

# **LAUREL SPRINGS SCHOOL DISTRICT**



**LAUREL SPRINGS BOARD OF EDUCATION  
CAMDEN COUNTY, NEW JERSEY**

## **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2021**

**LAUREL SPRINGS SCHOOL DISTRICT**  
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## **INTRODUCTORY SECTION**

# LAUREL SPRINGS SCHOOL DISTRICT

Mr. Thomas F. Attanasi  
Superintendent  
Mr. Ryan C. Mahlman  
Principal

623 Grand Avenue  
Laurel Springs, NJ 08021  
856.783.1086  
[www.laurelspringschool.org](http://www.laurelspringschool.org)

March 9, 2022

Honorable President and  
Members of the Board of Education  
Laurel Springs School District  
County of Camden, New Jersey

Dear Members of the Board:

The Annual Comprehensive Financial Report (ACFR) of the Laurel Springs School District (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 Board of Education (Board.) To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the financial activities have been included.

The Annual Comprehensive Financial Report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart, and a list of principal officials. The financial section includes the Management's Discussion and Analysis, basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. If the District meets the respective requirements, it must undergo an annual single audit in conformity with the provisions of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and/or the State of New Jersey Circular 15-08 OMB, "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 compliance for each major program and report on internal control over compliance is included in the single audit section of this report.

1. **REPORTING ENTITY AND ITS SERVICES:** Laurel Springs School District is a Type II district located in the County of Camden, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters.

The District provides a full range of educational services appropriate to grade levels Pre Kindergarten (PK) through grade six (6). These include regular education and special education for handicapped youngsters. The District completed the 2020-2021 fiscal year with an enrollment of one hundred sixty-seven (167) students, representing a decrease from the previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years.

**AVERAGE DAILY ENROLLMENT**

FISCAL YEAR	STUDENT ENROLLMENT	INCREASE (DECREASE)	PERCENT CHANGE
2020-2021	167	(16)	(8.74%)
2019-2020	183	(3)	(1.61%)
2018-2019	186	5	2.76%
2017-2018	181	(19)	(9.50%)
2016-2017	200	1	0.50%

2. **ECONOMIC CONDITION AND OUTLOOK:** The Borough of Laurel Springs is a small suburban town of .5 square miles. Laurel Springs is a community composed of 95% residential property, 5% commercial property and no industrial property.

Laurel Springs incorporated as a Borough on April 2, 1913, pulling away from Clementon Township. Established as a residential community, Laurel Springs has maintained its appeal in this respect. Laurel Lake and Crystal Springs have been a focal point of the community throughout years of popularity as a resort area. Years of volunteer citizen efforts have contributed to the revival and maintenance of the lake and spring area.

Though small in size, Laurel Springs has always been an active, involved community. Home to many who contributed to the industrial development of the Delaware Valley, Laurel Springs can be proud of its service and support to the nation as well as its initiation of area cooperation in police and fire protection through a monitor system designed and installed by Jack Hagan. This monitoring system is still in operation and is now operated by Camden County at the Lindenwold facility.



2. **ECONOMIC CONDITION AND OUTLOOK (CONT'D):** Population census information indicates that Laurel Springs has experienced a slight increase in population with the current population being 1,978, up from 1,970 as per the 2020 census, thus reflecting a less than .5% increase. The school enrollment has fluctuated periodically, however, has remained basically stable for the past dozen or so years with only minor changes from year to year.

Teachers and students continue to expand computer technology knowledge and use. Teachers now have individual websites for their classrooms and linked with our school website. Distance learning opportunities are available throughout the year for each classroom. A technology mobile lab is now available for our upper grade students. This lab has 10 laptop computers attached to the wireless internet. We will continue to monitor the alignment of curriculum with Core Content Standards in other subject areas. The School Level Plan Committee, composed of parents, teachers, Board members, and school administrator meets twice a year to discuss our direction for the development of school objectives to be submitted to the state in accordance with monitoring requirements.

3. **INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining internal controls 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 controls are 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 is also responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. These internal controls are also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal controls, 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.

4. **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. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. There were \$39,724.36 of encumbrances reported as an assignment of fund balance at June 30, 2021.

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

6. **MANAGEMENT'S DISCUSSION AND ANALYSIS:** GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a management's discussion and analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in connection with it. The District's MD&A can be found immediately following the report of the independent auditors.

7. **DEBT ADMINISTRATION:** At June 30, 2021, the District's outstanding debt issues included \$1,370,000.00 of general obligation bonds. Also, the District entered into a 5-year capital lease agreement for a phone system and at June 30, 2021, the balance outstanding is \$11,139.79.

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 that requires it to deposit public funds in public depositories protected from loss under the provisions of the Government Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

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.

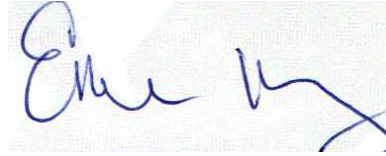
10. **OTHER INFORMATION:** State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman & Company LLP was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act and the related Uniform Guidance and State of New Jersey Circular 15-08 OMB. The auditor's report on the government-wide 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 are included in the single audit section of the report.

11. **ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the Laurel Springs Board of Education for the 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.

