internal Service Funds:	
G-4	Combining Statement of Net Position	N/A
G-5	Combining Statement of Revenues, Expenses & Changes in Fund Net Position	N/A
G-6	Combining Statement of Cash Flows	N/A
I.	Long-Term Debt:	
I-1	Schedule of Serial Bonds	129
I-2	Schedule of Obligations Under Capital Leases	N/A
I-3	Debt Service Fund Budgetary Comparison Schedule	130

STATISTICAL SECTION (unaudited)

Financial Trends:	
J-1 Net Position by Component	135
J-2 Changes in Net Position	136
J-3 Fund Balances - Governmental Funds	139
J-4 Changes in Fund Balance - Governmental Funds	140
J-5 Other Local Revenue by Source - General Fund	142
Revenue Capacity:	
J-6 Assessed Value & Estimated Actual Value of Taxable Property	145
J-7 Direct & Overlapping Property Tax Rates	146
J-8 Principal Property Taxpayers	147
J-9 Property Tax Levies & Collections	148
Debt Capacity:	
J-10 Ratios of Outstanding Debt by Type	151
J-11 Ratios of General Bonded Debt Outstanding	152
J-12 Direct & Overlapping Governmental Activities Debt	153
J-13 Legal Debt Margin Information	154
Demographic & Economic Information:	
J-14 Demographic & Economic Statistics	157
J-15 Principal Employers	158
Operating Information:	
J-16 Full-Time Equivalent District Employees by Function/Program	159
J-17 Operating Statistics	163
J-18 School Building Information	164
J-19 Schedule of Required Maintenance	165
J-20 Insurance Schedule	166

SINGLE AUDIT SECTION

K-1 Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	169
K-2 Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance and New Jersey OMB Circular 15-08	171
K-3 Schedule of Expenditures of Federal Awards, Schedule A	175
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	176
K-5 Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance	177
K-6 Schedule of Findings & Questioned Costs	
Section I - Summary of Auditor's Results	179
Section II - Financial Statement Findings	181
Section III - Federal Awards and State Financial Assistance Findings & Questioned Costs	182
K-7 Summary Schedule of Prior Audit Findings	183

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INTRODUCTORY SECTION

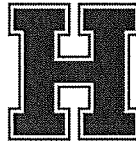
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Hainesport Township School District

Joseph R. Corn, Superintendent

Robert Pupchik, Interim Principal PreK-4

James Henderson, Interim Assistant Principal



Robert J. Kraft, Business Administrator

Thomas J. Simonet, Principal 5-8

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

Dear Board Members/Citizens:

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

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

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

Introductory Section:

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

Financial Section:

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

Statistical Section:

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

Single Audit Section:

The School District is required to undergo an annual Single Audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit*

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Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this Single Audit, including the independent auditor's report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, are included in the Single Audit Section of this report.

REPORTING ENTITY AND ITS SERVICES

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

The School District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular and special education for children with special needs. The School District's enrollment, as of October 15th, for the current and past nine fiscal years are detailed below.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2020-2021	531	-6.18%
2019-2020	566	-1.39%
2018-2019	574	-8.45%
2017-2018	627	-1.57%
2016-2017	637	-5.49%
2015-2016	674	-2.03%
2014-2015	688	-0.86%
2013-2014	694	-0.86%
2012-2013	700	

ECONOMIC CONDITION AND OUTLOOK

The economy among the town remains about the same, as several new housing complexes are already being constructed or will be soon. The district is beginning to see a slight uptick in student enrollment. At most, when all construction is complete over the next 3 - 5 years, the district anticipates approximately 50 additional students. School year 2022-2023 was the first year in decades that saw a zero increase in local school taxes, which financially benefited the community.

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With Senate Bill-2, approved by the governor and Legislature in 2018, the school lost \$127,503 of funding in fiscal year 2021. This number is expected to continue to grow which will decrease the funding for the school.

MAJOR INITIATIVES

The Hainesport Township School District has focused on continuing to increase student achievement through the investment in a 5-7 year technology plan that continues to allow for the most up-to-date classroom devices and components. The district is now fully 1 to 1, with Chrome Books in grades 2-8 and a 1:1 Tablet Initiative in grades Pre-K-1 to meet the 21st century needs of the students. Teachers now use unique tools to deliver curriculum to their students in a more efficient and engaging way. The district has also invested in new interactive boards and document cameras that are being installed in all classrooms of grades 5-8. In addition, Professional Development continues to be provided to staff in the use of this equipment to garner optimal student engagement.

The district is now in Year 3 of its Maker Space, installed in our state-of-the-art Media Center. This continues to be the central hub of the school, where STEAM initiatives take place on a daily level in grades K-8. Our Media Specialist is State renowned for her work in contemporary school media platforms and has presented in multiple forums around the state. Students are engaged in engineering and design, construction and analysis on a daily basis.

INTERNAL ACCOUNTING CONTROLS

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

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

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

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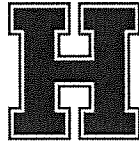
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BUDGETARY CONTROLS

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

ACCOUNTING SYSTEM AND REPORTS

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

FINANCIAL POLICIES

The intent of the School Board is to ensure that the School District manages its budget and finance in a fiscally prudent and responsible way by establishing financial policies for the Budget, Fund Balance and the maintenance of adequate reserves. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues except for certain grant revenues, are recognized when susceptible to accrual that is when they become measurable and available. Property taxes, interest and certain General Fund revenues are the significant revenue sources considered susceptible to accrual.

OTHER INFORMATION

INDEPENDENT AUDIT

State statutes require an annual audit by independent certified public accountants. The accounting firm of Holt McNally & Associates, Inc., Certified Public Accounts and Advisors, was appointed by the Board of Education. In addition to meeting the requirements set forth in the State statutes, the audit was also designed

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to meet the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and combining statements and related major fund supporting statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the Single Audit section of this report.

ACKNOWLEDGEMENTS

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

Respectfully submitted,

A blue ink signature of Joseph Corn, Chief School Administrator, consisting of a series of loops and a long horizontal stroke.

Joseph Corn, Chief School Administrator

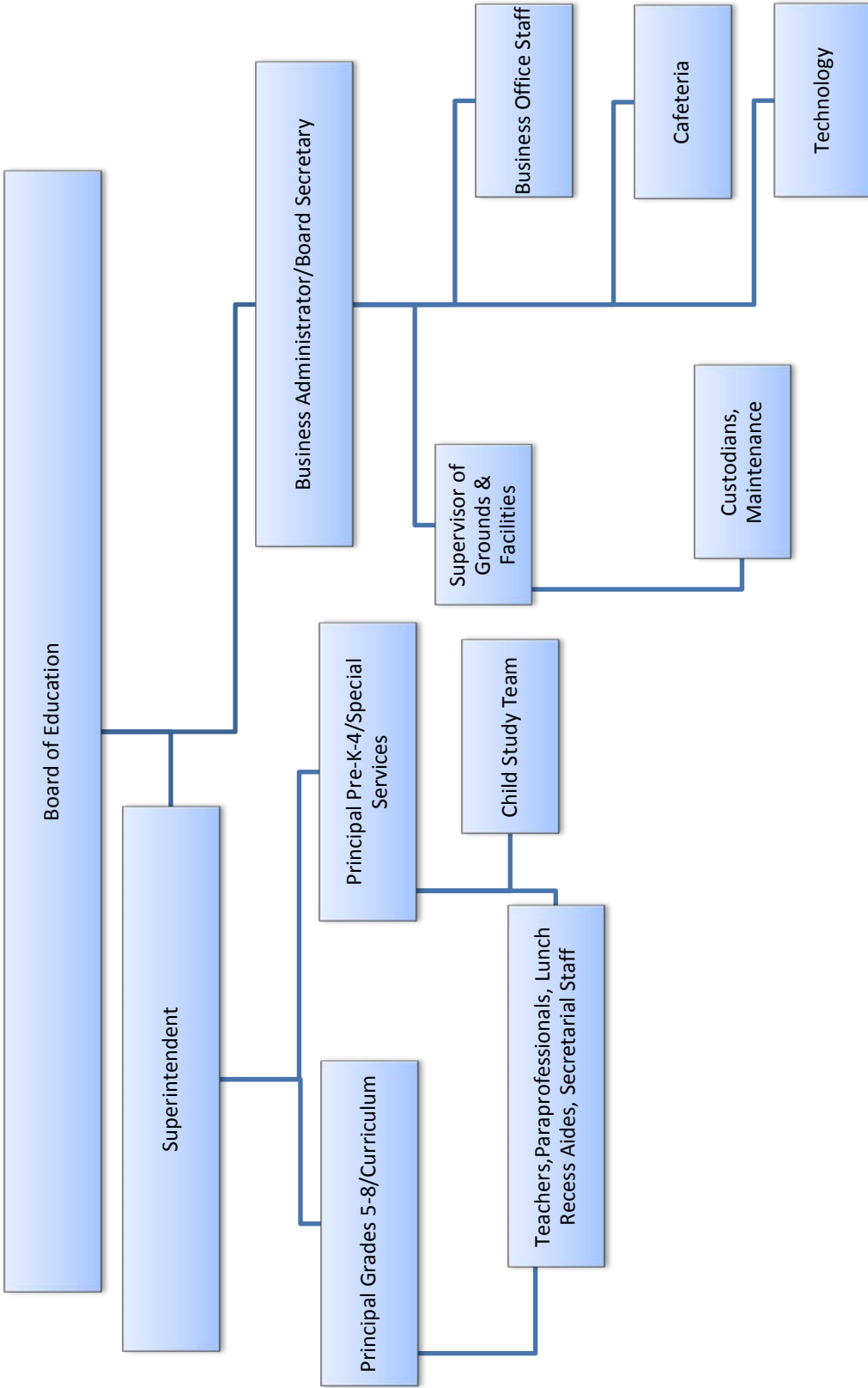
A blue ink signature of Robert Kraft, School Business Administrator/Board Secretary, featuring a prominent horizontal line and a stylized 'R'.

Robert Kraft, School Business Administrator/Board Secretary

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**HAINESPORT TOWNSHIP SCHOOL DISTRICT
ROSTER OF OFFICIALS
June 30, 2021**

MEMBERS OF THE BOARD OF EDUCATION

Michael Morelli, President	2023
Mary Jean Kneringer, Vice President	2021
Jason Cardonick	2022
Bianca Cuniglio	2022
Jeff Duda	2022
Kristin Jakubowski	2021
Samir Patel	2021
Keith Peacock	2023
Peter Scarpati	2023

MEMBERS OF THE BOARD OF EDUCATION

- Mr. Joseph Corn, Chief School Administrator
- Robert Kraft, Board Secretary/Business Administrator
- Donna Condo, Treasurer
- Adams, Gutierrez & Lattiboudere, LLC, Solicitor

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HAINESPORT TOWNSHIP SCHOOL DISTRICT
Hainesport, New Jersey

CONSULTANTS AND ADVISORS

AUDIT FIRM

David McNally, CPA, PSA
Holt McNally & Associates, Inc.
618 Stokes Road
Medford, New Jersey 08055

ATTORNEY

Adams Gutierrez & Lattiboudere, LLC
10000 Lincoln Drive East, Suite 201
Marlton, New Jersey 08053

OFFICIAL DEPOSITORIES

Investors Bank
Mt. Laurel Township, New Jersey 08054

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Hainesport Township School District, County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards and requirements 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 School District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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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, the business-type activities, each major fund and the aggregate remaining fund information of the Hainesport Township School District, County of Burlington, State of New Jersey, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the financial statements, during the fiscal year ended June 30, 2021 the School District adopted new accounting guidance, *GASB Statement No. 84, Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Prior Period Restatement

Due to the implementation of GASB Statement No. 84, fund balance as of June 30, 2020 on the statement of activities and the statement of revenues, expenditures, and changes in fund balances has been restated, as discussed in note 20 to the financial statements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hainesport Township School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, statistical section and schedule of expenditures of federal awards are presented for purposes of additional analysis, as required

by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 3, 2022 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.
Certified Public Accountants & Advisors

David T. McNally
Certified Public Accountant
Public School Accountant, No. 2616

Medford, New Jersey
February 3, 2022

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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HAINESPORT TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited)

As management of the Hainesport Township School District, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components:

- 1) Government-Wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide the reader with a broad overview of the financial activities in a manner similar to a private-sector business. The government-wide financial statements include the statement of net position and the statement of net activities.

The *statement of net position* presents information about all of the School District's assets and liabilities. The difference between the assets plus deferred outflows or resources and liabilities plus deferred inflows of resources is reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the net position of the School District changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenditures are reported in this statement even though the resulting cash flows may be recorded in a future period.

Both of the government-wide financial statements distinguish functions of the School District that are supported from taxes and intergovernmental revenues (*governmental activities*) and other functions that are intended to recover most of their costs from user fees and charges (*business-type activities*). Governmental activities consolidate governmental funds including the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund. Business-type activities reflect the Food Service Fund.

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with financial-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. All of the funds of the School District are divided into two categories: *governmental funds and proprietary funds*.

HAINESPORT TOWNSHIP SCHOOL DISTRICT
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Continued)

Governmental funds account for essentially the same information reported in the governmental activities of the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financial requirements in the near term.

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The School District maintains four individual governmental funds. The major funds are the General Fund, the Special Revenue Fund, the Capital Projects Fund, and the Debt Service Fund. They are presented separately in the fund financial statements.

The School District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and the Debt Service Fund. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with budgetary requirements.

Proprietary funds are used to present the same functions as the business-type activities presented in the government-wide financial statements. The School District maintains one type of proprietary fund – the Enterprise Fund. The fund financial statements of the enterprise fund provides the same information as the government-wide financial statements, only in more detail.

The School District’s one enterprise fund (Food Service Fund) is listed individually and is considered to be a major fund.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Recall that the Statement of Net Position provides the perspective of the school district as a whole (governmental and business-type activities). Net position may serve over time as a useful indicator of a government’s financial position.

The School District’s financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt and other long-term liabilities, the acquisition and disposal of capital assets, and the depreciation of capital assets.

As described in Note 1 to the financial statements “Adopted Accounting Pronouncements”, the district has adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, for the year ended June 30, 2021. The adoption of this principle resulted in a restatement of the District’s opening net position as of July 1, 2020 in the amount of \$118,826, as indicated in Note 20 to the Financial Statements. Prior years’ balances reflected in the MD&A have been updated to reflect this change.

HAINESPORT TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Continued)

Financial Analysis of the School District as a Whole

Table 1 provides a summary of the School Districts net position for the fiscal years 2021 compared to fiscal year 2020.

Table 1
Summary of Net Position

	June 30, <u>2021</u>	June 30, <u>2020</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Current & Other Assets	\$ 3,838,757	\$ 2,983,553	\$ 855,204	29%
Capital Assets, Net	8,993,918	9,570,384	(576,466)	-6%
Total Assets	<u>12,832,675</u>	<u>12,553,937</u>	<u>278,738</u>	2%
Deferred Outflow of Resources	<u>382,430</u>	<u>387,128</u>	<u>(4,698)</u>	-1%
Current and other Liabilities	241,393	246,814	(5,421)	-2%
Noncurrent Liabilities	<u>5,285,011</u>	<u>5,862,467</u>	<u>(577,456)</u>	-10%
Total Liabilities	<u>5,526,404</u>	<u>6,109,281</u>	<u>(582,877)</u>	-10%
Deferred Inflow of Resources	<u>639,315</u>	<u>655,918</u>	<u>(16,603)</u>	-3%
Net Position:				
Net Investment in Capital Assets	5,714,498	6,250,384	(535,886)	-9%
Restricted	3,446,308	2,547,800	898,508	35%
Unrestricted (Deficit)	<u>(2,111,420)</u>	<u>(2,622,318)</u>	<u>510,898</u>	-19%
Total Net Position	<u>\$ 7,049,386</u>	<u>\$ 6,175,866</u>	<u>\$ 873,520</u>	14%

HAINESPORT TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Continued)

Table 2 shows the changes in net position for fiscal year 2021 compared to fiscal year 2020.

