

**Annual Comprehensive  
Financial Report**

**of the**

**Borough of Keyport Board of Education**

**County of Monmouth**

**Keyport, New Jersey**

**For the Fiscal Year Ended June 30, 2021**

**Prepared by**

**Borough of Keyport, Board of Education  
Finance Department**



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**INTRODUCTORY SECTION**

# THE KEYPORT BOARD OF EDUCATION

## KEYPORT, NJ 07735



Anthony Rapolla  
Business Administrator/Board Secretary

370 Broad Street, Keyport NJ 07735  
Tel. 732-212-6100 ext. 1008  
Fax 732-212-6125

February 3, 2022

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

Dear Board Members:

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

The annual comprehensive financial report is presented in five sections: introductory, financial, basic financial statements, required supplementary information, and other supplementary information. The introductory section includes this transmittal letter, the roster of officials, consultants and advisors and the District's organizational chart. The financial section includes the independent auditor's report and the management's discussion and analysis. The basic financial statements included the district-wide financial statements, fund financial statements, and notes to the financial statements. The required supplementary information reports on budget comparisons for the general and special revenue funds. The other supplementary information consists of various financial statements, statistical information and single audit. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the provisions of the Uniform Guidance and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

**1) REPORTING ENTITY AND ITS SERVICES:** Keyport School District is an independent reporting entity within the criteria adopted by the Financial Accounting Standards Board ("FASB") as established by Governmental Accounting Standard Board ("GASB") in codification section 2100. All funds of the District are included in this report. The Keyport Board of Education and all its schools constitute the District's reporting entity.



The District provides a high quality education as well as a full range of programs appropriate to the pre-school program through grade twelve. These include regular education, programs for gifted and talented students, as well as special education for handicapped students both in district and out of district. The district consists of two schools. The elementary encompasses the pre-school program through grade eight while the high school comprises of grades nine through twelve.

Supervising district-wide goals are a District Superintendent, School Business Administrator, Director of Curriculum, Director of Pupil Personnel and Director of Guidance. Each school has a principal and a vice-principal to oversee day-to-day operations.

The following is a comparison of student enrollments for the last five years.

Student Enrollment		
<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2020-2021	929.0	-7.65%
2019-2020	1006.0	-2.99%
2018-2019	1037.0	-1.24%
2017-2018	1050.0	-0.10%
2016-2017	1049.0	-0.94%

The Board of Education is comprised of ten members. Nine members are elected to three-year terms with three seats up for election each year. One member is appointed by the Union Beach Board of Education as the Union Beach representative. This appointment is made on an annual basis. Regular meetings of the Board of Education are held on one Wednesday of each month. Depending on the needs of the Board of Education, there may be an additional workshop action meeting during a particular month. During its meetings, the Board determines policy, district goals and priorities and conducts the business of the Board of Education. Board meetings are open to the public and begin at 7:30 p.m.

To maintain effective communication, the District produces several editions of Keynotes, which is mailed to all residents of both Keyport and Union Beach. The District uses the Honeywell Instant Alert System extensively to update parents and community members of important activities and events. Parents also receive considerable information disseminated by the main office in each building. Information about the budget is posted on the Keyport Schools web site with easy access from the front page of the web site under "User Friendly Budget".

All curricula in the district have been aligned to the state mandated New Jersey Core Curriculum Content Standards and each school follows the district-wide goals as established by the Board of Education.

**2) ECONOMIC CONDITION AND OUTLOOK:** Overall enrollment in the Keyport District has decreased over the last five years. The drop was substantial this past year. Our sending district, Union Beach, has significantly decreased the amount of students they are sending us. This is having a major impact on the district as tuition revenue has dropped sharply. Resident enrollment has also decreased recently. This might be a result of the pandemic.

**3) MAJOR INITIATIVES:** The district continued to undergo major initiatives in repairing and rehabilitating buildings that are between 50 year and 100 years of age. A \$16.8 million dollar school referendum passed in November of 2019 to upgrade district facilities. These upgrades included HVAC, a secure vestibule, ceilings, electric panels, LED lights, fire alarm systems, ADA compliant ramp, asbestos abatement, water drainage, masonry and envelope repairs. The district also installed a new track at the athletic complex and recently repaved areas of Keyport High School.

### **District Goals**

#### **2019-2022 District Goals**

1. To improve academic achievement in Mathematics for all learners and to improve responsive teaching and classroom data driven decision making.
2. To improve academic achievement in English Language Arts for all learners and to solidify a comprehensive, responsive literacy approach at all grade levels.
3. To establish a district wide infrastructure that supports and strengthens the social emotional capacities of our students and improves school culture and climate in Keyport Public Schools.

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

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

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

5) **BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, 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.

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

7) **DEBT ADMINISTRATION:** As of June 30, 2021, the District had outstanding bond debt in the amount of \$16,320,000.

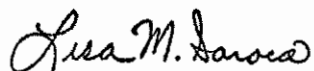
8) **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories (TD Bank, Hazlet Office) protected from loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

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

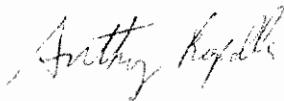
10) **OTHER INFORMATION:** Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Suplee, Clooney & Company, CPAs was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendment of 1996 and the Uniform Guidance and New Jersey OMB Circular 15-08. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit section of this report. The Board and Business Office wish to express their gratitude to the participating employees from Suplee, Clooney and Company for a thorough, efficient, professional, and pleasant audit experience.

11) **ACKNOWLEDGEMENTS:** We would like to express our appreciation to the members of the Keyport School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our Board Office Staff.

Respectfully submitted,



Lisa M. Savoia, E.d.D.  
Superintendent



Anthony Rapolla  
Board Secretary  
Business Administrator

**Keyport Board of Education  
Keyport, New Jersey**

**Roster of Officials  
June 30, 2021**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Ruth Grabowski , President	2022
Jack Hausmann, Vice President	2022
Laura Abrahamsen	2021
Patricia Olsen	2022
Cathleen Reilly	2021
Phillip Santiago	2021
Joseph Stahl	2022
Joseph Stahley	2021
Jennifer Tevis	2023
James McGrogan, Union Beach Rep.	2021

**Other Officials**

Lisa M. Savoia, Superintendent

Anthony Rapolla, Board Secretary/School  
Business Administrator

Adams Gutierrez & Lattiboudere, LLC

**Keyport Board of Education**  
**Advisors and Consultants**

ARCHITECT

Spiezel Architectural Group  
1395 Hamilton Square Road  
Suite 2A  
Hamilton, NJ 08691

AUDIT FIRM

Suplee, Clooney & Company  
308 East Broad Street  
Westfield, New Jersey 07090-2122

ATTORNEY

Adams Gutierrez & Lattiboudere, LLC  
1037 Raymond Boulevard  
Suite 900  
Newark, NJ 07102

COMPUTER CONSULTANT

System 3000  
615 Hope Road  
Eatontown, NJ 07724

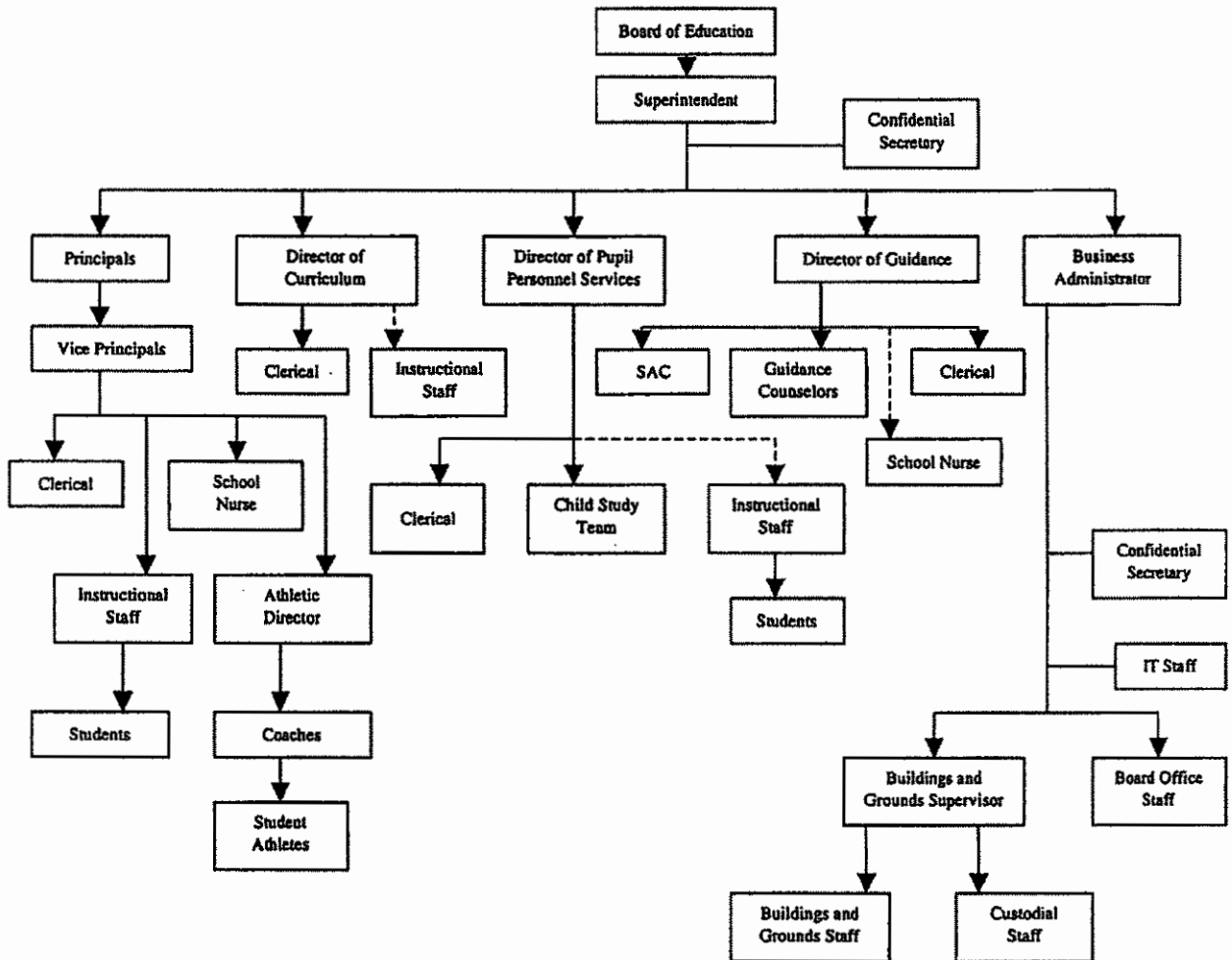
ENVIRONMENTAL ENGINEERS

Environmental Design  
421 West Kings Highway  
Audubon, New Jersey 08106

OFFICIAL DEPOSITORY

TD Bank  
16 Bethany Road  
Hazlet, New Jersey 07730

## 1110 ORGANIZATIONAL CHART



Adopted: 07 September 2011



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**FINANCIAL SECTION**



**SUPLEE, CLOONEY & COMPANY**  
CERTIFIED PUBLIC ACCOUNTANTS

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E-mail [info@scnco.com](mailto:info@scnco.com)

**INDEPENDENT AUDITOR REPORT**

Honorable President and Members  
of the Board of Education  
Borough of Keyport School District  
County of Monmouth  
Keyport, New Jersey 07735

***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Borough of Keyport School District, County of Monmouth, New Jersey (the "District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

***Auditor 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey, and the audit 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 State of New Jersey *OMB Circular 15-08* "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

## SUPLEE, CLOONEY & COMPANY

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 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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Borough of Keyport School District, County of Monmouth, New Jersey as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information in Exhibit C-1 through C-3, the schedules related to accounting and reporting for pensions in Exhibit L-1 through L-4 and the schedules related to accounting and reporting for postretirement benefits other than pensions (OPEB) in Exhibit M-1 and M-2 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.

# SUPLEE, CLOONEY & COMPANY

## *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Keyport School District's basic financial statements. The accompanying supplementary schedules such as the combining and individual fund financial statements, long-term debt schedules and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by the Uniform Guidance, New Jersey's OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information schedules such as the combining and individual fund financial statements, long-term debt schedules and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by the Uniform Guidance, New Jersey's OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting 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 financial statements, and the schedule 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 other information, such as the introductory and statistical sections, has 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 it.

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

  
\_\_\_\_\_  
CERTIFIED PUBLIC ACCOUNTANTS

  
\_\_\_\_\_  
PUBLIC SCHOOL ACCOUNTANT NO. 948

February 3, 2022

**REQUIRED SUPPLEMENTARY INFORMATION – Part I**

**MANAGEMENT'S DISCUSSION AND ANALYSIS -  
UNAUDITED**

**BOROUGH OF KEYPORT SCHOOL DISTRICT  
KEYPORT, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2021**

**UNAUDITED**

This section of the Borough of Keyport School District's Annual Comprehensive Financial Report presents our discussion and analysis of the District's financial performance during the fiscal year ended on June 30, 2021. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – Basic Financial Statements-Management's Discussion and Analysis-for the State and Local Governments. Certain comparative information between the current fiscal year and the prior fiscal year is presented in the MD&A. In fiscal year 2021 the District implemented GASB Statement No. 84-Fiduciary Activities. Prior fiscal year 2020 information was restated where information was available.

**Financial Highlights**

- At the district-wide financial statements, revenues from governmental activities accounted for \$28,975,310.77 or 98.42 percent of total school district revenue. The other 1.58 percent of revenue was generated by the business type activities.
- At year end the Board of Education was able to transfer \$220,000.00 into capital reserve for future capital projects and transfer \$630,606.92 into maintenance reserve for future maintenance projects. The Board of Education also transferred \$250,000.00 into tuition reserve to be used for future tuition shortfalls.

**Overview of the Financial Statements**

This Annual Comprehensive Annual Financial Report ("ACFR") consists of three parts: Management's Discussion and Analysis (this section), The Basic Financial Statements, and Required Supplementary Information. The Basic Financial Statements include two kinds of statements that present different views of the District, District-wide Financial Statements and Fund Financial Statements.

- District-wide Financial Statements provide both short-term and long-term information about the District's overall financial status.
- Fund Financial Statements report the District's operations in more detail than the District-wide statements on individual parts of the District, the Governmental Funds and Proprietary Funds.
- Governmental Funds Statements tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- Proprietary Funds Statements offer short and long-term financial information about the activities the District operates like a business, which include the districts food services and extendicare funds.

**BOROUGH OF KEYPORT SCHOOL DISTRICT  
KEYPORT, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2021**

**UNAUDITED**

The notes to financial statements are also included, which are an integral part of the financial statements. The information in the notes provides detailed data on the District's financial operations.

Required supplementary information further explains and supports the financial statements with a comparison of the District's budget for the year. Table 1 reflects how the various parts of this annual report are arranged and related to one another.

**District-wide Financial Statements**

The District-wide Financial Statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets and liabilities. All current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or disbursed.

The District-wide Financial Statements report the District's net position and how they have changed. Net position, the difference between the District's assets and liabilities, is one way to measure the District's financial health or position. Over time, increases or decreases in the District's net position are an indicator of whether its financial position has improved or diminished. The causes of this change may be a result of many factors, some financial and some not. Non-financial factors include the District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the District-wide Financial Statements, the District's activities are divided into two categories, governmental and business-type activities.

- Governmental activities - All of the District's programs and services are reported here including, but not limited to regular and special education instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities. Property taxes and state formula aid finance most of these activities.
- Business-type activities - These services are provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. District charges fees to help it cover the costs of certain services it provided. The food service and Extencicare activities are reported as business activities.



**BOROUGH OF KEYPORT SCHOOL DISTRICT  
KEYPORT, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2021**

**UNAUDITED**

**Fund Financial Statements**

The fund financial statements provide more detailed information about the District's funds, focusing on major funds. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by state law and by bond covenants. The District establishes other funds to control and manage money for particular purposes (i.e. long-term debt) or to show that it is properly using certain restricted revenues (i.e. entitlement grants).

The District maintains two financial funds:

- **Governmental Funds:** The District's activities reported in governmental funds focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting that measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the government-wide Statement of Net Position and Statement of Activities) and governmental funds statements is reconciled in the financial statements.
  
- **Proprietary Funds:** Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide financial statements. The District's enterprise funds (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flow.

**Financial Analysis of the District as a Whole**

Recall that the Statement of Net Position provides the perspective of the District as a whole. Table 1 on the next page reflects the District's net position as a whole. Table 2 reflects the changes in net position from operating results.

**BOROUGH OF KEYPORT SCHOOL DISTRICT  
KEYPORT, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2021**

**UNAUDITED**

**Table 1  
Condensed Statement of Net Position**

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	FY 2021	(As Restaed)	FY 2021	(As Restaed)	FY 2021	(As Restaed)	
		FY 2020		FY 2020		FY 2020	
Current and							
Other Assets	\$8,507,981.70	\$4,763,163.86	\$312,015.18	\$245,765.05	\$8,819,996.88	\$5,008,928.91	76.09%
Capital Assets	24,995,369.74	10,610,270.75	75,098.00	65,497.00	25,070,467.74	10,675,767.75	134.84%
<b>Total Assets</b>	<b>33,503,351.44</b>	<b>15,373,434.61</b>	<b>387,113.18</b>	<b>311,262.05</b>	<b>33,890,464.62</b>	<b>15,684,696.66</b>	<b>116.07%</b>
Deferred Outflows:							
Related to pensions	756,764.00	1,514,928.00			756,764.00	1,514,928.00	-50.05%
Long-Term							
Liabilities	19,487,929.42	6,371,996.93			19,487,929.42	6,371,996.93	205.84%
Short-Term							
Liabilities	1,647,358.57	1,572,445.42	55,458.33	27,234.58	1,702,816.90	1,599,680.00	6.45%
<b>Total Liabilities</b>	<b>21,135,287.99</b>	<b>7,944,442.35</b>	<b>55,458.33</b>	<b>27,234.58</b>	<b>21,190,746.32</b>	<b>7,971,676.93</b>	<b>165.83%</b>
Deferred Inflows:							
Related to pensions	1,853,722.00	1,730,797.00			1,853,722.00	1,730,797.00	7.10%
Net Position:							
Net Investment							
in Capital Assets	8,675,369.74	8,695,270.75	75,098.00	65,497.00	8,750,467.74	8,760,767.75	-0.12%
Restricted	7,694,976.00	4,075,794.97			7,694,976.00	4,075,794.97	88.80%
Unrestricted (Deficit)	(5,099,240.29)	(5,557,942.46)	256,556.85	218,530.47	(4,842,683.44)	(5,339,411.99)	-9.30%
<b>Total Net Position</b>	<b>\$11,271,105.45</b>	<b>\$7,213,123.26</b>	<b>\$331,654.85</b>	<b>\$284,027.47</b>	<b>\$11,602,760.30</b>	<b>\$7,497,150.73</b>	<b>54.76%</b>

The largest portion of the District's net position is investment in capital assets due to the bond referendum and the continuation of various of capital projects.

Restricted net positions includes those items that are subject to external restrictions (e.g. for capital projects, maintenance, capital, and tuition reserves, excess fund balances, scholarships and student activities).

Unrestricted net position is at a large deficit due to the net pension liability.

**BOROUGH OF KEYPORT SCHOOL DISTRICT  
KEYPORT, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2021**

**UNAUDITED**

**Table 2  
Changes in Net Position from Operating Results**

	Governmental Activities		Business-Type Activities		Total School District	
	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
Revenue:						
Program Revenue:						
Charges for Services	\$220,578.91	\$246,809.55	\$32,698.26	\$233,765.57	\$253,277.17	\$480,575.12
Operating Grants and Contributions	8,574,598.20	\$5,541,157.43	432,119.26	283,040.47	9,006,717.46	5,824,197.90
General Revenue:						
Property Taxes	10,970,216.00	10,308,465.00			10,970,216.00	10,308,465.00
Federal and State Aid not restricted	6,351,675.01	6,091,162.37			6,351,675.01	6,091,162.37
Other	2,858,242.65	4,870,444.72	382.72	1,692.26	2,858,625.37	4,872,136.96
<b>Total Revenue</b>	<b>28,975,310.77</b>	<b>27,058,039.07</b>	<b>465,200.24</b>	<b>518,498.30</b>	<b>29,440,511.01</b>	<b>27,576,537.37</b>
Expenses:						
Instruction	18,039,054.66	15,260,029.03			18,039,054.66	15,260,029.03
Student & Instructional Support Services	4,152,919.30	4,098,572.40			4,152,919.30	4,098,572.40
Administrative and Business	1,967,979.59	2,144,905.70			1,967,979.59	2,144,905.70
Maintenance & Operations	1,644,325.67	1,776,706.11			1,644,325.67	1,776,706.11
Transportation	383,066.11	534,579.25			383,066.11	534,579.25
Other	1,079,800.87	993,251.73	347,451.86	494,620.70	1,427,252.73	1,487,872.43
<b>Total Expenses</b>	<b>27,267,146.20</b>	<b>24,808,044.22</b>	<b>347,451.86</b>	<b>494,620.70</b>	<b>27,614,598.06</b>	<b>25,302,664.92</b>
Other financing Source(Use)						
Operating Transfer	70,121.00	52,420.00	(70,121.00)	(52,420.00)		
<b>Increase/(Decrease) in Net Position</b>	<b>\$1,778,285.57</b>	<b>\$2,302,414.85</b>	<b>\$47,627.38</b>	<b>(\$28,542.40)</b>	<b>\$1,825,912.95</b>	<b>\$2,273,872.45</b>

**Sources of Revenue**

The District's total revenue for the 2020-2021 school year was \$29,440,511.01 as reflected in Table 3 on the following page. Property taxes accounted for 37.26 percent of the total revenue with the other 62.74 percent consisting of state and federal aid, grants, charges for services, and miscellaneous sources including Union Beach tuition.

**BOROUGH OF KEYPORT SCHOOL DISTRICT  
KEYPORT, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2021**

**UNAUDITED**

**Table 3  
Sources of Revenue**

<u>Sources of Revenue</u>	<u>FY 2021</u>		<u>FY 2020</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Property Taxes	\$10,970,216.00	37.26%	\$10,308,465.00	37.38%
State and Federal Aid	13,569,465.95	46.09%	10,568,135.75	38.32%
Federal and State Grants	1,782,730.75	6.06%	1,340,604.38	4.86%
Charges for Services	253,277.17	0.86%	479,125.22	1.74%
Other	2,864,821.14	9.73%	4,880,207.02	17.70%
	<u>\$29,440,511.01</u>	<u>100.00%</u>	<u>\$27,576,537.37</u>	<u>100.00%</u>

**Expenses for the Fiscal Year 2021**

The total expenditures for the 2020-2021 fiscal year for all programs and services were \$27,614,598.06. Table 4 below summarizes these program costs. The District's expenses are predominantly related to instructing, providing services and transporting students, grades kindergarten through twelve, which accounts for 81.75 percent of the total District costs. Administrative and business expenses account for the costs of the Office of the Superintendent of Schools, the Business Office, and the Principal's Offices in the school and administrative buildings. Maintenance and operations account for the costs of keeping the school buildings and grounds safe, clean and in good operating condition, and includes all the utility costs related to the school facilities. Other costs include interest on long-term debt, unallocated depreciation expense and the costs of the business-type activities of the proprietary funds. It is important to note that depreciation expense on capital assets is included in expenses for the year under the new accounting reporting model; expenses therefore include \$550,260.68 for depreciation.

**Table 4  
Expenses for Fiscal Year 2021 and 2020**

<u>Expense Category</u>	<u>FY 2021</u>		<u>FY 2020</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Instruction	\$18,039,054.66	65.32%	\$15,260,029.03	60.31%
Student & Instruction Services	4,152,919.30	15.04%	4,098,572.40	16.20%
Administrative and Business	1,967,979.59	7.13%	2,144,905.70	8.48%
Maintenance & Operations	1,644,325.67	5.95%	1,776,706.11	7.02%
Transportation	383,066.11	1.39%	534,579.25	2.11%
Other	1,427,252.73	5.17%	1,487,872.43	5.88%
	<u>\$27,614,598.06</u>	<u>100.00%</u>	<u>\$25,302,664.92</u>	<u>100.00%</u>

**BOROUGH OF KEYPORT SCHOOL DISTRICT  
KEYPORT, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2021**

**UNAUDITED**

Table 5 presents the net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs) of six major District activities: instruction, student & instructional services, administration and business, maintenance and operations, transportation, and other. The net cost shows the financial burden placed on the District's taxpayers and the state by each of these functions.