Respectfully Submitted,

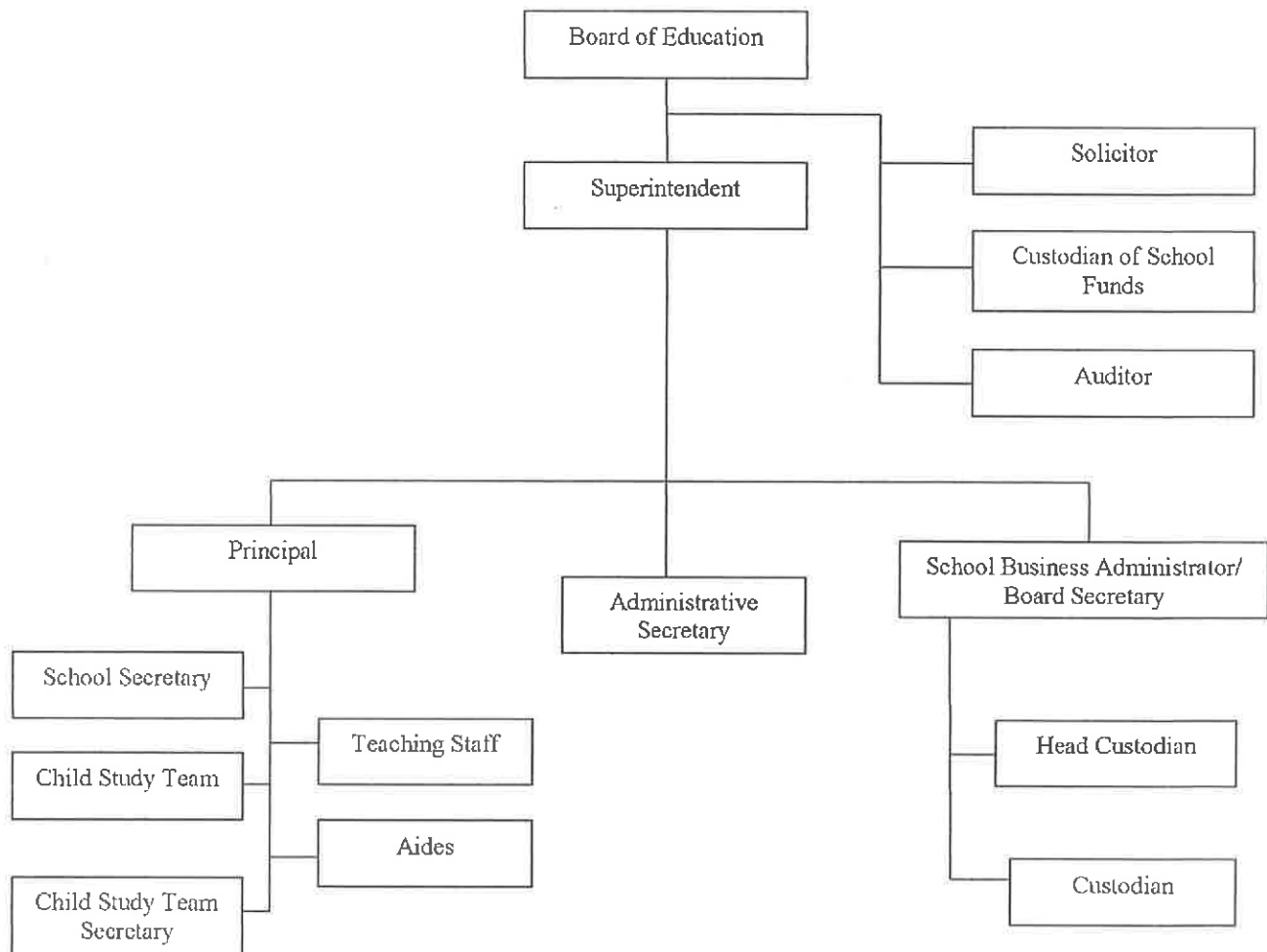
A handwritten signature in blue ink, appearing to read 'T. Attanasi', with a long horizontal line extending to the right.

Mr. Thomas F. Attanasi  
Superintendent

A handwritten signature in blue ink, appearing to read 'Erin Kearney', with a long horizontal line extending to the right.

Mrs. Erin Kearney  
Board Secretary/Business Administrator

## 1110 ORGANIZATIONAL CHART



Adopted: 17 September 2014



**BOROUGH OF LAUREL SPRINGS  
BOARD OF EDUCATION  
LAUREL SPRINGS, NEW JERSEY**

**ROSTER OF OFFICIALS  
JUNE 30, 2021**

**Members of the Board of Education**

**Term Expires**

Erik Stones, President	12/31/21
Kimberly Brisbin, Vice President	12/31/22
Doris Walsh	12/31/21
Cathy Ivins-Sims	12/31/21
Matthew Minder	12/31/22
Leah Straub	12/31/22
Elizabeth Hobbs	12/31/23
Doug Del Pidio	12/31/23
Sarah Woldoff	12/31/23

**Other Officials**

Thomas Attanasi, Superintendent  
Erin Kearney, Board Secretary/Business Administrator  
Ryan Mahlman, Principal

# **LAUREL SPRINGS BOARD OF EDUCATION**

## **Consultants and Advisors**

### **Audit Firm**

**Bowman & Company LLP  
601 White Horse Road  
Voorhees, NJ 08043**

### **Attorney**

**Christopher F. Long, Esquire  
1250 Chews Landing Road  
Suite #1  
Laurel Springs, NJ 08021**

### **Broker of Record**

**Lisa M. Gonteski  
The Barclay Group  
202 Broad Street  
Riverton, New Jersey 08077**

### **Official Depository**

**TD Bank N.A.  
55 S. White Horse Pike  
Stratford, NJ 08084**

## **FINANCIAL SECTION**

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Laurel Springs School District  
Laurel Springs, New Jersey 08021

### **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 Laurel Springs School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

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

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinions***

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



***Emphasis of Matter******Adoption of New Accounting Principle***

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

***Consistency of Financial Statements***

Because of the implementation of GASB Statement No. 84, several funds of the School District that were reported as fiduciary fund types in the prior fiscal year are now reported in governmental activities and governmental fund types. Our opinion is not modified with respect to this matter.

***Prior Period Restatement***

In addition, because of the implementation of GASB Statement No. 84, net position and fund balance as of July 1, 2020 on the statement of activities and statement of revenues, expenditures, and changes in fund balances have been restated, as discussed in note 17 to the financial statements. Our opinion is not modified with respect to this matter.

***Other Matters******Required Supplementary Information***

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

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Laurel Springs School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, statistical section, and schedule of expenditures of federal awards are presented for purposes of additional analysis, as required by the Office of School Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedule of expenditures of state financial assistance, as required by State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2022 on our consideration of the Laurel Springs 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Laurel Springs School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Laurel Springs School District's internal control over financial reporting and compliance.