Table 2
Summary of Changes in Net Position

	June 30, <u>2021</u>	June 30, <u>2020</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Revenues:				
Program Revenues:				
Charges for Services	\$ 336	\$ 98,852	\$ (98,516)	-100%
Operating Grants & Contributions	4,096,029	2,441,936	1,654,093	68%
General Revenues:				
Property Taxes	9,143,626	9,101,609	42,017	0%
Federal & State Aid	1,149,523	1,309,610	(160,087)	-12%
Other General Revenues	95,702	108,637	(12,935)	-12%
Total Revenues	<u>14,485,216</u>	<u>13,060,644</u>	<u>1,424,572</u>	11%
Function/Program Expenses:				
Regular Instruction	3,142,392	3,054,614	87,778	3%
Special Education Instruction	1,004,528	1,092,477	(87,949)	-8%
Other Instruction	120,141	124,993	(4,852)	-4%
Tuition	370,099	393,131	(23,032)	-6%
Student & Instruction Related Services	1,323,035	1,109,553	213,482	19%
General Administrative	343,371	306,233	37,138	12%
School Administrative Services	176,174	184,571	(8,397)	-5%
Central Services	265,536	265,726	(190)	0%
Plant Operations & Maintenance	680,699	713,023	(32,324)	-5%
Pupil Transportation	403,428	445,495	(42,067)	-9%
Unallocated Benefits	2,987,007	1,976,609	1,010,398	51%
On Behalf TPAF Pension and Social				
Security Contributions	2,041,633	1,799,002	242,631	13%
Special Schools	11,660	18,576	(6,916)	-37%
Interest & Other Charges	146,933	187,543	(40,610)	-22%
Unallocated Depreciation	575,859	628,519	(52,660)	-8%
Food Service	138,027	163,963	(25,936)	-16%
Total Expenses	<u>13,730,522</u>	<u>12,464,028</u>	<u>1,266,494</u>	10%
Change In Net Position	754,694	596,616	158,078	26%
Net Position - Beginning	6,175,866	5,579,250	596,616	11%
Prior Period Adjustments	118,826	-	118,826	
Net Position - Beginning (Restated)	<u>6,294,692</u>	<u>5,579,250</u>	<u>715,442</u>	
Net Position - Ending	<u>\$ 7,049,386</u>	<u>\$ 6,175,866</u>	<u>\$ 873,520</u>	14%

HAINESPORT TOWNSHIP SCHOOL DISTRICT
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Continued)

Governmental Activities

During the fiscal year 2021, the net position of governmental activities increased by \$791,281 or 12.7%. The primary reason for the increase was a decrease in overall spending.

The assets and deferred outflows of the primary government activities exceeded liabilities and deferred inflows by \$7,018,123, with an unrestricted deficit balance of \$2,120,590. The deficit in unrestricted net position is primarily due to accounting treatment for compensated absences payable, GASB 68 net pension liability, and the last two state aid payments. In addition, state statutes prohibit school districts from maintaining more than 4% of its adopted budget as unassigned fund balance.

The School District’s governmental activities unrestricted net position had GASB 68 pension not been implemented would have been as follows:

Unrestricted Net Position (With GASB 68)	\$ (2,120,590)
Add back: PERS Pension Liability	1,364,457
Less: Deferred Outflows related to pensions	(317,831)
Add back: Deferred Inflows related to pensions	<u>639,315</u>
Unrestricted Net Position (With GASB 68)	<u>\$ (434,649)</u>

Business-type Activities

During the fiscal year 2021, the net position of business-type activities decreased by \$36,587 or 53.9%.

The assets and deferred outflows of the business-type activities exceeded liabilities and deferred inflows by \$31,263.

General Fund Budgeting Highlights

Final budgeted revenues was \$9,728,506, which was equal to the original budget. Excluding nonbudgeted revenues, the School District’s actual revenues exceeded budgeted revenues by \$63,361.

Final budgeted appropriations was \$10,201,590, which was an increase of \$18,840 from the original budget. Excluding nonbudgeted appropriations, the School District’s budgeted appropriations exceeded actual appropriations by \$1,195,882.

The School District’s general fund balance – budgetary basis (Exhibit C-1) was \$3,724,595 at June 30, 2021, an increase of \$797,787 from the prior year.

HAINESPORT TOWNSHIP SCHOOL DISTRICT
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Continued)

Governmental Funds

At the end of the current fiscal year, the School District’s governmental funds reported a combined ending fund balance of \$3,741,630, an increase of \$777,212 from the prior year.

General fund - During the current fiscal year, the fund balance of the School District’s general fund increased by \$799,045 or 28.2% to \$2,146,554 at June 30, 2021, compared to an increase of \$613,942 in fund balance in the prior fiscal year. The primary factor(s) affecting the change in fund balance of the general fund is as follows:

- Exceeded revenue projections and decrease in expenditures

Special revenue fund – During the current fiscal year the fund balance of the School Districts special revenue fund decreased by \$10,775 or 22.2% to \$37,686.

Capital projects fund - There was no change in the fund balance for the capital projects fund.

Debt service fund – During the current fiscal year the fund balance of the School Districts debt service fund decreased by \$11,058 or 13.0% to \$74,038.

Proprietary Funds

Food service fund - During the current fiscal year, the net position of the School District’s food service fund decreased by \$36,587 or 53.9% to \$31,263 at June 30, 2021, compared to a decrease of \$13,880 in net position in the prior fiscal year.

Capital Assets

The School District’s capital assets for its governmental and business-type activities as of June 30, 2021, totaled \$8,993,918 (net of accumulated depreciation). Capital assets includes land, land improvements, buildings and improvements and equipment. The school districts “Net Investment in Capital Assets” component of net position represents capital assets, net of accumulated depreciation less any outstanding debt associated with the capital assets. There was a net decrease in the School District’s investment in capital assets for the current fiscal year in the amount of \$576,466. This decrease is primarily due to the current year depreciation expense. Table 4 shows fiscal 2021 balances compared to 2020.

Table 4
Summary of Capital Assets

<u>Capital Assets:</u>	June 30, <u>2021</u>	June 30, <u>2020</u>
Land	\$ 40,490	\$ 40,490
Land Improvements	631,232	631,232
Building and Improvements	16,787,215	16,787,215
Equipment	1,780,417	1,733,692
Accumulated Depreciation	<u>(10,245,436)</u>	<u>(9,622,245)</u>
	<u>\$ 8,993,918</u>	<u>\$ 9,570,384</u>

Depreciation expense for the year was \$623,191. Additional information on the School District’s capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

HAINESPORT TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Continued)

Debt Administration

Long-term debt – At the end of the current fiscal year, the School District had total bonded debt outstanding of \$2,885,000, which is a decrease of \$435,000 from the prior year.

Additional information on the School District's long-term obligations can be found in the notes to the basic financial statements (Note 7) of this report.

Contacting the School Districts Financial Management

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Hainesport Township School District Business Administrator, 211 Broad Street P.O. Box 538, Hainesport, New Jersey 08036, telephone number (609) 265-8050.

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BASIC FINANCIAL STATEMENTS

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Government-Wide Financial Statements

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HAINESPORT TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS:			
Cash & Cash Equivalents	\$ 2,046,366	\$ 6,511	\$ 2,052,877
Receivables, Net (Note 4)	106,934	15,377	122,311
Inventory	-	5,343	5,343
Restricted Cash & Cash Equivalents	1,658,226	-	1,658,226
Capital Assets, Net (Note 5)			
Non-depreciable	40,490	-	40,490
Depreciable	8,931,335	22,093	8,953,428
Total Assets	12,783,351	49,324	12,832,675
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	317,831	-	317,831
Related to Loss on Debt Refunding	64,599	-	64,599
Total Deferred Outflow of Resources	382,430	-	382,430
LIABILITIES:			
Accounts Payable	38,703	-	38,703
Payroll Deductions & Withholdings Payable	9,437	-	9,437
Due to Other Governments	98,482	-	98,482
Unearned Revenue	21,756	18,061	39,817
Accrued Interest	54,954	-	54,954
Noncurrent Liabilities (Note 7):			
Due within one year	464,002	-	464,002
Due in more than one year	4,821,009	-	4,821,009
Total Liabilities	5,508,343	18,061	5,526,404
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	639,315	-	639,315
Total Deferred Inflow of Resources	639,315	-	639,315
NET POSITION:			
Net Investment in Capital Assets	5,692,405	22,093	5,714,498
Restricted for:			
Capital Reserve	1,195,926	-	1,195,926
Maintenance Reserve	462,300	-	462,300
Debt Service	74,038	-	74,038
Unemployment	76,358	-	76,358
Scholarships	7,488	-	7,488
Student Activities	30,198	-	30,198
Excess Surplus	1,600,000	-	1,600,000
Unrestricted (Deficit)	(2,120,590)	9,170	(2,111,420)
Total Net Position	\$ 7,018,123	\$ 31,263	\$ 7,049,386

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

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	CAPITAL GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities							
Instruction:							
Regular Instruction	\$ 3,142,392	\$ -	\$ 331,359	\$ -	\$(2,811,033)	\$ -	\$(2,811,033)
Special Education Instruction	1,004,528	-	-	-	(1,004,528)	-	(1,004,528)
Other Instruction	120,141	-	-	-	(120,141)	-	(120,141)
Support Services:							
Tuition	370,099	-	-	-	(370,099)	-	(370,099)
Student & Instruction Related Services	1,323,035	-	111,201	-	(1,211,834)	-	(1,211,834)
General Administrative	343,371	-	-	-	(343,371)	-	(343,371)
School Administrative Services	176,174	-	-	-	(176,174)	-	(176,174)
Central Services	265,536	-	-	-	(265,536)	-	(265,536)
Plant Operations & Maintenance	680,699	-	-	-	(680,699)	-	(680,699)
Pupil Transportation	403,428	-	-	-	(403,428)	-	(403,428)
Unallocated Benefits	2,987,007	-	1,510,784	-	(1,476,223)	-	(1,476,223)
On Behalf TPAF Pension and Social Security Contributions	2,041,633	-	2,041,633	-	-	-	-
Special Schools	11,660	-	-	-	(11,660)	-	(11,660)
Interest & Other Charges	146,933	-	-	-	(146,933)	-	(146,933)
Unallocated Depreciation	575,859	-	-	-	(575,859)	-	(575,859)
Total Governmental Activities	13,592,495	-	3,994,977	-	(9,597,518)	-	(9,597,518)
Business-Type Activities:							
Food Service	138,027	336	101,052	-	-	(36,639)	(36,639)
Total Business-Type Activities	138,027	336	101,052	-	-	(36,639)	(36,639)
Total Primary Government	\$ 13,730,522	\$ 336	\$ 4,096,029	\$ -	\$(9,597,518)	\$(36,639)	\$(9,634,157)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					8,565,500	-	8,565,500
Property Taxes Levied for Debt Service					578,126	-	578,126
Federal & State Aid Restricted					5,920	-	5,920
Federal & State Aid Not Restricted					1,143,603	-	1,143,603
Tuition Charges					17,777	-	17,777
Miscellaneous					77,873	52	77,925
Total General Revenues					10,388,799	52	10,388,851
Change In Net Position					791,281	(36,587)	754,694
Net Position - Beginning, as previously stated					6,108,016	67,850	6,175,866
Prior Period Adjustments					118,826	-	118,826
Net Position - Beginning (Restated)					6,226,842	67,850	6,294,692
Net Position - Ending					\$ 7,018,123	\$ 31,263	\$ 7,049,386

Fund Financial Statements

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Governmental Funds

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**HAINESPORT TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021**

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS:				
Cash & Cash Equivalents	\$ 1,963,690	\$ 8,638	\$ 74,038	\$ 2,046,366
Receivables, Net:				
Interfund Receivable	444	-	-	444
Due from Other Governments:				
State	15,123	-	-	15,123
Federal	-	83,654	-	83,654
Other Receivables	6,820	1,337	-	8,157
Restricted Cash & Cash Equivalents	1,658,226	-	-	1,658,226
Total Assets	\$ 3,644,303	\$ 93,629	\$ 74,038	\$ 3,811,970
LIABILITIES & FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 4,960	\$ 33,743	\$ -	\$ 38,703
Interfund Payable	-	444	-	444
Payroll Deductions & Withholdings Payable	9,437	-	-	9,437
Unearned Revenue	-	21,756	-	21,756
Total Liabilities	14,397	55,943	-	70,340
Fund Balances:				
Restricted for:				
Capital Reserve	1,195,926	-	-	1,195,926
Maintenance reserve	462,300	-	-	462,300
Excess Surplus - Current year	1,000,000	-	-	1,000,000
Excess Surplus - Prior Year - Designated for Subsequent Year's Expenditures	600,000	-	-	600,000
Debt Service	-	-	74,038	74,038
Unemployment Compensation	76,358	-	-	76,358
Scholarships	-	7,488	-	7,488
Student Activities	-	30,198	-	30,198
Assigned to:				
Designated for Subsequent Year's Expenditures	10,877	-	-	10,877
Designated for Subsequent Other Purposes	3,782	-	-	3,782
Unassigned	280,663	-	-	280,663
Total Fund Balances	3,629,906	37,686	74,038	3,741,630
Total Liabilities & Fund Balances	\$ 3,644,303	\$ 93,629	\$ 74,038	

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 \$19,127,463 and the accumulated depreciation is \$10,155,638.	8,971,825
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refunding are applicable to future reporting periods and therefore are not reported in the funds.	
Deferred Outflows related to pensions	317,831
Deferred Inflows related to pensions	(639,315)
Deferred Outflow related to the loss on bond refunding of debt	64,599
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	(54,954)
Accrued pension contributions for the June 30, 2021 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.	(98,482)
Long-term liabilities, including net pension liability and bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(5,285,011)
Net Position of Governmental Activities	\$ 7,018,123

HAINESPORT TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>	<u>DEBT SERVICE FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
Revenues:				
Local Sources:				
Local Tax Levy	\$ 8,565,500	\$ -	\$ 578,126	\$ 9,143,626
Tuition Charges	17,777	-	-	17,777
Interest on Capital Reserve	200	-	-	200
Interest on Maintenance Reserve	40	-	-	40
Miscellaneous	77,633	4,402	-	82,035
Total Local Sources	<u>8,661,150</u>	<u>4,402</u>	<u>578,126</u>	<u>9,243,678</u>
State Sources	3,076,090	-	5,920	3,082,010
Federal Sources	8,408	438,158	-	446,566
Total Revenues	<u>11,745,648</u>	<u>442,560</u>	<u>584,046</u>	<u>12,772,254</u>
Expenditures:				
Instruction:				
Regular Instruction	2,811,033	331,359	-	3,142,392
Special Education Instruction	1,004,528	-	-	1,004,528
Other Instruction	120,141	-	-	120,141
Support Services:				
Tuition	370,099	-	-	370,099
Student & Instruction Related Services	1,201,059	121,976	-	1,323,035
General Administrative	343,371	-	-	343,371
School Administrative Services	176,174	-	-	176,174
Central Services	265,536	-	-	265,536
Plant Operations & Maintenance	680,699	-	-	680,699
Pupil Transportation	403,428	-	-	403,428
Unallocated Benefits	1,577,232	-	-	1,577,232
On Behalf TPAF Pension and Social Security Contributions	1,940,895	-	-	1,940,895
Special Schools	11,660	-	-	11,660
Debt Service:				
Principal	-	-	435,000	435,000
Interest & Other Charges	40,748	-	160,104	200,852
Total Expenditures	<u>10,946,603</u>	<u>453,335</u>	<u>595,104</u>	<u>11,995,042</u>
Excess/(Deficiency) of Revenues over Expenditures	<u>799,045</u>	<u>(10,775)</u>	<u>(11,058)</u>	<u>777,212</u>
Fund Balance, July 1	2,760,496	-	85,096	2,845,592
Prior Period Adjustments	70,365	48,461	-	118,826
Fund Balance, July 1, Restated	<u>2,830,861</u>	<u>48,461</u>	<u>85,096</u>	<u>2,964,418</u>
Fund Balance, June 30	<u>\$ 3,629,906</u>	<u>\$ 37,686</u>	<u>\$ 74,038</u>	<u>\$ 3,741,630</u>

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

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Total Net Changes in Fund Balances - Governmental Funds (B-2)	\$	777,212
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	\$	(622,584)
Appraisal adjustment		<u>46,725</u>
		(575,859)
Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.		
		91,199
Repayment of long-term debt principal and obligation of lease purchase agreements are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		
		435,000
Governmental funds report the effect of premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these transactions is as follows:		
Amortization of premium on bonds		54,002
Amortization of loss on bond refunding		<u>(7,600)</u>
		46,402
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation (+).		
		7,517
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
		<u>9,810</u>
Change in Net Position of Governmental Activities	\$	<u><u>791,281</u></u>

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Proprietary Funds

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HAINESPORT TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