**Table 5  
Net Cost of Governmental Activities**

<u>Expense Category</u>	<u>FY 2021</u>		<u>FY 2020</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Instruction	\$11,443,687.67	62.35%	\$11,100,028.41	58.36%
Student & Instruction Services	2,975,207.60	16.21%	3,174,967.60	16.69%
Administrative and Business	985,680.17	5.37%	1,503,061.37	7.90%
Maintenance & Operations	1,644,325.67	8.96%	1,776,706.11	9.34%
Transportation	343,267.11	1.87%	494,780.25	2.60%
Other	962,435.21	5.24%	971,066.39	5.11%
	<u>\$18,354,603.43</u>	<u>100.00%</u>	<u>\$19,020,610.13</u>	<u>100.00%</u>

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

Students and instruction related include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development. This category also includes health and guidance services.

General administration, school administration, and central services include expenses associated with administrative and financial management of the District.

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

Student transportation includes activities with the conveyance of special education students to and from school, school activities and athletic events, as provided by state law.

"Other" includes unallocated depreciation, interest on long term debt, the extendicare program and the food service program.

**BOROUGH OF KEYPORT SCHOOL DISTRICT  
KEYPORT, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2021**

**UNAUDITED**

**General Fund Budgeting Highlights**

The District's budget is prepared according to New Jersey Statutes and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the general fund. During the fiscal year there were differences between the original budget and the final amended budget as a result of transfers being applied to certain line items. These transfers were made between line items as part of the normal process as permitted by State guidelines. Readers should refer to Section C of the financial report for comparisons between actual and budgeted amounts.

Described below are explanations for variations in revenues and expenditures for certain lines where the modified budgeted amounts differ from the original budget by significant amounts.

**Expenditures**

The actual amounts expended for instruction increased slightly while student related services expenditures decreased as there was an increase in grants used for instruction. Transportation costs decreased due to the pandemic and the closing of schools. Tuition to other lea's saw an increase as more students were enrolled in vocational schools. Maintenance and operations decreased due to schools being closed as a result of the pandemic.

**Revenues**

Excluding the change in the state pension, revenues overall saw a small decrease from the prior year. State aids remained relatively the same while the district received federal covid grants during 2020-2021. Other miscellaneous revenues and charges for services in the cafeteria and extencicare school decreased due to capital project revenues only received in the prior fiscal year with the bond issue and due to the pandemic and schools being closed in parts of 2020-2021.

**BOROUGH OF KEYPORT SCHOOL DISTRICT  
KEYPORT, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2021**

**UNAUDITED**

**Capital Assets**

During the fiscal year 2020-2021 the District saw an increase in capital acquisitions of equipment and construction in progress as the District continued work on bond referendum projects in the schools. Table 6 reflects the comparative balances of capital assets net of depreciation. The detail of the changes in capital assets is reflected in Note 3 to the financial statements.

**Table 6  
Capital Assets (Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage
	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020	Change
Land & Construction in Progress	\$3,128,107.74	\$53,182.00			\$3,128,107.74	\$53,182.00	5781.89%
Site Improvements Building and Building Improvements	1,063,294.00	1,042,393.00			1,063,294.00	1,042,393.00	2.01%
Machinery and Equipment	20,140,659.00	20,613,436.00			20,140,659.00	20,613,436.00	-2.29%
	663,309.00	574,438.00	\$75,098.00	\$65,497.00	738,407.00	639,935.00	15.39%
<b>Total Assets</b>	<b>\$24,995,369.74</b>	<b>\$22,283,449.00</b>	<b>\$75,098.00</b>	<b>\$65,497.00</b>	<b>\$25,070,467.74</b>	<b>\$22,348,946.00</b>	<b>12.18%</b>

**Debt Administration**

At June 30, 2021 the District had \$20,257,929.42 outstanding long-term liabilities, consisting of bonds payable from construction, compensated absences and net pension liability. The District will continue to pay down its debt, as the obligations are due. Table 7 reflects the comparison of outstanding debt for the past two fiscal years. More information about the District's long-term liabilities is presented in Note 4 to the financial statements. There was a slight increase in compensated absences from the prior year. There were decreases in bonds payable and in the net pension liability.

**Table 7  
Outstanding Long-term Liabilities**

	Total School Debt		Total Percentage Change
	FY 2021	FY 2020	
Compensated Absences Payable	\$383,307.42	\$378,742.31	1.21%
Bonds Payable	16,320,000.00	16,635,000.00	-1.89%
Net Pension Liability Payable	3,554,622.00	4,104,957.00	-13.41%
	\$20,257,929.42	\$21,118,699.31	-4.08%

**BOROUGH OF KEYPORT SCHOOL DISTRICT  
KEYPORT, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2021**

**UNAUDITED**

**The District's Future**

The district's financial position is directly related to enrollment and tuition revenue. Overall enrollment in the Keyport District has decreased over the last five years. The drop was substantial this past year. Our sending district, Union Beach, has significantly decreased the amount of students they are sending us. This is having a major impact on the district as tuition revenue has dropped sharply. Resident enrollment has also decreased recently. This might be a result of the pandemic. Despite this concern, the Borough of Keyport School District is committed to maintaining fiscal responsibility as well as achieving educational excellence for all of the students of the District.

**Contacting the District's Financial Management**

This financial report is designed to provide the District's citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Anthony Rapolla, School Business Administrator/Board Secretary at the Keyport Borough Board of Education, 370 Broad Street, Keyport, New Jersey 07735 or email at [arapolla@kpsdschools.org](mailto:arapolla@kpsdschools.org).



## **BASIC FINANCIAL STATEMENTS**

The basic financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds as of June 30, 2021.

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

The statement of net position and the statement of activities display information about the District. These statements include the financial activities of the overall district. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

BOROUGH OF KEYPORT SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2021

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$4,337,583.39	\$244,071.99	\$4,581,655.38
Receivables, net	560,336.10	63,080.86	623,416.96
Internal balances	3.00	(3.00)	
Inventory		4,865.33	4,865.33
Restricted assets:			
Restricted cash and cash equivalents	3,610,059.21		3,610,059.21
Capital assets:			
Capital assets, not depreciated	3,128,107.74		3,128,107.74
Other capital assets, net	21,867,262.00	75,098.00	21,942,360.00
Total assets	<u>33,503,351.44</u>	<u>387,113.18</u>	<u>33,890,464.62</u>
<b>DEFERRED OUTFLOWS</b>			
Related to pensions	<u>756,764.00</u>		<u>756,764.00</u>
Total deferred outflows	<u>756,764.00</u>		<u>756,764.00</u>
<b>LIABILITIES</b>			
Accounts payable	269,302.00	46,562.56	315,864.56
Payroll deductions payable	75,709.01		75,709.01
Unearned revenue	294,186.10	8,895.77	303,081.87
Accrued interest payable	238,161.46		238,161.46
Noncurrent liabilities:			
Due within one year	770,000.00		770,000.00
Due beyond one year:			
Net Pension liability	3,554,622.00		3,554,622.00
Compensated absences payable	383,307.42		383,307.42
Bonds payable	15,550,000.00		15,550,000.00
Total liabilities	<u>21,135,287.99</u>	<u>55,458.33</u>	<u>21,190,746.32</u>
<b>DEFERRED INFLOWS</b>			
Related to pensions	<u>1,853,722.00</u>		<u>1,853,722.00</u>
Total deferred inflows	<u>1,853,722.00</u>		<u>1,853,722.00</u>
<b>NET POSITION</b>			
Net investment in capital assets	8,675,369.74	75,098.00	8,750,467.74
Restricted for:			
Special revenue fund	180,292.87		180,292.87
Capital projects fund	3,907,801.54		3,907,801.54
Other purposes	3,606,881.59		3,606,881.59
Unrestricted (deficit)	<u>(5,099,240.29)</u>	<u>256,556.85</u>	<u>(4,842,683.44)</u>
Total net position	<u>\$11,271,105.45</u>	<u>\$331,654.85</u>	<u>\$11,602,760.30</u>

The accompanying notes to the financial statements are an integral part of this statement.

BOROUGH OF KEYPORT SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
JUNE 30, 2021

FUNCTIONS/PROGRAMS	EXPENSES	INDIRECT EXPENSES ALLOCATION	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
			CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:							
Instruction:							
Regular	\$7,388,942.61	\$5,578,787.94		\$4,961,327.21	(\$8,006,403.34)		(\$8,006,403.34)
Special education	2,297,568.93	1,260,236.11		1,174,339.26	(2,383,465.78)		(2,383,465.78)
Other	853,918.63	659,600.44		459,700.52	(1,053,818.55)		(1,053,818.55)
Support services:							
Student and instruction related services	2,420,827.84	1,732,091.46		1,177,711.70	(2,975,207.60)		(2,975,207.60)
General administrative services	372,287.46	62,888.66	\$220,578.91	416,313.91	201,716.70		201,716.70
School administrative services	508,277.46	496,892.02		345,406.60	(659,762.88)		(659,762.88)
Central services	287,227.44	42,999.67			(330,227.11)		(330,227.11)
Administration information technology	181,604.43	15,802.45			(197,406.88)		(197,406.88)
Plant operations and maintenance	1,495,332.56	148,993.11			(1,644,325.67)		(1,644,325.67)
Student transportation services	383,066.11			39,799.00	(343,267.11)		(343,267.11)
Unallocated benefits	9,913,152.86	(9,913,152.86)					
Unallocated Depreciation	543,556.68	(85,139.00)			(458,417.68)		(458,417.68)
Interest on long term debt	621,383.19				(621,383.19)		(621,383.19)
Total governmental activities	<u>27,267,146.20</u>		<u>220,578.91</u>	<u>8,574,598.20</u>	<u>(18,471,969.09)</u>		<u>(18,471,969.09)</u>
Business-type activities:							
Extendicare	6,889.00		29,435.95			\$22,546.95	22,546.95
Food service	340,562.86		3,262.31	432,119.26		94,818.71	94,818.71
Total business-type activities	<u>347,451.86</u>		<u>32,698.26</u>	<u>432,119.26</u>		<u>117,365.66</u>	<u>117,365.66</u>
Total primary government	<u>\$27,614,598.06</u>		<u>\$253,277.17</u>	<u>\$9,006,717.46</u>	<u>(\$18,471,969.09)</u>	<u>\$117,365.66</u>	<u>(\$18,354,603.43)</u>
General Revenues:							
Taxes:							
					\$10,207,470.00		\$10,207,470.00
					762,746.00		762,746.00
					6,351,675.01		6,351,675.01
					2,858,242.65	\$382.72	2,858,625.37
					<u>20,180,133.66</u>	<u>382.72</u>	<u>20,180,516.38</u>
					<u>70,121.00</u>	<u>(70,121.00)</u>	
					<u>1,778,285.57</u>	<u>47,627.38</u>	<u>1,825,912.95</u>
					<u>9,492,819.88</u>	<u>284,027.47</u>	<u>9,776,847.35</u>
					<u>\$11,271,105.45</u>	<u>\$331,654.85</u>	<u>\$11,602,760.30</u>

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

**MAJOR FUND FINANCIAL STATEMENTS**

The Individual fund financial statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

BOROUGH OF KEYPORT SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2021

ASSETS AND OTHER DEBITS:	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
<b>Assets:</b>				
Cash and cash equivalents	\$2,082,093.02	\$370,829.83	\$1,884,660.54	\$4,337,583.39
Accounts receivable:				
Federal		31,509.97		31,509.97
State	247,176.43			247,176.43
Other	281,649.70			281,649.70
Interfund	61.83			61.83
Restricted cash and cash equivalents:				
Capital reserve account	2,023,141.00			2,023,141.00
Maintenance reserve account	1,236,918.21			1,236,918.21
Tuition reserve account	350,000.00			350,000.00
<b>Total assets</b>	<b>\$6,221,040.19</b>	<b>\$402,339.80</b>	<b>\$1,884,660.54</b>	<b>\$8,508,040.53</b>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>Liabilities:</b>				
Payroll deductions payable	75,709.01			75,709.01
Unearned revenue		294,186.10		294,186.10
Interfunds payable		58.83		58.83
<b>Total liabilities</b>	<b>75,709.01</b>	<b>294,244.93</b>		<b>369,953.94</b>
<b>Fund balances:</b>				
Restricted for:				
Capital reserve	2,023,141.00			2,023,141.00
Maintenance reserve	1,236,918.21			1,236,918.21
Tuition reserve	350,000.00			350,000.00
Excess surplus designated for subsequent years expenditures	700,000.00			700,000.00
Excess surplus - current year	1,400,000.00			1,400,000.00
Capital projects fund			1,525,910.36	1,525,910.36
FFCRA Semi- designated for subsequent years expenditures	2,598.27			2,598.27
Scholarships		7,800.99		7,800.99
Adult school emergency medical training		64,798.64		64,798.64
Student activities		107,693.24		107,693.24
Committed for:				
Year-end encumbrances			358,750.18	358,750.18
Assigned for:				
Year-end encumbrances	140,481.57			140,481.57
Designated for subsequent years expenditures	15,045.00			15,045.00
Unassigned:				
General fund	277,147.13			277,147.13
Special revenue fund (deficit)		(72,198.00)		(72,198.00)
<b>Total fund balances</b>	<b>6,145,331.18</b>	<b>108,094.87</b>	<b>1,884,660.54</b>	<b>8,138,086.59</b>
<b>Total liabilities and fund balances</b>	<b>\$6,221,040.19</b>	<b>\$402,339.80</b>	<b>\$1,884,660.54</b>	<b>\$8,508,040.53</b>

The accompanying notes to the financial statements are an integral part of this statement.

BOROUGH OF KEYPORT SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2021

Total Fund Balances (Brought Forward)		\$8,138,086.59
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.		
Cost of Assets	\$34,489,536.74	
Accumulated Depreciation	<u>(9,494,167.00)</u>	
		24,995,369.74
Long term liabilities, including bonds payable, and other related amounts that are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Net pension liability	(3,554,622.00)	
Serial bonds payable	(16,320,000.00)	
Compensated absences payable	<u>(383,307.42)</u>	
		(20,257,929.42)
Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds.		
Pensions:		
Deferred Outflows		
Pension related		756,764.00
Deferred Inflows:		
Pension related		(1,853,722.00)
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.		
Accounts Payable - Pension Related	(269,302.00)	
Accrued Interest Payable	<u>(238,161.46)</u>	
		<u>(507,463.46)</u>
Net Position of Governmental Activities		<u><u>\$11,271,105.45</u></u>

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

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

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES:</b>					
<b>Local sources:</b>					
Local tax levy	\$10,207,470.00			\$762,746.00	\$10,970,216.00
Tuition	2,816,497.00				2,816,497.00
Miscellaneous- unrestricted	41,745.65				41,745.65
Miscellaneous- restricted		\$143,506.62			143,506.62
<b>Total revenues-local sources</b>	<b>13,065,712.65</b>	<b>143,506.62</b>		<b>762,746.00</b>	<b>13,971,965.27</b>
State sources	9,811,844.68	840,695.21		395,041.00	11,047,580.89
Federal sources	35,427.01	1,025,303.60			1,060,730.61
<b>Total revenues</b>	<b>22,912,984.34</b>	<b>2,009,505.43</b>		<b>1,157,787.00</b>	<b>26,080,276.77</b>
<b>EXPENDITURES:</b>					
<b>Current expense:</b>					
<b>Instruction:</b>					
Regular	6,065,073.56	1,076,579.61			7,141,653.17
Special education	1,357,608.92	296,033.00			1,653,641.92
Other instruction	760,985.42				760,985.42
<b>Support services:</b>					
Tuition	931,088.45				931,088.45
Student and instruction related services	1,731,150.38	679,543.46			2,410,693.84
General administrative services	372,287.46				372,287.46
School administrative services	508,277.46				508,277.46
Central services	287,227.44				287,227.44
Administration information technology	181,604.43				181,604.43
Plant operations and maintenance	1,495,332.56				1,495,332.56
Student transportation services	383,066.11				383,066.11
Employee benefits	7,196,459.75				7,196,459.75
Capital outlay	190,685.68		\$3,074,925.74		3,265,611.42
Special Schools	53,061.21				53,061.21
<b>Debt service:</b>					
Principal				315,000.00	315,000.00
Interest				842,799.17	842,799.17
<b>Total expenditures</b>	<b>21,513,908.83</b>	<b>2,052,156.07</b>	<b>3,074,925.74</b>	<b>1,157,799.17</b>	<b>27,798,789.81</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,399,075.51</b>	<b>(42,650.64)</b>	<b>(3,074,925.74)</b>	<b>(12.17)</b>	<b>(1,718,513.04)</b>
<b>Other financing sources (uses):</b>					
Operating transfers in	70,121.00	89,333.00		12.17	159,466.17
Operating transfers out	(89,345.17)				(89,345.17)
<b>Total financing sources (uses):</b>	<b>(19,224.17)</b>	<b>89,333.00</b>		<b>12.17</b>	<b>70,121.00</b>
<b>Net change in fund balances</b>	<b>1,379,851.34</b>	<b>46,682.36</b>	<b>(3,074,925.74)</b>		<b>(1,648,392.04)</b>
Fund balances, July 1, 2020 (as restated)	4,765,479.84	61,412.51	4,959,586.28		9,786,478.63
Fund balances, June 30, 2021	<u>\$6,145,331.18</u>	<u>\$108,094.87</u>	<u>\$1,884,660.54</u>	<u>-\$0-</u>	<u>\$8,138,086.59</u>

The accompanying notes to the financial statements are an integral part of this statement.



BOROUGH OF KEYPORT 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 change in fund balances - governmental funds (from B-2)		(\$1,648,392.04)
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the period.</p>		
Depreciation expense	(\$543,556.68)	
Capital outlays	3,265,611.42	
Capital outlays not capitalized	<u>(10,134.00)</u>	
		2,711,920.74
<p>Repayment of bond principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net position and is not reported in the statements of activities.</p>		
Paid - Principal on bonds		315,000.00
<p>In the statement of activities, interest on long-term debt is accrued, regardless of when due. In governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.</p>		
		221,415.98
<p>District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.</p>		
District pension contributions	238,455.00	
Less: Pension expense	<u>(55,549.00)</u>	
		182,906.00
<p>In the statement of activities, certain expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In 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 a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).</p>		
		<u>(4,565.11)</u>
Change in net position of governmental activities		<u><u>\$1,778,285.57</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

**OTHER FUNDS**

BOROUGH OF KEYPORT SCHOOL DISTRICT  
PROPRIETARY FUND  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2021

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND

ASSETS:	<u>FOOD SERVICE</u>	<u>EXTENDICARE</u>	<u>TOTAL</u>
Current assets:			
Cash and cash equivalents	\$130,134.04	\$113,937.95	\$244,071.99
Accounts receivable:			
State	1,847.47		1,847.47
Federal	55,252.70		55,252.70
Other	5,980.69		5,980.69
Inventories	4,865.33		4,865.33
Total current assets	<u>198,080.23</u>	<u>113,937.95</u>	<u>312,018.18</u>
Noncurrent assets			
Furniture, machinery & equipment	168,334.00		168,334.00
Less: Accumulated depreciation	(93,236.00)		(93,236.00)
Total noncurrent assets	<u>75,098.00</u>		<u>75,098.00</u>
<b>TOTAL ASSETS</b>	<u>273,178.23</u>	<u>113,937.95</u>	<u>387,116.18</u>
LIABILITIES:			
Current liabilities:			
Accounts payable	46,562.56		46,562.56
Unearned Revenue	8,895.77		8,895.77
Interfunds payable	3.00		3.00
Total current liabilities	<u>55,461.33</u>		<u>55,461.33</u>
NET POSITION:			
Net investment in capital assets	75,098.00		75,098.00
Unrestricted	<u>142,618.90</u>	<u>113,937.95</u>	<u>256,556.85</u>
<b>TOTAL NET POSITION</b>	<u>\$217,716.90</u>	<u>\$113,937.95</u>	<u>\$331,654.85</u>

The accompanying notes to the financial statements are an integral part of this statement.

BOROUGH OF KEYPORT SCHOOL DISTRICT  
PROPRIETARY FUND  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>		
	<u>FOOD SERVICE SCHOOL NUTRITION</u>	<u>EXTENDICARE</u>	<u>TOTAL</u>
<b>OPERATING REVENUES:</b>			
Local sources:			
Daily sales non-reimbursable programs	\$3,262.31		\$3,262.31
Fees - Program		\$29,435.95	29,435.95
<b>Total operating revenue</b>	<b>3,262.31</b>	<b>29,435.95</b>	<b>32,698.26</b>
<b>OPERATING EXPENSES:</b>			
Salaries	103,000.82	6,000.00	109,000.82
Employee benefits and taxes	28,308.53	489.00	28,797.53
Management fee	12,186.60		12,186.60
Supplies and materials	6,326.99	400.00	6,726.99
Repairs and other	37,213.37		37,213.37
Depreciation	6,704.00		6,704.00
Cost of sales - reimbursable programs	143,622.55		143,622.55
Cost of sales - non-reimbursable programs	3,200.00		3,200.00
<b>Total operating expenses</b>	<b>340,562.86</b>	<b>6,889.00</b>	<b>347,451.86</b>
<b>Operating income (loss)</b>	<b>(337,300.55)</b>	<b>22,546.95</b>	<b>(314,753.60)</b>
<b>Nonoperating revenues:</b>			
State sources:			
State school lunch program	12,061.15		12,061.15
Federal sources:			
National school lunch program	225,010.80		225,010.80
National school breakfast program	121,554.10		121,554.10
National food distribution commodities	34,293.67		34,293.67
Child Nutrition Discretionary Grant- Equipment	17,005.46		17,005.46
Emergency operational cost reimbursement	21,580.08		21,580.08
P-EBT administrative cost reimbursement	614.00		614.00
Interest earned	154.16	228.56	382.72
<b>Total nonoperating revenues</b>	<b>432,273.42</b>	<b>228.56</b>	<b>432,501.98</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>94,972.87</b>	<b>22,775.51</b>	<b>117,748.38</b>
<b>Other financing sources (uses):</b>			
Operating transfers out	(40,121.00)	(30,000.00)	(70,121.00)
<b>Net income</b>	<b>54,851.87</b>	<b>(7,224.49)</b>	<b>47,627.38</b>
<b>Net position - July 1</b>	<b>162,865.03</b>	<b>121,162.44</b>	<b>284,027.47</b>
<b>Net position - June 30</b>	<b>\$217,716.90</b>	<b>\$113,937.95</b>	<b>\$331,654.85</b>

The accompanying notes to the financial statements are an integral part of this statement.

BOROUGH OF KEYPORT SCHOOL DISTRICT  
PROPRIETARY FUND  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND

	<u>FOOD SERVICE</u>	<u>EXTENDICARE</u>	<u>TOTAL</u>
Cash flows from operating activities:			
Receipts from customers	\$7,652.12	\$29,435.95	\$37,088.07
Payments to employees	(88,425.03)	(6,000.00)	(94,425.03)
Payments for employee benefits	(24,577.41)	(489.00)	(25,066.41)
Payments to suppliers	(227,439.81)	(30,400.00)	(257,839.81)
Net cash provided (used) by operating activities	<u>(332,790.13)</u>	<u>(7,453.05)</u>	<u>(340,243.18)</u>
Cash flows from noncapital financing activities:			
State sources	10,366.53		10,366.53
Federal sources	380,645.71		380,645.71
Net cash provided (used) by noncapital financing activities	<u>391,012.24</u>		<u>391,012.24</u>
Cash flows from investing activities:			
Interest earned	154.16	228.56	382.72
Net cash provided (used) by noncapital financing activities	<u>154.16</u>	<u>228.56</u>	<u>382.72</u>
Cash flows from capital and related financing activities:			
Purchases of capital assets	(16,305.00)		(16,305.00)
Net cash provided (used) by capital and related financing activities	<u>(16,305.00)</u>		<u>(16,305.00)</u>
Net increase(decrease) in cash and cash equivalents	42,071.27	(7,224.49)	34,846.78
Cash and cash equivalents, July 1	88,062.77	121,162.44	209,225.21
Cash and cash equivalents, June 30	<u>\$130,134.04</u>	<u>\$113,937.95</u>	<u>\$244,071.99</u>
Operating income(loss)	(\$337,300.55)	\$22,546.95	(\$314,753.60)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:			
Depreciation and net amortization	6,704.00		6,704.00
Operating transfers out	(40,121.00)	(30,000.00)	(70,121.00)
Change in assets and liabilities:			
Increase (Decrease) in unearned revenue	(234.13)		(234.13)
(Increase) Decrease in inventory	5,709.14		5,709.14
(Increase) Decrease in accounts receivable	3,991.53		3,991.53
Increase (Decrease) in accounts payable	28,460.88		28,460.88
Net cash provided (used) by operating activities	<u>(\$332,790.13)</u>	<u>(\$7,453.05)</u>	<u>(\$340,243.18)</u>

The accompanying notes to the financial statements are an integral part of this statement.