Respectfully submitted,

*BOWMAN & COMPANY LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*L. Jarred Corn*

L. Jarred Corn  
Certified Public Accountant  
Public School Accountant No. CS 00219700

Voorhees, New Jersey  
March 9, 2022

**Exhibit K-1**

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

**INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Laurel Springs School District  
Laurel Springs, NJ 08021

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and each major fund of the Laurel Springs School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated March 9 2022. Our report on the financial statements included an emphasis of matter paragraph describing the adoption of a new accounting principle, and additional paragraphs on the consistency of financial statements and prior period restatement resulting from the new accounting principle.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Laurel Springs School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Laurel Springs 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Compliance and Other Matters**

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

**Purpose of this Report**

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

Respectfully submitted,

*BOWMAN & COMPANY LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*L. Jarred Corn*

L. Jarred Corn  
Certified Public Accountant  
Public School Accountant No. CS 00219700

Voorhees, New Jersey  
March 9, 2022

**REQUIRED SUPPLEMENTARY INFORMATION**  
**PART I**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**LAUREL SPRINGS SCHOOL DISTRICT  
LAUREL SPRINGS, NEW JERSEY**

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

The discussion and analysis of the Laurel Springs School District's (the "School District") financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

**Financial Highlights:**

Key financial highlights for 2021 are as follows:

- In total, net position increased by \$604,913.56.
- General revenues account for \$5,720,217.15 in revenue or ninety-three percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$781,051.34 or twelve percent of total revenues of \$6,505,027.37.
- The School District had \$5,933,584.36 in expenses; only \$281,629.34 of these expenses was offset by program specific charges for services, grants, or contributions. General revenues of \$5,720,217.15 plus anticipated fund balance were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$5,591,233.15 in revenues and \$5,048,537.62 in expenditures. The General Fund's balance increased \$542,695.53 from 2020. This increase was anticipated by the Board of Education.

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

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

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole School District presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds. In the case of the Laurel Springs School District, the General Fund is by far the most significant fund.

**LAUREL SPRINGS SCHOOL DISTRICT  
LAUREL SPRINGS, NEW JERSEY**

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

**Reporting the School District as a Whole**

**Statement of Net Position and the Statement of Activities**

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

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

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

- Governmental activities – all of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation, and extra-curricular activities.
- Business-type activity – this service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

**Reporting the District's Most Significant Funds**

**Fund Financial Statements**

Fund financial reports provide detailed information about the School District's funds. The School District uses many funds to account for a multitude of financial transactions. The School District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund.

**LAUREL SPRINGS SCHOOL DISTRICT  
LAUREL SPRINGS, NEW JERSEY**

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

**Governmental Funds**

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

**Enterprise Fund**

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

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. This information has not been presented on the face of the financial statements, for reasons of practicality, but is essential for the financial statements to be fairly presented.

**The School District as a Whole**

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Net Position may serve over time as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and disposal of capital assets, and the depreciation of capital assets.



**LAUREL SPRINGS SCHOOL DISTRICT  
LAUREL SPRINGS, NEW JERSEY**

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

**The School District as a Whole (Cont'd)**

Table 1 provides a summary of the School District's Net Position for 2021 and 2020.

**Table 1  
Net Position**

The District's combined net position was \$1,308,892.14 on June 30, 2021. This was an increase of 85.93 percent from the prior year.

Total assets increased \$242,443.54. An increase in current and other assets of \$395,935.92 was due mainly to an overall increase in cash.

	<u><b>June 30, 2021</b></u>	<u><b>June 30, 2020</b></u>
<b>Assets</b>		
Current and Other Assets	\$ 1,158,585.50	\$ 762,649.58
Capital Assets	<u>1,819,732.76</u>	<u>1,973,225.14</u>
Total Assets	<u>2,978,318.26</u>	<u>2,735,874.72</u>
<b>Deferred Outflows of Resources</b>		
Deferred Loss on Refunding of Debt	53,445.67	62,065.94
Related to Pensions	<u>37,734.00</u>	<u>53,594.00</u>
	<u>91,179.67</u>	<u>115,659.94</u>
<b>Liabilities</b>		
Long-term Liabilities	1,401,807.53	1,603,216.16
Other Liabilities	<u>258,065.26</u>	<u>427,873.92</u>
Total Liabilities	<u>1,659,872.79</u>	<u>2,031,090.08</u>
<b>Deferred Inflows of Resources</b>		
Related to Pensions	<u>100,733.00</u>	<u>116,466.00</u>
<b>Net Position</b>		
Net Investment in Capital Assets	492,038.64	484,036.38
Restricted	897,845.36	432,494.81
Unrestricted (Deficit)	<u>(80,991.86)</u>	<u>(212,552.61)</u>
Total Net Position	<u><u>\$ 1,308,892.14</u></u>	<u><u>\$ 703,978.58</u></u>

**LAUREL SPRINGS SCHOOL DISTRICT  
LAUREL SPRINGS, NEW JERSEY**

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

**The School District as a Whole (Cont'd)**

Table 2 shows changes in Net Position for fiscal year 2021 compared to the fiscal year 2020.

**Table 2  
Changes in Net Position**

	<u><b>June 30, 2021</b></u>	<u><b>June 30, 2020</b></u>
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 3,758.88	\$ 9,234.55
Operating Grants and Contributions	817,140.83	345,199.46
General Revenues:		
Property Taxes	2,958,610.00	2,964,236.00
Grants and Entitlements	2,752,135.03	2,704,883.68
Other	9,472.12	5,196.54
Total Revenues	<u>6,541,116.86</u>	<u>6,028,750.23</u>
<b>Program Expenses</b>		
Instruction	1,456,751.52	1,480,521.23
Support Services:		
Pupils and Instructional Staff	2,402,551.76	3,056,189.78
General Administration and School Administration	179,784.15	186,329.85
Business Operations and Maintenance of Facilities	359,973.35	330,608.99
Pupil Transportation	63,651.20	96,126.98
Unallocated Benefits	1,427,854.16	957,942.62
Transfer to Charter School	13,766.00	
Interest on Debt	29,252.22	32,916.89
Food Service	23,316.00	36,533.72
Total Expenses	<u>5,956,900.36</u>	<u>6,177,170.06</u>
Increase (Decrease) in Net Position	<u>\$ 584,216.50</u>	<u>\$ (148,419.83)</u>

Program revenues include charges for services and operating grants and contributions.