ASSETS	<u>FOOD SERVICE</u>
Current Assets:	
Cash & Cash Equivalents	\$ 6,511
Accounts Receivable:	
State	929
Federal	13,038
Other	1,410
Inventories	<u>5,343</u>
Total Current Assets	<u>27,231</u>
Noncurrent Assets:	
Equipment	111,891
Less: Accumulated Depreciation	<u>(89,798)</u>
Total Noncurrent Assets	<u>22,093</u>
Total Assets	<u>49,324</u>
LIABILITIES	
Current Liabilities	
Unearned Revenues	<u>18,061</u>
Total Current Liabilities	<u>18,061</u>
NET POSITION	
Investment in Capital Assets	22,093
Unrestricted	<u>9,170</u>
Total Net Position	<u><u>\$ 31,263</u></u>

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

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>FOOD SERVICE</u>
Operating Revenues:	
Charges for service:	
Miscellaneous	336
	336
Total Operating Revenue	336
Operating Expenses:	
Cost of Sales - reimbursable programs	39,409
General supplies	4,548
Salaries & employee benefits	54,347
Management fee	23,218
Cleaning, repair and maintenance services	4,457
Miscellaneous	11,441
Depreciation	607
	138,027
Total Operating Expenses	138,027
Operating Income/(Loss)	(137,691)
Nonoperating Revenues/(Expense):	
State Sources:	
State School Lunch Program	4,717
Federal Sources:	
National School Lunch Program	82,927
Food Distribution Program	13,408
Interest Revenue	52
	101,104
Total Nonoperating Revenues/(Expenses)	101,104
Change in Net Position	(36,587)
Net Position - Beginning	67,850
Net Position - Ending	\$ 31,263

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

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>FOOD SERVICE</u>
Cash Flows From Operating Activities:	
Receipts from Customers	\$ 1,204
Payments to Employees	(54,347)
Payments for Supplies and Services	<u>(62,268)</u>
Net Cash Provided by/(Used for) Operating Activities	<u>(115,411)</u>
Cash Flows From Non Capital Financing Activities:	
State Sources	4,318
Federal Sources	<u>70,488</u>
Net Cash Provided by (Used for) Non Capital & Related Financing Activities	<u>74,806</u>
Cash Flows From Investing Activities:	
Interest Revenue	<u>52</u>
Net Cash Provided by Investing Activities	<u>52</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	(40,553)
Cash & Cash Equivalents, July 1	<u>47,064</u>
Cash & Cash Equivalents, June 30	<u><u>\$ 6,511</u></u>
 Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:	
Operating Income/(Loss)	\$ (137,691)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided by/(Used for) Operating Activities:	
Food Distribution Program	13,408
(Increase)/Decrease in Inventories	2,753
Increase/(Decrease) in Unearned Revenues	4,644
(Increase)/Decrease in Accounts Receivable - Other	<u>868</u>
Net Cash Provided/(Used) by Operating Activities	<u><u>\$ (115,411)</u></u>

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

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HAINESPORT TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

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**HAINESPORT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Board of Education of Hainesport Township School District (the “District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of more significant accounting policies.

Reporting Entity

The District is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the District functions independently through a Board of Education. The Board consists of 9 members elected to three-year terms. These terms are staggered so that three members’ terms expire each year. The District provides a full range of educational services appropriate to grade levels K through 8. The District has an approximate enrollment at June 30, 2021 of 531 students.

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

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

Component Units

GASB Statement No.14, The Financial Reporting Entity, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units, GASB Statement No. 61, The Financial Reporting Entity: Omnis - an amendment of GASB Statements No. 14 and No. 34, GASB Statement No. 80, Blending Requirements for Certain Component Units – an Amendment of GASB Statement No. 14 and GASB Statement No. 90 – Majority Equity Interests – an Amendment of GASB Statements No. 14 & No. 61. The District had no component units as of for the year ended June 30, 2021.

Government-Wide Financial Statements

The District’s Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column. Fiduciary activities of the District are not included in these statements.

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021 (continued)**

Note 1. Summary of Significant Accounting Policies (continued):

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

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

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule (Exhibit B-3) is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The District has presented all major funds that met those qualifications.

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

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service funds balances and activities have been combined with the governmental activities in the Government-Wide financial statements.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021 (continued)**

Note 1. Summary of Significant Accounting Policies (continued):

decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the District's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, charges for services, licenses, and interest on notes receivable associated with the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available when cash is received.

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021 (continued)**

Note 1. Summary of Significant Accounting Policies (continued):

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Food Service Fund program are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, employee salaries and benefits, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component unit. Although internal service funds are reported as a proprietary fund in the fund financial statements, it is incorporated into governmental activities in the government-wide financial statements. The District does not maintain any internal service funds.

The District reports the following major governmental funds:

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

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

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

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

Capital Projects Fund - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The District had no activity during the current fiscal year.

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.

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021 (continued)**

Note 1. Summary of Significant Accounting Policies (continued):

The District reports the following major proprietary funds:

Food Service Fund – This fund accounts for the revenues and expenses pertaining to the District’s cafeteria operations.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Budgets/Budgetary Control

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

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

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

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

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021 (continued)**

Note 1. Summary of Significant Accounting Policies (continued):

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

Encumbrances

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

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

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

Cash and Cash Equivalents

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

New Jersey School Districts are limited as to the types of investments and types of financial institutions they may invest in. *N.J.S.18A:20-37* provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect Governmental Units from loss of funds on deposit with a failed banking institution in New Jersey.

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

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021 (continued)**

Note 1. Summary of Significant Accounting Policies (continued):

Tuition Payable/Receivable

Tuition rates for the fiscal year end June 30, 2021 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

Inventories

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

Interfund Receivables/Payables

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal Balances.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation. The District has established a threshold of \$2,000 for capitalization of depreciable assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

Land Improvements	10 – 20 Years
Building and Improvements	10 – 50 Years
Furniture and Equipment	5 – 20 Years
Vehicles	4 – 6 Years

Compensated Absences

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

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021 (continued)**

Note 1. Summary of Significant Accounting Policies (continued):

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

Unearned Revenue

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

Accrued Liabilities and Long-Term Obligations

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

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumption that affect certain reported amounts reported in the financial statements and accompanying note disclosures. Actual results could differ from those estimates.

Interfund Activity

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

Fund Balance

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies governmental fund balances as follows:

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021 (continued)**

Note 1. Summary of Significant Accounting Policies (continued):

- Non-spendable – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These 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) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District did not have any committed resources as of June 30, 2021.
- Assigned – This classification includes amounts that are constrained by the District’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

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

Net Position

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

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

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021 (continued)**

Note 1. Summary of Significant Accounting Policies (continued):

- Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2021:

GASB Statement No. 84, "*Fiduciary Activities*". The objective GASB Statement No. 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. Statement No. 84 is effective for reporting periods beginning after December 15, 2019. Management has implemented this Statement in the District's financial statements for the year ended June 30, 2021 with a prior period restatement to beginning net position. See Note 20 for further details.

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future years as shown below:

Statement No. 87, Leases. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. The GASB based the new standard on the principle that leases are financing of the right to use an underlying asset. Statement No. 87 is effective for reporting periods beginning after June 15, 2021. Management has not yet determined the potential impact on the District's financial statements.

Bond Premiums, Discounts and Issuance Costs

In the government-wide financial statements and in the proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021 (continued)**

Note 1. Summary of Significant Accounting Policies (continued):

Deferred Loss on Refunding Debt

Deferred loss on refunding debt arising from the issuance of the refunding bonds is recorded as deferred outflows of resources. It is amortized in a systematic and rational manner over the shorter of the duration of the related debt or the new debt issues as a component of interest expense.

Deferred Outflows and Deferred Inflows of Resources

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

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

Pensions

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

Note 2. Cash Deposits and Investments

Cash Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2021, the District’s bank balance of \$3,806,292 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$	3,746,808
Uninsured and Uncollateralized		59,484
	\$	3,806,292

Investments

The District had no investments at June 30, 2021.

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021 (continued)**

Note 3. Reserve Accounts

Capital Reserve

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

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

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

Beginning Balance, July 1, 2020	\$	1,195,726
Increased by:		
Interest Earnings		200
		200
Ending Balance, June 30, 2021	\$	1,195,926

Maintenance Reserve

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

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

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

Beginning Balance, July 1, 2020	\$	326,449
Increased by:		
Interest Earnings		40
Deposits approved by Board		135,811
		135,811
Ending Balance, June 30, 2021	\$	462,300

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021 (continued)**

Note 4. Accounts Receivable

Accounts receivable at June 30, 2021 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state and federal programs, the current fiscal year guarantee of federal funds and the budgetary control of New Jersey governmental entities. Accounts receivable in the District's governmental and business-type activities as of June 30, 2021, consisted of the following:

Description	Governmental Funds			Proprietary Funds	
	General Fund	Special Revenue Fund	Total Governmental Activities	Food Service Fund	Total Business-Type Activities
Federal Awards	\$ -	\$ 83,654	\$ 83,654	\$ 13,038	\$ 13,038
State Awards	15,123	-	15,123	929	929
Other	6,820	1,337	8,157	1,410	1,410
Total	\$ 21,943	\$ 84,991	\$ 106,934	\$ 15,377	\$ 15,377

Note 5. Capital Assets

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

	Balance July 1, 2020	Additions	Retirements	Balance June 30, 2021
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 40,490	\$ -	\$ -	\$ 40,490
Total Capital Assets not being depreciated	40,490	-	-	40,490
Capital Assets being depreciated:				
Land Improvements	631,232	-	-	631,232
Buildings and Improvements	16,787,215	-	-	16,787,215
Equipment	1,621,801	46,725	-	1,668,526
Total Capital Assets being depreciated	19,040,248	46,725	-	19,086,973
Less: Accumulated Depreciation:				
Land Improvements	(211,972)	(896)	-	(212,868)
Buildings and Improvements	(7,800,820)	(614,989)	-	(8,415,809)
Equipment	(1,520,262)	(6,699)	-	(1,526,961)
Total Accumulated Depreciation	(9,533,054)	(622,584)	-	(10,155,638)
Total Capital Assets being depreciated, net	9,507,194	(575,859)	-	8,931,335
Total Governmental Activities Capital Assets, net	\$ 9,547,684	\$ (575,859)	\$ -	\$ 8,971,825

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021 (continued)**

Note 5. Capital Assets (continued):

	Balance July 1, 2020	Additions	Retirements	Balance June 30, 2021
Business-Type Activities:				
Equipment	\$ 111,891	\$ -	\$ -	\$ 111,891
	<u>111,891</u>	<u>-</u>	<u>-</u>	<u>111,891</u>
Less: Accumulated Depreciation:				
Equipment	(89,191)	(607)	-	(89,798)
	<u>(89,191)</u>	<u>(607)</u>	<u>-</u>	<u>(89,798)</u>
Total Business-Type Activities Capital Assets, net	<u>\$ 22,700</u>	<u>\$ (607)</u>	<u>\$ -</u>	<u>\$ 22,093</u>

Depreciation expense was not allocated among the various functions/programs of the District.

Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2021 are as follows:

Fund	Interfund Receivables	Interfund Payables
General Fund	\$ 443	\$ -
Special Revenue Fund	<u>-</u>	<u>443</u>
	<u>\$ 443</u>	<u>\$ 443</u>

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

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2021 the following changes occurred in long-term obligations for the governmental and business-type activities:

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Balance Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 3,320,000	\$ -	\$ 435,000	\$ 2,885,000	\$ 410,000
Unamortized Bond Premiums	513,021	-	54,002	459,019	54,002
Compensated Absences	586,345	-	9,810	576,535	-
Net Pension Liability	<u>1,443,101</u>	<u>-</u>	<u>78,644</u>	<u>1,364,457</u>	<u>-</u>
	<u>\$ 5,862,467</u>	<u>\$ -</u>	<u>\$ 577,456</u>	<u>\$ 5,285,011</u>	<u>\$ 464,002</u>

For governmental activities, the bonds payable are liquidated from the District's debt service fund. Compensated absences and net pension liability are liquidated by the general fund.

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021 (continued)**

Note 7. Long-Term Obligations (continued):

Bonds Payable

The voters of the municipality through referendums authorize bonds in accordance with State Law. All bonds are retired in serial installments within the statutory period of usefulness.

On December 17, 2019, the District issued \$3,320,000 of Refunding Bonds, refunding the 2010 General Obligation Bonds. The Refunding Bonds were issued at interest rates varying from 4.000% to 5.000% and mature on January 15, 2030.

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

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 410,000	\$ 136,300	\$ 546,300
2023	385,000	119,900	504,900
2024	360,000	104,500	464,500
2025	335,000	86,500	421,500
2026	315,000	69,750	384,750
2027-2030	1,080,000	131,750	1,211,750
	\$ 2,885,000	\$ 648,700	\$ 3,533,700

Bonds Authorized but not Issued

As of June 30, 2021, the District had no bonds authorized but not issued.

Note 8. Pension Plans

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

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

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

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

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2021, the District reported a liability of \$1,364,457 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2019, to the measurement date of June 30, 2020. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2020. The District's proportion measured as of June 30, 2020, was 0.00837%, which was an increase of 0.00036% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized full accrual pension expense of \$335 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2020 measurement date. At June 30, 2021 the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 24,845	\$ 4,825
Changes of Assumptions	44,265	571,311
Net Difference between Projected and Actual Earnings on Pension Plan Investments	46,638	-
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	103,601	63,179
School District Contributions Subsequent to Measurement Date	98,482	-
	\$ 317,831	\$ 639,315

\$98,482 reported as deferred outflows of resources resulting from District contributions subsequent to the measurement date is based on the amount payable to the State due April 1, 2022 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2021	\$ (171,211)
2022	(158,267)
2023	(79,532)
2024	(27,342)
2025	16,386
	\$ (419,966)

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

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	5.63	-
June 30, 2019	5.21	-
June 30, 2020	5.16	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR FISCAL YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

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

Inflation	
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%

Mortality Rate Table

Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2020

Period of Actuarial Experience
 Study upon which Actuarial
 Assumptions were Based

July 1, 2014 - June 30, 2018

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

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

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:

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

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

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals 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 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability as of June 30, 2020, calculated using the discount rate of 7.00% as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
District's Proportionate Share of the Net Pension Liability	<u>\$ 1,731,131</u>	<u>\$ 1,364,457</u>	<u>\$ 1,073,159</u>

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2021 and 2020:

Balances at June 30, 2021 and June 30, 2020

	<u>6/30/2021</u>	<u>6/30/2020</u>
Actuarial valuation date (including roll forward)	June 30, 2020	June 30, 2019
Collective Deferred Outflows of Resources	\$ 1,383,360,202	\$ 2,122,619,897
Collective Deferred Inflows of Resources	6,885,726,332	6,618,184,855
Collective Net Pension Liability	16,435,616,426	18,143,832,135
District's portion of the Plan's total Net Pension Liability	0.00837%	0.00801%

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description - The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

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

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. 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. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

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

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the District as of June 30, 2020 was \$27,534,763. The District's proportionate share was \$-0-.

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating districts, actuarially determined. At June 30, 2020, the State proportionate share of the TPAF net pension liability attributable to the District was 0.04182%, which was an increase of .00120% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the District recognized \$1,712,229 in on-behalf pension expense and revenue in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2020 measurement date.

Actuarial Assumptions – 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:

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55 - 4.45% Based on Years of Service
Thereafter	2.75 - 5.65% Based on Years of Service
Investment Rate of Return	7.00%

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

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

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2020 are summarized in the following table:

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

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

Discount Rate - The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. The single blended discount rate was based on 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 municipals 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.

Sensitivity of the District's proportionate share of the Net Pension Liability to Changes in the Discount Rate – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the District calculated using the discount rate of 5.40% as well as what the State's proportionate share of the net pension liability, attributable to the District's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

	1% Decrease (4.40%)	Current Discount Rate (5.40%)	1% Increase (6.40%)
District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the District	<u>32,342,800</u>	<u>27,534,763</u>	<u>23,542,492</u>
	<u>\$ 32,342,800</u>	<u>\$ 27,534,763</u>	<u>\$ 23,542,492</u>

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

Additional Information – The following is a summary of the collective balances of the local group at June 30, 2021 and 2020:

Balances at June 30, 2021 and June 30, 2020

	<u>6/30/2021</u>	<u>6/30/2020</u>
Collective Deferred Outflows of Resources	\$ 9,458,881,999	\$ 9,932,767,606
Collective Deferred Inflows of Resources	14,424,322,612	17,539,845,423
Collective Net Pension Liability	65,993,498,688	61,519,112,443
District's portion of the Plan's total Net Pension Liability	0.04182%	0.04061%

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

C. Defined Contribution Plan (DCRP)

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

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;
- Employees enrolled in the Public Employees' Retirement System (PERS) or Teachers' Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits;
- Employees enrolled in the Police and Firemen's Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits;
- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually. The minimum salary in 2021 is \$8,300 and is subject to adjustment in future years.
- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per week for State employees, or 32 hours per week for local government or local education employees

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

For the year ended June 30, 2021, employee contributions totaled \$6,013 and the District recognized pension expense of \$5,000.