**Borough of Keyport School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Reporting Entity**

The Keyport School District is a Type II District located in Monmouth County, New Jersey. The School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The District is governed by a ten member board. Nine members are elected to three-year terms and one member is appointed by the Union Beach Board of Education as the Union Beach representative. The Board is responsible for the fiscal control of the District. A Superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity, are set forth in Statement No. 39 of the Governmental Accounting Standards Board entitled "*Determining Whether Certain Organizations are Component Units*" (GASB 39) as codified in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

Organizations that are legally separate, tax-exempt entities and that meet *all* of the following criteria should be discretely presented as component units. These criteria are:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government.
2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources of the organization.
3. The economic resources received or held by an *individual organization* that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include elementary, middle and high schools located in the Borough of Keyport. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

**Borough of Keyport School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation**

The District's basic financial statements consist of District-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**District-wide Statements:** The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District, except. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish generally between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

**Fund Financial Statements:** During the fiscal year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds. Separate statements for each fund category – governmental and proprietary - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

**Borough of Keyport School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Governmental Fund Types**

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

As required by the New Jersey State 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, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed 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 and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus, the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

**Capital Projects Fund** - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

**Debt Service Fund** - The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.



**Borough of Keyport School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Recently Adopted Accounting Pronouncements**

Beginning with the year ended June 30, 2021, the District has implemented GASB Statement 84, *Fiduciary Activities*. The objective of this new Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement 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.

An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less.

As a result of the implementation of this Statement, the New Jersey Department of Education has made the following determinations as to the reporting of certain fund which, in prior years, have been reported as Fiduciary Activities:

<u>Activity</u>	Prior to implementation of <u>GASB 84</u>	After Implementation of <u>GASB 84</u>
Student Activity Funds	Fiduciary Fund	Special Revenue Fund
Scholarship Funds	Fiduciary Fund	Special Revenue Fund
Payroll Agency Funds	Fiduciary Fund	General Fund
State Unemployment Compensation Fund	Fiduciary Fund	General Fund

See Note 21 for information of the restatement of balance resulting in the implementation of this new standard.

**Borough of Keyport School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Proprietary Fund**

**Enterprise Fund** - The enterprise fund accounts for all revenues and expenses pertaining to cafeteria operations. The food service fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges. The district also considers the operations of the Extencicare Program as an enterprise fund.

**Basis of Accounting – Measurement Focus**

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

District-Wide and Proprietary Fund Financial Statements: The District-Wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures. *Ad Valorem* (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

**Borough of Keyport School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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 for approval. In accordance with P.L. 2011, c. 202, which became effective January 17, 2012, the District elected to move the April school Board election to the date of the November general election thereby eliminating the vote on the annual base budget. 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. All budget amendments and transfers must be approved by School Board resolution. The over-expenditures related to on-behalf payments in the general fund are due to the inclusion of the non-budgeted on-behalf payments made by the State of New Jersey as District expenditures. These amounts are offset by related revenues and as such do not represent budgetary over-expenditures.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the final budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures. Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated 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 records.

**Borough of Keyport School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Encumbrance Accounting**

Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as assigned or committed 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 and capital projects fund for which the District has received advances are reflected in the balance sheet as unearned revenues at fiscal year end.

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

**Interfunds**

Interfund receivables and payables arise from transactions between particular funds and are considered short term in duration. The interfund transactions are recorded by all funds affected in the period in which the transactions are executed and are part of the district's available spendable resources.

**Inventories and Prepaid Expenses**

Inventories of materials and supplies held for consumption in the governmental funds are recorded as expenditures at the time of purchase and year end balances are not reported in the financial statements.

Inventories of food and/or supplies in the food service fund are recorded at cost on a first-in, first-out basis or, in the case of Food Distribution Commodities, at stated value which approximates market.

Prepaid expenses which benefit future period, other than those recorded in the enterprise fund, are recorded as an expenditure in the year of purchase.

**Borough of Keyport School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets**

The District has an established formal system of accounting for its capital assets. Capital Assets used for governmental purposes, which include land, buildings and improvements and furniture and equipment, are only reported in the district-wide financial statements. The District generally defines capital assets as assets with an initial cost of \$2,000.00 or more and an estimated useful life in excess of one year. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their acquisition value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated in the district-wide statements using the straight-line method over the following estimated useful lives:

<b><u>Asset Class</u></b>	<b><u>Estimated Useful Lives</u></b>
School Buildings	50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office and Computer Equipment	5-10
Instructional Equipment	10
Grounds Equipment	15

**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.

**Borough of Keyport School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Compensated Absences (Continued)**

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

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave that is expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments.

For the District-wide statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the fund financial statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

**Fund Equity**

Fund balance restrictions are used to indicate that portion of the fund balance that is not available for expenditures or is legally segregated for a specific future use. Designation of portions of the fund balances are established to indicate tentative plans for financial utilization in a future period. The unassigned fund balances represent the amount available for future budgetary operations.

Unassigned net position represents the remains of the District's equity in the cumulative earnings of the proprietary funds.

**Unearned Revenue**

Unearned revenue in the general and special revenue funds represents funds which have been received but not yet earned. A corresponding accounts receivable has also been established for any open encumbrances at year end which is allowable under generally accepted accounting principles.

**Borough of Keyport School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accrued Liabilities and Long-Term Obligations**

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

**Net Position**

GASB 63 provides guidance for reporting net position in the statement of financial position and related disclosures. Net Position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position 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. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

**Fund Balance Reserves**

Under GASB 54, in the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation. The District reports the Capital Reserve, Emergency Reserve, Maintenance Reserve, Tuition Reserve, Student Activities, Adult School Emergency Medical Training, Scholarships and Excess Surplus as Restricted Fund Balance.

**Borough of Keyport School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Balance Reserves (Continued)**

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education. The District reports Capital Project Fund encumbrances as Committed Fund Balance.

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator. The District reports Year End Encumbrances and amounts Designated for Subsequent Year's Expenditures as Assigned Fund Balance.

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

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

**Revenues – Exchange and Non-Exchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.



**Borough of Keyport School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenues – Exchange and Non-Exchange Transactions (Continued)**

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

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

**Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the District, these revenues are sales in the Enterprise Funds. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

**Allocation of Indirect Expenses**

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of the program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities.

**Borough of Keyport School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Extraordinary and Special Items**

Extraordinary items are transactions or events that are unusual in nature and infrequent of occurrence. Special items are transactions or events that are within control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

**Management Estimates**

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

**Accounting and Financial Reporting for Pensions**

In the district-wide financial statements 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 District's proportionate share of the New Jersey Public Employees Retirement System ("PERS") and the Teachers' Pension and Annuity Fund ("TPAF") and the additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they were reported by PERS and 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.

In the governmental fund financial statements the year end pension liability is not required to be reflected. Pension related revenues and expenditures are reflected based on amounts that are normally expected to be liquidated with available financial resources for required pension contributions. Expenditures for PERS are recognized based upon billings made by the State of New Jersey due April 1<sup>st</sup> of each fiscal year. TPAF contributions are paid on the District's behalf by the State of New Jersey. The governmental fund financial statements reflect both a revenue and expense for this pension contribution.

**Borough of Keyport School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial 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. Currently, the District has one item that qualifies for reporting in this category, deferred amounts related to pensions.

In addition to liabilities, the statement of financial 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 period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the District has only one item that qualifies for reporting in this category, deferred amounts related to pensions.

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS**

The Board considers petty cash, change funds, cash in banks, deposits in the government money market account, and short-term investments with original maturities of three months or less as cash and cash equivalents. Investments are stated at cost, which approximates market.

**Deposits**

New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a Banking Institution that is a member of the Federal Reserve System, and has capital funds of not less than \$25,000,000.00. Under (GUDPA), 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 the deposits to the governmental unit.

**Borough of Keyport School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2021**

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**Deposits (Continued)**

The Keyport School District had the following cash and cash equivalents at June 30, 2021:

	<b>Cash in Bank</b>	<b>Additions</b>	<b>Deductions</b>	<b>Reconciled Balance</b>
Governmental Funds	\$8,469,512.23	\$6,000.00	\$527,869.63	\$7,947,642.60
Proprietary Fund	244,609.50		537.51	244,071.99
	<u>\$8,714,121.73</u>	<u>\$6,000.00</u>	<u>\$528,407.14</u>	<u>\$8,191,714.59</u>

**Custodial Credit Risk - Deposits** - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The District does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of June 30, 2021, based upon the coverage provided by FDIC and NJ GUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank, \$250,000.00 was covered by Federal Depository Insurance and \$8,464,121.73 was covered under the provisions of NJ GUDPA.

**Investments**

The purchase of investments by the Board is strictly limited by the express authority of the N.J.S.A. 18A:20-37 Education, Administration of School Districts. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. These funds are also required to be rated by a nationally recognized statistical rating organization.

**Borough of Keyport School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2021**

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by School Districts.
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
  - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
  - b. the custody of collateral is transferred to a third party;
  - c. the maturity of the agreement is not more than 30 days;
  - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and;
  - e. a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2021 the District has no investments outstanding. Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices of the Investment Council of the N.J. Cash Management Fund, the District is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks for its investments nor is it exposed to foreign currency risk for its deposits and investments.

**Borough of Keyport School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2021**

**NOTE 3: CHANGE IN CAPITAL ASSETS**

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

	<u>Beginning Balance</u>	<u>Additions/ Transfers</u>	<u>Retirements/ Adjustments</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$53,182.00			\$53,182.00
Construction in Progress		\$3,074,925.74		3,074,925.74
Total capital assets that are not depreciated	<u>53,182.00</u>	<u>3,074,925.74</u>		<u>3,128,107.74</u>
Capital assets being depreciated:				
Site improvements	1,501,486.00	88,258.00		1,589,744.00
Building and building improvements	27,520,457.00		\$365,833.00	27,886,290.00
Machinery and equipment	2,002,061.00	92,293.68	(208,959.68)	1,885,395.00
Total capital assets being depreciated	<u>31,024,004.00</u>	<u>180,551.68</u>	<u>156,873.32</u>	<u>31,361,429.00</u>
Total gross assets	31,077,186.00	3,255,477.42	156,873.32	34,489,536.74
Less: accumulated depreciation for:				
Site improvements	(459,093.00)	(67,357.00)		(526,450.00)
Building and building improvements	(6,907,021.00)	(370,801.68)	(467,808.32)	(7,745,631.00)
Machinery and equipment	(1,427,623.00)	(105,398.00)	310,935.00	(1,222,086.00)
	<u>(8,793,737.00)</u>	<u>(543,556.68)</u>	<u>(156,873.32)</u>	<u>(9,494,167.00)</u>
Governmental activities capital assets, net	<u>\$22,283,449.00</u>	<u>\$2,711,920.74</u>	<u>\$-0-</u>	<u>\$24,995,369.74</u>
Business type activities:				
Machinery and equipment	\$152,029.00	\$16,305.00		\$168,334.00
Less: accumulated depreciation	(86,532.00)	(6,704.00)		(93,236.00)
Business type activities capital assets, net	<u>\$65,497.00</u>	<u>\$9,601.00</u>	<u>\$-0-</u>	<u>\$75,098.00</u>

Instruction:	
Regular	(\$4,765.00)
Support Services:	
Student and instruction related	(42,254.00)
General administration	(16,233.00)
School administration	(1,286.00)
Plant operations and maintenance	(20,601.00)
Direct Expense of various functions	<u>(458,417.68)</u>
	<u>(\$543,556.68)</u>

**Borough of Keyport School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2021**

**NOTE 4: LONG-TERM LIABILITIES**

Bonds are issued by the District pursuant to the provisions of Title 18A, Education, of the New Jersey Statutes and are required to be approved by the voters of the municipality through referendum. The proceeds of bonds are recorded in the Capital Projects Fund and are restricted to the use for which they were approved in the bond referendum. All bonds are retired in annual installments within the statutory period of usefulness.

School Bonds issued by the District are entitled to and benefit from the provision of the New Jersey School Board Reserve Act P.L. 1980 c.72. Basically, funds are held by the State of New Jersey within its State Fund for the Support of Free Public Schools as a school bond reserve pledged by law to secure payment of principal and interest due on such bonds in the event of the inability of the issuer to make payments.

As of June 30, 2021 the District did not have any bonds authorized but not issued.

The following is a summary of changes in liabilities that effect other long-term obligations for the year ended June 30, 2021.

	<b><u>Bonds Payable</u></b>	<b><u>Compensated Absences Payable</u></b>	<b><u>Net Pension Liability</u></b>	<b><u>Total</u></b>
Balance, July 1, 2020	\$16,635,000.00	\$378,742.31	\$4,104,957.00	\$21,118,699.31
Additions/Issued		4,565.11		4,565.11
Reductions	<u>315,000.00</u>		<u>550,335.00</u>	<u>865,335.00</u>
Balance, June 30, 2021	<u>\$16,320,000.00</u>	<u>\$383,307.42</u>	<u>\$3,554,622.00</u>	<u>\$20,257,929.42</u>
Amounts Due Within One Year	<u>\$770,000.00</u>			<u>\$770,000.00</u>

**Borough of Keyport School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2021**

**NOTE 4: LONG-TERM LIABILITIES (CONTINUED)**

**Bonds Payable**

The annual requirements to amortize all debt outstanding as of June 30, 2021, with interest payments on issued debt, are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$770,000.00	\$564,912.50	\$1,334,912.50
2023	800,000.00	536,850.00	1,336,850.00
2024	815,000.00	506,925.00	1,321,925.00
2025	765,000.00	470,900.00	1,235,900.00
2026	795,000.00	439,700.00	1,234,700.00
2027	830,000.00	407,200.00	1,237,200.00
2028	865,000.00	373,300.00	1,238,300.00
2029	890,000.00	338,200.00	1,228,200.00
2030-2040	<u>9,790,000.00</u>	<u>1,655,400.00</u>	<u>11,445,400.00</u>
	<u>\$16,320,000.00</u>	<u>\$5,293,387.50</u>	<u>\$21,613,387.50</u>

Under New Jersey Statutes the District may incur debt in an amount not to exceed 4% of the averaged equalized valuation basis of real property. For the calendar year ended December 31, 2020, the District borrowing capacity under N.J.S. 18A:24-19 would be as follows:

<u>Year</u>	<u>Equalized Valuation of Real Property</u>
2020	\$805,882,419.00
2019	772,748,902.00
2018	<u>716,476,291.00</u>
	<u>\$2,295,107,612.00</u>
Average equalized valuation of property	\$765,035,870.67
School borrowing margin (4% of \$765,035,870.67)	30,601,434.83
Net bonded school debt as of December 31, 2020	<u>16,635,000.00</u>
School borrowing power available	<u>\$13,966,434.83</u>



**Borough of Keyport School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2021**

**NOTE 5: PENSION PLANS**

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

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

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

**Defined Contribution Retirement Program (DCRP)** - The Defined Contribution Retirement Program (DCRP) was established under the provision of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 to provide coverage to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one year of membership.

**Borough of Keyport School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2021**

**NOTE 5: PENSION PLANS (CONTINUED)**

**Significant Legislation**

Effective June 28, 2011, P.L. 2011, c. 78 enacted certain changes in the operations and benefit provisions of the TPAF and the PERS systems.

**Pension Plan Design Changes**

Effective June 28, 2011, P.L. 2011, c. 78, new members of TPAF and PERS, hired on or after June 28, 2011, will need 30 years of creditable service and have attained the age of 65 for receipt of the early retirement benefit without a reduction of 1/4 of 1% for each month that the member is under age 65. New members will be eligible for a service retirement benefit at age 65.

**Funding Changes**

Under the new legislation, the methodology for calculating the unfunded accrued liability payment portion of the employer's annual pension contribution to the PERS, and TPAF. The unfunded actuarial accrued liability (UAAL) will be amortized for each plan over an open-ended 30 year period and paid in level dollars. Beginning with the July 1, 2019 actuarial valuation (July 1, 2018 for PFRS), the UAAL will be amortized over a closed 30 year period until the remaining period reaches 20, when the amortization period will revert to an open-ended 20 year period.

**COLA Suspension**

The payment of automatic cost-of-living adjustment to current and future retirees and beneficiaries are suspended until reactivated as permitted by this law.

**Vesting and Benefit Provisions** The vesting and benefit provisions of PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after ten years of service, except for post-retirement healthcare benefits that vest after 25 years of service.

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

**Borough of Keyport School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2021**

**NOTE 5: PENSION PLANS (CONTINUED)**

**Contribution Requirements** - The contribution policy is set by N.J.S.A. 43:15A and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation.

Effective June 28, 2011, P.L. 2011, c. 78 provides for increases in the employee contribution rates: from 5.5% to 6.5% plus an additional 1% phased-in over 7 years beginning in the first year, meaning after 12 months, after the law's effective date for TPAF and PERS.

Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of TPAF (*i.e.* the State of New Jersey makes the employer contribution on behalf of public school districts).

**PERS Contribution Requirements**

<u>Year</u> <u>June 30,</u>	<u>Three-Year Trend Information for PERS</u>		<u>Net Pension</u> <u>Obligation</u>
	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of</u> <u>APC Contributed</u>	
2021	\$238,455.00	100.00%	\$238,455.00
2020	221,601.00	100.00%	221,601.00
2019	236,928.00	100.00%	236,928.00

During the fiscal years ended June 30, 2021, 2020 and 2019, the State of New Jersey contributed \$2,428,707.00, \$1,813,139.00 and \$1,611,744.00, respectively to the TPAF pension system on behalf of the District.

During the fiscal years ended June 30, 2021, 2020 and 2019, the State of New Jersey contributed \$1,753.00, \$1,997.00 and \$2,129.00, respectively to the TPAF long term disability insurance fund on behalf of the District.

Also, in accordance with N.J.S.A. 18A:66-66, during the years ended June 30, 2021, 2020 and 2019, the State of New Jersey reimbursed the District \$659,259.68, \$631,198.91 and \$643,595.03, respectively for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

**Borough of Keyport School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2021**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**

**Public Employees Retirement System (PERS)**

At June 30, 2021, the District reported a liability of \$3,554,622.00 for its proportionate share of the net pension liability. 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 District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2020, the District's proportion was 0.0217976229 percent, which was a decrease of 0.0009842997 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$238,455.00 in the governmental-wide financial statements. This 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:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$64,724	\$12,571
Changes of assumptions	115,316	1,488,354
Net difference between projected and actual earnings on pension plan investments	121,500	
Changes in proportion and differences between District contributions and proportionate share of contributions	185,922	352,797
District contributions subsequent to the measurement date	<u>269,302</u>	
	<u>\$756,764</u>	<u>\$1,853,722</u>

The \$269,302.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2021, the plan measurement date is June 30, 2020) will be recognized as a reduction of the net pension liability in the year ended June 30, 2022.

**Borough of Keyport School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2021**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

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

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	<u>Amount</u>
<u>June 30</u>	
2021	(\$479,415.00)
2022	(440,028.00)
2023	(265,767.00)
2024	(127,350.00)
2025	<u>(53,4700.00)</u>
	<u>(\$1,366,260.00)</u>

**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 rolled forward to June 30, 2020. These actuarial valuations used the following assumptions:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Inflation rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases:		
Through 2026	2.00%-6.00%	2.00%-6.00%
	Based on Years of Service	Based on Years of Service
Thereafter	3.00%-7.00%	3.00%-7.00%
	Based on Years of Service	Based on Years of Service
Investment Rate of Return	7.00%	7.00%

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.

**Borough of Keyport School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2021**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

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

**Actuarial Assumptions (Continued)**

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.

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at both June 30, 2020 and June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

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

**Borough of Keyport School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2021**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

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

**Long-Term Rate of Return (Continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00% and 6.28% as of June 30, 2020 and June 30, 2019, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers.

Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

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

	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's proportionate share of the net pension liability	\$4,509,863	\$3,554,622	\$2,795,744

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

**Borough of Keyport School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2021**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

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

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

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2021 was as follows:

Net Pension Liability:	
Districts proportionate share	-0-
State's proportionate share associated with the District	<u>\$53,474,812.00</u>
	<u>\$53,474,812.00</u>

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 June 30, 2019 which was rolled forward to June 30, 2020. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2020, the proportion of the TPAF net pension liability associated with the District was .0812084874 percent which was an increase of .0009379362 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized on-behalf pension expense and revenue of \$3,325,292.00 in the government-wide financial statements for contributions provided by the State. This pension expense and revenue was based on the pension plans June 30, 2020 measurement date.



**Borough of Keyport School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2021**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

**Teachers Pensions and Annuity Fund (TPAF) (Continued)**

**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:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Inflation rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases:		
Through 2026	1.55%-4.45%	1.55%-4.55%
	Based on Years of Service	Based on Years of Service
Thereafter	2.75%-5.65%	2.00%-5.65%
	Based on Years of Service	Based on Years of Service
Investment Rate of Return	7.00%	7.00%

**Mortality Rate**

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.

**Borough of Keyport School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2021**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

**Teachers Pensions and Annuity Fund (TPAF) (Continued)**

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% and 7.00% at June 30, 2020 and June 30, 2019 respectively) 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:

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

**Discount Rate**

The discount rate used to measure the total pension liability was 5.40% and 5.60% as of June 30, 2020 and 2019, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% for both June 30, 2020 and 2019, and a municipal bond rate of 2.21% and 3.50% as of June 30, 2020 and 2019, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

**Borough of Keyport School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2021**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

**Teachers Pensions and Annuity Fund (TPAF) (Continued)**

**Discount Rate (Continued)**

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 78% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

Because the District's proportionate share of the net pension liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Teachers Public and Annuity Fund (TPAF). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

**Borough of Keyport School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2021**

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS – GASB 75**

**Plan Description and Benefits Provided**

The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan, which 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 Postemployment Benefits Other Than Pensions*. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. 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.

**Employees Covered by Benefit Terms**

The State Health Benefit Local Education Retired Employees Plan Membership covered by the benefit terms consisted of the following:

Active Plan Members	216,804
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	149,304
Inactive Plan Members or Beneficiaries Not Yet Receiving Benefits	<u>- 0 -</u>
Total Plan Members	<u>366,108</u>

**Borough of Keyport School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2021**

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)**

**Total Nonemployer OPEB Liability**

The portion of the Total Nonemployer OPEB Liability that was associated with the District at June 30, 2021 was as follows:

Nonemployer OPEB Liability:	
Districts proportionate share	-0-
State's proportionate share associated with the District	<u>\$60,266,017.00</u>
	<u><u>\$60,266,017.00</u></u>

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 Total Nonemployer OPEB Liability was determined separately based on actual data of the District.

For the year ended June 30, 2021, the District recognized on-behalf post-employment expense and revenue of \$2,759,568.00 in the government-wide financial statements for contributions provided by the State. This expense and revenue was based on the plans June 30, 2020 measurement date,

At June 30, 2020, the District's proportion was 0.0888748713 percent, which was an increase of .0007106652 percent from its proportion measured as of June 30, 2019.

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS, TPAF/ABP and PFRS participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Consequently, the District did not recognize any portion of the collective Non-Employer OPEB liability on the Statement of Net Position.