General revenues include property taxes, grants and entitlements, and other revenues, with property taxes being the predominant source of revenue for the District. There was a \$5,626.00 decrease in property taxes due primarily to a decrease in the general fund tax levy required. There was an increase of \$47,251.35 in federal and state grants and entitlements due primarily to an increase in Equalization Aid.

Total expenses decreased by \$220,269.70 mainly due to decreases in Support Services - Tuition and Support Services - Student and Instruction Related Services.

**LAUREL SPRINGS SCHOOL DISTRICT  
LAUREL SPRINGS, NEW JERSEY**

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

**Governmental Activities**

Property taxes made up 49.26 percent of revenues for governmental activities for the Laurel Springs School District for fiscal year 2021. The District's total revenues were \$6,005,605.37 for the fiscal year ended June 30, 2021. Federal, State, and local grants accounted for another 50.52 percent of revenue.

The total cost of all programs and services was \$5,463,119.34. Instruction comprises 24.33 percent of District expenses.

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

**Table 3**

	<b><u>Total Cost of Services 2021</u></b>	<b><u>Total Cost of Services 2020</u></b>	<b><u>Net Cost of Services 2021</u></b>	<b><u>Net Cost of Services 2020</u></b>
Instruction	\$ 1,456,751.52	\$ 1,480,521.23	\$ 1,279,887.23	\$ 1,372,593.29
Support Services:				
Pupils and Instructional Staff	2,402,551.76	3,056,189.78	2,360,691.83	3,028,549.86
General Administration, School Administration, Business Operation and Maintenance of Facilities	539,757.50	516,938.84	539,757.50	516,938.84
Pupil Transportation	63,651.20	96,126.98	63,651.20	96,126.98
Unallocated Benefits	1,427,854.16	957,942.62	928,432.16	839,700.03
Transfer to Charter School	13,766.00		13,766.00	
Interest on Long-term Debt	29,252.22	32,916.89	(37,411.78)	(36,655.11)
<b>Total Expenses</b>	<b><u>\$ 5,933,584.36</u></b>	<b><u>\$ 6,140,636.34</u></b>	<b><u>\$ 5,148,774.14</u></b>	<b><u>\$ 5,817,253.89</u></b>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student including extra-curricular activities.

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

**LAUREL SPRINGS SCHOOL DISTRICT  
LAUREL SPRINGS, NEW JERSEY**

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

**Governmental Activities (Cont'd)**

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

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

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

**Business-Type Activities**

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

- Food service revenues exceeded expenses by \$12,773.49.
- Charges for services represents amounts paid by patrons for daily food service. There were no charges for services during fiscal year 2021 due to COVID-19.
- Federal and State requirements for meals including payments for free and reduced lunches and breakfast, P-EBT Administrative Cost and Emergency Operational Cost Program-Schools totaled \$36,089.49.

**The School District's Funds**

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$6,005,605.37 and expenditures were \$5,463,119.34. The net change in fund balance for the year was most significant in the General Fund, an increase of \$542,695.53.

**General Fund Budgeting Highlights**

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

Over the course of the fiscal year, the District revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts.

**LAUREL SPRINGS SCHOOL DISTRICT  
LAUREL SPRINGS, NEW JERSEY**

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

**Capital Assets**

At the end of the fiscal year 2021, the School District had \$1,819,732.76 invested in land, building, furniture and equipment. Table 4 shows fiscal year 2021 balances compared to 2020.

**Table 4  
Capital Assets (Net of Depreciation) at June 30**

	<u><b>2021</b></u>	<u><b>2020</b></u>
Land	\$ 6,100.00	\$ 6,100.00
Buildings and Improvements	1,749,964.07	1,909,552.48
Furniture, Fixtures and Equipment	<u>63,668.69</u>	<u>57,572.66</u>
<b>Total</b>	<u><u>\$ 1,819,732.76</u></u>	<u><u>\$ 1,973,225.14</u></u>

Overall capital assets decreased \$153,492.38 from fiscal year 2020 to fiscal year 2021 as a result of depreciation. For more detailed information, please refer to the Notes to the Financial Statements.

**Debt Administration**

At June 30, 2021, the School District had \$1,370,000.00 for outstanding debt.

The School District entered into a capital lease agreement for a phone system with a term of five years. At June 30, 2021, the School District had a capital lease payable balance of \$11,139.79.

**For the Future**

The Laurel Springs School District is in good financial condition presently. The School District is proud of its community support of the public schools. A major concern is the continued enrollment growth of the District with the increased reliance on local property taxes. However, future finances are not without challenges as the community continues to change and State funding is decreased.

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

**LAUREL SPRINGS SCHOOL DISTRICT  
LAUREL SPRINGS, NEW JERSEY**

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

**Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Erin Kearney, School Business Administrator/Board Secretary, at Laurel Springs School District, 623 Grand Avenue and Stone Road, Laurel Springs, NJ 08021.

# **BASIC FINANCIAL STATEMENTS**

## **Government-wide Financial Statements**

## LAUREL SPRINGS SCHOOL DISTRICT

## Statement of Net Position

June 30, 2021

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 936,878.84	\$ 35,002.45	\$ 971,881.29
Accounts Receivable	149,481.20	5,327.66	154,808.86
Internal Balances	96,392.31	(96,392.31)	
Restricted Assets:			
Cash and Cash Equivalents	31,349.19		31,349.19
Capital Assets, net	1,819,732.76		1,819,732.76
Total Assets	3,033,834.30	(56,062.20)	2,977,772.10
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred Loss on Refunding of Debt	53,445.67		53,445.67
Related to Pensions	37,734.00		37,734.00
Total Deferred Outflow of Resources	91,179.67	-	91,179.67
<b>LIABILITIES:</b>			
Accounts Payable:			
Related to Pensions	14,449.00		14,449.00
Other	51,318.82		51,318.82
Accrued Interest Payable	10,840.13		10,840.13
Noncurrent Liabilities:			
Due within One Year	180,911.15		180,911.15
Due beyond One Year	1,401,807.53		1,401,807.53
Total Liabilities	1,659,326.63	-	1,659,326.63
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Related to Pensions	100,733.00	-	100,733.00
<b>NET POSITION:</b>			
Net Investment in Capital Assets	492,038.64		492,038.64
Restricted for:			
Debt Service	10.21		10.21
Capital Projects	153,229.44		153,229.44
Maintenance of Facilities	30,000.00		30,000.00
Tuition	600,000.00		600,000.00
Unemployment Compensation	542.60		542.60
Excess Surplus	294,118.40		294,118.40
Student Activities	19,944.71		19,944.71
Unrestricted (Deficit)	(224,929.66)	(56,062.20)	(280,991.86)
Total Net Position (Deficit)	\$ 1,364,954.34	\$ (56,062.20)	\$ 1,308,892.14