Note 9. Other Post-Retirement Benefits

General Information about the OPEB Plan

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

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021 (continued)**

Note 9. Other Post-Retirement Benefits (continued)

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

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

Basis of Presentation

The Schedule presents the State of New Jersey's obligation under NJSA 52:14-17.32f. The Schedule does not purport to be a complete presentation of the financial position or changes in financial position of the State Health Benefit Local Education Retired Employees Plan or the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles.

Such preparation requires management of the State of New Jersey to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2020, was determined by an actuarial valuation as of June 30, 2019, which 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: 2.5%

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

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021 (continued)**

Note 9. Other Post-Retirement Benefits (continued)

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-2019. 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.

OPEB Obligation and OPEB Expense - The State’s proportionate share of the total Other Post Employment Benefits Obligations, attributable to the School District as of June 30, 2020 was \$29,335,583. The School District’s proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2020, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The State’s proportionate share of the OPEB Obligation associated with the District was based on projection of the State’s long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2020, the State proportionate share of the OPEB Obligation attributable to the School District was 0.04326%, which was an increase of 0.00221% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the State of New Jersey recognized an OPEB expense in the amount of \$1,509,904 for the State’s proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2020 measurement date.

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%.

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.

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021 (continued)**

Note 9. Other Post-Retirement Benefits (continued)

Sensitivity of Total Nonemployer OPEB Liability to changes in discount rate

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

	June 30, 2020		
	At 1% Decrease (1.21%)	At Discount Rate (2.21%)	At 1% Increase (3.21%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 35,365,559	\$ 29,335,583	\$ 24,620,722
State of New Jersey's Total Non- employer Liability	\$ 81,748,410,002	\$ 67,809,962,608	\$ 56,911,439,160

Sensitivity of Total Nonemployer OPEB Liability to changes in the healthcare trend rate

The following presents the total nonemployer OPEB liability as of June 30, 2020, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2020		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 23,680,672	\$ 29,335,583	\$ 36,069,325
State of New Jersey's Total Nonemployer OPEB Liability	\$ 54,738,488,540	\$ 67,809,962,608	\$ 83,375,182,975

* See Healthcare Cost Trend Assumptions for details of rates.

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021 (continued)**

Note 9. Other Post-Retirement Benefits (continued)

Additional Information

Collective balances of the Local Group at June 30, 2020 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion Differences between Expected & Actual Experience	\$ 10,295,318,750	\$ (9,170,703,615)
Change in Assumptions	-	-
Contributions Made in Fiscal Year Year Ending 2020 After June 30, 2019 Measurement Date **	11,534,251,250	(7,737,500,827)
	TBD	-
	\$ 21,829,570,000	\$ (16,908,204,442)

** Employer Contributions made after June 30, 2020 are reported as a deferred outflow of resources, but are not amortized in expense.

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

Fiscal Year Ending June 30,		
2021	\$	43,440,417
2022		43,440,417
2023		43,440,417
2024		43,440,417
2025		43,440,417
Thereafter		4,704,163,473
	\$	4,921,365,558

Plan Membership

At June 30, 2019, the Program membership consisted of the following:

	June 30, 2019
Active Plan Members	216,804
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	149,304
	366,108

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021 (continued)**

Note 9. Other Post-Retirement Benefits (continued)

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2021 (measurement date June 30, 2020) is as follows:

Total OPEB Liability

Service Cost	\$ 1,790,973,822
Interest Cost	1,503,341,357
Difference Between Expected & Actual Experience	11,544,750,637
Changes of Assumptions	12,386,549,981
Contributions: Member	35,781,384
Gross Benefit Payments	<u>(1,180,515,618)</u>
Net Change in Total OPEB Liability	26,080,881,563
Total OPEB Liability (Beginning)	<u>41,729,081,045</u>
Total OPEB Liability (Ending)	<u>\$ 67,809,962,608</u>
Total Covered Employee Payroll	\$ 14,267,738,658
Net OPEB Liability as a Percentage of Payroll	475%

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

As previously mentioned, the District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers' Pension and Annuity Fund (TPAF) pension plan. The District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2021, the on-behalf payments for pension, social security, post-retirement medical costs, and long-term disability were \$1,226,976, \$328,524, \$384,515 and \$880, respectively.

Note 11. Risk Management

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

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

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021 (continued)**

Note 11. Risk Management (continued):

<u>Fiscal Year</u>	<u>Interest</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2020-2021	\$ 124	\$ 9,092	\$ 3,223	76,358
2019-2020	702	9,306	397	70,365
2018-2019	770	12,838	-	60,754

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

Joint Insurance Pool – The District also participates in the School Alliance Insurance Fund and, public entity risk pool. The Pool provides its members with the following coverage:

Property & Crime	General & Automobile Liability
Pollution Legal Liability Liability	Workers' Compensation
Educators Legal Liability	Boiler & Machinery Liability
Cyber Liability	Violent & Malicious Acts

Note 12. Contingencies

State and Federal Grantor Agencies - The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2021 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

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

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, could have an effect on the District's programs and activities.

Note 13. Deferred Compensation

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

AXA Equitable
Lincoln Investment Planning, Inc.
Valic Investments
The Legend Group
Security Benefit & Life

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021 (continued)**

Note 14. 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 amount of vacation and sick leave in accordance with the District's personnel policies. Upon termination, employees are paid for accrued vacation. The District policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with Districts' agreements with the various employee unions.

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. At June 30, 2021, the liability for compensated absences reported on the government-wide Statement of Net Position was \$576,535.

Note 15. Tax Abatements

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

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

Note 16. Commitments

The District has no contractual commitments at June 30, 2021.

Note 17. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2021 was \$1,000,000.

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021 (continued)**

Note 18. Fund Balances

General Fund – Of the \$3,629,906 General Fund fund balance at June 30, 2021, \$1,195,926 has been restricted for the Capital Reserve Account; \$462,300 has been restricted for the maintenance reserve account; \$1,000,000 has been restricted for current year excess surplus; \$600,000 is restricted for prior year excess surplus – designated for subsequent year’s expenditures; \$76,358 is restricted for Unemployment Compensation; \$10,877 has been assigned and included as anticipated revenue for the year ending June 30, 2021; \$3,782 has been assigned to other purposes and \$280,663 has been unassigned.

Special Revenue Fund – Of the \$37,686 Special Revenue Fund fund balance at June 30, 2021, \$30,198 has been restricted for Student Activities and \$7,488 has been restricted for Scholarships.

Debt Service Fund – Of the \$74,038 Debt Service Fund fund balance at June 30, 2021, \$74,038 has been restricted for Debt Service.

Note 19. Deficit in Net Position

Unrestricted Net Position – The District’s governmental activities had a deficit in unrestricted net position in the amount of \$2,120,590. The primary causes of the deficit are the District not recognizing the receivable for the last two state aid payments and the recording of the net pension liability for the Public Employees’ Retirement System (PERS) as of June 30, 2021. This deficit in unrestricted net position for governmental activities does not indicate that the District is facing financial difficulties.

Note 20. Restatement of Prior Period Financial Statement

During the year ended June 30, 2021 the District adopted GASB Statement No. 84, Fiduciary Activities (See Note 1). The District adjusted its beginning balances to reflect all newly adopted standards for its Restricted Net Position and Restricted Fund Balance for New Jersey Unemployment Trust Fund, Scholarship Fund, and Student Activities Fund. The beginning balances as of July 1, 2020 were adjusted as follows:

Prior Period Adjustment to Net Position

Balance, July 1, 2020 prior to Adjustment	\$	6,108,016
Add:		
New Jersey Unemployment Trust		70,365
Scholarships		7,650
Student Activities		40,811
		40,811
Balance, July 1, 2020, Restated	\$	6,226,842

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021 (continued)**

Note 20. Restatement of Prior Period Financial Statement (continued):

Prior Period Adjustment to Fund Balance (General Fund)

Balance, July 1, 2020 prior to Adjustment	\$	2,760,496
Add:		
New Jersey Unemployment Trust		70,365
Balance, July 1, 2020, Restated	\$	2,830,861

Prior Period Adjustment to Fund Balance (Special Revenue Fund)

Balance, July 1, 2020 prior to Adjustment	\$	-
Add:		
Scholarships		7,650
Student Activities		40,811
Balance, July 1, 2020, Restated	\$	48,461

Note 21. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2021 and February 3, 2022, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items other than the following have come to the attention of the District that would require disclosure.

The COVID-19 pandemic is ongoing. Because of the evolving nature of the outbreak and federal, state and local responses, it cannot be predicted how the outbreak will impact the financial condition or operations of the District, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. To date the School District has not been materially and adversely affected financially due to the virus.

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REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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**HAINESPORT TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Revenues:						
Local Sources:						
Local Tax Levy	10-1210-000-000	\$ 8,565,500	\$ -	\$ 8,565,500	\$ 8,565,500	\$ -
Tuition from Individuals	10-1300-000-000	15,000	-	15,000	17,777	2,777
Unrestricted Miscellaneous Revenues	10-1000-000-000	12,000	-	12,000	77,633	65,633
Interest on Maintenance Reserve	10-1000-000-000	40	-	40	40	-
Interest Earned on Capital Reserve	10-1000-000-000	200	-	200	200	-
Total Local Sources		8,592,740	-	8,592,740	8,661,150	68,410
State Sources:						
Transportation Aid	10-3121-000-000	137,699	-	137,699	137,699	-
Special Education Categorical Aid	10-3132-000-000	441,909	-	441,909	441,909	-
Equalization Aid	10-3176-000-000	476,758	-	476,758	476,758	-
Security Aid	10-3177-000-000	62,448	-	62,448	62,448	-
Non-Public Transportation Aid	10-3xxx-000-000	-	-	-	15,123	15,123
Nonbudgeted:						
On-Behalf TPAF Pension Contribution		-	-	-	1,226,976	1,226,976
On-Behalf TPAF Post-Retirement Medical		-	-	-	384,515	384,515
On-Behalf TPAF Long Term Disability Insurance		-	-	-	880	880
Reimbursed TPAF Social Security		-	-	-	328,524	328,524
Total State Sources		1,118,814	-	1,118,814	3,074,832	1,956,018
Federal Sources:						
Medicaid Reimbursement	10-4200-000-000	16,952	-	16,952	8,408	(8,544)
Total Federal Sources		16,952	-	16,952	8,408	(8,544)
Total Revenues		9,728,506	-	9,728,506	11,744,390	2,015,884
Expenditures:						
Current Expense:						
Instruction - Regular Programs:						
Salaries of Teachers:						
Preschool	11-105-100-101	89,566	-	89,566	89,566	-
Kindergarten	11-110-100-101	198,549	740	199,289	198,767	522
Grades 1 - 5	11-120-100-101	1,280,941	(740)	1,280,201	1,231,258	48,943
Grades 6 - 8	11-130-100-101	968,102	-	968,102	917,769	50,333
Home Instruction - Regular Programs:						
Salaries of Teachers	11-150-100-101	10,000	(500)	9,500	-	9,500
Regular Programs - Undistributed Instruction:						
Other Salaries for Instruction	11-190-100-106	149,279	(34,000)	115,279	105,882	9,397
Purchased Professional -						
Educational Services						
Other Purchased Services	11-190-100-500	19,000	-	19,000	13,094	5,906
General Supplies	11-190-100-610	240,400	13,692	254,092	149,013	105,079
Textbooks	11-190-100-640	4,000	-	4,000	-	4,000
Other Objects	11-190-100-800	-	1,000	1,000	1,000	-
Total Regular Programs		3,051,837	(7,124)	3,044,713	2,811,033	233,680
Resource Room / Resource Center:						
Salaries of Teachers	11-213-100-101	1,123,191	(15,522)	1,107,669	982,431	125,238
Purchased Professional -						
Educational Services						
General Supplies	11-213-100-320	36,500	(3,071)	33,429	18,165	15,264
	11-213-100-610	6,000	-	6,000	3,932	2,068
Total Resource Room/Resource Center		1,165,691	(18,593)	1,147,098	1,004,528	142,570
Total Special Education		1,165,691	(18,593)	1,147,098	1,004,528	142,570

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Basic Skills/Remedial - Instruction:						
Salaries of Teachers	11-230-100-101	95,809	18,522	114,331	113,522	809
Purchased Professional - Educational Services	11-230-100-320	3,000	-	3,000	-	3,000
General Supplies	11-230-100-610	1,500	-	1,500	1,237	263
Total Basic Skills/Remedial - Instruction		100,309	18,522	118,831	114,759	4,072
School Sponsored Cocurricular Activities:						
Salaries	11-401-100-100	33,600	(3,400)	30,200	5,382	24,818
Other Objects	11-401-100-800	12,900	-	12,900	-	12,900
Total School Sponsored Cocurricular - Activities		46,500	(3,400)	43,100	5,382	37,718
School Sponsored Athletics - Instruction:						
Salaries	11-402-100-100	30,000	-	30,000	-	30,000
Purchased Services(300-500 Series)	11-402-100-390	5,300	-	5,300	-	5,300
Supplies and Materials	11-402-100-600	3,000	-	3,000	-	3,000
Total School Sponsored Athletics - Instruction		38,300	-	38,300	-	38,300
Total - Instruction		4,402,637	(10,595)	4,392,042	3,935,702	456,340
Undistributed Expenditures						
Instruction:						
Tuition to Other LEAs Within State Special	11-000-100-562	62,712	(28,190)	34,522	34,521	1
Tuition to CSSD & Regional Day School	11-000-100-565	133,650	20,368	154,018	154,018	-
Tuition to Private Schools for Disabled Within the State	11-000-100-566	148,105	33,496	181,601	181,560	41
Total Undistributed Expenditures - Instruction		344,467	25,674	370,141	370,099	42
Health Services:						
Salaries	11-000-213-100	64,468	2,100	66,568	66,545	23
Purchased Professional & Technical Services	11-000-213-300	14,200	16,846	31,046	31,046	-
Supplies and Materials	11-000-213-600	6,000	4,912	10,912	10,291	621
Total Health Services		84,668	23,858	108,526	107,882	644
Other Support Services - Students - Related Services:						
Salaries	11-000-216-100	58,517	(18,952)	39,565	38,036	1,529
Purchased Professional & Educational Services	11-000-216-320	-	18,952	18,952	18,952	-
Supplies and Materials	11-000-216-600	1,200	-	1,200	109	1,091
Total Other Support Services - Students - Related Services		59,717	-	59,717	57,097	2,620

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Other Support Services - Students - Extraordinary Services:						
Salaries	11-000-217-100	43,086	-	43,086	28,263	14,823
Purchased Professional & Educational Services	11-000-217-320	262,400	29,000	291,400	288,576	2,824
Supplies and Materials	11-000-217-600	2,100	-	2,100	857	1,243
Total Other Support Services - Students - Extraordinary Services		307,586	29,000	336,586	317,696	18,890
Other Support Services - Students - Regular:						
Salaries of Other Professional Staff	11-000-218-104	198,071	1,197	199,268	199,267	1
Supplies and Materials	11-000-218-600	5,300	-	5,300	1,092	4,208
Total Other Support Services - Students - Regular		203,371	1,197	204,568	200,359	4,209
Other Support Services - Students - Special Services:						
Salaries of Other Professional Staff	11-000-219-104	261,179	-	261,179	260,249	930
Salaries of Secretarial & Clerical Assistants	11-000-219-105	36,225	(1,232)	34,993	33,350	1,643
Purchased Professional - Educational Services	11-000-219-320	9,000	-	9,000	5,210	3,790
Other Purchased Services	11-000-219-500	4,200	(700)	3,500	2,986	514
Miscellaneous Purchased Services	11-000-219-592	-	700	700	-	700
Supplies and Materials	11-000-219-600	8,000	-	8,000	3,188	4,812
Total Other Support Services - Students-Special Services		318,604	(1,232)	317,372	304,983	12,389
Improvement of Instruction Services:						
Salaries of Supervisors of Instruction	11-000-221-102	87,655	-	87,655	87,655	-
Salaries of Other Professional Staff	11-000-221-104	6,000	-	6,000	908	5,092
Salaries of Secretarial & Clerical Assistants	11-000-221-105	1,000	-	1,000	117	883
Purchased Professional - Educational Services	11-000-221-320	50,000	-	50,000	35,397	14,603
Supplies and Materials	11-000-221-600	8,000	-	8,000	845	7,155
Total Improvement of Instruction Services		152,655	-	152,655	124,922	27,733
Educational Media Services/School Library:						
Salaries	11-000-222-100	73,562	862	74,424	74,424	-
Purchased Professional & Technical Services	11-000-222-300	1,200	(827)	373	355	18
Other Purchased Services	11-000-222-500	14,000	-	14,000	6,617	7,383
Supplies and Materials	11-000-222-600	9,500	-	9,500	6,724	2,776
Total Educational Media Services/School Library		98,262	35	98,297	88,120	10,177