**Borough of Keyport School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2021**

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)**

**Actuarial Assumptions and Other Imputes**

The total Non-Employer OPEB liability that was associated with the District 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:

	<u>June 30, 2020</u>		
	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Inflation – 2.5%			
Salary Increases			
Through 2026	1.55-4.45%*	2.00-6.00%*	3.25-15.25%*
Thereafter	1.55-4.45%*	3.00-7.00%*	Applied to All Future Years
	<u>June 30, 2019</u>		
	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
CPI – 2.5%			
Salary Increases			
Through 2026	1.55-3.05%*	2.00-6.00%*	3.25-15.25%*
Thereafter	1.55-3.05%*	3.00-7.00%*	Applied to All Future Years

\*- Based on Years of Service

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

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

**Borough of Keyport School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2021**

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)**

**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 and June 30, 2019 was 2.21% and 3.50% respectively. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**Changes in the Total Nonemployer OPEB Liability**

Shown below are details regarding the Total Nonemployer OPEB Liability for the Measurement Period from June 30, 2019 to June 30, 2020:

Balance at 6/30/19		\$36,790,113
Changes for the year:		
Service cost	\$1,536,725	
Interest	1,323,788	
Differences between expected and actual experience	10,624,242	
Changes in assumptions or other inputs	11,008,530	
Membership Contributions	31,801	
Benefit payments - Net	<u>(1,049,182)</u>	
Net changes		<u>23,475,904</u>
Balance at 6/30/20		<u><u>\$60,266,017</u></u>

**Borough of Keyport School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2021**

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)**

**Sensitivity of the Total Nonemployer OPEB Liability to Changes in the Discount Rate**

The following presents the total nonemployer OPEB liability associated with the District 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		
	<u>1.00% Decrease (1.21%)</u>	<u>At Discount Rate (2.21%)</u>	<u>1.00% Increase (3.21%)</u>
State of New Jersey's Proportionate Share of the total Non-Employer OPEB Liability associated with the District	\$72,653,794	\$60,266,017	\$50,579,968

**Sensitivity of the Total Nonemployer OPEB Liability to Changes in Healthcare Trends**

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

	June 30, 2020		
	<u>1.00% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1.00% Increase</u>
State of New Jersey's Proportionate Share of the total Non-Employer OPEB Liability associated with the District	\$48,648,761	\$60,266,017	\$74,099,587



**Borough of Keyport School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2021**

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)**

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

At June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB associated with the District from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$9,149,951	\$8,150,451
Changes of assumptions	10,251,051	6,876,694
Changes in proportion	<u>467,414</u>	<u>1,495,219</u>
	<u>\$19,868,416</u>	<u>\$16,522,364</u>

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

Measurement Period Ended	<u>Amount</u>
<u>June 30,</u>	
2021	(\$166,953)
2022	(\$166,953)
2023	(\$166,953)
2024	(\$166,953)
2025	(\$166,953)
Total	
Thereafter	<u>\$4,180,817</u>
	<u>\$3,346,052</u>

**Borough of Keyport School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2021**

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

In accordance with GASBS No. 75, the District's proportionate share of school retirees OPEB is zero. There is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources in the financial statements.

**State Health Benefit Local Education Retired Employee Plan Information**

The New Jersey Division of Pension and Benefits issues publicly available reports on the OPEB plan. Those reports may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295 or on their website at:

<http://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>

**NOTE 8: LITIGATION**

The Board attorney's letter advises that there is no litigation, pending litigation, claims, contingent liabilities, unasserted claims or assessments or statutory violations which involve the Board of Education and which might materially affect the Board's financial position.

**NOTE 9: CONTINGENCIES**

The District receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2020-2021 fiscal year were subject to the Uniform Guidance and New Jersey OMB Circular 15-08 which mandates that grant revenues and expenditures be audited in conjunction with the District's annual audit if expenditures for federal or state programs exceed \$750,000. Findings and questioned costs, if any, relative to federal and state financial assistance programs are discussed in the Single Audit Section, Schedule of Findings and Questioned Costs. In addition, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. The District's management does not believe any such audit would result in material amounts of disallowed costs.

**Borough of Keyport School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2021**

**NOTE 10: RISK MANAGEMENT**

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

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

**NOTE 11: COMPENSATED ABSENCES**

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

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2021 no liability existed for compensated absences in the proprietary funds.

For additional descriptive information see Note 1, Summary of Significant Accounting Policies.

**NOTE 12: INVENTORY**

Inventory in the Food Service Fund at June 30, 2021 consisted of the following:

Food and Supplies	<u>\$4,865.33</u>
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The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Act amendments of 1996) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

**Borough of Keyport School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2021**

**NOTE 13: INTERFUND RECEIVABLES AND PAYABLES**

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were made. The following interfund balances remained on the balance sheet at June 30, 2021.

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$61.83	
Special Revenue Fund		\$58.83
Proprietary Fund		3.00
	<u>\$61.83</u>	<u>\$61.83</u>
	<u>\$61.83</u>	<u>\$61.83</u>

**NOTE 14: DEFERRED COMPENSATION**

The District offers its employees a choice of the deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. Since the District does not have any property or rights to the plan assets and no fiduciary relationship exists between the District and the deferred compensation plan, the plan assets are not included in the District's financial statements as of June 30, 2021.

**NOTE 15: FUND BALANCE APPROPRIATED**

**General Fund** – Of the \$6,145,331.18 General Fund fund balance at June 30, 2021, \$277,147.13 was unassigned; \$140,481.57 has been assigned for year-end encumbrances; \$2,023,141.00 is restricted in the capital reserve; \$1,236,918.21 is restricted in the maintenance reserve; \$350,000.00 is restricted in the tuition reserve; \$2,598.27 has been restricted for FFCRA semi designated for subsequent years expenditures; \$15,045.00 is unassigned fund balance designated for subsequent years expenditures; \$2,100,000.00 is restricted as excess surplus in accordance with N.J.S.A. 18A:7F-7, of which \$700,000.00 has been appropriated and included as anticipated revenue for the year ending June 30, 2022.

**Borough of Keyport School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2021**

**NOTE 16: CALCULATION OF EXCESS SURPLUS**

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004,c.73 (S1701), the designation for restricted fund balance - excess surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict 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. Based on this calculation, the Keyport School District has \$1,000,000.00 excess fund balance resulting from the year ended June 30, 2021.

General Fund Expenditures Fiscal Year Ended June 30, 2021	\$21,513,908.83
Add:	
Transfer from General Fund to SRF for Preschool (Inclusion)	89,333.00
Less:	
On-behalf TPAF Pension and Social Security Reimbursement	3,850,838.68
Adjusted General Fund Expenditures	17,752,403.15
Excess Surplus Percentage	4.00%
4% of Adjusted 2020-21 General Fund Expenditures	710,096.13
Add: Allowable Adjustments	135,954.00
Maximum Unassigned Fund Balance	846,050.13
Actual Unassigned Fund Balance	2,246,050.13
Excess Surplus	\$1,400,000.00

**NOTE 17: TUITION RESERVE**

A tuition reserve was established by the Borough of Keyport School District in accordance with N.J.A.C. 6A:23-3.1(f). This reserve is for formal sending/receiving relationships between two district board of educations established under subchapter 3 of the business service code pursuant to N.J.S.A. 18A:38-19. The maximum amount that may be restricted at year end is 10% of the estimated contract year.

The activity of the tuition reserve for the year ending June 30, 2021 is as follows:

Beginning balance, July 1, 2020	\$200,000.00
Add: Board resolutions	250,000.00
Less: Withdrawals - adopted budget	(100,000.00)
Ending balance, June 30, 2021	\$350,000.00

**Borough of Keyport School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2021**

**NOTE 18: CAPITAL RESERVE**

A capital reserve was established by the Borough of Keyport Board of Education 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 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 as per N.J.S.A. 18A:7G-31(c), 18A:7G-13 and N.J.A.C. 6A23A-14.1 by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. N.J.S.A. 18A:7F-41(a), 18A:7F-41(b) and N.J.A.C.6A:23A-14.3 permit a district board of education to transfer by board resolution (prior to June 30) any unanticipated revenue or unexpended line-item appropriation amounts to the capital reserve for withdrawal in subsequent school years. Pursuant to N.J.A.C. 6:23A-5.1(d) 7, the balance in the account cannot at any time exceed the local costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the year ending June 30, 2021 is as follows:

Beginning balance, July 1, 2020	\$1,927,787.00
Add: Board resolution	<u>220,000.00</u>
Sub-total	2,147,787.00
Less: Withdrawal- adopted budget/board resolution	<u>(124,646.00)</u>
Ending balance, June 30, 2021	<u>\$2,023,141.00</u>

The withdrawals from the capital reserve were for use in the capital outlay portion of 2020-2021 budget, consistent with the district's Long Range Facilities Plan.

**Borough of Keyport School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2021**

**NOTE 19: MAINTENANCE RESERVE**

A maintenance reserve was established through a board resolution by the Borough of Keyport School District for the accumulation of funds for the required maintenance of a facility in accordance with N.J.S.A. 18A:7G-9 as amended by P.L. 2004, c. 73 (S1701). N.J.S.A. 18A:7G-31(c), 18A:7G-13 and N.J.A.C. 6A:23A-14.2 permits districts, by board resolution, to transfer undesignated general fund balance to the maintenance reserve account if approved in the district's original budget certified for taxes or if the district received voter approval by a separate proposal at budget time or by special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. N.J.S.A. 18A:7F-41(a), 18A:7F-41(b) and N.J.A.C.6A:23A-14.3 permit a district board of education to transfer by board resolution (prior to June 30) any unanticipated revenue or unexpended line-item appropriation amounts to the maintenance reserve for withdrawal in subsequent school years.

The activity of the maintenance reserve for the year ending June 30, 2021 is as follows:

Beginning balance, July 1, 2020	\$977,261.29
Add: Board resolution	630,606.92
Less: Withdrawals - adopted budget	<u>(370,950.00)</u>
Ending balance, June 30, 2021	<u><u>\$1,236,918.21</u></u>

Unspent withdrawals were transferred back into maintenance reserve at year end.

**NOTE 20: TAX ABATEMENTS**

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

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.

**Borough of Keyport School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2021**

**NOTE 21: PRIOR PERIOD ADJUSTMENTS**

As of July 1, 2020 the District implemented GASB Statement No. 84 Fiduciary Activities (GASB 84). Certain agency funds previously accounted for activities that are not considered fiduciary in nature and are now reported in the Governmental Funds. The District restated the net position and fund balance of the funds indicated below to appropriately reflect the June 30, 2020 balances as follows:

	Governmental Funds <u>General Fund</u>	Governmental Funds <u>Special Revenue Fund</u>
Fund Balance 06/30/20	\$4,765,479.84	\$-0-
Adjustments:		
Scholarships		8,189.05
EMT Adult School		27,338.12
Student Activities		94,253.34
Fund Balance 06/30/20 (as restated)	\$4,765,479.84	\$129,780.51
		<u>Fiduciary Fund</u>
Liabilities Balance 06/30/20		\$359,915.10
Payroll deductions and withholdings		(226,679.55)
Due to student groups		(133,235.55)
Liabilities 06/30/20 (as restated)		\$-0-
	<u>Governmental</u> <u>Activities</u>	<u>Fiduciary Fund</u>
Net Position 06/30/20	\$9,363,039.27	\$35,527.17
Adjustments:		
Student Activities	94,253.34	
EMT Adult School	27,338.12	(27,338.12)
Scholarships	8,189.05	(8,189.05)
Net Position 06/30/20 (as restated)	\$9,492,819.78	\$-0-



**Borough of Keyport School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2021**

**NOTE 22: DEFICIT FUND BALANCES / NET POSITION**

The District has a deficit fund balance of \$72,198.00 in the Special Revenue Fund as of June 30, 2021 as reported in the fund statements (modified accrual basis). N.J.S.A 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, in the current budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year.

For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditures, asset, liability) should be in symmetry, i.e. if one government recognizes an asset, the other government recognizes a liability.

Since the State is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last state aid payment, the fund balance deficits in the General and Special Revenue Funds do not alone indicate that the District is facing financial difficulties. Pursuant to P.L. 2003, c.97, any negative unreserved, undesignated general fund balance that is reported as a direct result from the delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District's deficit in the GAAP funds' statements does not exceed the last state aid payment.

**NOTE 23: SUBSEQUENT EVENTS**

The Board of Education has evaluated subsequent events occurring after the financial statement date through February 3, 2022 which is the date the financial statements were available to be issued. Based upon this evaluation, the District has determined that no subsequent events needed to be disclosed.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

BOROUGH OF KEYPORT SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2021

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$10,207,470.00		\$10,207,470.00	\$10,207,470.00	
Tuition from other leas	2,816,497.00		2,816,497.00	2,816,497.00	
Unrestricted miscellaneous	145,677.00		145,677.00	41,745.65	(\$103,931.35)
<b>Total revenues-local sources</b>	<b>13,169,644.00</b>		<b>13,169,644.00</b>	<b>13,065,712.65</b>	<b>(103,931.35)</b>
State sources:					
Categorical special education aid	569,435.00		569,435.00	569,435.00	
Equalization aid	4,851,846.00		4,851,846.00	4,851,846.00	
Categorical security aid	277,906.00		277,906.00	277,906.00	
Categorical transportation aid	39,799.00		39,799.00	39,799.00	
Extraordinary aid	80,000.00		80,000.00	215,954.00	135,954.00
On-behalf TPAF Pension - post retirement medical (non budgeted)				761,119.00	761,119.00
On-behalf TPAF pension contribution (non-budgeted)				2,383,360.00	2,383,360.00
On-behalf TPAF non-contributory insurance (non-budgeted)				45,347.00	45,347.00
On-behalf TPAF long term disability insurance (non-budgeted)				1,753.00	1,753.00
Reimbursed TPAF social security contributions (non-budgeted)				659,259.68	659,259.68
<b>Total - state sources</b>	<b>5,818,986.00</b>		<b>5,818,986.00</b>	<b>9,805,778.68</b>	<b>3,986,792.68</b>
Federal sources:					
Medicaid Reimbursement (SEMI)	33,285.00		33,285.00	28,772.30	(4,512.70)
Medicaid Reimbursement (MAC)				6,654.71	6,654.71
<b>Total - federal sources</b>	<b>33,285.00</b>		<b>33,285.00</b>	<b>35,427.01</b>	<b>2,142.01</b>
<b>Total revenues</b>	<b>19,021,915.00</b>		<b>19,021,915.00</b>	<b>22,906,918.34</b>	<b>3,885,003.34</b>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENSE</b>					
Instruction - regular programs:					
Salaries of teachers:					
Kindergarten	300,483.12	\$57,000.00	357,483.12	333,521.40	23,961.72
Grades 1-5	2,111,245.19	(167,000.00)	1,944,245.19	1,869,630.24	74,614.95
Grades 6-8	984,673.34	110,000.00	1,094,673.34	1,058,494.99	36,178.35
Grades 9-12	2,076,450.56	42,000.00	2,118,450.56	2,088,027.28	30,423.28
Home instruction - regular programs:					
Salaries of teachers	13,869.00		13,869.00	3,657.50	10,211.50
Purchased professional educational services	\$11,000.00		\$11,000.00	\$9,079.70	\$1,920.30

BOROUGH OF KEYPORT SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Regular programs - undistributed instruction:					
Other salaries for instruction	\$173,382.63		\$173,382.63	\$163,178.36	\$10,204.27
Purchased professional educational services	16,000.00		16,000.00		16,000.00
Other purchased services	60,000.00		60,000.00	39,072.55	20,927.45
General supplies	398,204.13	(\$13,259.00)	384,945.13	288,303.64	96,641.49
Textbooks	191,135.00	39,400.00	230,535.00	212,107.90	18,427.10
Total regular programs	<u>6,336,442.97</u>	<u>68,141.00</u>	<u>6,404,583.97</u>	<u>6,065,073.56</u>	<u>339,510.41</u>
Resource room/resource center:					
Salaries of teachers	1,264,935.05		1,264,935.05	1,246,247.92	18,687.13
Other salaries for instruction	25,412.00		25,412.00	985.00	24,427.00
Purchased Professional-Educational Services	110,000.00		110,000.00	102,296.90	7,703.10
General Supplies	20,000.00		20,000.00	8,079.10	11,920.90
Total resource room/center	<u>1,420,347.05</u>		<u>1,420,347.05</u>	<u>1,357,608.92</u>	<u>62,738.13</u>
Special education - Home Instruction:					
Purchased Professional-Educational Services	10,000.00		10,000.00		10,000.00
Total home instruction	<u>10,000.00</u>		<u>10,000.00</u>		<u>10,000.00</u>
Total special education	<u>1,430,347.05</u>		<u>1,430,347.05</u>	<u>1,357,608.92</u>	<u>72,738.13</u>
Bilingual education:					
Salaries of teachers	261,155.80		261,155.80	258,180.80	2,975.00
General supplies	1,250.00		1,250.00		1,250.00
Total bilingual education	<u>\$262,405.80</u>		<u>\$262,405.80</u>	<u>\$258,180.80</u>	<u>\$4,225.00</u>

BOROUGH OF KEYPORT SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2021

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
School sponsored cocurricular activities:					
Salaries	\$105,459.90	\$859.00	\$106,318.90	\$59,225.45	\$47,093.45
Total school sponsored cocurricular activities	105,459.90	859.00	106,318.90	59,225.45	47,093.45
School sponsored athletics:					
Salaries	356,287.04	(6,055.00)	350,232.04	335,388.40	14,843.64
Purchased services	48,000.00	8,382.50	56,382.50	56,007.50	375.00
Supplies and Materials	60,650.00	33,022.50	93,672.50	52,183.27	41,489.23
Total school sponsored athletics	464,937.04	35,350.00	500,287.04	443,579.17	56,707.87
Total other instructional programs	832,802.74	36,209.00	869,011.74	760,985.42	108,026.32
Total - instruction	8,599,592.76	104,350.00	8,703,942.76	8,183,667.90	520,274.86
Undistributed expenditures:					
Instruction:					
Tuition Other LEA's Regular	73,295.00	15,000.00	88,295.00	85,005.44	3,289.56
Tuition to County Voc. School Dist. - Regular	147,250.00	16,204.00	163,454.00	162,284.00	1,170.00
Tuition to County Voc. School Dist. - Special Ed	30,000.00	(204.00)	29,796.00	22,800.00	6,996.00
Tuition for private schools for handicapped within the state	1,129,721.00	(31,000.00)	1,098,721.00	621,127.01	477,593.99
Tuition - state facilities	39,872.00		39,872.00	39,872.00	
Total instruction	1,420,138.00		1,420,138.00	931,088.45	489,049.55
Health services:					
Salaries	131,793.00	(300.00)	131,493.00	131,391.00	102.00
Purchased Professional and Technical Services	11,600.00	7,000.00	18,600.00	16,000.00	2,600.00
Supplies and materials	11,200.00		11,200.00	5,667.24	5,532.76
Total - health services	\$154,593.00	\$6,700.00	\$161,293.00	\$153,058.24	\$8,234.76

BOROUGH OF KEYPORT SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2021

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS/ AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
Other support services - students-related services:					
Salaries	\$137,347.00	\$550.00	\$137,897.00	\$137,890.00	\$7.00
Total other support services - students-related services	137,347.00	550.00	137,897.00	137,890.00	7.00
Other support services students-extra services					
Salaries	40,698.00	800.00	41,498.00	31,802.25	9,695.75
Purchased professional -educational services	65,000.00	(7,000.00)	58,000.00	12,005.00	45,995.00
Total other support services students-extra services	105,698.00	(6,200.00)	99,498.00	43,807.25	55,690.75
Other support services - students-regular					
Salaries of other professional staff	390,353.50	4,800.00	395,153.50	391,145.86	4,007.64
Salaries of secretarial and clerical assistants	44,838.92	700.00	45,538.92	45,514.80	24.12
Purchased professional educational services	1,000.00	3,000.00	4,000.00	2,700.00	1,300.00
Other purchased services	20,610.00		20,610.00	4,920.80	15,689.20
Supplies and materials	14,000.00		14,000.00	1,000.00	13,000.00
Other objects	6,500.00	(3,000.00)	3,500.00	658.78	2,841.22
Total other support services - students-regular	477,302.42	5,500.00	482,802.42	445,940.24	36,862.18
Other support services - students - special services:					
Salaries of other professional staff	288,905.00	(3,700.00)	285,205.00	285,064.00	141.00
Salaries of secretarial and clerical assistants	46,545.92	600.00	47,145.92	47,114.88	31.04
Purchased professional educational services	10,000.00	(250.00)	9,750.00		9,750.00
Other Purchased Services		250.00	250.00		250.00
Total other support services - students - special services	345,450.92	(3,100.00)	342,350.92	332,178.88	9,922.04
Improvement of instructional services:					
Salary of Supervisor of instruction	440,094.00	10,300.00	450,394.00	422,461.88	27,932.12
Salaries of other professional staff	12,000.00	2,100.00	14,100.00	14,070.00	30.00
Salaries of secretary and clerical assistant	59,225.84	22,000.00	81,225.84	78,024.09	3,201.75
Purchased professional and educational services	25,000.00	(10,100.00)	14,900.00		14,900.00
Total improvement of instructional services	536,319.84	24,300.00	560,619.84	514,555.97	46,063.87
Educational media/school library:					
Salaries	108,700.00	(3,150.00)	105,550.00	87,922.84	17,627.16
Purchased professional and technical services	1,000.00		1,000.00		1,000.00
Other purchased services	6,000.00		6,000.00	3,272.69	2,727.31
Supplies and materials	20,500.00	(7,000.00)	13,500.00	7,574.03	5,925.97
Total educational media/school library	\$136,200.00	(\$10,150.00)	\$126,050.00	\$98,769.56	\$27,280.44

BOROUGH OF KEYPORT SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2021

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Instructional staff training services:					
Other objects	\$25,270.00		\$25,270.00	\$4,950.24	\$20,319.76
Total Instructional staff training services	25,270.00		25,270.00	4,950.24	20,319.76
Support services general administration:					
Salaries	271,428.00	\$100.00	271,528.00	271,526.88	1.12
Legal services	30,000.00	35,000.00	65,000.00	37,430.25	27,569.75
Audit fees	28,500.00		28,500.00	27,000.00	1,500.00
Other purchased professional services	10,800.00		10,800.00	4,735.00	6,065.00
Purchased technical services	6,500.00		6,500.00	6,500.00	
Communications/telephone	31,000.00	3,900.00	34,900.00	18,937.89	15,962.11
BOE Other purchased services	6,000.00	(1,315.00)	4,685.00	1,100.00	3,585.00
Other purchased services (400-500 series)	1,000.00		1,000.00		1,000.00
General Supplies	1,000.00	1,300.00	2,300.00	2,284.09	15.91
BOE In-House Training/ Meeting Supplies	500.00	15.00	515.00	500.50	14.50
Miscellaneous expenditures	1,500.00		1,500.00	600.00	900.00
BOE Membership dues and fees	8,500.00		8,500.00	8,172.85	327.15
Total support services general administration	396,728.00	39,000.00	435,728.00	372,287.46	63,440.54
Support services school administration:					
Salaries of principals/assistant principals	413,910.00	(63,500.00)	350,410.00	317,934.00	32,476.00
Salaries of secretarial and clerical assistants	170,715.04	2,200.00	172,915.04	172,558.32	356.72
Supplies and materials	11,500.00	2,000.00	13,500.00	8,282.14	5,217.86
Other objects	14,000.00	(1,300.00)	12,700.00	9,503.00	3,197.00
Total support services school administration	610,125.04	(60,600.00)	549,525.04	508,277.46	41,247.58
Central services:					
Salaries	249,528.00	2,550.00	252,078.00	250,249.81	1,828.19
Purchased technical services	22,500.00	700.00	23,200.00	23,055.05	144.95
Misc. purchased services (400-500 series)	6,700.00	(300.00)	6,400.00	6,301.16	98.84
Supplies and Materials	3,170.81	3,000.00	6,170.81	5,737.94	432.87
Miscellaneous Expenditures	4,698.88	800.00	5,498.88	1,883.48	3,615.40
Total central services	286,597.69	6,750.00	293,347.69	287,227.44	6,120.25
Administration information technology:					
Salaries	95,475.00		95,475.00	91,697.14	3,777.86
Purchased technical services	82,576.28	7,200.00	89,776.28	72,394.06	17,382.22
Supplies and Materials	22,100.00		22,100.00	17,513.23	4,586.77
Total administration information technology	\$200,151.28	\$7,200.00	\$207,351.28	\$181,604.43	\$25,746.85