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



**LAUREL SPRINGS SCHOOL DISTRICT**  
Statement of Activities  
For the Fiscal Year Ended June 30, 2021

Functions / Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities:						
Instruction:						
Regular	\$ 1,080,204.20		\$ 166,015.25	\$ (914,188.95)		\$ (914,188.95)
Special Education	286,001.80			(286,001.80)		(286,001.80)
Other Special Instruction	77,351.66			(77,351.66)		(77,351.66)
Community Services Programs / Operations	2,344.82			(2,344.82)		(2,344.82)
Support Services:						
Tuition	1,907,533.73			(1,907,533.73)		(1,907,533.73)
Student and Instruction Related Services	495,018.03	\$ 3,758.88	38,101.05	(453,158.10)		(453,158.10)
General Administrative Services	145,090.05			(145,090.05)		(145,090.05)
School Administrative Services	34,694.10			(34,694.10)		(34,694.10)
Central Services	74,326.08			(74,326.08)		(74,326.08)
Plant Operations and Maintenance	285,647.27			(285,647.27)		(285,647.27)
Pupil Transportation	63,651.20			(63,651.20)		(63,651.20)
Unallocated Benefits	1,419,233.89		996,753.03	(422,480.86)		(422,480.86)
Transfer to Charter School	13,766.00			(13,766.00)		(13,766.00)
Interest on Long-Term Debt	37,872.49		10,442.76	(27,429.73)		(27,429.73)
Total Governmental Activities	5,922,735.32	3,758.88	1,211,312.09	(4,707,664.35)	-	(4,707,664.35)
Business-Type Activities:						
Food Service	23,316.00		36,089.49		\$ 12,773.49	12,773.49
Total Business-Type Activities	23,316.00	-	36,089.49	-	12,773.49	12,773.49
Total Government	\$ 5,946,051.32	\$ 3,758.88	\$ 1,247,401.58	(4,707,664.35)	12,773.49	(4,694,890.86)
General Revenues:						
Property Taxes:						
Levied for General Purposes				2,829,626.00		2,829,626.00
Levied for Debt Service				128,984.00		128,984.00
Federal and State Aid - Unrestricted				2,254,804.00		2,254,804.00
Federal and State Aid - Restricted				56,221.24		56,221.24
Miscellaneous Income				9,472.12		9,472.12
Total General Revenues				5,279,107.36	-	5,279,107.36
Change in Net Position				571,443.01	12,773.49	584,216.50
Net Position (Deficit), July 1				772,814.27	(68,835.69)	703,978.58
Prior Period Adjustments				20,697.06	-	20,697.06
Net Position (Deficit), July 1 (Restated)				793,511.33	(68,835.69)	724,675.64
Net Position (Deficit), June 30				\$ 1,364,954.34	\$ (56,062.20)	\$ 1,308,892.14

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

# **BASIC FINANCIAL STATEMENTS**

## **Fund Financial Statements**

## LAUREL SPRINGS SCHOOL DISTRICT

Governmental Funds

Balance Sheet

June 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 967,576.83	\$ 640.99		\$ 10.21	\$ 968,228.03
Property Tax Levy Receivable	97,604.44				97,604.44
Intergovernmental Accounts Receivable:					
Federal		36,065.75			36,065.75
State	4,331.81				4,331.81
Other Accounts Receivable	11,479.20				11,479.20
Interfund Accounts Receivable:					
Food Service Fund	96,392.31				96,392.31
Total Assets	<u>\$ 1,177,384.59</u>	<u>\$ 36,706.74</u>	<u>-</u>	<u>\$ 10.21</u>	<u>\$ 1,214,101.54</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 14,481.83	\$ 16,762.03			\$ 31,243.86
Payroll Deductions and Withholdings Payable	9,213.08				9,213.08
Unemployment Compensation Claims Payable	10,861.88				10,861.88
Total Liabilities	<u>34,556.79</u>	<u>16,762.03</u>	<u>-</u>	<u>-</u>	<u>51,318.82</u>
Fund Balances:					
Restricted:					
Capital Reserve	153,229.44				153,229.44
Maintenance Reserve	30,000.00				30,000.00
Tuition Reserve	600,000.00				600,000.00
Unemployment Compensation	542.60				542.60
Excess Surplus	294,118.40				294,118.40
Debt Service				\$ 10.21	10.21
Student Activities		19,944.71			19,944.71

(Continued)

## LAUREL SPRINGS SCHOOL DISTRICT

Governmental Funds

Balance Sheet

June 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Fund Balances (Cont'd):					
Assigned:					
Other Purposes	\$ 39,724.36				\$ 39,724.36
Unassigned:					
General Fund	25,213.00				25,213.00
Total Fund Balances	1,142,827.80	\$ 19,944.71	-	\$ 10.21	1,162,782.72
Total Liabilities and Fund Balances	\$ 1,177,384.59	\$ 36,706.74	-	\$ 10.21	1,214,101.54
Amounts reported for <i>governmental activities</i> in the Statement of Net Position (A-1) are different because:					
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$3,930,337.00 and the accumulated depreciation is \$2,110,604.24.					1,819,732.76
Deferred outflows and deferred inflows related to pensions represent the consumption acquisition, respectively, of resources that relate to future periods; therefore, such amounts are not reported in the fund financial statements.					(62,999.00)
Accounts payable related to pensions are not liquidated with current financial resources; therefore, such amounts are not recorded in the fund financial statements.					(14,449.00)
Accrued interest payable on long-term debt is not due and payable in the current period and therefore is not reported in the funds.					(10,840.13)
Long-term liabilities, including bonds payable, pension liability, and compensated absences payable are not due and payable in the current period and therefore are not reported in the funds.					(1,529,273.01)
Net Position of Governmental Activities					\$ 1,364,954.34