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Support Services General Administration:						
Salaries	11-000-230-100	209,355	1,615	210,970	210,800	170
Legal Services	11-000-230-331	35,000	-	35,000	33,035	1,965
Audit Services	11-000-230-332	24,000	(3,750)	20,250	20,250	-
Other Purchased Professional Services	11-000-230-339	4,000	(2,437)	1,563	1,500	63
Purchased Technical Services	11-000-230-340	23,000	2,256	25,256	25,256	-
Communications/Telephone	11-000-230-530	20,000	10,815	30,815	30,815	-
BOE Other Purchased Services	11-000-230-585	2,000	(455)	1,545	-	1,545
Other Purchased Services (400-500)	11-000-230-590	17,900	(3,298)	14,602	13,594	1,008
Supplies and Materials	11-000-230-600		1,135	1,135	1,135	-
General Supplies	11-000-230-610	8,000	(6,000)	2,000	1,915	85
BOE Membership Dues & Fees	11-000-230-895	5,100	-	5,100	5,071	29
Total Support Services General Administration		348,355	(119)	348,236	343,371	4,865
Support Services School Administration:						
Salaries of Other Professional						
Staff	11-000-240-104	93,910	-	93,910	93,910	-
Assistants	11-000-240-105	80,836	-	80,836	75,318	5,518
Other Purchased Services(400-500)	11-000-240-500	9,900	-	9,900	3,987	5,913
Supplies and Materials	11-000-240-600	2,800	-	2,800	2,243	557
Total Support Services School Administration		187,446	-	187,446	175,458	11,988
Support Services Human Resources						
Salaries	11-000-250-100	-	170,684	170,684	170,316	368
Miscellaneous Purchased Services	11-000-250-592	-	3,970	3,970	3,905.00	65
Supplies and Materials	11-000-250-600	-	4,381	4,381	4,313	68
Total Support Services Human Resources		-	179,035	179,035	178,534	501
Central Services						
Salaries	11-000-251-100	160,684	(160,684)	-	-	-
Miscellaneous Purchased Services	11-000-251-592	8,700	78,302	87,002	87,002	-
Supplies and Materials	11-000-251-600	3,500	(3,500)	-	-	-
Total Central Services		172,884	(85,882)	87,002	87,002	-
Administration Information Technology:						
Purchased Professional Services	11-000-252-330	94,000	(94,000)	-	-	-
Total Administration Information Technology		94,000	(94,000)	-	-	-
Allowable Maintenance for School Facilities:						
Cleaning, Repair & Maintenance						
Services	11-000-261-420	81,000	-	81,000	32,545	48,455
Total Allowable Maintenance for School Facilities		81,000	-	81,000	32,545	48,455
Other Operation & Maintenance of Plant:						
Salaries	11-000-262-100	188,554	69,150	257,704	207,099	50,605
Salaries of Non-Instructional Aides	11-000-262-107	69,150	(69,150)	-	-	-
Cleaning, Repair, and Maintenance Services	11-000-262-420	139,254	-	139,254	133,836	5,418
Other Purchased Property Services	11-000-262-490	50,000	-	50,000	47,844	2,156
Insurance	11-000-262-520	50,000	(7,466)	42,534	42,363	171
Travel	11-000-262-580		-			-
Miscellaneous Purchased Services	11-000-262-590	500	-	500	324	176
General Supplies	11-000-262-610	57,600	374	57,974	54,820	3,154
Energy (Heat & Electricity)	11-000-262-622	190,000	-	190,000	161,868	28,132
Total Other Operation & Maintenance of Plant		745,058	(7,092)	737,966	648,154	89,812

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Student Transportation Services:						
Salaries of Non-Instructional Aid	11-000-270-107	3,452	-	3,452	-	3,452
Contracted Services (Between Home & School) - Vendors	11-000-270-511	248,000	-	248,000	233,851	14,149
Contracted Services (Other Than Between Home & School) - Vendors	11-000-270-512	10,500	(7,720)	2,780	-	2,780
Contracted Services (Between Home & School) - Joint Agreement	11-000-270-513	110,000	-	110,000	36,385	73,615
Contracted Services - ESC's & CTSA's - (Special Education Students) - Joint Agreements	11-000-270-515	110,000	11,836	121,836	108,332	13,504
Contracted Services (Aid in Lieu of Payments-Non Public)	11-000-270-503	23,530	1,330	24,860	24,860	-
Other Objects	11-000-270-800	12,470	(3,149)	9,321	-	9,321
Total Student Transportation Services		517,952	2,297	520,249	403,428	116,821
Business & Other Support Services:						
Other Support Services	11-000-29X-XXX	-	1,800	1,800	716	1,084
Total Other Support Services		-	1,800	1,800	716	1,084
Unallocated Benefits - Employee Benefits:						
Social Security Contributions	11-000-291-220	107,000	(3,223)	103,777	65,202	38,575
Other Retirement Contributions - PERS	11-000-291-241	90,000	810	90,810	90,810	-
Other Retirement Contributions - DCRP	11-000-291-249	5,000	-	5,000	5,000	-
Unemployment Compensation	11-000-291-250	-	3,223	3,223	3,223	-
Workmen's Compensation	11-000-291-260	72,000	(6,960)	65,040	54,602	10,438
Health Benefits	11-000-291-270	1,649,600	(47,351)	1,602,249	1,304,934	297,315
Tuition Reimbursements	11-000-291-280	24,500	3,365	27,865	21,323	6,542
Unused Sick Payments	11-000-291-299	29,000	5,000	34,000	32,138	1,862
Total Unallocated Benefits		1,977,100	(45,136)	1,931,964	1,577,232	354,732
Nonbudgeted:						
On-Behalf TPAF Pension Contribution		-	-	-	1,226,976	(1,226,976)
On-Behalf TPAF Post-Retirement Medical		-	-	-	384,515	(384,515)
On-Behalf TPAF Long Term Disability Insurance		-	-	-	880	(880)
Reimbursed TPAF Social Security		-	-	-	328,524	(328,524)
Total Undistributed Expenditures		5,693,125	29,435	5,722,560	6,958,493	(1,235,933)
Total Expenditures - Current Expense		10,095,762	18,840	10,114,602	10,894,195	(779,593)
Capital Outlay:						
Equipment:						
Undistributed - Required Maint for School Fac	12-000-261-730	20,000	-	20,000	-	20,000
Total Equipment		20,000	-	20,000	-	20,000
Facilities Acquisition & Construction Services:						
Assessment for Debt Service on SDA Funding	12-000-400-896	40,748	-	40,748	40,748	-
Interest Deposit to Capital Reserve	10-604	200	-	200	-	200
Interest Deposit to Maintenance Reserve	10-606	40	-	40	-	40
Total Facilities Acquisition & Construction Services		40,988	-	40,988	40,748	240
Total Capital Outlay		60,988	-	60,988	40,748	20,240

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Special Schools:						
Summer School - Instruction:						
Salaries of Teachers	13-422-100-101	26,000	-	26,000	11,660	14,340
Total Special Schools		26,000	-	26,000	11,660	14,340
Total Expenditures		10,182,750	18,840	10,201,590	10,946,603	(745,013)
			-			
Excess/(Deficiency) of Revenues Over/(Under)						
Expenditures Before Other Financing Sources/(Uses)		(454,244)	(18,840)	(473,084)	797,787	1,270,871
Fund Balances, July 1		2,856,443	-	2,856,443	2,856,443	-
Prior Period Adjustment		70,365	-	70,365	70,365	-
Fund Balance, July 1 (Restated)		2,926,808	-	2,926,808	2,926,808	-
Fund Balances, June 30		<u>\$ 2,472,564</u>	<u>\$ (18,840)</u>	<u>\$ 2,453,724</u>	<u>\$ 3,724,595</u>	<u>\$ 1,270,871</u>

RECAPITULATION OF BUDGET TRANSFERS:

Prior Year Encumbrances	<u>\$ 18,840</u>
Total Budget Transfers	<u><u>\$ 18,840</u></u>

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:		
Capital Reserve	\$ 1,195,926	
Maintenance Reserve	462,300	
Current Year Excess Surplus	1,000,000	
Excess Surplus Designated of Subsequent Year's Expenditures	600,000	
Unemployment	76,358	
Assigned to:		
Designated for Subsequent Year's Expenditures	10,877	
Year End Encumbrances	3,782	
Unassigned Fund Balance	<u>375,352</u>	
Subtotal	3,724,595	
Reconciliation to Governmental Fund Statements (GAAP):		
Last Two State Aid Payments Not Recognized on GAAP Basis	<u>(94,689)</u>	
Total Fund Balance per Governmental Funds (GAAP)	<u><u>\$ 3,629,906</u></u>	

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
REVENUES:					
Federal Sources	218,663	604,325	822,988	438,158	(384,830)
Local Sources	-	14,331	14,331	4,402	(9,929)
Total Revenues	218,663	618,656	837,319	442,560	(394,759)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	64,044	84,098	148,142	98,533	49,609
Purchased Professional Technical Services	14,898	2,104	17,002	4,234	12,768
Tuition	113,255	34,012	147,267	147,267	-
General Supplies	2,452	336,902	339,354	81,325	258,029
Total Instruction	194,649	457,116	651,765	331,359	320,406
Support Services:					
Personal Services - Employee Benefits	22,414	16,999	39,413	36,368	3,045
Purchased Professional - Educational Services	1,600	21,244	22,844	11,600	11,244
Other Purchased Services	-	2,615	2,615	1,815	800
Supplies	-	58,951	58,951	58,950	1
Scholarships Awarded	-	-	-	215	(215)
Student Activities	-	-	-	13,028	(13,028)
Total Support Services	24,014	99,809	123,823	121,976	1,847
Facilities Acquisition & Construction Services:					
Other Professional & Technical Services	-	61,731	61,731	-	61,731
Total Facilities Acquisition & Construction Services	-	61,731	61,731	-	61,731
Total Expenditures	218,663	618,656	837,319	453,335	383,984
Total Outflows	218,663	618,656	837,319	453,335	383,984
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	\$ -	\$ -	\$ (10,775)	\$ (10,775)
Fund Balance, July 1				\$ -	
Prior Period Adjustment				48,461	
Fund Balance, July 1 (Restated)				48,461	
Fund Balance, June 30				\$ 37,686	
Recapitulation:					
Restricted:					
Scholarships				\$ 7,488	
Student Activities				30,198	
Total Fund Balance				\$ 37,686	

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 11,744,390	\$ 442,560
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	95,947	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(94,689)	-
	<hr/>	<hr/>
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 11,745,648</u>	<u>\$ 442,560</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 10,946,603	\$ 453,335
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.	-	-
	<hr/>	<hr/>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, & Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 10,946,603</u>	<u>\$ 453,335</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)

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**HAINESPORT TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
LAST EIGHT FISCAL YEARS***

	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.00837%	0.00801%	0.00776%	0.00828%	0.00822%	0.00864%	0.00975%	0.00963%
School District's proportionate share of the net pension liability	\$ 1,364,457	\$ 1,443,101	\$ 1,527,333	\$ 1,926,337	\$ 2,433,551	\$ 1,939,329	\$ 1,825,090	\$ 1,840,837
School District's covered payroll	\$ 598,963	\$ 589,045	\$ 597,072	\$ 581,363	\$ 631,093	\$ 635,047	\$ 641,067	\$ 631,057
School District's proportionate share of the net pension liability as a percentage of its covered payroll	227.80%	244.99%	255.80%	331.35%	385.61%	305.38%	284.70%	291.71%
Plan fiduciary net position as a percentage of the total pension liability	58.32%	56.27%	53.60%	48.10%	40.14%	56.31%	62.41%	58.70%

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

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

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
LAST EIGHT FISCAL YEARS**

	2021	2020	2019	2018	2017	2016	2015	2014
School District's contractually required contribution	\$ 91,532	\$ 77,904	\$ 77,158	\$ 76,661	\$ 72,996	\$ 74,274	\$ 80,361	\$ 72,574
Contributions in relation to the contractually required contribution	(91,532)	(77,904)	(77,158)	(76,661)	(72,996)	(74,274)	(80,361)	(72,574)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 525,453	\$ 598,963	\$ 589,045	\$ 597,072	\$ 581,363	\$ 631,093	\$ 635,047	\$ 641,067
Contributions as a percentage of covered payroll	17.42%	13.01%	13.10%	12.84%	12.56%	11.77%	12.65%	11.32%

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

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND (TPAF)
LAST EIGHT FISCAL YEARS***

	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	27,534,763	24,923,759	26,426,384	27,322,879	32,968,761	23,842,623	20,490,228	18,935,957
School District's covered payroll	\$ 4,536,535	\$ 4,564,055	\$ 4,488,241	\$ 4,438,531	\$ 4,306,207	\$ 4,429,511	\$ 4,327,511	Not Available
School District's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
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%

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

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

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

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HAINESPORT BOARD OF EDUCATION
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (OPEB)
LAST FOUR FISCAL YEARS*

	2021	2020	2019	2018
District's Total OPEB Liability				
Service Cost	\$ 810,312	\$ 731,187	\$ 865,196	\$ 1,046,507
Interest Cost	619,347	747,745	844,207	729,289
Difference between Expected & Actual Differences	5,911,760	(2,936,399)	(3,174,587)	-
Changes of Assumptions	5,358,603	255,421	(2,162,341)	(3,103,429)
Contributions: Member	15,480	15,588	17,414	19,580
Gross Benefit Payments	(510,708)	(525,864)	(503,858)	(531,735)
Net Change in District's Total OPEB Liability	12,204,794	(1,712,322)	(4,113,969)	(1,839,788)
District's Total OPEB Liability (Beginning)	17,130,789	18,843,111	22,957,080	24,796,868
District's Total OPEB Liability (Ending)	<u>\$ 29,335,583</u>	<u>\$ 17,130,789</u>	<u>\$ 18,843,111</u>	<u>\$ 22,957,080</u>
District's Covered Employee Payroll	\$ 5,135,498	\$ 5,153,100	\$ 5,085,313	\$ 5,019,894
District's Net OPEB Liability as a Percentage of Payroll	571%	332%	371%	457%

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

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

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None.

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

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

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

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 3.50% as of June 30, 2019, to 2.21% as of June 30, 2020.

OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**HAINESPORT TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	IDEA PART B BASIC	IDEA PART B PRESCHOOL	TITLE I PART A	TITLE II PART A	TITLE IV	CARES ACT	ESSER II FUNDS	NONPUBLIC DIGITAL DIVIDE	SCHOOL RE-OPENING AND REMOTE LEARNING
Revenues:									
Federal Sources	\$ 147,267	\$ 9,189	\$ 125,912	\$ 1,485	\$ 4,349	\$ 78,026	\$ 46,059	\$ 504	\$ 25,367
Total Revenues	\$ 147,267	\$ 9,189	\$ 125,912	\$ 1,485	\$ 4,349	\$ 78,026	\$ 46,059	\$ 504	\$ 25,367
Expenditures:									
Instruction:									
Salaries of Teachers	\$ -	\$ 6,564	\$ 91,969	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Purchased Professional Technical Services	-	-	-	1,485	2,749	-	-	-	-
Tuition	147,267	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	32,248	46,059	504	580
Total Instruction	147,267	6,564	91,969	1,485	2,749	32,248	46,059	504	580
Support Services:									
Employee Benefits	-	2,625	33,743	-	-	-	-	-	-
Purchased Professional Educational Services	-	-	-	-	1,600	10,000	-	-	-
Other Purchased Services	-	-	200	-	-	1,615	-	-	-
Supplies	-	-	-	-	-	34,163	-	-	24,787
Total Support Services	-	2,625	33,943	-	1,600	45,778	-	-	24,787
Total Expenditures	\$ 147,267	\$ 9,189	\$ 125,912	\$ 1,485	\$ 4,349	\$ 78,026	\$ 46,059	\$ 504	\$ 25,367

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>PBSIS GRANT</u>	<u>STEAM GRANT</u>	<u>WALMART GRANT</u>	<u>GENYOUTH CAFETERIA GRANT</u>	<u>SCHOLARSHIPS</u>	<u>STUDENT ACTIVITIES</u>	<u>TOTAL</u>
Revenues:							
Federal Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 438,158
Local Sources	103	1,180	566	85	53	2,415	4,402
Total Revenues	\$ 103	\$ 1,180	\$ 566	\$ 85	\$ 53	\$ 2,415	\$ 442,560
Expenditures:							
Instruction:							
Salaries of Teachers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 98,533
Purchased Professional Technical Services	-	-	-	-	-	-	4,234
Tuition	-	-	-	-	-	-	147,267
Supplies	103	1,180	566	85	-	-	81,325
Total Instruction	103	1,180	566	85	-	-	331,359
Support Services:							
Employee Benefits	-	-	-	-	-	-	36,368
Purchased Professional Educational Services	-	-	-	-	-	-	11,600
Other Purchased Services	-	-	-	-	-	-	1,815
Supplies	-	-	-	-	-	-	58,950
Scholarships Awarded	-	-	-	-	215	-	215
Student Activities	-	-	-	-	-	13,028	13,028
Total Support Services	-	-	-	-	215	13,028	121,976
Total Expenditures	\$ 103	\$ 1,180	\$ 566	\$ 85	\$ 215	\$ 13,028	\$ 453,335
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	(162)	(10,613)	(10,775)
Fund Balance, July 1	-	-	-	-	-	-	-
Prior Period Adjustment	-	-	-	-	7,650	40,811	48,461
Fund Balance, July 1 (Restated)	-	-	-	-	7,650	40,811	48,461
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ 7,488	\$ 30,198	\$ 37,686

F. Capital Projects Fund

Not Applicable

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G. Proprietary Funds

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Enterprise Funds

(See Exhibits B-4, B-5, B-6)

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Internal Service Fund

Not Applicable

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I. Long-Term Debt

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**HAINESPORT TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS PAYABLE
JUNE 30, 2021**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES DATE	ANNUAL MATURITIES AMOUNT	INTEREST RATE	BALANCE JULY 1, 2020	ISSUED	RETIRED	BALANCE JUNE 30, 2021
Refunding School Bond Series 2019	12/17/19	\$ 3,320,000	1/15/22	\$ 410,000	4.00%	\$ 3,320,000	\$ -	\$ 435,000	\$ 2,885,000
			1/15/23	385,000	4.00%				
			1/15/24	360,000	5.00%				
			1/15/25	335,000	5.00%				
			1/15/26	315,000	5.00%				
			1/15/27	290,000	5.00%				
			1/15/28	275,000	5.00%				
			1/15/29	265,000	5.00%				
			1/15/30	250,000	5.00%				
Total						\$ 3,320,000	\$ -	\$ 435,000	\$ 2,885,000

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
DEBT SERVICE 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>	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Revenues:					
Local Sources:					
Local Tax Levy	\$ 578,126	\$ -	\$ 578,126	\$ 578,126	\$ -
State Sources:					
Debt Service Aid Type II	5,920	-	5,920	5,920	-
Total Revenues	584,046	-	584,046	584,046	-
Expenditures					
Regular Debt Service:					
Interest	160,105	-	160,105	160,104	1
Redemption of Principal	435,000	-	435,000	435,000	-
Total Expenditures	595,105	-	595,105	595,104	1
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(11,059)	-	(11,059)	(11,058)	1
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	(11,059)	-	(11,059)	(11,058)	1
Fund Balance, July 1	85,096	-	85,096	85,096	-
Fund Balance, June 30	\$ 74,037	\$ -	\$ 74,037	\$ 74,038	\$ 1

STATISTICAL SECTION (Unaudited)

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Financial Trends Information

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

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HAINESPORT TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental Activities:										
Net Investment in Capital Assets	\$ 5,692,405	\$ 6,227,684	\$ 5,928,136	\$ 5,812,129	\$ 5,771,422	\$ 6,616,186	\$ 6,249,792	\$ 5,427,129	\$ 4,760,097	\$ 1,797,899
Restricted	3,446,308	2,547,800	1,833,665	1,602,684	1,439,774	933,253	878,264	1,656,735	1,965,048	4,079,480
Unrestricted	(2,120,590)	(2,627,248)	(2,263,760)	(2,310,272)	(2,455,747)	(2,211,097)	(348,140)	(302,783)	(331,769)	(311,657)
Total Governmental Activities	\$ 7,018,123	\$ 6,148,236	\$ 5,498,041	\$ 5,104,541	\$ 4,755,449	\$ 5,338,342	\$ 6,779,916	\$ 6,781,081	\$ 6,393,376	\$ 5,565,722
Business-Type Activities:										
Net Investment in Capital Assets	\$ 22,093	\$ 22,700	\$ 4,144	\$ 4,144	\$ 4,144	\$ 4,144	\$ 6,685	\$ 18,364	\$ 24,825	\$ 27,957
Unrestricted	9,170	44,629	77,065	62,162	30,146	21,295	22,383	16,048	21,537	30,816
Total Business-Type Activities	\$ 31,263	\$ 67,329	\$ 81,209	\$ 66,306	\$ 34,290	\$ 25,439	\$ 29,068	\$ 34,412	\$ 46,362	\$ 58,773
District-Wide:										
Net Investment in Capital Assets	\$ 5,714,498	\$ 6,250,384	\$ 5,932,280	\$ 5,816,273	\$ 5,775,566	\$ 6,620,330	\$ 6,256,477	\$ 5,445,493	\$ 4,784,922	\$ 1,825,856
Restricted	3,446,308	2,547,800	1,833,665	1,602,684	1,439,774	933,253	878,264	1,656,735	1,965,048	4,079,480
Unrestricted	(2,111,420)	(2,582,619)	(2,186,695)	(2,248,110)	(2,425,601)	(2,189,802)	(325,757)	(286,735)	(310,232)	(280,841)
Total District Net Position	\$ 7,049,386	\$ 6,215,565	\$ 5,579,250	\$ 5,170,847	\$ 4,789,739	\$ 5,363,781	\$ 6,808,984	\$ 6,815,493	\$ 6,439,738	\$ 5,624,495

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 3,142,392	\$ 3,054,614	\$ 3,079,526	\$ 2,980,043	\$ 2,857,986	\$ 2,943,711	\$ 2,965,800	\$ 2,856,967	\$ 2,844,048	\$ 2,712,862
Special Education	1,004,528	1,092,477	1,099,256	1,137,371	1,217,565	1,172,147	1,132,731	1,028,678	975,785	948,708
Other Instruction	120,141	124,993	188,129	174,878	91,307	160,167	134,794	130,141	117,169	90,950
Support Services:										
Tuition	370,099	393,131	252,968	348,837	283,851	297,399	304,022	126,004	109,621	180,687
Student & Instruction Related Services	1,323,035	1,109,553	1,150,199	1,064,010	1,000,082	1,009,453	928,369	1,018,276	929,005	864,118
General Administrative	519,545	490,804	488,576	531,146	516,250	448,435	493,919	464,490	469,545	470,951
Central Services	265,536	265,726	272,644	258,611	233,662	242,149	200,332	197,523	194,514	204,368
Plant Operations & Maintenance	680,699	739,791	756,707	750,928	740,755	650,118	616,837	591,871	637,909	684,113
Pupil Transportation	403,428	445,495	455,954	486,468	483,951	543,668	545,865	483,172	451,866	495,641
Unallocated Employee Benefits	2,987,007	1,976,358	2,398,793	1,554,700	3,633,489	3,156,437	2,262,327	2,405,015	2,223,838	2,084,430
On Behalf TPAF Pension and Social Security Contributions	2,041,633	1,799,002	1,869,368	3,670,066	-	-	-	-	-	-
Special Schools	11,660	18,576	20,885	26,348	26,980	21,657	23,668	18,092	2,736	3,054
Interest & Other Charges	146,933	119,721	218,703	237,516	267,751	310,499	324,592	332,612	330,103	346,958
Reduction In Compensated Absences	-	-	-	-	52,987	36,125	(25,064)	(3,877)	(14,419)	7,749
Unallocated Depreciation	575,859	628,519	654,060	626,925	1,288,942	212,783	271,823	389,571	198,080	292,583
Cancellation of Prior Years Accounts Receivable	-	-	-	-	-	-	353,218	-	-	-
Total Governmental Activities Expenses	13,592,495	12,258,760	12,905,768	13,847,847	12,695,558	11,204,748	10,533,233	10,038,535	9,469,800	9,387,172
Business-Type Activities:										
Food Service	138,027	163,963	199,717	197,776	194,930	205,561	214,444	244,464	249,694	250,631

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total Business-Type Activities Expense	138,027	163,963	199,717	197,776	194,930	205,561	214,444	236,703	244,464	249,694
Total District Expenses	\$ 13,730,522	\$ 12,422,723	\$ 13,105,485	\$ 14,045,623	\$ 12,890,488	\$ 11,410,309	\$ 10,747,677	\$ 10,275,238	\$ 9,714,264	\$ 9,636,866
Program Revenues:										
Governmental Activities:										
Operating Grants & Contributions	\$ 3,994,977	\$ 2,390,036	\$ 2,930,243	\$ 3,950,474	\$ 2,386,047	\$ 1,946,361	\$ 210,049	\$ 220,489	\$ 255,956	\$ 246,661
Total Governmental Activities Program Revenues	3,994,977	2,390,036	2,930,243	3,950,474	2,386,047	1,946,361	210,049	220,489	255,956	246,661
Charges for Services:										
Food Service	336	98,331	152,613	149,761	138,524	137,525	141,098	153,668	167,297	176,660
Operating Grants & Contributions	101,052	50,855	60,944	60,527	65,216	64,390	67,994	71,069	64,733	59,774
Total Business-Type Activities Program Revenues	101,388	149,186	213,557	210,288	203,740	201,915	209,092	224,737	232,030	236,434
Total District Program Revenues	\$ 4,096,365	\$ 2,539,222	\$ 3,143,800	\$ 4,160,762	\$ 2,589,787	\$ 2,148,276	\$ 419,141	\$ 445,226	\$ 487,986	\$ 483,095
Net/(Expense)/Revenue:										
Governmental Activities	\$ (9,597,518)	\$ (9,868,724)	\$ (9,975,525)	\$ (9,897,373)	\$ (10,309,511)	\$ (9,258,387)	\$ (10,323,184)	\$ (9,818,046)	\$ (9,213,844)	\$ (9,140,511)
Business-Type Activities	(36,639)	(14,777)	13,840	12,512	8,810	(3,646)	(5,352)	(11,966)	(12,434)	(13,260)
Total Government-Wide Net Expense	\$ (9,634,157)	\$ (9,883,501)	\$ (9,961,685)	\$ (9,884,861)	\$ (10,300,701)	\$ (9,262,033)	\$ (10,328,536)	\$ (9,830,012)	\$ (9,226,278)	\$ (9,153,771)

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes, Levied for General Purposes	\$ 8,565,500	\$ 8,397,549	\$ 8,077,033	\$ 7,860,580	\$ 7,530,541	\$ 7,256,722	\$ 7,025,828	\$ 6,952,443	\$ 6,934,825	\$ 6,804,063
Property Taxes Levied for Debt Service	578,126	704,060	747,858	790,862	592,643	760,687	812,081	799,167	788,941	731,242
Federal & State Aid Restricted	5,920	8,089	8,600	9,087	-	-	-	-	-	-
Federal & State Aid Not Restricted	1,143,603	1,301,521	1,409,296	1,465,062	1,516,233	1,521,131	2,253,571	2,319,140	2,193,908	1,873,911
Tuition Charges	17,777	43,504	52,852	18,976	34,562	75,895	80,860	87,086	66,000	112,567
Investment Earnings	-	-	-	-	200	-	200	500	2,208	2,461
Miscellaneous	77,873	64,197	73,386	27,850	42,555	43,215	38,372	47,414	55,616	172,063
Adjustment to Capital Assets	-	-	-	-	9,884	-	140,715	-	-	-
Cancellation of Prior Years Accounts Payable	-	-	-	-	-	-	1,000	-	-	-
Total Governmental Activities	10,388,799	10,518,920	10,369,025	10,172,417	9,726,618	9,657,650	10,352,627	10,205,750	10,041,498	9,696,307
Business-Type Activities:										
Miscellaneous	52	897	1,063	606	41	17	8	16	23	439
Total Business-Type Activities	52	897	1,063	606	41	17	8	16	23	439
Total District-Wide	\$ 10,388,851	\$ 10,519,817	\$ 10,370,088	\$ 10,173,023	\$ 9,726,659	\$ 9,657,667	\$ 10,352,635	\$ 10,205,766	\$ 10,041,521	\$ 9,696,746
Change in Net Position:										
Governmental Activities	\$ 791,281	\$ 650,195	\$ 393,500	\$ 275,044	\$ (582,893)	\$ 399,263	\$ 29,443	\$ 387,704	\$ 827,654	\$ 555,796
Business-Type Activities	(36,587)	(13,880)	14,903	13,118	8,851	(3,629)	(5,344)	(11,950)	(12,411)	(12,821)
Total District-Wide	\$ 754,694	\$ 636,315	\$ 408,403	\$ 288,162	\$ (574,042)	\$ 395,634	\$ 24,099	\$ 375,754	\$ 815,243	\$ 542,975

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
FUND BALANCES AND GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund:										
Restricted	\$ 3,334,584	\$ 2,525,175	\$ 1,910,275	\$ 1,687,797	\$ 1,332,603	\$ 1,044,622	\$ 718,854	\$ 540,849	\$ 485,302	\$ 361,412
Assigned To	14,659	70,391	59,846	35,481	34,617	5,949	283,891	543,912	438,760	143,578
Unassigned	280,663	164,930	176,433	185,525	163,014	157,469	126,587	197,008	171,899	206,430
Total General Fund	3,629,906	2,760,496	2,146,554	1,908,803	1,530,234	1,208,040	1,129,332	1,281,769	1,095,961	711,420
All Other Governmental Funds:										
Committed To	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 279,090	\$ 1,868,283
Assigned To	-	-	-	-	-	-	-	-	7,636	9,037
Restricted, Reported in:										
Special Revenue Fund	37,686	-	-	-	-	-	-	-	-	-
Capital Projects Fund	-	-	-	-	178,128	353,128	354,498	706,716	901,810	1,848,076
Debt Service Fund	74,038	85,096	-	641	723	281	3,296	3,990	340	6,302
Total All Other Governmental Funds	\$ 111,724	\$ 85,096	\$ -	\$ 641	\$ 178,851	\$ 353,409	\$ 357,794	\$ 710,706	\$ 1,188,876	\$ 3,731,698