BOROUGH OF KEYPORT SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2021

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS/ AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
Required maintenance for school facilities:					
Salaries	\$164,833.00		\$164,833.00	\$163,124.16	\$1,708.84
Cleaning, repair, and maintenance services	336,736.98	(\$34,000.00)	302,736.98	128,352.10	174,384.88
General Supplies	41,285.05	5,000.00	46,285.05	46,254.31	30.74
Other Objects	3,000.00		3,000.00	349.50	2,650.50
<b>Total required maintenance for school facilities</b>	<b>545,855.03</b>	<b>(29,000.00)</b>	<b>516,855.03</b>	<b>338,080.07</b>	<b>178,774.96</b>
Other operations and maintenance of plant:					
Salaries	555,300.00		555,300.00	522,041.87	33,258.13
Purchased professional and technical services	10,400.00		10,400.00	4,531.00	5,869.00
Cleaning, repair and maintenance services	19,000.00	(500.00)	18,500.00	8,946.61	9,553.39
Other purchased property services	73,000.00		73,000.00	33,543.78	39,456.22
Insurance	183,000.00		183,000.00	176,333.00	6,667.00
Miscellaneous purchased services	11,000.00	1,600.00	12,600.00	12,497.59	102.41
General supplies	71,709.05		71,709.05	58,194.59	13,514.46
Energy (Natural Gas)	140,000.00	(500.00)	139,500.00	91,444.85	48,055.15
Energy (electricity)	164,500.00	(600.00)	163,900.00	79,475.51	84,424.49
<b>Total other operations and maintenance of plant</b>	<b>1,227,909.05</b>		<b>1,227,909.05</b>	<b>987,008.80</b>	<b>240,900.25</b>
Care and Upkeep of Grounds					
Salaries	69,882.00		69,882.00	62,051.18	7,830.82
Purchased professional and technical services	19,200.00		19,200.00	14,800.00	4,400.00
General Supplies	23,000.00		23,000.00	22,105.83	894.17
<b>Total Care and Upkeep of Grounds</b>	<b>112,082.00</b>		<b>112,082.00</b>	<b>98,957.01</b>	<b>13,124.99</b>
Security					
Purchased Professional & Technical Services	89,363.00		89,363.00	63,651.80	25,711.20
Cleaning, repair and maintenance services	25,000.00		25,000.00	4,679.88	20,320.12
General Supplies	13,000.00		13,000.00	2,955.00	10,045.00
<b>Total Security</b>	<b>127,363.00</b>		<b>127,363.00</b>	<b>71,286.68</b>	<b>56,076.32</b>
<b>Total operations and maintenance of plant services</b>	<b>2,013,209.08</b>	<b>(29,000.00)</b>	<b>1,984,209.08</b>	<b>1,495,332.56</b>	<b>488,876.52</b>
Student transportation services:					
Contracted services (other than between home and school) - vendors	165,000.00	(35,000.00)	130,000.00	44,729.54	85,270.46
Contracted services (special education students) vendors	90,000.00	(3,150.00)	86,850.00		86,850.00
Contracted services (special education students) joint agreements		3,150.00	3,150.00	3,150.00	
Contracted services (special education students) - ESCs and CTSAs	407,000.00		407,000.00	335,186.57	71,813.43
<b>Total student transportation services</b>	<b>\$662,000.00</b>	<b>(\$35,000.00)</b>	<b>\$627,000.00</b>	<b>\$383,066.11</b>	<b>\$243,933.89</b>

BOROUGH OF KEYPORT SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2021

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS/ AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
Unallocated benefits:					
Social security contributions	\$194,337.13	\$1,800.00	\$196,137.13	\$192,964.72	\$3,172.41
Other retirement contributions - PERS	255,000.00	(1,800.00)	253,200.00	244,892.33	8,307.67
Unemployment Compensation	47,300.00		47,300.00	38,109.83	9,190.17
Workmen's compensation	150,000.00		150,000.00	125,694.58	24,305.42
Health benefits	3,567,000.00	(50,300.00)	3,516,700.00	2,688,611.80	828,088.20
Tuition reimbursement	40,000.00		40,000.00	22,854.75	17,145.25
Other employee benefits	45,000.00		45,000.00	32,493.06	12,506.94
<b>Total unallocated benefits</b>	<b>4,298,637.13</b>	<b>(50,300.00)</b>	<b>4,248,337.13</b>	<b>3,345,621.07</b>	<b>902,716.06</b>
On-behalf TPAF Pension - post retirement medical (non-budgeted)				761,119.00	(761,119.00)
On-behalf TPAF Pension Contribution (non-budgeted)				2,383,360.00	(2,383,360.00)
On-behalf TPAF Non-Contributory Insurance (non-budgeted)				45,347.00	(45,347.00)
On-behalf TPAF long term disability insurance (non-budgeted)				1,753.00	(1,753.00)
Reimbursed TPAF Social Security contributions (non-budgeted)				659,259.68	(659,259.68)
				3,850,838.68	(3,850,838.68)
<b>Total undistributed expenditures</b>	<b>11,805,767.40</b>	<b>(104,350.00)</b>	<b>11,701,417.40</b>	<b>13,086,494.04</b>	<b>(1,385,326.64)</b>
<b>TOTAL EXPENDITURES - CURRENT EXPENSE</b>	<b>20,405,360.16</b>		<b>20,405,360.16</b>	<b>21,270,161.94</b>	<b>(865,051.78)</b>
<b>CAPITAL OUTLAY:</b>					
Equipment:					
Instruction Equipment	15,102.00		15,102.00	15,102.00	
Administrative info technology	109,646.00		109,646.00	70,496.87	39,149.13
Undist. Expenditures	15,000.00		15,000.00	8,428.40	6,571.60
<b>Total Equipment</b>	<b>139,748.00</b>		<b>139,748.00</b>	<b>94,027.27</b>	<b>45,720.73</b>
Facilities Acquisition and Construction Services:					
Fa & Cs Architecture and Engineering Services	1,734.00		1,734.00		1,734.00
Construction services-air conditioning	86,524.41		86,524.41	86,524.41	
Assessment for debt service on SDA funding	10,134.00		10,134.00	10,134.00	
<b>Total Facilities Acquisition and Construction Services</b>	<b>98,392.41</b>		<b>98,392.41</b>	<b>96,658.41</b>	<b>1,734.00</b>
<b>TOTAL CAPITAL OUTLAY:</b>	<b>\$238,140.41</b>		<b>\$238,140.41</b>	<b>\$190,685.68</b>	<b>\$47,454.73</b>

BOROUGH OF KEYPORT SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2021

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS/ AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
<b>SPECIAL SCHOOLS:</b>					
Instruction:					
Salaries of teachers	\$52,800.00		\$52,800.00	\$50,932.57	\$1,867.43
Other salaries for instruction	6,500.00		6,500.00	2,128.64	4,371.36
Purchased professional and technical services	8,000.00		8,000.00		8,000.00
Total instruction	<u>67,300.00</u>		<u>67,300.00</u>	<u>53,061.21</u>	<u>14,238.79</u>
<b>TOTAL SPECIAL SCHOOLS:</b>	<u>67,300.00</u>		<u>67,300.00</u>	<u>53,061.21</u>	<u>14,238.79</u>
<b>GENERAL FUND GRAND TOTAL</b>	<u>20,710,800.57</u>		<u>20,710,800.57</u>	<u>21,513,908.83</u>	<u>(803,358.26)</u>
Excess (deficiency) of revenues over (under) expenditures	(\$1,688,885.57)		(\$1,688,885.57)	\$1,393,009.51	\$3,081,645.08
Other financing sources (uses):					
Operating transfer in- Extencicare Occupancy Costs				30,000.00	(30,000.00)
Operating transfer in- Food Service Admin & Custodial Costs				40,121.00	(40,121.00)
Operating transfer out - debt service fund				(12.17)	12.17
Operating transfer out - special revenue fund- preschool aid	(89,333.00)		(89,333.00)	(89,333.00)	
Total other financing sources (uses)	<u>(89,333.00)</u>		<u>(89,333.00)</u>	<u>(19,224.17)</u>	<u>(70,108.83)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,778,218.57)		(1,778,218.57)	1,373,785.34	3,011,536.25
Fund balances, July 1	<u>5,340,448.84</u>		<u>5,340,448.84</u>	<u>5,340,448.84</u>	
Fund balances, June 30	<u>\$3,562,230.27</u>		<u>\$3,562,230.27</u>	<u>\$6,714,234.18</u>	<u>\$3,011,536.25</u>
Recapitulation:					
Assigned - year-end encumbrances				140,481.57	
Restricted - capital reserve				2,023,141.00	
Restricted - maintenance reserve				1,236,918.21	
Restricted - tuition reserve				350,000.00	
Restricted - excess surplus - designated for subsequent year's expenditures				700,000.00	
Restricted - excess surplus - current year				1,400,000.00	
Restricted- FFCRA semi - designated for subsequent year's expenditures				2,598.27	
Unassigned - Designated for subsequent year's expenditures				15,045.00	
Unassigned fund balance				<u>846,050.13</u>	
				\$6,714,234.18	
Reconciliation to Government Fund Statements					
Last State Aid payment not recognized on GAAP basis				<u>(568,903.00)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$6,145,331.18</u>	

BOROUGH OF KEYPORT SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR FISCAL YEARS ENDED JUNE 30, 2021

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS/ AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
<b>REVENUES:</b>					
State sources	\$791,183.00	\$304,366.04	\$1,095,549.04	\$821,527.95	(\$274,021.09)
Federal sources	593,597.00	674,949.57	1,268,546.57	1,096,995.98	(171,550.59)
Other sources		273,286.77	273,286.77	143,506.62	129,780.15
<b>Total revenues</b>	<b><u>1,384,780.00</u></b>	<b><u>1,252,602.38</u></b>	<b><u>2,637,382.38</u></b>	<b><u>2,062,030.55</u></b>	<b><u>(315,791.53)</u></b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of teachers	656,789.00	221,571.74	878,360.74	661,664.94	216,695.80
Other salaries for instruction	78,168.00	2,000.00	80,168.00	79,800.00	368.00
Purchased professional services		30,930.88	30,930.88	26,674.00	4,256.88
Tuition	245,586.00	41,998.00	287,584.00	287,584.00	
General supplies	22,455.00	398,993.38	421,448.38	328,358.79	93,089.59
<b>Total instruction</b>	<b><u>1,002,998.00</u></b>	<b><u>695,494.00</u></b>	<b><u>1,698,492.00</u></b>	<b><u>1,384,081.73</u></b>	<b><u>314,410.27</u></b>
<b>Support services:</b>					
Other salaries	105,382.00	(6,055.00)	99,327.00	54,211.62	45,115.38
Personal services - employee benefits	256,020.00	56,100.00	312,120.00	310,199.00	1,921.00
Purchased professional services	35,100.00	5,400.00	40,500.00	17,651.00	22,849.00
Other purchased services	14,306.00	37,231.44	51,537.44	33,942.70	17,594.74
Travel	3,000.00	5,000.00	8,000.00	7,099.50	900.50
Supplies and materials	13,845.00	65,035.77	78,880.77	71,978.94	6,901.83
Other objects	43,462.00	381,592.17	425,054.17	221,686.70	203,367.47
<b>Total support services</b>	<b><u>471,115.00</u></b>	<b><u>544,304.38</u></b>	<b><u>1,015,419.38</u></b>	<b><u>716,769.46</u></b>	<b><u>298,649.92</u></b>
<b>Facilities acquisition &amp; construction services and equipment:</b>					
Non-Instructional equipment		12,804.00	12,804.00		12,804.00
<b>Total expenditures</b>	<b><u>\$1,474,113.00</u></b>	<b><u>\$1,252,602.38</u></b>	<b><u>\$2,726,715.38</u></b>	<b><u>\$2,100,851.19</u></b>	<b><u>\$625,864.19</u></b>
<b>Other financing sources (uses)</b>					
Transfer from general fund	89,333.00		89,333.00	89,333.00	
	<b><u>\$1,384,780.00</u></b>	<b><u>\$1,252,602.38</u></b>	<b><u>\$2,637,382.38</u></b>	<b><u>\$2,011,518.19</u></b>	<b><u>\$625,864.19</u></b>
<b>Excess (deficiency) of revenues (sources) over (under) expenditures (uses)</b>				<b>50,512.36</b>	
<b>Fund Balance, July 1 (as restated)</b>				<b><u>129,780.51</u></b>	
<b>Fund Balance, June 30</b>				<b><u>\$180,292.87</u></b>	
<b>Scholarships</b>				<b>\$7,800.99</b>	
<b>Student Activities</b>				<b>107,693.24</b>	
<b>Emergency Medical Training</b>				<b><u>64,798.64</u></b>	
				<b><u>\$180,292.87</u></b>	

BOROUGH OF KEYPORT SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
BUDGET TO GAAP RECONCILIATION  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	GENERAL FUND	SPECIAL REVENUE FUND
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$22,906,918.34	\$2,062,030.55
Difference - budget to GAAP Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and related revenue is recognized.		(48,695.12)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	574,969.00	68,368.00
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(568,903.00)	(72,198.00)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	\$22,912,984.34	\$2,009,505.43
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules	\$21,513,908.83	\$2,100,851.19
Difference - budget to GAAP Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial purposes		(48,695.12)
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	\$21,513,908.83	\$2,052,156.07

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSION (GASB 68)**

BOROUGH OF KEYPORT SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST TEN YEARS

Measurement Date Ending June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered-Employee Payroll	District's Proportion of the Net Pension Liability (Asset) as a percentage of it's Covered-Employee Payroll	Plan Fiduciary Net Position as a percentage of the total Pension Liability
2013	0.0227317376%	\$4,120,981.00	\$1,498,841.00	274.94%	48.72%
2014	0.0220105743%	4,344,487.00	1,483,421.00	292.87%	52.08%
2015	0.0226547394%	5,085,535.00	1,452,782.00	350.05%	47.92%
2016	0.0212121813%	6,282,440.00	1,487,972.00	422.21%	40.14%
2017	0.0231226870%	5,382,592.00	1,614,179.00	333.46%	48.10%
2018	0.0238195900%	4,689,959.00	1,593,720.00	294.28%	53.60%
2019	0.0227819226%	4,104,957.00	1,619,772.00	253.43%	56.27%
2020	0.0217976229%	3,554,622.00	1,669,283.00	212.94%	58.32%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.



BOROUGH OF KEYPORT SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST TEN YEARS

<u>Fiscal Year</u> <u>Ending</u> <u>June 30,</u>	<u>Contractually</u> <u>Required</u> <u>Contribution</u>	<u>Contributions in</u> <u>Relation to the</u> <u>Contractually</u> <u>Required</u> <u>Contributions</u>	<u>Contribution</u> <u>Deficiency</u> <u>(Excess)</u>	<u>District's</u> <u>Covered-</u> <u>Employee</u> <u>Payroll</u>	<u>Contributions as</u> <u>a Percentage of</u> <u>Covered-</u> <u>Employee</u> <u>Payroll</u>
2014	\$171,279.00	\$171,279.00	-0-	\$1,483,421.00	11.55%
2015	181,452.00	181,452.00	-0-	1,452,782.00	12.49%
2016	194,770.00	194,770.00	-0-	1,487,972.00	13.09%
2017	188,446.00	188,446.00	-0-	1,614,179.00	11.67%
2018	214,207.00	214,207.00	-0-	1,593,540.00	13.44%
2019	221,601.00	221,601.00	-0-	1,619,772.00	13.68%
2020	238,455.00	238,455.00	-0-	1,669,283.00	14.28%
2021	269,302.00	269,302.00	-0-	1,679,370.00	16.04%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

BOROUGH OF KEYPORT SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHERS PENSION AND ANNUITY FUND  
LAST TEN YEARS

<u>Measurement Date Ending June 30,</u>	<u>District's Proportion of the Net Pension Liability (Asset)</u>	<u>State's Proportionate Share of the Net Pension Liability (Asset) associated with the District</u>	<u>District's Covered-Employee Payroll</u>	<u>District's Proportion of the Net Pension Liability (Asset) as a percentage of it's Covered-Employee Payroll</u>	<u>State's Proportionate Share of the Total Net Pension Liability associated with the District as a percentage of the District's Covered-Employee Payroll</u>	<u>Plan Fiduciary Net Position as a percentage of the total Pension Liability</u>
2013	0.0850918862%	\$43,004,770.00	\$7,982,207.00	-0-	538.76%	33.76%
2014	0.0813216155%	43,463,757.00	8,274,770.00	-0-	525.26%	33.64%
2015	0.0824381848%	52,104,453.00	8,015,020.00	-0-	650.09%	28.71%
2016	0.0824909518%	64,892,635.00	7,735,877.00	-0-	838.85%	22.33%
2017	0.0774832090%	52,241,973.00	8,478,981.00	-0-	616.14%	25.41%
2018	0.0774880612%	49,296,240.00	8,548,846.00	-0-	576.64%	26.49%
2019	0.0802705512%	49,262,795.00	9,006,736.00	-0-	546.96%	26.95%
2020	0.0812084874%	53,474,812.00	8,743,644.00	-0-	611.58%	24.60%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

BOROUGH OF KEYPORT SCHOOL DISTRICT  
SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSION (GASB 68)

NOTE TO RSI III  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

The following assumptions were used in calculating the net pension liability in their respective accounting periods:

Measurement Date Ending <u>June 30,</u>	Discount Rate	Long-Term Expected Rate of Return	Actuarial Experience Study Period
2020	7.00%	7.00%	07/01/14-06/30/18
2019	6.28%	7.00%	07/01/14-06/30/18
2018	5.66%	7.00%	07/01/11-06/30/14
2017	5.00%	7.00%	07/01/11-06/30/14
2016	3.98%	7.65%	07/01/11-06/30/14
2015	4.90%	7.90%	07/01/08-06/30/11
2014	5.39%	7.90%	07/01/08-06/30/11
2013	5.55%	7.90%	07/01/08-06/30/11

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms

None

Change in assumptions

The following assumptions were used in calculating the net pension liability in their respective accounting periods:

Measurement Date Ending <u>June 30,</u>	Discount Rate	Long-Term Expected Rate of Return	Actuarial Experience Study Period
2020	5.40%	7.00%	07/01/15-06/30/18
2019	5.60%	7.00%	07/01/15-06/30/18
2018	4.86%	7.00%	07/01/12-06/30/15
2017	4.25%	7.00%	07/01/12-06/30/15
2016	3.22%	7.65%	07/01/12-06/30/15
2015	4.13%	7.90%	07/01/09-06/30/12
2014	4.68%	7.90%	07/01/09-06/30/12
2013	4.95%	7.90%	07/01/09-06/30/12

**REQUIRED SUPPLEMENTARY INFORMATION - PART IV**

**SCHEDULE RELATED TO ACCOUNTING AND REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER  
THAN PENSIONS (GASB 75)**

**BOROUGH OF KEYPORT SCHOOL DISTRICT  
SCHEDULE OF CHANGES IN THE DISTRICT'S  
TOTAL OPEB LIABILITY AND RELATED RATIOS  
LAST TEN YEARS**

	Measurement Date Ended June 30,			
	2020	2019	2018	2017
<b>Total Non-Employer OPEB Liability - State's Proportionate Share of Total OPEB Liability Associated with the School District</b>				
Balance at 6/30	\$36,790,113	\$41,965,067	\$48,709,377	\$52,779,651
Changes for the year:				
Service cost	1,536,725	1,447,247	1,641,945	1,988,449
Interest	1,323,788	1,659,053	1,783,356	1,545,515
Changes of benefit terms				
Differences between expected and actual experience	10,624,242	(7,733,928)	(4,270,562)	
Changes in assumptions or other inputs	11,008,530	548,544	(4,815,701)	(6,517,569)
Membership Contributions	31,801	33,477	38,783	41,544
Benefit payments - Net	(1,049,182)	(1,129,347)	(1,122,131)	(1,128,213)
Net changes	<u>23,475,904</u>	<u>(5,174,954)</u>	<u>(6,744,310)</u>	<u>(4,070,274)</u>
Balance at 6/30	<u>\$60,266,017</u>	<u>\$36,790,113</u>	<u>\$41,965,067</u>	<u>\$48,709,377</u>
Covered Employee Payroll	10,412,927	10,626,508	10,142,566	10,093,160
District's Proportionate Share of the Total Non-Employer OPEB Liability as a percentage of the District's Covered Employee Payroll	-0-	-0-	-0-	-0-
State's Proportionate Share of the Total Non-Employer OPEB Liability associated with the District as a percentage of the District's Covered Employee Payroll	578.76%	346.21%	413.75%	482.60%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

BOROUGH OF KEYPORT SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PART IV  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Change in benefit terms:     None

Change in assumptions:

The following assumptions were used in calculating the net OPEB liability in their respective accounting periods:

Measurement Date Ending <u>June 30,</u>	Discount <u>Rate</u>
2020	2.21%
2019	3.50%
2018	3.87%

**OTHER SUPPLEMENTARY INFORMATION**



## **SPECIAL REVENUE FUND DETAIL STATEMENTS**

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

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

	<u>TITLE I</u>	<u>TITLE II PART A</u>	<u>TITLE III</u>	<u>TITLE III IMMIGRANT</u>	<u>IDEA PART B BASIC</u>	<u>IDEA PART B PRESCHOOL</u>	<u>PRESCHOOL AID</u>
<b>REVENUES</b>							
State sources							\$738,247.95
Federal sources	\$359,163.18	\$32,355.65	\$5,589.84	\$1,752.00	\$287,584.00	\$8,449.00	
Other sources							
<b>Total revenues</b>	<u>359,163.18</u>	<u>32,355.65</u>	<u>5,589.84</u>	<u>1,752.00</u>	<u>287,584.00</u>	<u>8,449.00</u>	<u>\$738,247.95</u>
<b>EXPENDITURES:</b>							
Instruction:							
100-100 Salaries of teachers	213,584.84						448,080.10
100-106 Other salaries for instruction							79,800.00
100-300 Purchased professional services						8,449.00	
100-560 Tuition					287,584.00		
100-600 General supplies	31,036.85		4,911.69	1,752.00			9,366.18
<b>Total instruction</b>	<u>244,621.69</u>		<u>4,911.69</u>	<u>1,752.00</u>	<u>287,584.00</u>	<u>8,449.00</u>	<u>537,246.28</u>
Support services:							
200-100 Other salaries	5,255.00	4,297.50	140.00				36,119.12
200-200 Personal services - employee benefits	83,041.00						227,158.00
200-300 Purchased professional services		13,000.00					4,651.00
200-500 Other purchased services	17,102.08	12,611.62	299.00				
200-560 Travel							7,099.50
200-600 Supplies and materials	6,649.71	1,253.92	239.15				6,975.61
200-800 Miscellaneous expenditures	2,493.70	1,192.61					8,331.44
<b>Total support services</b>	<u>114,541.49</u>	<u>32,355.65</u>	<u>678.15</u>				<u>290,334.67</u>
<b>Total expenditures</b>	<u>359,163.18</u>	<u>32,355.65</u>	<u>5,589.84</u>	<u>1,752.00</u>	<u>287,584.00</u>	<u>8,449.00</u>	<u>827,580.95</u>
Other financing sources (uses)							
Transfer from general fund							89,333.00
<b>Excess (deficiency) of revenues (sources) over (under) expenditures (uses)</b>							
	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Fund Balance, July 1 (as restated)							
	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$-0-</u>

(Continued on next page)

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

	CARES ACT ESSER I	CORONAVIRIS DIGITAL DIVIDE	CORONAVIRIS RELIEF- SCHOOL RE-OPENING	NJSBAIG SAFETY GRANT	STUDENT ACTIVITIES	ADULT EMERGENCY MEDICAL TRAINING	SCHOLARSHIPS	TOTAL 2021
<b>REVENUES:</b>								
State sources						\$83,280.00		\$821,527.95
Federal sources	\$198,139.86	\$128,598.45	\$75,364.00					1,096,995.98
Other sources				\$6,195.77	\$111,165.03	26,133.88	\$11.94	143,506.62
<b>Total revenues</b>	<b>198,139.86</b>	<b>128,598.45</b>	<b>\$75,364.00</b>	<b>6,195.77</b>	<b>111,165.03</b>	<b>109,413.88</b>	<b>11.94</b>	<b>2,062,030.55</b>
<b>EXPENDITURES:</b>								
Instruction:								
100-100 Salaries of teachers								661,664.94
100-106 Other salaries for instruction								79,800.00
100-300 Purchased professional services	18,225.00							26,674.00
100-560 Tuition								287,584.00
100-600 General supplies	77,329.62	128,598.45	75,364.00					328,358.79
<b>Total instruction</b>	<b>95,554.62</b>	<b>128,598.45</b>	<b>75,364.00</b>					<b>1,384,081.73</b>
Support services:								
200-100 Other salaries	8,400.00							54,211.62
200-200 Personal services - employee benefits								310,199.00
200-300 Purchased professional services								17,651.00
200-500 Other purchased services	3,930.00							33,942.70
200-580 Travel								7,099.50
200-600 Supplies and materials	50,664.78			6,195.77				71,978.94
200-800 Miscellaneous expenditures	39,590.46				97,725.13	71,953.36	400.00	221,686.70
<b>Total support services</b>	<b>102,585.24</b>			<b>6,195.77</b>	<b>97,725.13</b>	<b>71,953.36</b>	<b>400.00</b>	<b>716,769.46</b>
<b>Total expenditures</b>	<b>198,139.86</b>	<b>128,598.45</b>	<b>75,364.00</b>	<b>6,195.77</b>	<b>97,725.13</b>	<b>71,953.36</b>	<b>400.00</b>	<b>2,100,851.19</b>
Other financing sources (uses):								
Transfer from general fund								89,333.00
Excess (deficiency) of revenues (sources) over (under) expenditures (uses)								
	-0-	-0-	-0-	-0-	\$13,439.90	\$37,460.52	(\$388.06)	\$50,512.36
Fund Balance, July 1 (as restated)					\$94,253.34	\$27,338.12	\$8,189.05	\$129,780.51
Fund Balance, June 30	\$-0-	\$-0-	\$-0-	\$-0-	\$107,693.24	\$64,798.64	\$7,800.99	\$180,292.87