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

**LAUREL SPRINGS SCHOOL DISTRICT**  
Governmental Funds  
Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Year Ended June 30, 2021

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES:</b>					
Local Tax Levy	\$ 2,829,626.00			\$ 128,984.00	\$ 2,958,610.00
Unrestricted Miscellaneous Revenues	9,472.12				9,472.12
State Sources	2,752,135.03			66,664.00	2,818,799.03
Federal Sources		\$ 204,116.30			204,116.30
Local Sources		3,758.88			3,758.88
Total Revenues	<u>5,591,233.15</u>	<u>207,875.18</u>	<u>-</u>	<u>195,648.00</u>	<u>5,994,756.33</u>
<b>EXPENDITURES:</b>					
<b>Current:</b>					
Regular Instruction	794,630.52	166,015.25			960,645.77
Special Education Instruction	277,995.80				277,995.80
Other Special Instruction	77,351.66				77,351.66
Community Services Programs / Operations	2,344.82				2,344.82
Support Services and Undistributed Costs:					
Tuition	1,907,533.73				1,907,533.73
Student and Instruction Related Services	424,688.77	42,069.68			466,758.45
General Administrative Services	128,211.30				128,211.30
School Administrative Services	35,806.01				35,806.01
Central Services	70,323.08				70,323.08
Plant Operations and Maintenance	284,868.70				284,868.70
Pupil Transportation	63,651.20				63,651.20
Unallocated Benefits	939,371.08				939,371.08
Debt Service:					
Principal				165,000.00	165,000.00
Interest and Other Charges				30,647.75	30,647.75
Capital Outlay	27,994.95				27,994.95
Transfer to Charter School	13,766.00				13,766.00
Total Expenditures	<u>5,048,537.62</u>	<u>208,084.93</u>	<u>-</u>	<u>195,647.75</u>	<u>5,452,270.30</u>
Net Change in Fund Balances	<u>542,695.53</u>	<u>(209.75)</u>	<u>-</u>	<u>0.25</u>	<u>542,486.03</u>
Fund Balance, July 1	599,589.67	-	-	9.96	599,599.63
Prior Period Adjustments	542.60	20,154.46	-	-	20,697.06
Fund Balance, July 1, Restated	<u>600,132.27</u>	<u>20,154.46</u>	<u>-</u>	<u>9.96</u>	<u>620,296.69</u>
Fund Balance, June 30	<u>\$ 1,142,827.80</u>	<u>\$ 19,944.71</u>	<u>-</u>	<u>\$ 10.21</u>	<u>\$ 1,162,782.72</u>

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

**LAUREL SPRINGS 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

Amounts reported for governmental activities in the statement of activities are different because:

Net Change in Fund Balances - Governmental Funds	\$ 542,486.03
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.	
Depreciation Expense	\$ (181,487.33)
Capital Outlays	<u>27,994.95</u>
	(153,492.38)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
	165,000.00
In the statement of activities, certain operating expenses, (e.g., pensions, compensated absences and interest on debt), are measured by the amounts incurred during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). This amount is the net effect of these differences in the treatment of these items.	
	<u>17,449.36</u>
Change in Net Position of Governmental Activities	<u><u>\$ 571,443.01</u></u>

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

**LAUREL SPRINGS SCHOOL DISTRICT**  
Proprietary Fund  
Business-Type Activities - Enterprise Fund  
Statement of Net Position  
June 30, 2021

	<u>Food Service</u>
<b>ASSETS:</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 35,002.45
Accounts Receivable:	
State	63.75
Federal	5,263.91
	<u>40,330.11</u>
Total Current Assets	<u>40,330.11</u>
Noncurrent Assets:	
Capital Assets	8,792.04
Less: Accumulated Depreciation	<u>(8,792.04)</u>
Total Noncurrent Assets	<u>-</u>
Total Assets	<u>40,330.11</u>
<b>LIABILITIES:</b>	
Current Liabilities:	
Interfund Accounts Payable:	
General Fund	<u>96,392.31</u>
Total Current Liabilities	<u>96,392.31</u>
<b>NET POSITION:</b>	
Unrestricted (Deficit)	<u>(56,062.20)</u>
Total Net Position (Deficit)	<u><u>\$ (56,062.20)</u></u>

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

**LAUREL SPRINGS SCHOOL DISTRICT**  
Proprietary Fund  
Business-Type Activities - Enterprise Fund  
Statement of Revenues, Expenses and Changes in Fund Net Position  
For the Fiscal Year Ended June 30, 2021

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	<u>Food Service</u>
OPERATING EXPENSES:	
Cost of Sales:	
Reimbursable Program	\$ 23,316.00
Total Operating Expenses	<u>23,316.00</u>
Operating Loss	<u>(23,316.00)</u>
NONOPERATING REVENUES:	
State Sources:	
State School Lunch Program	921.06
Federal Sources:	
National School Lunch Program	22,784.35
National School Breakfast Program	11,770.08
P-EBT Administrative Cost	<u>614.00</u>
Total Nonoperating Revenues	<u>36,089.49</u>
Change in Net Position	12,773.49
Total Net Position (Deficit), July 1	<u>(68,835.69)</u>
Total Net Position (Deficit), June 30	<u><u>\$ (56,062.20)</u></u>

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



**LAUREL SPRINGS SCHOOL DISTRICT**  
Proprietary Fund  
Business-Type Activities - Enterprise Fund  
Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2021

	<u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Payments to Suppliers	\$ (24,276.00)
Net Cash Provided by (Used for) Operating Activities	<u>(24,276.00)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
State Sources	868.04
Federal Sources	30,600.32
Transfer from / (to) General Fund	<u>764.00</u>
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>32,232.36</u>
Net Increase (Decrease) in Cash and Cash Equivalents	7,956.36
Cash and Cash Equivalents, July 1	<u>27,046.09</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 35,002.45</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for)	
Operating Activities:	
Operating Income (Loss)	\$ (23,316.00)
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided by (Used for) Operating Activities:	
Increase (Decrease) in Accounts Payable	<u>(960.00)</u>
Net Cash Provided by (Used for) Operating Activities	<u><u>\$ (24,276.00)</u></u>

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

**LAUREL SPRINGS SCHOOL DISTRICT**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2021

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

The financial statements of the Laurel Springs School District (the "School District") have been prepared to conform with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant of these policies.