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues:										
Tax Levy	\$ 9,143,626	\$ 9,101,609	\$ 8,824,891	\$ 8,651,442	\$ 8,123,184	\$ 8,017,409	\$ 7,837,909	\$ 7,751,611	\$ 7,723,767	\$ 7,535,305
Tuition	17,777	43,504	52,852	18,976	34,562	75,895	80,860	87,086	66,000	112,567
Interest Earnings	240	240	200	-	-	-	200	500	2,208	2,461
Miscellaneous	82,035	71,176	81,040	42,517	42,755	43,215	38,372	47,414	55,616	172,063
State Sources	3,082,010	2,903,034	2,905,161	2,816,625	2,554,589	2,338,258	2,248,535	2,294,571	2,128,179	1,858,476
Federal Sources	446,566	277,087	281,638	280,107	227,429	230,612	215,085	245,058	321,685	262,096
Total Revenue	12,772,254	12,396,650	12,145,782	11,809,667	10,982,519	10,705,389	10,420,961	10,426,240	10,297,455	9,942,968
Expenditures:										
Current Expense:										
Regular Instruction	3,142,392	3,054,614	3,079,526	2,980,043	2,857,986	2,943,711	2,965,800	2,856,967	2,844,048	2,712,862
Special Education Instruction	1,004,528	1,092,477	1,099,256	1,137,371	1,217,565	1,172,147	1,132,731	1,028,678	975,785	948,708
Other Instruction	120,141	124,993	188,129	174,878	91,307	160,167	134,794	130,141	117,169	90,950
Support Services:										
Tuition	370,099	393,131	252,968	348,837	283,851	297,399	304,022	126,004	109,621	180,687
Student & Instruction Related Services	1,323,035	1,109,553	1,150,199	1,064,010	1,000,082	1,009,453	928,369	1,018,276	929,005	864,118
General Administrative Services	343,371	306,233	311,148	355,719	345,984	295,143	317,827	304,706	308,524	309,128
School Administrative Services	176,174	184,571	177,428	175,427	162,320	153,292	176,092	159,784	161,021	161,823
Central Services	265,536	265,726	272,644	258,611	233,662	242,149	200,332	197,523	194,514	204,368
Plant Operations & Maintenance	680,699	713,023	729,939	735,043	740,755	650,118	616,837	591,871	637,909	684,113
Pupil Transportation	403,428	445,495	455,954	486,468	483,951	543,668	545,865	483,172	451,866	495,641
Other Support Services	1,577,232	1,691,405	1,631,772	1,579,103	2,494,147	2,240,938	2,262,327	2,405,015	2,223,838	2,084,430
On Behalf TPAF Pension and Social Security Contributions	1,940,895	1,608,887	1,514,142	1,356,842	-	-	-	-	-	-
Special Schools	11,660	18,576	20,885	26,348	26,980	21,657	23,668	18,092	2,736	3,054
Capital Outlay	-	10,067	226,835	237,864	48,694	58,125	87,911	506,212	2,616,484	5,239,350
Debt Service:										
Principal	435,000	545,000	570,000	595,000	595,000	570,000	605,167	578,262	551,448	499,763
Interest & Other Charges	200,852	133,860	227,847	245,697	252,599	273,099	294,107	313,899	331,768	343,548
Total Expenditures	11,995,042	11,697,611	11,908,672	11,757,261	10,834,883	10,631,066	10,595,849	10,718,602	12,455,736	14,822,543

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	777,212	699,039	237,110	52,406	147,636	74,323	(174,888)	(292,362)	(2,158,281)	(4,879,575)
Other Financing Sources/(Uses):										
Cancellation of Prior Years	-	-	-	-	-	-	1,000	-	-	-
Accounts Payable	-	-	-	-	-	-	-	-	-	-
Cancellation of Prior Years	-	-	-	-	-	-	(353,218)	-	-	-
Accounts Receivable	-	-	-	-	-	-	21,757	-	-	-
Lease Purchase Agreement	-	-	-	-	175,000	273	8	3,650	22,129	21,316
Transfers In	-	-	-	-	(175,000)	(273)	(8)	(3,650)	(22,129)	(21,316)
Transfers Out	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources/ (Uses)	-	-	-	-	-	-	(330,461)	-	-	-
Net Change in Fund Balance	\$ 777,212	\$ 699,039	\$ 237,110	\$ 52,406	\$ 147,636	\$ 74,323	\$ (505,349)	\$ (292,362)	\$ (2,158,281)	\$ (4,879,575)
Debt Service as a Percentage of Noncapital Expenditures	5.30%	6.83%	6.83%	7.30%	7.86%	7.97%	8.56%	8.74%	8.98%	8.80%

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

<u>FISCAL</u> <u>YEAR</u> <u>ENDED</u> <u>JUNE 30,</u>	<u>INTEREST ON</u> <u>INVESTMENTS</u>	<u>TUITION</u>	<u>PRIOR YEAR</u> <u>REFUNDS</u>	<u>RENTAL OF</u> <u>FACILITIES</u>	<u>SALE OF</u> <u>SCHOOL</u> <u>BUSES</u>	<u>MISCELLANEOUS</u>	<u>TOTAL</u>
2021	\$ 6,757	\$ 17,777	\$ 25,744	\$ 3,294	\$ -	\$ 42,078	95,650
2020	34,220	43,504	-	7,925	-	11,033	96,682
2019	36,320	52,852	-	11,156	-	25,710	126,038
2018	10,164	18,976	-	4,296	-	13,390	46,826
2017	3,140	34,562	-	4,244	-	25,383	67,329
2016	1,195	75,895	7,269	9,248	-	18,965	112,572
2015	1,195	80,860	7,269	9,248	-	13,194	111,766
2014	2,238	87,086	7,446	10,004	-	24,576	131,350
2013	2,284	66,000	23,218	5,938	-	21,261	118,701
2012	15,805	112,567	-	-	119,000	18,403	265,775

Source: District Records

Revenue Capacity Information

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

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**HAINESPORT TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
LAST TEN FISCAL YEARS**

YEAR ENDED DECEMBER 31	VACANT LAND	RESIDENTIAL	FARM REG.	OFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TAX EXEMPT PROPERTY	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
2021	\$ 14,866,300	\$ 613,923,500	\$ 10,236,400	\$ 372,605	\$ 86,208,600	\$ 44,823,400	\$ 606,000	\$ 771,036,805	\$ 1,147,212	\$ 772,184,017	\$ 51,362,500	1.169	\$ 885,577,062
2020	14,642,500	613,528,700	10,202,500	376,900	83,715,000	44,869,800	606,000	767,941,400	1,141,773	769,083,173	50,439,800	1.189	854,586,610
2019	14,910,600	613,779,200	10,202,500	366,200	83,084,700	44,869,800	606,000	767,819,000	1,232,395	769,051,395	49,121,600	1.184	845,779,885
2018	16,294,700	612,553,000	9,761,100	362,600	80,907,000	45,556,600	606,000	766,041,000	1,214,206	767,255,206	47,918,900	1.127	816,393,610
2017	17,416,700	606,105,200	8,740,600	346,600	81,110,600	46,460,900	606,000	760,786,600	1,268,178	762,054,778	47,501,300	1.084	797,836,073
2016	17,589,300	605,896,300	8,740,600	363,800	80,125,000	46,460,900	606,000	759,781,900	1,268,178	761,050,078	47,501,300	1.067	780,920,684
2015	14,931,100	608,153,200	7,841,800	361,800	81,808,400	47,825,200	606,000	761,527,500	1,271,371	761,053,271	47,121,600	1.051	780,765,445
2014	15,858,500	607,273,000	9,180,700	356,600	78,592,900	48,382,700	606,000	760,250,400	1,223,181	762,750,681	44,457,500	1.029	unavailable
2013	7,072,400	359,354,600	4,916,000	321,000	40,490,733	26,969,900	247,500	439,372,133	1,178,706	761,429,106	43,909,000	1.761	unavailable
2012	7,353,700	356,556,700	5,219,500	349,100	40,933,333	27,543,700	247,500	438,203,533	723,220	440,095,353	16,960,900	1.760	unavailable

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

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

YEAR ENDED DECEMBER 31,	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES				TOTAL DIRECT AND OVERLAPPING TAX RATE
	BASIC RATE	GENERAL OBLIGATION DEBT SERVICE	TOTAL DIRECT	HAINESPORT TOWNSHIP	REGIONAL SCHOOL	BURLINGTON COUNTY		
2021	1.069	0.100	1.169	0.361	0.526	0.449	2.505	
2020	1.089	0.100	1.189	0.354	0.498	0.439	2.480	
2019	1.084	0.100	1.184	0.349	0.475	0.439	2.447	
2018	1.026	0.103	1.129	0.355	0.445	0.431	2.360	
2017	1.004	0.080	1.084	0.354	0.430	0.430	2.298	
2016	0.927	0.140	1.067	0.316	0.412	0.455	2.250	
2015	0.951	0.100	1.051	0.330	0.355	0.391	2.127	
2014	0.849	0.180	1.029	0.315	0.338	0.394	2.076	
2013	1.581	0.180	1.761	0.502	0.559	0.709	3.531	
2012	1.580	0.180	1.760	0.499	0.543	0.746	3.548	

Source: Municipal Tax Collector

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO**

<u>TAXPAYER</u>	2021		
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	% OF TOTAL DISTRICT NET ASSESSED VALUE
DDRM Crossroads Plaza	\$ 14,475,000	1	1.63%
South Hainesport Industrial Trust	10,875,400	2	1.23%
Berry Drive, LLC	8,772,800	3	0.99%
Creek Crossing II, LLC	7,746,500	4	0.87%
Mt Laurel RD Limited Partnership	6,295,300	5	0.71%
Diamantis Children's Trust	4,135,900	6	0.47%
Hoppecke USA REM, LLC	3,279,100	7	0.37%
Hainesport Properties LLC	3,262,400	8	0.37%
Hainesport Industrial Park	3,201,000	9	0.36%
Hainesport Enterprises, Inc	3,143,800	10	0.36%
Total	<u>\$ 65,187,200</u>		<u>7.36%</u>

	2012		
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	% OF TOTAL DISTRICT NET ASSESSED VALUE
Inland Southeast Hainesport	\$ 7,700,000	1	1.78%
Berry Drive, LLC	6,156,300	2	1.42%
Creek Crossing , LLC	4,533,500	3	1.05%
Mt. Laurel Road Limited Partnership	3,325,000	4	0.77%
Arrow International	2,531,800	5	0.58%
South Hainesport Industrial Trust	1,828,000	6	0.42%
White Cap Inc.	1,731,500	7	0.40%
Guiseppe Ventimiglia	1,639,100	8	0.38%
Creek Crossing , LLC	1,570,700	9	0.36%
Drenk Institute	1,338,500	10	0.31%
Total	<u>\$ 32,354,400</u>		<u>7.47%</u>

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY	
		AMOUNT	PERCENTAGE OF LEVY
2021	\$ 9,143,626	\$ 9,143,626	100.00%
2020	9,101,609	9,101,609	100.00%
2019	8,824,891	8,824,891	100.00%
2018	8,651,442	8,651,442	100.00%
2017	8,239,914	8,239,914	100.00%
2016	8,123,184	8,123,184	100.00%
2015	7,837,909	7,837,909	100.00%
2014	7,751,611	7,751,611	100.00%
2013	7,723,767	7,723,767	100.00%
2012	7,535,305	7,535,305	100.00%

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

Debt Capacity Information

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

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**HAINESPORT TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED <u>JUNE 30,</u>	<u>GOVERNMENTAL ACTIVITIES</u>			TOTAL <u>DISTRICT</u>	PERCENTAGE OF PERSONAL <u>INCOME</u>	<u>PER CAPITA</u>
	GENERAL OBLIGATION <u>BONDS</u>	CAPITAL <u>LEASES</u>				
2021	\$ 2,885,000	\$ -	\$ -	\$ 2,885,000	unavailable	486
2020	3,320,000	-	-	3,320,000	unavailable	549
2019	4,238,000	-	-	4,238,000	1.32%	697
2018	4,808,000	-	-	4,808,000	1.56%	794
2017	5,403,000	-	-	5,403,000	1.57%	890
2016	6,043,000	7,041	-	6,050,041	1.75%	999
2015	6,068,000	21,335	-	6,089,335	1.82%	998
2014	7,234,907	35,629	-	7,270,536	2.26%	1190
2013	8,391,431	-	-	8,391,431	2.69%	1366
2012	8,942,878	40,000	-	8,982,878	2.88%	1462

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING	PERCENTAGE OF NET VALUATION TAXABLE	PER CAPITA
2021	\$ 2,885,000	\$ -	\$ 2,885,000	0.33%	Unavailable
2020	3,320,000	-	3,320,000	0.39%	Unavailable
2019	4,238,000	-	4,238,000	0.55%	697
2018	4,808,000	-	4,808,000	0.63%	794
2017	5,403,000	-	5,403,000	0.71%	890
2016	6,043,000	-	6,043,000	0.79%	997
2015	6,068,000	-	6,068,000	0.80%	995
2014	7,208,000	-	7,208,000	0.95%	1180
2013	7,234,907	-	7,234,907	0.95%	1177
2012	8,391,431	-	8,391,431	1.91%	1366

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2021**

<u>GOVERNMENTAL UNIT</u>	NET DEBT (1)	TOWNSHIP PROPORTIONATE SHARE	NET DEBT ALLOCAED TO TOWNSHIP
Hainesport Township	\$ 1,007,395	100.00%	\$ 1,007,395
Burlington County (2)	202,410,342	1.73%	3,501,699
Rancocas Valley Regional High School (3)	31,636,000	18.53%	<u>5,863,462</u>
Total Direct & Overlapping Debt			<u>\$ 10,372,556</u>

(1) 2020 Annual Debt Statement

(2) County net debt is allocated as a proportion of the Township's share of the total 2020 Equalized Value, which is provided by the New Jersey Division of Taxation

(3) Regional high school net debt is allocated as a percentage of the Average Equalized Valuations of the municipalities within the regional high school district, which is provided by the Division of Local Government

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS**

	YEAR ENDING DECEMBER 31,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Debt Limit	\$ 25,772,813	\$ 25,111,747	\$ 24,668,677	\$ 24,233,631	\$ 23,827,099	\$ 23,516,820	\$ 23,368,427	\$ 23,757,219	\$ 24,652,707	\$ 25,604,732
Total Net Debt Applicable to Limit	2,885,000	3,320,000	4,808,000	5,403,000	6,043,000	6,043,000	6,068,000	7,208,000	7,813,169	8,391,431
Legal Debt Margin	\$ 22,887,813	\$ 21,791,747	\$ 19,860,677	\$ 18,830,631	\$ 17,784,099	\$ 17,473,820	\$ 17,300,427	\$ 16,549,219	\$ 16,839,538	\$ 17,213,301
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	11.19%	13.22%	19.49%	22.30%	25.36%	25.70%	25.97%	30.34%	31.69%	32.77%

Legal Debt Margin Calculation for Fiscal Year 2020

Equalized Valuation Basis	
2020	\$ 885,577,062
2019	\$ 850,863,254
2018	\$ 840,840,974
	<u>\$ 2,577,281,290</u>
Average Equalized Valuation of Taxable Property	<u>\$ 859,093,763</u>
Debt Limit (3 % of Average Equalization Value)	\$ 25,772,813
Net Debt Applicable to Limit	<u>2,885,000</u>
Legal Debt Margin	<u>\$ 22,887,813</u>

SOURCE: Annual Debt Statement

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Demographic and Economic Information

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

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**HAINESPORT TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

<u>YEAR</u>	<u>POPULATION</u> ^a	<u>PERSONAL INCOME</u> (THOUSANDS OF <u>DOLLARS</u>) ^b	<u>BURLINGTON COUNTY</u> <u>PER CAPITA INCOME</u> ^c	<u>UNEMPLOYMENT RATE</u> ^d
2021	5,936	unavailable	unavailable	5.2%
2020	6,048	unavailable	unavailable	5.8%
2019	6,083	320,002,848	52,606	3.8%
2018	6,058	307,410,488	50,745	3.9%
2017	6,068	344,735,216	56,812	4.0%
2016	6,059	335,371,709	55,351	5.2%
2015	6,099	322,289,457	52,843	6.4%
2014	6,109	312,389,824	51,136	9.8%
2013	6,145	311,791,155	50,739	7.6%
2012	6,143	305,288,671	49,697	7.4%

Source: NJ Dept of Labor and Workforce Development

^a NJ Dept of Labor & Workforce Development

^b Based upon the Municipal population & per capita personal income presented.