BOROUGH OF KEYPORT SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
SCHEDULE OF PRESCHOOL EDUCATION AID  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	2021		
	<u>BUDGETED</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
EXPENDITURES:			
Instruction:			
Salaries of teachers	\$636,166.14	\$448,080.10	\$188,086.04
Other salaries for instruction	80,168.00	79,800.00	368.00
General supplies	10,413.90	9,366.18	1,047.72
Total Instruction	<u>726,748.04</u>	<u>537,246.28</u>	<u>189,501.76</u>
Support Services:			
Other salaries	76,382.00	36,119.12	40,262.88
Personal services - employee benefits	227,158.00	227,158.00	
Purchased professional services	27,000.00	4,651.00	22,349.00
Travel	8,000.00	7,099.50	900.50
Supplies and materials	8,948.00	6,975.61	1,972.39
Miscellaneous expenditures	27,366.00	8,331.44	19,034.56
Total Support Services	<u>374,854.00</u>	<u>290,334.67</u>	<u>84,519.33</u>
Total expenditures	<u>\$1,101,602.04</u>	<u>\$827,580.95</u>	<u>\$274,021.09</u>

CALCULATION OF BUDGET AND CARRYOVER

Total 2020-2021 Preschool Education Aid Allocation	\$722,034.00
Add: Actual ECPA/ Preschool Education Aid Carryover (June 30, 2020)	290,235.04
Add: budgeted transfer from General Fund	89,333.00
Total Preschool Education Aid Available for 2020-2021 Budget	<u>1,101,602.04</u>
Less: 2020-2021 Budgeted Preschool Education Aid (including prior year budgeted carryover)	<u>(1,101,602.04)</u>
Available and Unbudgeted Preschool Education Funds as of June 30, 2021	
Add: June 30, 2021 Unexpended Preschool Education Aid	<u>274,021.09</u>
2020-2021 Carryover - Preschool Education Aid Programs	<u>\$274,021.09</u>
2020-2021 Preschool Education Aid Carryover Budgeted for Preschool Programs 2021-2022	<u>\$274,021.09</u>

**CAPITAL PROJECTS FUND DETAIL STATEMENTS**

The capital projects fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

BOROUGH OF KEYPORT SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY STATEMENT OF PROJECT EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

<u>ISSUE / PROJECT TITLE</u>	<u>ORIGINAL DATE</u>	<u>APPROPRIATION</u>	<u>EXPENDITURES TO DATE</u>		<u>(MEMO ONLY) UNEXPENDED BALANCE JUNE 30, 2021</u>
			<u>PRIOR YEARS</u>	<u>CURRENT YEAR</u>	
Bond Referendum Projects- Renovations, Alterations, Upgrades and Improvements to High School, Central School and Board of Education Building	08/05/19	<u>\$16,756,000.00</u>	<u>\$11,796,413.72</u>	<u>\$3,074,925.74</u>	<u>\$1,884,660.54</u>

BOROUGH OF KEYPORT SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE-BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

EXPENDITURES AND OTHER FINANCING USES:	
Purchased professional and technical services	\$19,448.90
Miscellaneous expenditures	(1,505.95)
Construction services	3,056,982.79
	<hr/>
Total expenditures and other financing uses	3,074,925.74
	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(3,074,925.74)
	<hr/>
Fund balance - July 1	4,959,583.28
	<hr/>
Fund balance - June 30	<u>\$1,884,657.54</u>

BOROUGH OF KEYPORT SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS  
BUDGETARY BASIS - RENOVATIONS, ALTERATIONS, UPGRADES & IMPROVEMENTS TO HIGH SCHOOL  
CENTRAL SCHOOL AND BOARD OF EDUCATION BUILDINGS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
<b>REVENUES AND OTHER FINANCING SOURCES:</b>				
Bond Proceeds	\$15,315,000.00		\$15,315,000.00	\$15,315,000.00
Miscellaneous	1,441,000.00		1,441,000.00	1,441,000.00
Total revenues and other financing sources	<u>16,756,000.00</u>		<u>16,756,000.00</u>	<u>16,756,000.00</u>
<b>EXPENDITURES AND OTHER FINANCING USES:</b>				
Purchased professional and technical services	1,123,130.48	\$19,448.90	1,142,579.38	1,405,987.00
Miscellaneous expenditures	37,176.27	(1,505.95)	35,670.32	40,000.00
Construction services	10,636,106.97	3,056,982.79	13,693,089.76	15,310,013.00
Total expenditures and other financing uses	<u>11,796,413.72</u>	<u>3,074,925.74</u>	<u>14,871,339.46</u>	<u>16,756,000.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$4,959,586.28</u>	<u>(\$3,074,925.74)</u>	<u>\$1,884,660.54</u>	
<b>ADDITIONAL PROJECT INFORMATION:</b>				
Project number	18K070			
Grant date	N/A			
Bond authorization date	N/A			
Bonds authorized	\$15,315,000.00			
Bonds issued	15,315,000.00			
Original authorized cost	15,315,000.00			
Additional authorized cost	1,441,000.00			
Revised authorized cost	\$16,756,000.00			
Percentage increase over original authorized cost				
Percentage completion	95.00%			
Original target completion date	12/31/20			
Completion date	N/A			



## PROPRIETARY FUND DETAIL STATEMENTS

Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

**Food Services Fund:** This fund provides for the operation of food services in all schools within the school district.

**Extencicare Fund:** This fund provides for the operation of a before and after school care program.

BOROUGH OF KEYPORT SCHOOL DISTRICT  
PROPRIETARY FUND  
COMBINING STATEMENT OF NET POSITION  
AS OF JUNE 30, 2021

ASSETS:	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND		TOTAL
	FOOD SERVICE	EXTENDICARE	
Current assets:			
Cash and cash equivalents	\$130,134.04	\$113,937.95	\$244,071.99
Accounts receivable:			
State	1,847.47		1,847.47
Federal	55,252.70		55,252.70
Other	5,980.69		5,980.69
Inventories	4,865.33		4,865.33
Total current assets	<u>198,080.23</u>	<u>113,937.95</u>	<u>312,018.18</u>
Noncurrent assets			
Furniture, machinery and equipment	168,334.00		168,334.00
Less: Accumulated depreciation	<u>(93,236.00)</u>		<u>(93,236.00)</u>
Total noncurrent assets	<u>75,098.00</u>		<u>75,098.00</u>
TOTAL ASSETS	<u>273,178.23</u>	<u>113,937.95</u>	<u>387,116.18</u>
LIABILITIES:			
Current liabilities:			
Accounts payable	46,562.56		46,562.56
Interfunds	3.00		3.00
Unearned Revenue	<u>8,895.77</u>		<u>8,895.77</u>
Total current liabilities	<u>55,461.33</u>		<u>55,461.33</u>
NET POSITION:			
Net investment in capital assets	75,098.00		75,098.00
Unrestricted	<u>142,618.90</u>	<u>113,937.95</u>	<u>256,556.85</u>
TOTAL NET POSITION	<u>\$217,716.90</u>	<u>\$113,937.95</u>	<u>\$331,654.85</u>

BOROUGH OF KEYPORT SCHOOL DISTRICT  
PROPRIETARY FUND  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
AS OF JUNE 30, 2021

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND		TOTAL
	FOOD SERVICE	EXTENDICARE	
OPERATING REVENUES:			
Local sources:			
Daily sales non-reimbursable programs	\$3,262.31		\$3,262.31
Program fees		\$29,435.95	29,435.95
Total operating revenue	3,262.31	29,435.95	32,698.26
OPERATING EXPENSES:			
Salaries	103,000.82	6,000.00	109,000.82
Employee benefits and taxes	28,308.53	489.00	28,797.53
Management fee	12,186.60		12,186.60
Supplies and materials	6,326.99	400.00	6,726.99
Repairs and other	37,213.37		37,213.37
Depreciation	6,704.00		6,704.00
Cost of sales - reimbursable programs	143,622.55		143,622.55
Cost of sales - non-reimbursable programs	3,200.00		3,200.00
Total operating expenses	340,562.86	6,889.00	347,451.86
Operating income (loss)	(337,300.55)	22,546.95	(314,753.60)
Nonoperating revenues (expenses) :			
State sources:			
State school lunch program	12,061.15		12,061.15
Federal sources:			
National school lunch program	225,010.80		225,010.80
National school breakfast program	121,554.10		121,554.10
National food distribution commodities	34,293.67		34,293.67
Child Nutrition Discretionary Grant- Equipment	17,005.46		17,005.46
Emergency operational cost reimbursement	21,580.08		21,580.08
P-EBT administrative cost reimbursement	614.00		614.00
Interest	154.16	228.56	382.72
Total nonoperating revenues	432,273.42	228.56	432,501.98
Excess (deficiency) of revenues over (under) expenditures	94,972.87	22,775.51	117,748.38
Other financing sources (uses):			
Operating transfers out	(40,121.00)	(30,000.00)	(70,121.00)
Net income( loss)	54,851.87	(7,224.49)	47,627.38
Net position - July 1	162,865.03	121,162.44	284,027.47
Net position - June 30	\$217,716.90	\$113,937.95	\$331,654.85

BOROUGH OF KEYPORT SCHOOL DISTRICT  
PROPRIETARY FUND  
COMBINING STATEMENT OF CASH FLOWS  
AS OF JUNE 30, 2021

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND		
	FOOD SERVICE	EXTENDICARE	TOTAL
Cash flows from operating activities:			
Receipts from customers	\$7,652.12	\$29,435.95	\$37,088.07
Payments to employees	(88,425.03)	(6,000.00)	(94,425.03)
Payments for employee benefits	(24,577.41)	(489.00)	(25,066.41)
Payments to suppliers	(227,439.81)	(30,400.00)	(257,839.81)
Net cash provided (used) by operating activities	(332,790.13)	(7,453.05)	(340,243.18)
Cash flows from noncapital financing activities:			
State sources	10,366.53		10,366.53
Federal sources	380,645.71		380,645.71
Net cash provided (used) by noncapital financing activities	391,012.24		391,012.24
Cash flows from investing activities:			
Interest	154.16	228.56	382.72
Net cash provided (used) by investing activities	154.16	228.56	382.72
Cash flows from capital and related financing activities:			
Purchases of capital assets	(16,305.00)		(16,305.00)
Net cash provided (used) by capital and related financing activities	(16,305.00)		(16,305.00)
Net increase(decrease) in cash and cash equivalents	42,071.27	(7,224.49)	34,846.78
Cash and cash equivalents, July 1	88,062.77	121,162.44	209,225.21
Cash and cash equivalents, June 30	\$130,134.04	\$113,937.95	\$244,071.99
Operating income (loss)	(\$337,300.55)	\$22,546.95	(\$314,753.60)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:			
Depreciation and net amortization	6,704.00		6,704.00
Operating transfer out	(40,121.00)	(30,000.00)	(70,121.00)
Change in assets and liabilities:			
Increase (Decrease) in unearned revenue	(234.13)		(234.13)
(Increase) Decrease in inventory	5,709.14		5,709.14
(Increase) Decrease in accounts receivable	3,991.53		3,991.53
Increase (Decrease) in accounts payable	28,460.88		28,460.88
Net cash provided (used) by operating activities	(\$332,790.13)	(\$7,453.05)	(\$340,243.18)

## **LONG-TERM DEBT SCHEDULES**

The Long-Term schedules are used to reflect the outstanding principal balances of the long-term liabilities of the District. This includes obligations under Serial Bonds.

BOROUGH OF KEYPORT SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
JUNE 30, 2021

<u>ISSUE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ISSUE</u>	<u>ANNUAL MATURITIES</u>		<u>INTEREST RATE</u>	<u>BALANCE JUNE 30, 2020</u>	<u>DECREASES</u>	<u>BALANCE JUNE 30, 2021</u>
			<u>DATE</u>	<u>AMOUNT</u>				
Building Improvements and Additions to High School and Middle School	02/01/10	3,900,000.00	02/01/22	325,000.00	3.75%	\$1,320,000.00	\$315,000.00	\$1,005,000.00
			02/01/23	340,000.00	4.00%			
			02/01/24	340,000.00	4.00%			
Renovations, Alterations, Upgrades and Improvements to High School, Central School and Board of Education Building	08/05/20	15,315,000.00	08/01/21	445,000.00	3.00%	15,315,000.00		15,315,000.00
			08/01/22	460,000.00	4.00%			
			08/01/23	475,000.00	3.00%			
			08/01/24	765,000.00	4.00%			
			08/01/25	795,000.00	4.00%			
			08/01/26	830,000.00	4.00%			
			08/01/27	865,000.00	4.00%			
			08/01/28-2031	890,000.00	4.00%			
			08/01/32-2039	890,000.00	3.00%			
					<u>15,315,000.00</u>		<u>15,315,000.00</u>	
					<u>\$16,635,000.00</u>	<u>\$315,000.00</u>	<u>\$16,320,000.00</u>	

BOROUGH OF KEYPORT SCHOOL DISTRICT  
DEBT SERVICE FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>REVENUES:</b>				
Local sources:				
Local tax levy	\$762,746.00	\$762,746.00	\$762,746.00	
State Aid	395,041.00	395,041.00	395,041.00	
<b>Total revenues</b>	<u>1,157,787.00</u>	<u>1,157,787.00</u>	<u>1,157,787.00</u>	
<b>EXPENDITURES:</b>				
Regular debt service:				
Interest	842,799.00	842,799.00	842,799.17	(\$0.17)
Redemption of principal	315,000.00	315,000.00	315,000.00	
<b>Total regular debt service-expenditures</b>	<u>1,157,799.00</u>	<u>1,157,799.00</u>	<u>1,157,799.17</u>	<u>(0.17)</u>
Excess (deficiency) of revenues over (under) expenditures	(12.00)	(12.00)	(12.17)	(0.17)
<b>Other financing sources(uses):</b>				
Operating transfer in			12.17	12.17
<b>Total other financing sources(uses)</b>			<u>12.17</u>	<u>12.17</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(12.00)	(12.00)		12.00
Fund balance, July 1				
Fund balance, June 30	<u>(\$12.00)</u>	<u>(\$12.00)</u>	<u>-\$0-</u>	<u>\$12.00</u>

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**STATISTICAL SECTION**  
**(UNAUDITED)**

BOROUGH OF KEYPORT SCHOOL DISTRICT  
STATISTICAL SECTION

Contents

Page

Financial Trends:

These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.

J-1 to J-4

Revenue Capacity:

These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.

J-5 to J-9

Debt Capacity:

These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.

J-10 to J-13

Demographic and Economic Information:

These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.

J-14

Operating Information:

These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.

J-16 to J-20

Sources

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

BOROUGH OF KEYPORT SCHOOL DISTRICT  
NET POSITION BY COMPONENT  
UNAUDITED

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Governmental activities</b>										
Net investment in capital assets	\$8,675,369.74	\$10,608,035.28	\$8,695,270.75	\$8,062,550.00	\$8,018,177.03	\$7,849,258.25	\$7,437,306.76	\$5,409,395.78	\$4,450,409.75	\$3,886,099.92
Restricted	7,694,976.00	4,435,682.91	3,946,014.46	4,092,108.13	3,480,241.53	3,582,397.68	3,458,900.02	4,105,109.34	4,650,524.73	3,752,598.50
Unrestricted (Deficit)	(5,099,240.29)	(5,550,898.31)	(5,557,942.46)	(5,456,994.21)	(5,209,777.58)	(5,087,052.76)	(4,806,712.97)	(502,992.00)	(621,630.88)	(397,111.65)
<b>Total governmental activities net position</b>	<b>\$11,271,105.45</b>	<b>\$9,492,819.88</b>	<b>\$7,083,342.75</b>	<b>\$6,697,663.92</b>	<b>\$6,288,640.98</b>	<b>\$6,344,603.17</b>	<b>\$6,089,493.81</b>	<b>\$9,011,513.12</b>	<b>\$8,479,303.60</b>	<b>\$7,241,586.77</b>
<b>Business-type activities</b>										
Net investment in capital assets	\$75,098.00	\$65,497.00	\$48,710.00	\$37,070.00	\$37,412.00	\$47,833.00	\$45,813.00	\$33,749.75	\$26,168.06	\$6,330.16
Unrestricted	256,556.85	218,530.47	263,859.87	236,476.19	195,250.29	236,041.67	171,196.60	113,052.39	125,815.49	119,485.33
<b>Total business-type activities net position</b>	<b>\$331,654.85</b>	<b>\$284,027.47</b>	<b>\$312,569.87</b>	<b>\$273,546.19</b>	<b>\$232,662.29</b>	<b>\$283,874.67</b>	<b>\$217,009.60</b>	<b>\$146,802.14</b>	<b>\$151,983.55</b>	<b>\$125,815.49</b>
<b>District-wide</b>										
Net investment in capital assets	\$8,750,467.74	\$10,673,532.28	\$8,743,980.75	\$8,099,620.00	\$8,055,589.03	\$7,897,091.25	\$7,483,119.76	\$5,443,145.53	\$4,476,577.81	\$3,892,430.08
Restricted	7,694,976.00	4,435,682.91	3,946,014.46	4,092,108.13	3,480,241.53	3,582,397.68	3,458,900.02	4,105,109.34	4,650,524.73	3,752,598.50
Unrestricted ( Deficit)	(4,842,683.44)	(5,332,367.84)	(5,294,082.59)	(5,220,518.02)	(5,014,527.29)	(4,851,011.09)	(4,635,516.37)	(389,939.61)	(495,815.39)	(277,626.32)
<b>Total district net position</b>	<b>\$11,602,760.30</b>	<b>\$9,776,847.35</b>	<b>\$7,395,912.62</b>	<b>\$6,971,210.11</b>	<b>\$6,521,303.27</b>	<b>\$6,628,477.84</b>	<b>\$6,306,503.41</b>	<b>\$9,158,315.26</b>	<b>\$8,631,287.15</b>	<b>\$7,367,402.26</b>

BOROUGH OF KEYPORT SCHOOL DISTRICT  
CHANGES IN NET POSITION  
UNAUDITED

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>EXPENSES</b>										
Governmental activities										
Instruction:										
Regular	\$12,967,730.55	\$10,599,344.11	\$11,767,578.44	\$12,338,834.04	\$11,285,552.00	\$9,882,124.90	\$9,307,119.66	\$8,481,340.05	\$8,374,619.45	\$8,048,763.63
Special education	3,557,805.04	3,342,798.56	3,420,862.67	3,404,741.24	3,863,862.98	3,231,681.98	2,992,601.59	3,103,209.74	3,151,658.78	3,014,228.71
Other instruction	1,513,519.07	1,317,886.36	1,460,421.30	1,541,954.67	1,197,202.27	1,017,715.17	829,264.27	873,152.65	927,075.06	891,898.42
Support Services										
Student and instruction related services	4,152,919.30	4,098,572.40	3,727,017.56	3,734,608.62	3,334,773.23	3,232,688.54	2,898,673.35	2,524,017.33	2,448,367.63	2,448,118.96
General administrative services	435,176.12	492,892.97	525,694.28	551,081.33	604,578.72	550,095.27	499,846.20	487,924.58	429,202.91	468,112.41
School administrative services	1,005,169.48	1,036,795.53	1,120,176.13	1,182,141.77	1,205,807.24	1,015,741.92	967,717.46	922,531.25	837,568.49	871,530.05
Central services	330,227.11	424,307.87	428,666.89	449,237.46	446,641.44	384,667.67	358,699.95	424,689.96	438,154.32	519,488.56
Administrative technology	197,406.88	190,909.33	180,485.06	189,192.56	189,792.21	178,873.26	185,045.08	210,313.43	157,243.80	141,809.37
Plant operations and maintenance	1,644,325.67	1,776,706.11	2,074,497.68	1,846,304.46	1,901,639.01	2,194,156.28	2,686,185.02	1,732,446.70	1,540,845.95	2,095,165.77
Student Transportation	383,066.11	534,579.25	510,743.42	528,542.48	470,086.31	616,837.39	524,441.04	470,006.02	471,271.97	461,589.57
Interest on long-term debt	458,417.68	481,847.00	84,978.33	105,074.13	124,790.32	146,845.01	165,901.26	186,216.88	204,990.84	222,796.83
Unallocated depreciation	621,383.19	511,404.73	463,300.17	475,599.00	524,937.00	487,762.00	417,477.99	417,848.88	364,843.21	350,295.75
Total governmental activities expenses	<u>27,267,146.20</u>	<u>24,808,044.22</u>	<u>25,764,421.93</u>	<u>26,347,311.76</u>	<u>25,149,662.73</u>	<u>22,919,189.39</u>	<u>21,832,972.87</u>	<u>19,833,697.47</u>	<u>19,345,842.41</u>	<u>19,533,798.03</u>
Business-type activities										
Extendercare	6,889.00	108,266.51	145,240.67	136,706.86	179,507.14	162,934.46	115,610.51	67,493.11		
Food Service	340,562.86	386,354.19	461,919.88	450,977.54	517,633.74	485,903.55	457,260.24	461,069.05	408,344.57	444,127.95
Total business-type activities expense	<u>347,451.86</u>	<u>494,620.70</u>	<u>607,160.55</u>	<u>587,684.40</u>	<u>697,140.88</u>	<u>648,838.01</u>	<u>572,870.75</u>	<u>461,069.05</u>	<u>408,344.57</u>	<u>444,127.95</u>
Total district expenses	<u>\$27,614,598.06</u>	<u>\$25,302,664.92</u>	<u>\$26,371,582.48</u>	<u>\$26,934,996.16</u>	<u>\$25,846,803.61</u>	<u>\$23,568,027.40</u>	<u>\$22,405,843.62</u>	<u>\$20,294,766.52</u>	<u>\$19,754,186.98</u>	<u>\$19,977,925.98</u>
<b>PROGRAM REVENUES</b>										
Governmental activities										
Charges for services	\$220,578.91	\$245,359.65								
Operating grants and contributions	8,574,598.20	5,541,157.43	\$7,221,114.26	\$8,407,890.43	\$7,376,625.97	\$5,615,297.27	\$4,966,654.75	\$2,827,539.47	\$2,904,598.35	\$2,682,884.82
Total governmental activities program revenues	<u>8,795,177.11</u>	<u>5,786,517.08</u>	<u>7,221,114.26</u>	<u>8,407,890.43</u>	<u>7,376,625.97</u>	<u>5,615,297.27</u>	<u>4,966,654.75</u>	<u>2,827,539.47</u>	<u>2,904,598.35</u>	<u>2,682,884.82</u>
Business-type activities										
Charges for services										
Extendercare	29,435.95	126,726.60	152,270.30	152,352.53	168,966.32	212,379.40	153,837.74	81,204.26		
Food Service	3,262.31	107,038.97	157,292.44	150,520.30	153,847.93	170,292.03	165,543.21	159,493.05	172,569.43	198,739.62
Operating grants and contributions	432,119.26	283,040.47	333,979.08	324,461.16	322,663.77	332,844.72	311,663.72	282,670.46	272,661.95	254,326.37
Total business type activities program revenues	<u>464,817.52</u>	<u>516,806.04</u>	<u>643,541.82</u>	<u>627,333.99</u>	<u>645,478.02</u>	<u>715,516.15</u>	<u>477,206.93</u>	<u>442,163.51</u>	<u>445,231.38</u>	<u>453,065.99</u>
Total district program revenues	<u>\$9,259,994.63</u>	<u>\$6,303,323.12</u>	<u>\$7,864,656.08</u>	<u>\$9,035,224.42</u>	<u>\$8,022,103.99</u>	<u>\$6,330,813.42</u>	<u>\$5,443,861.68</u>	<u>\$3,269,702.98</u>	<u>\$3,349,829.73</u>	<u>\$3,135,950.81</u>