**Description of the Financial Reporting Entity**

The School District is a Type II district located in the County of Camden, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades Pre-K through sixth at its school. The School District has an approximate enrollment at June 30, 2021 of 167.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board *Codification of Governmental Accounting and Financial Reporting Standards*, is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the School District over which the Board exercises operating control.

**Government-wide and Fund Financial Statements**

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

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

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

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Property taxes are recognized as revenues in the year for which they are levied. The Camden County Board of Taxation is responsible for the assessment of properties, and the respective municipal tax collector is responsible for the collection of property taxes. Assessments are certified and property taxes are levied on January 1. Property tax payments are due February 1, May 1, August 1 and November 1. Unpaid property taxes are considered delinquent the following January 1 and are then subject to municipal lien. In accordance with New Jersey State Statute, the School District is entitled to receive moneys under an established payment schedule, and any unpaid amount is considered as an accounts receivable. The governing body of each municipality is required to pay over to the School District, within forty (40) days after the beginning of the school year, twenty percent (20%) of the moneys from school tax due. Thereafter, but prior to the last day of the school year, the municipality must pay the balance of moneys from school tax due for school purposes in such amounts as requested, with certain limitations, from time to time by the School District, within thirty days after each request.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are deemed both available and measurable. Available means when revenues are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal year. Measurable means that the amount of revenue can be determined. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, tuition, reimbursable-type grants, and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the School District.

The School District reports the following major governmental funds:

**General Fund** - The general fund is the primary operating fund of the School 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 non-instructional equipment classified in the capital outlay sub-fund.

As required by the New Jersey State Department of Education, the School District includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America, 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, ad valorem tax revenues, and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to, or remodeling of buildings, and the purchase of built-in equipment.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

The School District reports the following major governmental funds (cont'd):

***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 expenditures for specified purposes other than debt service or capital projects.

***Capital Projects Fund*** - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures 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 New Jersey Economic Development Authority grants, temporary notes, serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, or from the general fund by way of transfers from capital outlay or the capital reserve account.

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

Proprietary funds are used to account for the School District's ongoing organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All items not meeting this definition are reported as nonoperating revenues and expenses.

The School District reports the following major proprietary funds:

**Enterprise Funds**

***Food Service Fund*** - This fund accounts for the financial transactions related to the food service operations of the School District.

As a rule, the effect of internal/interfund activity has been eliminated from the government-wide financial statements.

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

**Budgets / Budgetary Control**

Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds, and are submitted to the county office of education. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012, to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2(f)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Budgets / Budgetary Control (Cont'd)**

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only, and the special revenue fund. 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, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. 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 budgetary basis. The budgetary basis differs from GAAP in that the budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

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

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting, as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule, to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances - governmental funds. Note that the School District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows the modified accrual basis of accounting, with the exception of the aforementioned revenue recognition policy for the one or more June state aid payments.

**Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to assign a portion of the applicable appropriation, is utilized for budgetary control purposes. Encumbrances are a component of fund balance 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 governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, are reflected on 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.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Cash, Cash Equivalents and Investments**

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

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

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

**Inventories**

Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out method.

The cost of inventories in the governmental fund financial statements is recorded as expenditures when purchased rather than when consumed.

Inventories recorded on the government-wide financial statements and in the proprietary fund types are recorded as expenses when consumed rather than when purchased.

**Tuition Receivable**

Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

**Prepaid Expenses**

Prepaid expenses recorded on the government-wide financial statements represent payments made to vendors for services that will benefit periods beyond June 30, 2021. The School District had no prepaid expenses for the fiscal year ended June 30, 2021.

In the governmental fund financial statements, however, payments for prepaid items are fully recognized as expenditures in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required (*non-allocation method*). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Short-Term Interfund Receivables / Payables**

Short-term interfund receivables / payables (internal balances) represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund within the School District, and that are due within one year. Such balances are eliminated in the statement of net position to minimize the grossing up of internal balances, thus leaving a net amount due between the governmental and business-type activities that are eliminated in the total government column.

**Capital Assets**

Capital assets represent the cumulative amount of capital assets owned by the School District. Purchased capital assets are recorded as expenditures in the governmental fund financial statements and are capitalized at cost on the government-wide statement of net position and proprietary fund statement of net position. In the case of gifts or contributions, such capital assets are recorded at acquisition value at the time received.

The School District's capitalization threshold is \$2,000.00. Other costs incurred for repairs and maintenance are expensed as incurred. All reported capital assets, except land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Furniture, Fixtures and Equipment	5 - 15 Years
Buildings and Improvements	20 - 50 Years

The School District does not possess any infrastructure assets.

**Deferred Outflows of Resources and Deferred Inflows of Resources**

The statement of net position reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources, reported after total assets, represents a reduction of net position that applies to a future period(s) and will be recognized as an outflow of resources (expense) at that time. Deferred inflows of resources, reported after total liabilities, represents an acquisition of net position that applies to a future period(s) and will be recognized as an inflow of resources (revenue) at that time.

Transactions are classified as deferred outflows of resources and deferred inflows of resources only when specifically prescribed by the Governmental Accounting Standards Board (GASB) standards. The School District is required to report the following as deferred outflows of resources and deferred inflows of resources: loss on refunding of debt and defined benefit pension plans.

**Tuition Payable**

Tuition charges for the fiscal years ended June 30, 2021 and 2020 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

**Unearned Revenue**

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Accrued Salaries and Wages**

Certain School District employees who provide services to the School District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2021, the amounts earned by these employees were disbursed to the employees' own individual credit union accounts.