^c Provided by the NJ Department of Labor & Workforce Development

^d Provided by the NJ Department of Labor & Workforce Development

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

	2021
	EMPLOYEES
Shop Rite Supermarket	183
PRN Medical Transport	150
Visiting Nurse	120
Hainesport Township School District	93
Tranquility Salon & Spa	70
Hainesport Auto & Truck Repair	53
Brother's Electric, Inc.	50
Classic Cars Nissan, Inc.	50
Center for Kidney Care & Renal	44
Perry Videx, LLC	40
Total	853

2012 Information was not available

Source: Burlington County Economic Development

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Instruction:										
Regular	37	37	39	39	39	39	40	45	43	40
Special Education	19	19	20	20	20	18	19	19	19	18
Other Special Education	1	1	1	1	1	2	2	1	1	1
Support Services:										
Student & Instruction Related Services	24	26	23	23	22	21	21	15	14	11
School Administrative Services	6	5	5	5	5	5	5	5	5	5
Business Administrative Services	3	3	3	3	3	3	3	3	3	4
Plant Operations & Maintenance	3	3	3	3	3	3	3	7	9	8
Pupil Transportation	-	-	-	-	-	-	-	0	0	0
Total	93	94	94	94	93	91	93	95	94	87

Source: District Personnel Records

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Operating Information

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

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HAINESPORT TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS

FISCAL YEAR	JUNE 30, ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO	AVERAGE DAILY ENROLLMENT (ADE)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2021	531	\$ 11,359,190	\$ 21,392	9.99%	66	8.18:1	540.0	518.1	-5.70%	95.94%
2020	566	11,008,684	19,450	2.58%	65	8.71:1	567.3	549.4	-0.79%	95.51%
2019	574	10,883,990	18,962	11.33%	65	8.83:1	577.9	553.8	-7.08%	95.51%
2018	627	10,678,700	17,031	5.19%	60	10.45:1	624.0	596.0	1.36%	95.51%
2017	627	10,151,729	16,191	2.31%	60	10.46:1	626.0	588.0	-2.00%	93.93%
2016	628	9,938,590	15,826	3.61%	59	11.80:1	639.0	600.0	-5.84%	93.90%
2015	637	9,729,842	15,274	7.14%	61	11.05:1	663.9	637.2	-2.09%	95.98%
2014	674	9,608,664	14,256	5.24%	59	11.66:1	672.3	650.8	-2.69%	96.80%
2013	688	9,320,229	13,547	4.97%	57	12.18:1	697.3	668.8	-0.07%	95.91%
2012	694	8,956,036	12,905	-6.64%	57	12.28:1	700.2	669.3	8.09%	95.59%

Sources: 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)

**HAINESPORT TOWNSHIP BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

DISTRICT BUILDINGS	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Elementary Schools:										
Hainesport Elementary (1925):	97,782	97,782	97,782	97,782	97,782	97,782	97,782	97,782	97,782	97,782
Square Feet	636	636	636	636	636	636	636	636	636	636
Capacity (Students)	531	566	574	627	628	637	674	688	694	700
Enrollment										

Number of Schools at June 30, 2021:
Elementary = 1

Source: District Facilities Office

**HAINESPORT TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS**

SCHOOL FACILITIES	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Hainesport Elementary	\$ 32,545	\$ 55,098	\$ 52,497	\$ 53,326	\$ 72,169	\$ 53,384	\$ 59,434	\$ 66,499	\$ 26,850	\$ 72,581

* 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

**HAINESPORT TOWNSHIP BOARD OF EDUCATION
INSURANCE SCHEDULE
June 30, 2021**

	COVERAGE	SELF-INSURED RETENTION	DEDUCTIBLE
School Package Policy - Utica National Insurance Company:			
Building & Contents (All Locations)			
Limits of Liability per Occurrence	\$ 23,717,698	\$ -	\$ 1,000
General Liability	3,000,000	-	-
Flood	25,000	-	-
Automobile Liability	1,000,000	-	1,000
Crime Coverage	100,000	-	-
Inland Marine	30,000	-	250
Umbrella Liability	10,000,000	10,000	-
New Jersey School Boards Association:			
Workers' Compensation	2,000,000	-	-
The Maskin Group:			
Student Accident	1,000,000	-	-
New Jersey School Boards Association:			
Surety Bonds:			
Treasurer	200,000	-	-
Board Secretary	300,000	-	-

Source: District records.

SINGLE AUDIT SECTION

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HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

EXHIBIT K-1

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

Honorable President and Members
of the Board of Education
Hainesport Township School District
County of Burlington
Hainesport, 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 and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Hainesport Township School District (the "School District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated February 3, 2022.

Internal Control Over Financial Reporting

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

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

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

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Compliance and Other Matters

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

Purpose of this Report

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

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.
Certified Public Accountants & Advisors

David T. McNally
Certified Public Accountant
Public School Accountant, No. 2616

Medford, New Jersey
February 3, 2022

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

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

Report on Compliance for Each Major State Program

We have audited the Hainesport Township School District's compliance with the types of compliance requirements described in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major state programs for the fiscal year ended June 30, 2021. The Hainesport Township School District'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 state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Hainesport Township School District'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; New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards 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 School District'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 School District's compliance.

Opinion on Each Major State Program

In our opinion, the Hainesport Township School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2021.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as Finding No. 2021-001. Our opinion on each major state program is not modified with respect to these matters.

The Hainesport Township School District's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Hainesport Township School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the Hainesport Township School District 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 School District'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 state program and to test and report on internal control over compliance in accordance with New Jersey OMB's 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 School District'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 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 over compliance was for the limited purpose 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 over compliance 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 New Jersey OMB's Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.
Certified Public Accountants & Advisors

David T. McNally
Certified Public Accountant
Public School Accountant, No. 2616

Medford, New Jersey
February 3, 2022

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**HAINESPORT TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

FEDERAL GRANTOR/PASS THROUGH GRANTOR/ PROGRAM TITLE OR CLUSTER	ASSISTANCE LISTING NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2020	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	(ACCOUNTS RECEIVABLE)	BALANCE, JUNE 30, 2021	UNEARNED REVENUE
U.S. Department of Health and Human Services Passed Through New Jersey Department of Human Services Medical Assistance Program (SEM):	93,778	2105NJSMAP	100-054-7540-211	\$ 8,408	7/1/20-6/30/21	\$ -	\$ 8,408	\$ (8,408)	\$ -	\$ -	\$ -	\$ -
Total U.S. Department of Health and Human Services							8,408	(8,408)	-	-	-	-
U.S. Department of Agriculture Passed Through New Jersey Department of Agriculture Child Nutrition Cluster:												
COVID-19 National School Lunch Program	10,555	211NJ304N1099	100-010-3350-098	81,306	7/1/20-6/30/21	-	69,889	(82,927)	-	(13,038)	-	-
COVID-19 National School Lunch Program	10,555	201NJ304N1099	100-010-3350-026	2,254	3/13/20-6/30/20	(587)	587	-	-	-	-	-
COVID-19 Healthy Hunger-Free Kids Act	10,555	201NJ304N1099	100-010-3350-026	46	3/13/20-6/30/20	(12)	12	-	-	-	-	-
Food Distribution Program (Noncash Assistance)	10,555	211NJ304N1099	Unavailable	11,855	7/1/20-6/30/21	-	11,855	(8,576)	-	-	-	3,279
Food Distribution Program (Noncash Assistance)	10,555	201NJ304N1099	Unavailable	8,171	7/1/19-6/30/20	4,832	-	(4,832)	-	-	-	-
						4,233	82,343	(96,335)	-	(13,038)	-	3,279
Total Child Nutrition Cluster						4,233	82,343	(96,335)	-	(13,038)	-	3,279
Total U.S. Department of Agriculture						4,233	82,343	(96,335)	-	(13,038)	-	3,279
U.S. Department of Education Passed Through New Jersey Department of Education I.D.E.A. Part B (Special Education Cluster)												
Basic	84,027A	H027A200100	100-034-5065-016	147,267	7/1/20-9/30/21	-	147,267	(147,267)	-	-	-	-
Preschool	84,173	H173A200114	100-034-5065-020	9,189	7/1/20-9/30/21	-	8,065	(9,189)	-	(1,124)	-	-
Total Special Education Cluster							155,332	(156,456)	-	(1,124)	-	-
Title I - Part A	84,010	S010A200030	100-034-5064-194	128,194	7/1/20-9/30/21	-	89,441	(125,912)	-	(36,471)	-	-
Title I - Part A	84,010	S010A190030	100-034-5064-194	101,940	7/1/19-6/30/20	(23,403)	23,403	-	-	-	-	-
						(23,403)	112,844	(125,912)	-	(36,471)	-	-
Title II - Part A, Supporting Effective Instruction	84,367A	S367A200029	100-034-5065-290	2,560	7/1/20-9/30/21	-	1,485	(1,485)	-	-	-	-
							1,485	(1,485)	-	-	-	-
Title IV - Student Support and Academic Enrichment	84,424A	S424A200031	100-034-5063-348	5,000	7/1/20-9/30/21	-	4,349	(4,349)	-	-	-	-
							4,349	(4,349)	-	-	-	-
CARES Cluster												
CARES Emergency Relief Grant	84,425D	S425D200027	100-034-5120-513	78,026	3/13/20-9/30/22	-	78,026	(78,026)	-	-	-	-
ESSER II Funds	84,425D	S425D210027	100-034-5120-513	372,319	3/13/20-9/30/23	-	-	(46,059)	-	(46,059)	-	-
Total CARES Cluster							78,026	(124,085)	-	(46,059)	-	-
Total U.S. Department of Education							352,036	(412,287)	-	(83,654)	-	-
U.S. Department of the Treasury COVID Relief Funds Cluster Nonpublic Digital Divid												
School Re-Opening and Remote Learning	21,019	S425D200027	100-034-5120-495	504	7/16/20-10/31/20	-	504	(504)	-	-	-	-
	21,019	S377A130031	100-034-5120-495	25,367	7/16/20-10/31/20	-	25,367	(25,367)	-	-	-	-
Total COVID Relief Funds Cluster							25,871	(25,871)	-	-	-	-
Total U.S. Department of the Treasury							25,871	(25,871)	-	-	-	-
Total Expenditures of Federal Award						\$ (19,170)	\$ 468,658	\$ (542,901)	\$ -	\$ (96,692)	\$ -	\$ 3,279

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

HAINESPORT TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

STATE GRANTOR/PROGRAM TITLE OR CLUSTER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2020	CASH RECEIVED	BUDGETARY EXPENDITURES	BALANCE, JUNE 30, 2021		MEMO	
							ACCOUNTS RECEIVABLE	UNEARNED REVENUE	RECEIVABLE	DUE TO GRANTOR
New Jersey Department of Education:										
General Fund:										
State Aid Public:										
Equalization Aid	495-034-5120-078	\$ 476,758	7/1/20-6/30/21	\$ -	476,758	\$ (476,758)	\$ -	\$ -	\$ 40,350	\$ 476,758
Security Aid	495-034-5120-084	62,448	7/1/20-6/30/21	-	62,448	(62,448)	-	-	5,285	62,448
Special Education Categorical Aid	495-034-5120-089	441,909	7/1/20-6/30/21	-	441,909	(441,909)	-	-	37,400	441,909
Total State Aid Public					981,115	(981,115)	-	-	83,035	981,115
Transportation Aid	495-034-5120-014	137,699	7/1/20-6/30/21	-	137,699	(137,699)	-	-	11,654	137,699
Additional Nonpublic School Transportation Aid	495-034-5120-014	15,123	7/1/20-6/30/21	-	-	(15,123)	(15,123)	-	-	15,123
Additional Nonpublic School Transportation Aid	495-034-5120-014	16,938	7/1/19-6/30/20	(10,877)	10,877	-	-	-	-	-
Reimbursed TPAF Social Security Contributions	100-034-5094-003	328,524	7/1/20-6/30/21	-	328,524	(328,524)	-	-	-	328,524
Reimbursed TPAF Social Security Contributions	100-034-5094-003	327,887	7/1/19-6/30/20	(16,275)	16,275	-	-	-	-	327,887
TPAF - Post Retirement										
Medical (Noncash Assistance)	495-034-5094-001	384,515	7/1/20-6/30/21	-	384,515	(384,515)	-	-	-	384,515
TPAF Pension										
Contributions (Noncash Assistance)	495-034-5094-002	1,226,976	7/1/20-6/30/21	-	1,226,976	(1,226,976)	-	-	-	1,226,976
TPAF Pension - Long Term Disability										
Insurance (Noncash Assistance)	495-034-5094-004	880	7/1/20-6/30/21	-	880	(880)	-	-	-	880
Total General Fund				(27,152)	3,086,861	(3,074,832)	(15,123)	-	94,689	3,402,719
Debt Service Fund:										
School Construction Debt Service Aid	495-034-5120-075	5,920	7/1/20-6/30/21	-	5,920	(5,920)	-	-	-	5,920
Total Debt Service Fund				-	5,920	(5,920)	-	-	-	5,920
New Jersey Department of Agriculture:										
Enterprise Fund:										
National School Lunch Program	100-010-3350-023	4,717	7/1/20-6/30/21	-	3,788	(4,717)	(929)	-	-	4,717
National School Lunch Program	100-010-3350-023	2,000	7/1/19-6/30/20	(530)	530	-	-	-	-	-
Total Enterprise Fund				(530)	4,318	(4,717)	(929)	-	-	4,717
Total State Financial Assistance				\$ (27,682)	\$ 3,097,099	\$ (3,085,469)	\$ (16,052)	\$ -	\$ 94,689	\$ 3,413,356
State Financial Assistance Programs not subject to Calculation for Major Program Determination:										
TPAF - Post Retirement										
Medical (Noncash Assistance)	495-034-5094-001	384,515	7/1/20-6/30/21	-	-	-	-	-	384,515	-
TPAF Pension										
Contributions (Noncash Assistance)	495-034-5094-002	1,226,976	7/1/20-6/30/21	-	-	-	-	-	1,226,976	-
TPAF Pension - Long Term Disability										
Insurance (Noncash Assistance)	495-034-5094-004	880	7/1/20-6/30/21	-	-	-	-	-	880	-
Total State Financial Assistance subject to Calculation for Major Program Determination										\$ (1,473,098)

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

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Note 1. Basis of Presentation

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

Note 2. Summary of Significant Accounting Policies

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

The School District did not elect the 10-percent de minimis indirect cost rate as discussed in 2 CFR 200.414.

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2021. 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.

Note 3. Relationship to Basic Financial Statements

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

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Note 3. Relationship to Basic Financial Statements (continued)

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$1,258 for the general fund and \$0 for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 8,408	\$ 3,076,090	\$ 3,084,498
Special Revenue Fund	438,158	-	438,158
Debt Service Fund	-	5,920	5,920
Food Service Fund	96,335	4,717	101,052
	<u>542,901</u>	<u>3,086,727</u>	<u>3,629,628</u>
Total Awards & Financial Assistance	<u>\$ 542,901</u>	<u>\$ 3,086,727</u>	<u>\$ 3,629,628</u>

Note 4. Relationship to Federal and State Financial Reports

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

Note 5. Federal and State Loans Outstanding

The Hainesport Township School District had no loan balances outstanding at June 30, 2021.

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified? _____ yes X no

2) Significant deficiency(ies) identified? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

SECTION IS N/A - NOT REQUIRED

Internal control over major programs:

1) Material weakness(es) identified? _____ yes _____ no

2) Significant deficiency(ies) identified? _____ yes _____ none reported

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

Any audit findings disclosed that are required to be reported
in accordance with 2 CFR 200 section .516(a) of Uniform Guidance? _____ yes _____ no

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Dollar threshold used to determine Type A programs _____

Auditee qualified as low-risk auditee? _____ yes _____ no

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

State Financial Assistance

Dollar threshold used to determine Type A programs \$750,000

Auditee qualified as low-risk auditee? X yes no

Internal control over major programs:

 1) Material weakness(es) identified? yes X no

 2) Significant deficiency(ies) identified? yes X no

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

Any audit findings disclosed that are required to be reported
in accordance with New Jersey OMB's Circular 15-08? X yes no

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

	State Aid Public:
495-034-5120-078	Equalization Aid
495-034-5120-084	Security Aid
495-034-5120-089	Special Education Categorical Aid

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Section II – Financial Statement Findings- N/A

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

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

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

FEDERAL AWARDS – N/A

STATE FINANCIAL ASSISTANCE

Finding No. 2021-001

Information on the State Program

State Aid Public:	
Equalization Aid	495-034-5120-078
Security Aid	495-034-5120-084
Special Education Categorical Aid	495-034-5120-089

Criteria or Specific Requirement:

N.J.S.A 18A:55-3 requires Districts to maximize participation in the Special Education Medicaid Initiative (SEMI) Program.

Condition:

The District is not maximizing its efforts under the Special Education Medicaid Initiative (SEMI) Program for obtaining federal funding for special education services.

Questioned Costs:

None.

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

Finding No. 2021-001 (continued)

Context:

The District's reimbursement was below the required 100 percent.

Effect or Potential Effect:

The District did not comply with N.J.S.A 18A:55-3 requirements.

Cause:

The District did not accurately monitor reimbursements.

Identification as a Repeat Finding

Not applicable.

Recommendation:

The District should establish procedures to ensure that it maximizes its efforts under SEMI for obtaining federal reimbursement for special education services.

View of Responsible Officials:

The responsible officials agree with the finding and will address the matter as part of their corrective action.

**HAINESPORT TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

Financial Statement Findings – N/A

Federal Awards – N/A

State Financial Assistance – N/A