BOROUGH OF KEYPORT SCHOOL DISTRICT  
CHANGES IN NET POSITION  
UNAUDITED

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>NET (EXPENSE)/REVENUE</b>										
Governmental activities	(\$18,471,969.09)	(\$19,021,527.14)	(\$18,543,307.67)	(\$17,939,421.33)	(\$17,773,036.76)	(\$17,303,892.12)	(\$16,866,318.12)	(\$17,006,158.00)	(\$16,441,244.06)	(\$16,850,913.21)
Business-type activities	117,385.66	22,185.34	36,381.27	39,649.59	(51,662.86)	66,678.14	(95,663.82)	(18,905.54)	36,886.81	8,938.04
Total district-wide net expense	<u>(\$18,354,603.43)</u>	<u>(\$18,999,341.80)</u>	<u>(\$18,506,926.40)</u>	<u>(\$17,899,771.74)</u>	<u>(\$17,824,699.62)</u>	<u>(\$17,237,213.98)</u>	<u>(\$16,961,981.94)</u>	<u>(\$17,025,063.54)</u>	<u>(\$16,404,357.25)</u>	<u>(\$16,841,975.17)</u>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>										
Governmental activities										
Property taxes levied for general purposes, net	\$10,207,470.00	\$9,848,090.00	\$9,610,209.00	\$9,421,774.00	\$9,237,035.00	\$8,967,996.00	\$8,623,074.00	\$8,291,418.00	\$8,291,418.00	\$8,291,418.00
Taxes levied for debt service	762,746.00	460,375.00	461,545.00	461,473.00	366,918.00	308,419.00	304,833.00	307,757.00	202,565.00	312,665.00
Other local government units										
State and federal aid and grants	6,351,675.01	6,091,162.37	6,067,479.00	5,824,150.49	5,808,056.22	5,971,229.08	6,010,641.36	5,894,379.05	5,457,441.51	5,762,136.78
Tuition	2,819,512.09	2,647,067.71	2,729,291.55	2,472,138.00	2,113,641.42	2,194,284.00	2,713,515.00	2,921,345.53	3,551,502.50	4,033,850.98
Investment earnings	20,110.15	97,904.93	55,209.62	26,435.16	8,005.89	4,368.09	3,188.61	4,071.30	4,839.96	3,941.27
Miscellaneous income	18,620.41	1,620,934.98	5,252.33	142,473.62	183,418.04	144,283.60	123,533.84	119,396.64	171,193.92	104,393.09
Miscellaneous - reimburse from capital projects fund		505,987.00								
Operating transfers in	70,121.00	52,420.00								
Disposal of capital assets						(31,578.29)				(149,356.72)
Total governmental activities	<u>20,250,254.66</u>	<u>21,323,941.99</u>	<u>18,928,986.50</u>	<u>18,348,444.27</u>	<u>17,717,074.57</u>	<u>17,559,001.48</u>	<u>17,778,785.81</u>	<u>17,538,367.52</u>	<u>17,678,960.89</u>	<u>18,359,068.40</u>
Business-type activities										
Miscellaneous Income	382.72	1,692.26	2,642.41	1,234.31	450.48	186.93	33.54	12.98		
Operating transfers out	(70,121.00)	(52,420.00)								
Disposal of capital assets/Canceled receivable									(10,718.75)	
Total business-type activities	<u>(69,738.28)</u>	<u>(50,727.74)</u>	<u>2,642.41</u>	<u>1,234.31</u>	<u>450.48</u>	<u>186.93</u>	<u>33.54</u>	<u>12.98</u>	<u>(10,718.75)</u>	<u>0.00</u>
Total district-wide	<u>\$20,180,516.38</u>	<u>\$21,273,214.25</u>	<u>\$18,931,628.91</u>	<u>\$18,349,678.58</u>	<u>\$17,717,525.05</u>	<u>\$17,559,188.41</u>	<u>\$17,778,819.35</u>	<u>\$17,538,380.50</u>	<u>\$17,668,242.14</u>	<u>\$18,359,068.40</u>
<b>CHANGE IN NET POSITION</b>										
Governmental activities	\$1,778,285.57	\$2,302,414.85	\$385,678.83	\$409,022.94	(\$55,962.19)	\$255,109.36	\$912,467.69	\$532,209.52	\$1,237,716.83	\$1,508,155.19
Business-type activities	47,627.38	(28,542.40)	39,023.68	40,883.90	(51,212.38)	66,865.07	(95,630.28)	(18,892.56)	26,168.06	8,938.04
Total district	<u>\$1,825,912.95</u>	<u>\$2,273,872.45</u>	<u>\$424,702.51</u>	<u>\$449,906.84</u>	<u>(\$107,174.57)</u>	<u>\$321,974.43</u>	<u>\$816,837.41</u>	<u>\$513,316.96</u>	<u>\$1,263,884.89</u>	<u>\$1,517,093.23</u>

Source: ACFR Schedule A-2

BOROUGH OF KEYPORT SCHOOL DISTRICT  
FUND BALANCES - GOVERNMENTAL FUNDS  
UNAUDITED

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Fund										
Restricted	\$5,712,657.48	\$4,505,048.29	\$3,967,019.67	\$4,122,442.54	\$3,519,529.80	\$3,448,632.77	\$2,358,689.57	\$1,915,779.15	\$3,659,817.80	\$2,306,036.17
Assigned	155,526.57	260,431.55		597.29	7,167.29	108,364.55	398,124.30	1,083,339.20	265,807.31	43,302.42
Unassigned	277,147.13					(\$181,430.03)	(\$98,988.11)	(\$98,988.11)	(196,271.36)	(123,408.57)
Total general fund	<u>\$6,145,331.18</u>	<u>\$4,765,479.84</u>	<u>\$3,967,019.67</u>	<u>\$4,123,039.83</u>	<u>\$3,526,697.09</u>	<u>\$3,375,567.29</u>	<u>\$2,756,813.87</u>	<u>\$2,900,130.24</u>	<u>\$3,729,353.75</u>	<u>\$2,225,930.02</u>
All Other Governmental Funds										
Restricted	\$1,706,203.23	\$2,219,789.40	\$0.47	\$12.47	\$11.73	\$94,010.99	\$715,488.43	\$847,255.63	\$848,242.63	\$1,558,147.41
Committed	358,750.18	2,869,577.39					54,853.20	451,000.00		
Unassigned, reported in:										
Special revenue fund (deficit)	(72,198.00)	(68,368.00)	(68,476.00)		(37,757.37)	(43,124.21)	(37,911.26)	(28,796.84)	(28,880.96)	(30,485.60)
Total all other governmental funds	<u>\$1,992,755.41</u>	<u>\$5,020,998.79</u>	<u>(\$68,475.53)</u>	<u>\$12.47</u>	<u>(\$37,745.64)</u>	<u>\$50,886.78</u>	<u>\$732,430.37</u>	<u>\$1,269,458.79</u>	<u>\$819,361.67</u>	<u>\$1,527,661.81</u>

Source: ACFR Schedule B-1

**BOROUGH OF KEYPORT SCHOOL DISTRICT  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
UNAUDITED**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Revenues</b>										
Tax levy	\$10,970,216.00	\$10,308,465.00	\$10,071,754.00	\$9,883,247.00	\$9,603,953.00	\$9,276,415.00	\$8,927,907.00	\$8,599,175.00	\$8,493,983.00	\$8,604,103.00
Tuition charges	2,816,497.00	2,628,820.00	2,682,329.98	2,472,138.00	2,113,641.42	2,194,284.00	2,713,515.00	2,921,345.53	3,551,502.50	4,033,850.98
Interest earnings	20,110.15	97,904.93	55,209.62	26,435.16	8,005.89	4,348.09	3,188.61	4,071.30	4,839.96	3,941.27
Miscellaneous	165,142.12	2,397,149.48	57,324.59	142,473.62	183,418.04	151,772.51	125,836.37	119,396.64	171,193.92	109,257.92
State sources	11,047,580.89	9,870,917.06	9,479,387.59	8,944,384.04	8,371,983.13	8,358,477.51	8,313,146.48	7,915,865.64	7,710,900.57	7,426,343.35
Federal sources	1,060,730.61	719,624.60	779,867.98	759,592.88	808,454.06	699,568.93	771,082.63	806,052.88	651,139.29	1,013,813.42
<b>Total revenue</b>	<b>26,080,276.77</b>	<b>26,022,881.07</b>	<b>23,125,873.76</b>	<b>22,228,270.70</b>	<b>21,089,455.54</b>	<b>20,684,866.04</b>	<b>20,854,676.09</b>	<b>20,365,906.99</b>	<b>20,583,559.24</b>	<b>21,191,309.94</b>
<b>Expenditures</b>										
Instruction										
Regular instruction	7,141,653.17	6,326,065.86	6,581,114.05	6,449,862.81	6,077,239.59	5,913,797.40	5,862,825.67	6,027,116.33	5,546,758.66	5,597,393.20
Special education instruction	1,653,641.92	1,675,256.86	1,743,872.06	1,602,237.55	1,675,297.54	1,639,119.84	1,627,263.11	1,713,495.50	1,676,698.38	1,780,826.95
Other instruction	760,985.42	741,205.26	827,887.76	791,920.61	652,626.43	614,057.36	504,442.23	618,318.55	638,541.18	628,571.35
Support Services										
Tuition	931,088.45	801,183.29	524,194.58	461,466.54	943,616.76	739,034.50	612,543.70	769,884.53	740,792.07	624,007.70
Student and instruction related services	2,410,693.84	2,252,968.55	2,106,500.30	2,040,520.68	1,688,435.26	1,858,562.36	1,858,216.35	1,742,381.24	1,657,618.42	1,741,525.97
General administrative services	372,287.46	385,781.44	409,000.42	386,246.54	415,605.07	389,212.55	397,859.07	358,453.71	318,612.91	307,857.38
School administrative services	508,277.46	586,532.62	584,743.31	572,592.64	609,130.65	577,330.93	588,663.44	610,956.29	589,101.84	593,566.18
Central services	287,227.44	327,470.42	320,844.32	311,598.91	288,918.64	300,135.76	285,511.88	294,835.99	292,511.94	317,241.17
Administrative technology	181,604.43	161,805.90	148,722.82	148,424.86	134,255.15	135,265.18	147,289.03	156,299.58	123,541.23	141,809.37
Plant operations and maintenance	1,495,332.56	1,521,596.68	1,745,722.36	1,474,257.98	1,463,916.47	1,533,721.66	2,131,534.75	1,481,412.04	1,263,300.53	1,616,215.36
Student transportation	383,066.11	534,579.25	510,743.42	528,542.48	470,086.31	493,246.60	417,435.67	470,006.02	471,271.97	461,589.57
Unallocated employee benefits	7,196,459.75	6,754,908.35	6,554,373.60	6,049,078.07	5,652,830.88	5,307,696.48	5,021,829.36	4,899,536.18	5,204,224.00	5,016,382.95
Debt service:										
Principal	315,000.00	595,000.00	575,000.00	555,000.00	535,000.00	610,000.00	585,000.00	570,000.00	560,000.00	535,000.00
Interest and other charges	842,799.17	72,832.50	94,320.00	114,026.26	133,001.26	154,751.26	174,963.76	194,638.76	213,188.76	230,526.00
Capital outlay	3,265,611.42	12,815,715.00	623,342.92	108,393.92	278,736.75	490,005.73	1,368,995.83	837,698.66	492,273.76	1,141,151.17
Special Schools	53,061.21	56,526.88								
<b>Total expenditures</b>	<b>27,798,789.81</b>	<b>35,609,428.86</b>	<b>23,350,381.92</b>	<b>21,594,169.85</b>	<b>21,018,696.76</b>	<b>20,755,937.61</b>	<b>21,584,373.85</b>	<b>20,745,033.38</b>	<b>19,788,435.65</b>	<b>20,733,664.32</b>
Excess (Deficiency) of revenues over (under) expenditures	(\$1,718,513.04)	(\$9,586,547.79)	(\$224,508.16)	\$634,100.85	\$70,758.78	(\$71,071.57)	(\$729,697.76)	(\$379,126.39)	\$795,123.59	\$457,645.62
<b>Other Financing sources (uses)</b>										
Capital leases (non-budgeted)									\$118,352.01	75,440.72
Bond proceeds		\$15,315,000.00								
Transfers in	159,466.17	138,940.00			94,010.11	\$436,039.03	\$1,121,788.95	\$362,229.00	\$235,000.00	\$1,198,284.00
Transfers out	(89,345.17)	(86,520.00)			(94,010.11)	(436,039.03)	(1,121,788.95)	(362,229.00)	(235,000.00)	(1,198,284.00)
<b>Total other financing sources (uses)</b>	<b>70,121.00</b>	<b>15,367,420.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>118,352.01</b>	<b>75,440.72</b>
<b>Net change in fund balances</b>	<b>(\$1,648,392.04)</b>	<b>\$5,780,872.21</b>	<b>(\$224,508.16)</b>	<b>\$634,100.85</b>	<b>\$70,758.78</b>	<b>(\$71,071.57)</b>	<b>(\$729,697.76)</b>	<b>(\$379,126.39)</b>	<b>\$118,352.01</b>	<b>\$75,440.72</b>
Debt service as a percentage of noncapital expenditures	4.72%	2.93%	2.95%	3.11%	3.22%	3.77%	3.76%	3.84%	4.01%	3.91%

Source: ACFR Schedule B-2

BOROUGH OF KEYPORT SCHOOL DISTRICT  
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE  
UNAUDITED

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Tuition</u>	<u>Interest on</u> <u>Investments</u>	<u>Solar Renewable</u> <u>Energy Credits</u>	<u>Miscellaneous</u>	<u>Total</u>
2021	\$2,819,512.09	\$20,110.15		\$18,620.41	\$2,858,242.65
2020	2,647,067.71	97,904.93	\$120,454.00	564,018.05	3,429,444.69
2019	2,729,291.55	55,209.62		5,252.33	2,789,753.50
2018	2,472,138.00	26,435.16	49,980.00	92,493.62	2,641,046.78
2017	2,113,641.42	8,005.89	94,548.65	88,869.39	2,305,065.35
2016	2,194,284.00	4,368.09	74,408.00	69,875.60	2,342,935.69
2015	2,713,515.00	3,188.61	67,897.50	49,947.27	2,834,548.38
2014	2,921,345.53	4,071.30	72,615.00	46,781.64	3,044,813.47
2013	3,551,502.50	4,839.96	43,896.00	127,297.92	3,727,536.38
2012	4,033,850.98	3,941.27	64,747.75	39,645.37	4,142,185.37

Source: District Records



BOROUGH OF KEYPORT SCHOOL DISTRICT  
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
UNAUDITED

<u>Year</u>	<u>Net Assessed Valuation Taxable</u>	<u>Estimated Full Cash Valuations</u>	<u>Percentage of Net Assessed to Estimated Full Cash Valuations</u>
2020	\$784,768,300.00	\$775,386,128.00	101.21%
2019	739,211,600.00	772,748,902.00	95.66%
2018	710,171,300.00	709,107,639.00	100.15%
2017	693,663,200.00	708,180,909.00	97.95%
2016	680,441,700.00	700,547,711.00	97.13%
2015	663,678,100.00	676,601,183.00	98.09%
2014	635,897,100.00	657,122,145.00	96.77%
2013	639,829,108.00	637,026,142.00	100.44%
2012	729,481,600.00	662,622,945.00	110.09%
2011	740,395,400.00	670,708,760.00	110.39%

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

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

BOROUGH OF KEYPORT SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
UNAUDITED

Year	Borough of Keyport Board of Education			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	Total Direct School Tax Rate	Borough of Keyport	Monmouth County	
2020	\$1.245	\$0.097	\$1.342	\$0.935	\$0.266	\$2.543
2019	1.302	0.062	1.364	0.910	0.265	2.539
2018	1.325	0.065	1.390	0.928	0.282	2.600
2017	1.348	0.045	1.393	0.934	0.280	2.607
2016	1.321	0.046	1.367	0.935	0.283	2.585
2015	1.316	0.048	1.364	0.943	0.290	2.597
2014	1.321	0.048	1.369	0.943	0.266	2.578
2013	1.139	0.028	1.167	0.810	0.265	2.242
2012	1.103	0.042	1.145	0.781	0.260	2.186
2011	1.102	0.023	1.125	0.770	0.265	2.160

Source: District Records and Municipal Tax Collector  
(Rates are per \$100 of assessed value)

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

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

BOROUGH OF KEYPORT SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAX PAYERS - CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

<u>Taxpayer</u>	<u>2020</u>			<u>2011</u>		
	<u>Taxable Assessed Value</u>	<u>Rank [Optional]</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank [Optional]</u>	<u>% of Total District Net Assessed Value</u>
Green Grove Associates/Richard Kurtz	\$18,042,800.00	1	2.30%	\$12,371,300.00	1	1.67%
Keyport Village Apartments	14,272,300.00	2	1.82%			
Building Keyport LLC & Wren Keyport	9,700,900.00	3	1.24%	8,200,000.00	3	1.11%
Teaneck Road Partners, LLC	9,165,800.00	4	1.17%			
Straub Motors, Inc	8,512,500.00	5	1.08%	7,499,600.00	4	1.01%
Swift Family Partnership, LP	6,864,300.00	6	0.87%	3,727,800.00	10	0.50%
Keyport Marine Basin, Inc	5,718,100.00	7	0.73%	5,286,000.00	6	0.71%
Alaric Properties, LLC	5,032,500.00	8	0.64%			
NJ Bell Telephone Co Tax Manager	4,861,679.00	9	0.62%	6,909,427.00	5	0.93%
417 Associates, LLC	4,359,800.00	10	0.56%	4,185,200.00	8	0.57%
Blue 2 Associates				3,773,800.00	9	0.51%
251 Atlantic LLC				9,095,500.00	2	1.23%
Holmdel Point Apartments				4,511,200.00	7	0.61%
<b>Total</b>	<b>\$86,530,679.00</b>		<b>11.03%</b>	<b>\$65,559,827.00</b>		<b>8.85%</b>

Source: Municipal Tax Assessor

BOROUGH OF KEYPORT SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy (a)		Collections in Subsequent Years
		Amount	Percentage of Levy	
2021	\$10,970,216.00	\$10,970,216.00	100.00%	\$0.00
2020	10,308,465.00	10,308,465.00	100.00%	0.00
2019	10,071,754.00	10,071,754.00	100.00%	0.00
2018	9,883,247.00	9,883,247.00	100.00%	0.00
2017	9,603,953.00	9,603,953.00	100.00%	0.00
2016	9,276,415.00	9,276,415.00	100.00%	0.00
2015	8,927,907.00	8,927,907.00	100.00%	0.00
2014	8,599,175.00	7,891,339.00	91.77%	707,836.00
2013	8,493,983.00	7,786,147.00	91.67%	724,914.00
2012	8,604,103.00	7,879,189.00	91.57%	690,951.50

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

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

BOROUGH OF KEYPORT SCHOOL DISTRICT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
UNAUDITED

Fiscal Year Ended <u>June 30,</u>	<u>Governmental Activities</u>		Total <u>District</u>	Percentage of Personal <u>Income (a)</u>	<u>Per Capita (a)</u>
	General Obligation <u>Bonds (b)</u>	Capital Leases/ <u>Lease Purchases</u>			
2021	\$16,320,000.00		\$16,320,000.00	0.51%	\$2,347.86
2020	16,635,000.00		16,635,000.00	0.50%	2,393.18
2019	1,915,000.00		1,915,000.00	4.31%	274.04
2018	2,490,000.00		2,490,000.00	3.19%	353.14
2017	3,045,000.00	\$1,520.97	3,046,520.97	2.49%	432.99
2016	3,580,000.00	19,354.75	3,599,354.75	2.03%	510.11
2015	4,190,000.00	50,449.44	4,240,449.44	1.67%	598.93
2014	4,775,000.00	57,562.85	4,832,562.85	1.39%	678.54
2013	5,345,000.00	112,702.17	5,457,702.17	1.17%	762.78
2012	5,905,000.00	165,484.44	6,070,484.44	1.04%	846.77

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

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

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

BOROUGH OF KEYPORT SCHOOL DISTRICT  
RATIOS OF NET BONDED DEBT OUTSTANDING  
UNAUDITED

Fiscal Year Ended <u>June 30,</u>	<u>General Bonded Debt Outstanding</u>		Percentage of Actual Taxable Value (a) of <u>Property</u>	<u>Per Capita (b)</u>
	<u>General Obligation Bonds</u>	<u>Net General Bonded Debt Outstanding</u>		
2021	\$16,320,000.00	\$16,320,000.00	2.07959%	\$2,347.86
2020	16,635,000.00	16,635,000.00	2.11973%	2,393.18
2019	1,915,000.00	1,915,000.00	0.25906%	274.04
2018	2,490,000.00	2,490,000.00	0.35062%	353.14
2017	3,045,000.00	3,045,000.00	0.43897%	432.77
2016	3,580,000.00	3,580,000.00	0.52613%	507.37
2015	4,190,000.00	4,190,000.00	0.63133%	591.81
2014	4,775,000.00	4,775,000.00	0.75091%	670.46
2013	5,345,000.00	5,345,000.00	0.83538%	747.03
2012	5,905,000.00	5,905,000.00	0.80948%	823.69

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

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

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

BOROUGH OF KEYPORT SCHOOL DISTRICT  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2020  
UNAUDITED

Net Direct Debt of School District as of December 31, 2020	\$16,635,000.00
Overlapping County Debt	2,852,738.00
Municipal Debt	<u>10,781,172.00</u>
Total Direct and Overlapping Bonded Debt	<u><u>\$30,268,910.00</u></u>

Source: Borough of Keyport Chief Financial Officer

BOROUGH OF KEYPORT SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION  
UNAUDITED

Legal Debt Margin Calculation for Calendar Year 2020:

Equalized Valuation Basis

Calendar Year

2020	\$805,882,419.00
2019	772,748,902.00
2018	716,476,291.00
	<u>\$2,295,107,612.00</u>

Average Equalized Valuation of Taxable Property \$765,035,870.67

Debt Limit (4% (a) of average equalization value)	30,601,434.83
Total Net Debt Applicable to Limit	<u>(16,635,000.00)</u>
Legal Debt Margin	<u>\$13,966,434.83</u>

	Calendar Year Ending December 31,									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Debt Limit	\$30,601,434.83	\$29,279,748.03	\$28,336,061.48	\$27,804,393.37	\$27,123,609.85	\$26,617,950.31	\$26,539,384.67	\$27,041,186.52	\$28,019,058.25	\$29,069,219.52
Total Net Debt Applicable To Limit	<u>16,635,000.00</u>	<u>17,230,000.00</u>	<u>2,490,000.00</u>	<u>3,045,000.00</u>	<u>3,580,000.00</u>	<u>4,190,000.00</u>	<u>4,775,000.00</u>	<u>5,345,000.00</u>	<u>5,905,000.00</u>	<u>6,440,000.00</u>
Legal Debt Margin	<u>\$13,966,434.83</u>	<u>\$12,049,748.03</u>	<u>\$25,846,061.48</u>	<u>\$24,759,393.37</u>	<u>\$23,543,609.85</u>	<u>\$22,427,950.31</u>	<u>\$21,764,384.67</u>	<u>\$21,696,186.52</u>	<u>\$22,114,058.25</u>	<u>\$22,629,219.52</u>
Total Net Debt Applicable to the Limit as a % of Debt Limit	54.36%	58.85%	8.79%	10.95%	13.20%	15.74%	17.99%	19.77%	21.07%	22.15%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation  
(a) Limit set by N.J.S.A. 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.



BOROUGH OF KEYPORT SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
UNAUDITED

<u>Year</u>	<u>Population (a)</u>	<u>Personal Income (b)</u>	<u>Per Capita Personal Income (c)</u>	<u>Unemployment Rate (d)</u>
2020	6,951	*	*	10.30%
2019	6,988	\$526,860,260.00	\$75,395.00	4.10%
2018	7,051	531,610,145.00	75,395.00	4.10%
2017	7,036	530,479,220.00	75,395.00	5.20%
2016	7,056	509,781,888.00	72,248.00	5.10%
2015	7,080	497,235,480.00	70,231.00	5.20%
2014	7,122	477,665,418.00	67,069.00	6.60%
2013	7,155	455,501,610.00	63,662.00	5.90%
2012	7,169	451,424,761.00	62,969.00	10.30%
2011	7,196	435,667,428.00	60,543.00	9.90%

## Source:

- (a) Population information provided by the NJ Dept. of Labor and Workforce Development.  
(b) Personal income has been estimated based upon the municipal population and per capita personal income presented.  
(c) Per capita personal income by municipality was computed using Census Bureau midyear population estimates.  
Estimates for 2011-2020 reflect county population.  
(d) Unemployment data provided by the NJ Dept. of Labor and Workforce Development.

\* not available

BOROUGH OF KEYPORT SCHOOL DISTRICT  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
UNAUDITED

Function/Program	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Instruction:										
Regular	63	64	85	85	86	85	85	79	82	76
Special education	17	19	20	21	19	19	20	28	27	26
Other special education - Aides	4	8	5	4	2	5	6	7	4	6
Other instruction	8	8	11	13	8	9	9	9	10	13
Support Services:										
Student and instruction related services	20	20	19	19	24	21	24	23	20	20
General administrative services	3	3	3	3	3	3	3	3	2	2
School administrative services	7	8	8	8	8	8	8	8	8	8
Central services and technology	5	6	6	6	6	6	6	5	6	5
Plant operations and maintenance	15	15	15	15	15	15	15	15	15	16
Total	<u>162</u>	<u>171</u>	<u>172</u>	<u>174</u>	<u>171</u>	<u>171</u>	<u>176</u>	<u>177</u>	<u>174</u>	<u>172</u>

Source: District Personnel Records

BOROUGH OF KEYPORT SCHOOL DISTRICT  
OPERATING STATISTICS  
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	% Change	Teaching Staff (b)	Pupil/Teacher Ratio		Average Daily Enrollment (c)	Average Daily Attendance (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	High School				
2021	929	\$23,205,300.73	\$24,978.80	15.42%	116	1:9.2	1:9.4	929	903	-7.84%	97.20%
2020	1,012	21,901,790.04	21,642.09	1.55%	123	1:9.0	1:8.9	1,008	972	-2.61%	96.43%
2019	1,035	22,057,719.00	21,311.81	8.01%	116	1:9.4	1:8.1	1,035	978	-1.33%	94.49%
2018	1,055	20,816,749.67	19,731.52	3.22%	116	1:9.1	1:9.1	1,049	981	-1.13%	93.52%
2017	1,050	20,071,958.75	19,116.15	4.89%	126	1:8.4	1:8.2	1,061	970	0.19%	91.42%
2016	1,070	19,501,180.62	18,225.40	0.70%	126	1:9.0	1:7.64	1,059	1,002	-1.21%	94.62%
2015	1,075	19,455,414.26	18,098.06	3.41%	131	1:8.9	1:7.13	1,072	1,011	-2.10%	94.31%
2014	1,095	19,163,886.32	17,501.27	3.74%	123	1:13	1:12	1,095	1,022	1.58%	93.33%
2013	1,098	18,522,973.13	16,869.74	-0.21%	114	1:9.6	1:9.6	1,078	1,006	-3.58%	93.32%
2012	1,114	18,833,241.15	16,905.96	5.30%	114	1:9.8	1:9.8	1,118	1,040	-0.62%	93.02%

Sources: District records

Note: Enrollment based on annual October district count.

(a) Operating expenditures equal total expenditures less debt service, capital outlay, scholarships and student activities.

(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).

BOROUGH OF KEYPORT SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
UNAUDITED

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>District Buildings</u>										
<u>Elementary School(s):</u>										
Central School (1961)										
Square Feet	96,185	96,185	96,185	96,185	96,185	96,185	96,185	96,185	96,185	96,185
Capacity (students)	660	660	660	632	632	632	632	632	632	632
Enrollment	590	663	685	691	681	703	697	630	584	616
Keyport High School (1927)										
Square Feet	84,958	84,958	84,958	84,958	84,958	84,958	84,958	84,958	84,958	84,958
Capacity (students)	412	412	412	524	524	524	524	524	524	524
Enrollment	339	349	350	364	369	367	378	464	494	498
<u>Other:</u>										
Administration Building										
Square Feet	1,930	1,930	1,930	1,930	1,930	1,930	1,930	1,930	1,930	1,930

Number of Schools at June 30, 2021  
 Elementary = 1  
 High School = 1

Source: District records

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

BOROUGH OF KEYPORT SCHOOL DISTRICT  
SCHEDULE OF REQUIRED MAINTENANCE  
UNAUDITED

Undistributed expenditures - Required maintenance for school facilities - 11-000-261-XXX

School Facilities * Project #(s)	<u>Total</u>	<u>Keyport Central School</u>	<u>Keyport High School</u>
2021	\$338,080.07	\$179,182.44	\$158,897.63
2020	313,043.67	165,913.15	147,130.52
2019	480,832.65	254,841.30	225,991.35
2018	332,250.68	176,092.86	156,157.82
2017	357,482.29	189,465.62	168,016.67
2016	420,411.90	222,818.31	197,593.59
2015	1,010,323.27	535,471.34	474,851.93
2014	344,341.58	179,057.62	165,283.96
2013	286,357.43	151,769.44	134,587.99
2012	495,910.93	262,832.79	233,078.14
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total School Facilities	<u>\$4,379,034.47</u>	<u>\$2,317,444.87</u>	<u>\$2,061,589.60</u>

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

Source: District records

BOROUGH OF KEYPORT SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2021  
UNAUDITED

	<u>Coverage Amount</u>	<u>Deductible</u>
New Jersey School Boards Association Insurance Group		
Property Coverage:		
Blanket Real and Personal Property	\$63,318,448.00	\$2,500.00
Blanket Extra Expense	50,000,000.00	2,500.00
Blanket Valuable Papers and Records	500,000.00	2,500.00
Boiler and Machinery Coverage:		
Property Damage	63,318,448.00	2,500.00
Crime Coverage:		
Forgery and Altercation	50,000.00	1,000.00
Faithful Performance Blanket Dishonesty	500,000.00	1,000.00
Public Official Bond Limit - Board Secretary	225,000.00	
General Liability Coverage:		
General Aggregate	10,000,000.00	2,500.00
Bodily Injury and Property Damage	10,000,000.00	
Each occurrence	10,000,000.00	
Fire Damage	2,500,000.00	
Medical expense	10,000.00	
Automobile Coverage:		
Bodily Injury and Property Damage	10,000,000.00	1,000.00
Uninsured/Underinsured Motorists	15,000.00	per person
	30,000.00	per accident

Source: District Records

**SINGLE AUDIT SECTION**



**SUPLEE, CLOONEY & COMPANY**  
CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

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

Honorable President and Members  
of the Board of Education  
Borough of Keyport School District  
County of Monmouth  
Keyport, New Jersey 07735

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities each major fund of the Borough of Keyport School District, in the County of Monmouth, State of New Jersey (the "District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, 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 District's 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Keyport 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 District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



# SUPLEE, CLOONEY & COMPANY

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.

## ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the 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*. However, we noted an immaterial instance of noncompliance that we have reported to the Board of Education of the Borough of Keyort School District in a separate Auditor's Management Report on Administrative Findings – Financial and Compliance dated February 3, 2022.

## ***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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
\_\_\_\_\_  
CERTIFIED PUBLIC ACCOUNTANTS

  
\_\_\_\_\_  
PUBLIC SCHOOL ACCOUNTANT NO. 948

February 3, 2022



**SUPLEE, CLOONEY & COMPANY**  
CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL  
AND STATE FINANCIAL ASSISTANCE PROGRAMS AND ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE  
UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

Honorable President and Members  
of the Board of Education  
Borough of Keyport School District  
County of Monmouth  
Keyport, New Jersey 07735

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

We have audited the Borough of Keyport School District's compliance with the types of compliance requirements described in the federal *OMB Compliance Supplement* and the New Jersey *OMB State Grant Compliance Supplement* that could have a direct and material effect on each of the Borough of Keyport School District's major federal and state programs for the year ended June 30, 2021. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Borough of Keyport School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (*Uniform Guidance*) and New Jersey *OMB 15-08*. Those standards, the *Uniform Guidance* and New Jersey *OMB 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 federal or state program occurred. An audit includes examining, on a test basis, evidence about the Borough of Keyport 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 federal and state program. However, our audit does not provide a legal determination of the Borough of Keyport School District's compliance

# SUPLEE, CLOONEY & COMPANY

## ***Opinion on Each Major Federal and State Program***

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

## ***Report on Internal Control Over Compliance***

Management of the Borough of Keyport 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 Borough of Keyport School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the *Uniform Guidance* and New Jersey *OMB 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 Borough of Keyport 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 federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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 the *Uniform Guidance* and State of New Jersey *OMB 15-08*. Accordingly, this report is not suitable for any other purpose.

  
\_\_\_\_\_  
CERTIFIED PUBLIC ACCOUNTANTS

  
\_\_\_\_\_  
PUBLIC SCHOOL ACCOUNTANT NO. 948

February 3, 2022

BOROUGH OF KEYPORT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL FAIN NUMBER	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE AT JUNE 30, 2020	ADJUSTMENT / CARRYOVER AMOUNT	CASH RECEIPTS	BUDGETARY EXPENDITURES	SUBRECIPIENT BUDGETARY EXPENDITURES	BALANCE AT JUNE 30, 2021		
											(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE	DUE TO GRANTOR
<b>General Fund</b>													
U.S. Department of Health & Human Services													
Medicaid Assistance Program (SEM)	93.778	2005NJ5MAP	N/A	7/1/20 - 6/30/21	\$28,772.30			\$28,772.30	(\$28,772.30)				
Medicaid Assistance Program (SEM)- FFCRA	93.778	2005NJ5MAP	N/A	7/1/20 - 6/30/21	2,598.27			2,598.27	(2,598.27)				
Medicaid Assistance Program (MAC)	93.778	2005NJ5MAP	N/A	7/1/20 - 6/30/21	6,654.71			6,654.71	(6,654.71)				
<b>Total General Fund</b>								<b>38,025.28</b>	<b>(38,025.28)</b>				
<b>Enterprise Funds</b>													
U.S. Department of Agriculture													
Passed-through State Department of Education:													
Child Nutrition Cluster:													
USDA Commodities Program	10.555	201NJ304N1099	N/A	7/1/19 - 6/30/20	36,362.68	\$1,729.64			(1,729.64)				
USDA Commodities Program	10.555	211NJ304N1099	N/A	7/1/20 - 6/30/21	34,182.91			34,182.91	(32,564.03)		\$1,618.88		
National School Lunch Program	10.555	211NJ304N1099	N/A	7/1/20 - 6/30/21	194,428.80			194,428.80	(194,428.80)				
National School Lunch Program- COVID-19	10.555	201NJ304N1099	N/A	7/1/19 - 6/30/20	27,244.00	(9,726.50)		9,726.50					
National School Lunch Program- COVID-19	10.555	211NJ304N1099	N/A	7/1/20 - 6/30/21	30,582.00			30,582.00	(30,582.00)				
Emergency Operational Cost Program	10.555	202121H170341	N/A	7/1/20 - 6/30/21	21,580.08			21,580.08			(21,580.08)		
National School Breakfast Program	10.553	211NJ304N1099	N/A	7/1/20 - 6/30/21	102,355.40			95,378.78	(102,355.40)		(6,976.62)		
National School Breakfast Program- COVID-19	10.553	201NJ304N1099	N/A	7/1/19 - 6/30/20	17,124.80	(6,113.80)		6,113.80					
National School Breakfast Program- COVID-19	10.553	211NJ304N1099	N/A	7/1/20 - 6/30/21	19,198.70			19,198.70	(19,198.70)				
<b>Total Child Nutrition Cluster</b>						<b>(14,110.66)</b>		<b>363,529.49</b>	<b>(402,438.65)</b>		<b>(54,638.70)</b>	<b>1,618.88</b>	
Child Nutrition Discretionary Grant Limited Availability	10.578	202020N810341	N/A	7/1/19 - 6/30/20	17,005.46			17,005.46	(17,005.46)				
P-EBT Administrative Cost Reimbursement	10.648	202121S900941	N/A	7/1/20 - 6/30/21	614.00				(614.00)				
<b>Total Enterprise Fund</b>						<b>(14,110.66)</b>		<b>380,534.95</b>	<b>(420,058.11)</b>		<b>(55,252.70)</b>	<b>1,618.88</b>	
<b>Special Revenue Funds</b>													
U.S. Department of Education													
Passed-through State Department of Education:													
E.S.E.A.:													
Title I	84.010	S010A190030	NCLB243020	7/1/19 - 9/30/20	359,161.12	(137,861.23)		137,861.23					
Title I	84.010	S010A200030	NCLB243021	7/1/20 - 9/30/21	374,632.00			227,443.00	(342,243.41)		(114,800.41)		
Title I - reallocated	84.010	S010A190030	NCLB243020	7/1/19 - 9/30/20	13,702.00	(2,968.15)		2,968.15					
Title I - reallocated	54.010	S010A200030	NCLB243021	7/1/20 - 9/30/21	18,396.77			16,189.77	(16,919.77)		(730.00)		
Title II- Part A	84.367	S367A190029	NCLB243020	7/1/19 - 9/30/20	41,716.45	(11,284.56)		11,284.56					
Title II- Part A	84.367	S367A200029	NCLB243021	7/1/20 - 9/30/21	39,036.44			17,833.44	(32,355.65)		(14,522.21)		
Title III	84.365	S365A190030	NCLB243020	7/1/19 - 9/30/20	15,384.57	(4,695.52)		4,695.52					
Title III	84.365	S365A200030	NCLB243021	7/1/20 - 9/30/21	12,962.48			5,026.48	(5,588.84)		(563.36)		
Title III- Immigrant	84.365	S365A200030	NCLB243021	7/1/20 - 9/30/21	1,752.00			1,752.00	(1,752.00)				
<b>Total E.S.E.A.:</b>						<b>(156,828.46)</b>		<b>425,074.15</b>	<b>(398,860.67)</b>		<b>(130,615.99)</b>		
I.D.E.A. Part B Special Education Cluster:													
I.D.E.A. Part B, Basic	84.027	H027A190100	IDEA243020	7/1/19 - 9/30/20	280,171.00	(37,230.00)		37,230.00					
I.D.E.A. Part B, Basic	84.027	H027A200100	IDEA243021	7/1/20 - 9/30/21	287,584.00			277,671.00	(287,584.00)		(9,913.00)		
I.D.E.A. Part B- Preschool	84.173	H173A190114	IDEA243020	7/1/19 - 9/30/20	6,754.00	(1,293.12)		1,293.12					
I.D.E.A. Part B- Preschool	84.173	H173A200114	IDEA243021	7/1/20 - 9/30/21	6,449.88			4,859.00	(8,448.00)		(3,590.00)		
<b>Total Special Education Cluster</b>						<b>(38,483.12)</b>		<b>321,013.12</b>	<b>(296,033.00)</b>		<b>(13,503.00)</b>		
COVID Cares Education Stabilization Fund:													
COVID Cares - ESSER I	84.425D	S425D200027	21-5120-513	3/13/20-9/30/22	280,422.00			143,500.00	(198,139.86)		(54,639.86)		
U.S. Department of Treasury													
Passed-through State Department of Education:													
Coronavirus Aid Relief Fund:													
Bridging the Digital Divide	21.019		21-5120-516	7/16/20 - 10/31/20	167,577.00			138,517.00	(128,598.45)		7,918.55		
School Re-Opening & Remote Learning	21.019		21-5120-517	7/16/20 - 10/31/20	77,734.00			77,734.00	(75,364.00)		2,370.00		
<b>Total Coronavirus Aid Relief Fund:</b>								<b>214,251.00</b>	<b>(203,962.45)</b>		<b>10,288.55</b>		
<b>Total Special Revenue Fund</b>						<b>(195,312.58)</b>		<b>1,103,838.27</b>	<b>(1,096,995.99)</b>		<b>(198,758.84)</b>	<b>10,288.55</b>	
<b>Total Expenditures of Federal Awards</b>						<b>(\$209,423.24)</b>	<b>\$-0-</b>	<b>\$1,522,398.50</b>	<b>(\$1,555,079.37)</b>	<b>\$-0-</b>	<b>(\$254,011.54)</b>	<b>\$11,907.43</b>	

See accompanying notes to schedules of expenditures of awards and financial assistance.

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

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STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE AT JUNE 30, 2020	CARRY OVER AMOUNT	CASH RECEIPTS	BUDGETARY EXPENDITURES	ADJUSTMENT	REPAYMENT OF PRIOR YEAR'S BALANCES	BALANCE AT JUNE 30, 2021			MEMO BUDGETARY RECEIVABLE	MEMO CUMULATIVE TOTAL EXPENDITURES
										(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE	DUE TO GRANTOR		
State Department of Education														
General Funds:														
State Aid Cluster:														
Special Education Categorical Aid	21-495-034-5120-089	7/1/20 - 6/30/21	\$569,435.00			\$512,492.00	(\$569,435.00)	\$56,943.00					\$56,943.00	\$569,435.00
Equalization Aid	21-495-034-5120-078	7/1/20 - 6/30/21	4,851,846.00			4,371,857.00	(4,851,846.00)	480,189.00					480,189.00	4,851,846.00
Categorical Security Aid	21-495-034-5120-084	7/1/20 - 6/30/21	277,906.00			250,115.00	(277,906.00)	27,791.00					27,791.00	277,906.00
Total State Aid Cluster						\$5,134,254.00	(\$5,699,187.00)	\$64,923.00					\$64,923.00	\$5,699,187.00
Categorical Transportation Aid	21-495-034-5120-014	7/1/20 - 6/30/21	39,799.00			35,819.00	(39,799.00)	3,980.00					3,980.00	39,799.00
Extraordinary Aid	20-100-034-5120-473	7/1/19 - 6/30/20	133,799.00	(\$133,799.00)		133,799.00								133,799.00
Extraordinary Aid	21-100-034-5120-473	7/1/20 - 6/30/21	215,954.00				(215,954.00)			(215,954.00)			215,954.00	215,954.00
On-behalf TPAF Pension - post retirement medical	21-495-034-5094-001	7/1/20 - 6/30/21	761,119.00			761,119.00	(761,119.00)							761,119.00
On-behalf TPAF non contributory insurance	21-495-034-5094-004	7/1/20 - 6/30/21	2,383,360.00			2,383,360.00	(2,383,360.00)							2,383,360.00
On-behalf TPAF pension contribution	21-495-034-5094-002	7/1/20 - 6/30/21	45,347.00			45,347.00	(45,347.00)							45,347.00
On-behalf TPAF long term disability insurance	21-495-034-5094-002	7/1/20 - 6/30/21	1,753.00			1,753.00	(1,753.00)							1,753.00
Reimbursed TPAF social security contributions	20-495-034-5094-003	7/1/19 - 6/30/20	831,198.91	(30,521.39)		30,521.39								831,198.91
Reimbursed TPAF social security contributions	21-495-034-5094-003	7/1/20 - 6/30/21	659,259.68			628,037.25	(659,259.68)			(31,222.43)			31,222.43	659,259.68
Total General Fund				(164,320.39)		9,154,019.64	(9,805,778.68)	568,903.00		(247,176.43)			816,079.43	10,570,776.59
Special Revenue Fund:														
State Department Education:														
Preschool Education Aid	20-495-034-5120-086	7/1/19 - 6/30/20	770,164.00	290,235.04			(290,235.04)							770,164.00
Preschool Education Aid	21-495-034-5120-086	7/1/20 - 6/30/21	722,034.00			649,836.00	(448,012.91)	72,198.00		274,021.09			72,198.00	448,012.91
				290,235.04		649,836.00	(738,247.95)	72,198.00		274,021.09			72,198.00	1,218,176.91
Department of Health:														
Emergency Medical Training														
	N/A	7/1/20 - 6/30/21	83,280.00			83,280.00	(83,280.00)							83,280.00
Total Special Revenue Fund				290,235.04		733,116.00	(821,527.95)	72,198.00		274,021.09			72,198.00	1,301,456.91
Enterprise Fund:														
Child Nutrition Cluster:														
State School Lunch Program	20-100-010-3360-057	7/1/19 - 6/30/20	5,605.14	(152.85)		152.85								5,605.14
State School Lunch Program	21-100-010-3360-057	7/1/20 - 6/30/21	12,061.15			10,213.66	(12,061.15)			(1,847.47)			1,847.47	12,061.15
Total Child Nutrition Cluster				(152.85)		10,366.53	(12,061.15)			(1,847.47)			1,847.47	17,666.29
Total Enterprise Fund				(152.85)		10,366.53	(12,061.15)			(1,847.47)			1,847.47	17,666.29
Debt Service Fund:														
Debt Service														
	21-495-034-5120-075	7/1/20 - 6/30/21	395,041.00			395,041.00	(395,041.00)							395,041.00
Total State Financial Assistance				\$125,761.80	\$-0-	\$10,292,543.17	(\$11,034,408.78)	\$641,101.00	\$-0-	\$24,997.19	\$-0-	\$890,124.90	\$12,284,940.79	
Less: On-Behalf amounts not utilized for determination of Major Programs:														
On-behalf TPAF Pension - post retirement medical	21-495-034-5094-001	7/1/20 - 6/30/21	761,119.00			(\$761,119.00)	\$761,119.00							
On-behalf TPAF non contributory insurance	21-495-034-5094-004	7/1/20 - 6/30/21	2,383,360.00			(2,383,360.00)	2,383,360.00							
On-behalf TPAF pension contribution	21-495-034-5094-002	7/1/20 - 6/30/21	45,347.00			(45,347.00)	45,347.00							
On-behalf TPAF long term disability insurance	21-495-034-5094-002	7/1/20 - 6/30/21	1,753.00			(1,753.00)	1,753.00							
Total State Financial Assistance Subject to Single Audit						\$7,100,964.17	(\$7,842,629.78)							

See accompanying notes to schedules of expenditures of awards and financial assistance

**Borough of Keyport School District**  
**Notes to the Schedules of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**Year Ended June 30, 2021**

**NOTE 1: GENERAL**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state activity of the Board of Education, Keyport School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from the 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: BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of awards and federal awards and state financial assistance are presented on the budgetary basis of accounting with the exceptions of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 of the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

**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 schedule (RSI) are presented for the general fund and special revenue fund to demonstrate finance-regulated legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

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

**Borough of Keyport School District**  
**Notes to the Schedules of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**Year Ended June 30, 2021**

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$6,066.00 for the general fund and (\$52,525.12) for the special revenue fund. See the notes to the required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Federal awards and state financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$35,427.01	\$9,805,778.68	\$9,841,205.69
Special Revenue Fund	1,096,995.98	738,247.95	1,835,243.93
Debt Service Fund		395,041.00	395,041.00
Food Service Fund	420,058.11	12,061.15	432,119.26
Total Awards & Financial Assistance	\$1,552,481.10	\$10,951,128.78	\$12,503,609.88
GAAP Adjustment	(71,692.38)	25,233.26	(46,459.12)
Total: GAAP Basis	<u>\$1,480,788.72</u>	<u>\$10,976,362.04</u>	<u>\$12,457,150.76</u>

**NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5: OTHER**

Revenues and expenditures reported in the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF pension contributions, post-retirement medical benefits and long term disability insurance represents the amount paid by the state on behalf of the district for the year ended June 30, 2021. TPAF Social Security contributions represent 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.

**Borough of Keyport 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**

- |     |  |            |
|-----|--|------------|
| (1) | Type of Auditor's Report Issued:   | Unmodified |
| (2) | Internal Control Over Financial Reporting:   |            |
|     | (a) Material weakness identified?  | No         |
|     | (b) Significant deficiencies identified that are not considered to be material weaknesses? | No         |
| (3) | Noncompliance material to basic financial statements noted?                                | No         |

**Federal Program(s)**

- |     |   |            |
|-----|---|------------|
| (1) | Internal Control Over Major Federal Programs:   |            |
|     | (a) Material weakness identified?   | No         |
|     | (b) Significant deficiencies identified that are not considered to be material weaknesses?  | No         |
| (2) | Type of Auditor’s Report issued on compliance for major federal program(s)?   | Unmodified |
| (3) | Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance and listed in Section III of this schedule? | No         |
| (4) | Identification of Major Federal Program(s):   |            |

<u>Program</u>	<u>Grant Number</u>
Covid Cares Education Stabilization:	
Covid Cares- ESSER I	84.425D
US Department of Treasury:	
Coronavirus Relief Fund	
Bridging the Digital Divide	21.019
School Re-Opening/ Remote Learning	21.019

- |     |   |     |
|-----|---|-----|
| (5) | Program Threshold Determination:<br>Type A Federal Program Threshold > \$750,000.00<br>Type B Federal Program Threshold <= \$750,000.00 |     |
| (6) | Auditee qualified as a low-risk auditee under the Uniform Guidance?   | Yes |



**Borough of Keyport 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 Program(s)**

- (1) Internal Control Over Major State Programs:
  - (a) Material weakness identified? No
  - (b) Significant deficiencies identified that are not considered to be material weaknesses? No
- (2) Type of Auditor’s Report issued on compliance for major state program(s)? Unmodified
- (3) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08 and listed in Section III of this schedule? No

(4) Identification of Major State Program(s):

<u>Program</u>	<u>Grant Number</u>
State Aid -Public Cluster:	
Special Education Aid	495-034-5120-089
Equalization Aid	495-034-5120-078
Security Aid	495-034-5120-084
TPAF social security contribution	495-034-5094-003

- (5) Program Threshold Determination:
  - Type A State Program Threshold > \$750,000.00
  - Type B State Program Threshold <= \$750,000.00
- (6) Auditee qualified as a low-risk auditee under N.J. OMB Circular 15-08? Yes

**Borough of Keyport School District**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2021**

**Section II – Financial Statement Audit – Reported Findings Under Government Auditing Standards**

**Internal Control Findings**

None Reported

**Compliance Findings**

None Reported

**Section III – Findings and Questioned Costs Relative to Major Federal and State Programs**

Federal Programs – None Reported

State Programs – None Reported

**Borough of Keyport School District**  
**Schedule of Prior Year Audit Findings**

Not Applicable