**Compensated Absences**

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

The School District uses the vesting method to calculate the compensated absences amount. The entire compensated absence liability, including the employer's share of applicable taxes, is reported on the government-wide financial statements. The current portion is the amount estimated to be used in the following fiscal year. Expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of employee resignations and retirements. Compensated absences not recorded at the fund level represent a reconciling item between the fund level and government-wide presentations.

**Accrued Liabilities and Long-Term Obligations**

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

**Net Position**

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

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

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



**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Net Position (Cont'd)**

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

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

**Fund Balance**

The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The School District's classifications, and policies for determining such classifications, are as follows:

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

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

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

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

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

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Interfund Activity**

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures / expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources / uses in governmental funds and after non-operating revenues / expenses in proprietary funds.

Reimbursements from funds responsible for particular expenditures / expenses to the funds that initially paid for them are not presented on the financial statements.

**Accounting Estimates**

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

**Impact of Recently Issued Accounting Principles****Recently Issued Accounting Pronouncements**

The School District implemented the following GASB Statement for the fiscal year ended June 30, 2021:

Statement No. 84, *Fiduciary Activities*. The primary objective of this 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.

Because of the implementation of Statement No. 84, the School District has determined that certain activities that were previously reported in the fiduciary fund now meet the criteria for reporting as governmental activities. As a result, net position and certain fund balances reported as of July 1, 2020 have been restated (note 17).

The GASB has issued the following Statement that will become effective for the School District for fiscal years ending after June 30, 2021:

Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Statement will become effective for the School District in the fiscal year ending June 30, 2022. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the School District.

**Note 2: CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds, salary withholdings, and student activity funds, or funds that may pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of June 30, 2021, the School District's bank balances of \$1,342,005.17 were insured by FDIC or GUDPA.

**Note 3: CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the School District by inclusion of \$10,000.00 in October of 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

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

Beginning Balance, July 1, 2020	\$ 1,112.68
Increased by:	
Deposits:	
Board Resolution (June 23, 2021)	<u>152,116.76</u>
Ending Balance, June 30, 2021	<u>\$ 153,229.44</u>

The June 30, 2021 LRFP balance of local support costs of completed projects at June 30, 2021 is \$1,691,000.00. There were no withdrawals from the capital reserve account at June 30, 2021.

**Note 4: ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2021 consisted of accounts (fees for services) and intergovernmental awards / grants. All receivables are considered collectible in full due to the stable condition of federal and state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey.

**Note 4: ACCOUNTS RECEIVABLE (CONT'D)**

Accounts receivable as of fiscal year end for the School District's individual major funds, in the aggregate, are as follows:

<u>Description</u>	<u>Governmental Funds</u>		<u>Total Governmental Activities</u>	<u>Proprietary Fund</u>		<u>Total</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>		<u>Food Service Fund</u>	<u>Total Business- Type Activities</u>	
Federal Awards		\$ 36,065.75	\$ 36,065.75	\$ 5,263.91	\$ 5,263.91	\$ 41,329.66
State Awards	\$ 4,331.81		4,331.81	63.75	63.75	4,395.56
Property Tax Levy	97,604.44		97,604.44			97,604.44
Tuition	11,479.20		11,479.20			11,479.20
	<u>\$ 113,415.45</u>	<u>\$ 36,065.75</u>	<u>\$ 149,481.20</u>	<u>\$ 5,327.66</u>	<u>\$ 5,327.66</u>	<u>\$ 154,808.86</u>

**Note 5: CAPITAL ASSETS**

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

	<u>Balance July 1, 2020</u>	<u>Increases</u>	<u>Transfers</u>	<u>Decreases</u>	<u>Balance June 30, 2021</u>
<b>Governmental Activities:</b>					
Capital Assets, not being Depreciated:					
Land	\$ 6,100.00	-	-	-	\$ 6,100.00
Capital Assets, being Depreciated:					
Buildings and Improvements	3,692,264.29				3,692,264.29
Furniture, Fixtures and Equipment	203,977.76	\$ 27,994.95			231,972.71
Total Capital Assets, being Depreciated	3,896,242.05	27,994.95	-	-	3,924,237.00
Total Capital Assets, Cost	3,902,342.05	27,994.95	-	-	3,930,337.00
Less Accumulated Depreciation for:					
Buildings and Improvements	(1,782,711.81)	(159,588.41)			(1,942,300.22)
Furniture, Fixtures and Equipment	(146,405.10)	(21,898.92)			(168,304.02)
Total Accumulated Depreciation	(1,929,116.91)	(181,487.33)	-	-	(2,110,604.24)
Total Capital Assets, being Depreciated, Net	1,967,125.14	(153,492.38)	-	-	1,813,632.76
Governmental Activities Capital Assets, Net	<u>\$ 1,973,225.14</u>	<u>\$ (153,492.38)</u>	<u>-</u>	<u>-</u>	<u>\$ 1,819,732.76</u>
	<u>Balance July 1, 2020</u>	<u>Increases</u>	<u>Transfers</u>	<u>Decreases</u>	<u>Balance June 30, 2021</u>
<b>Business-Type Activities:</b>					
Capital Assets, being Depreciated:					
Furniture, Fixtures and Equipment	\$ 8,792.04	-	-	-	\$ 8,792.04
Less Accumulated Depreciation	(8,792.04)	-	-	-	(8,792.04)
Business-Type Activities Capital Assets, Net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Depreciation expense was charged to functions / programs of the School District as follows:

<b>Governmental Activities:</b>	
Regular Instruction	\$ 119,558.43
Special Education Instruction	8,006.00
Student and Instruction Related Services	28,259.58
General, School and Business Administrative Services	24,884.75
Plant Operations and Maintenance	778.57
Total Depreciation Expense - Governmental Activities	<u>\$ 181,487.33</u>

**Note 6: LONG-TERM LIABILITIES**

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

	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021	Due within One Year
<b>Governmental Activities:</b>					
Bonds Payable:					
General Obligation Bonds	\$ 1,535,000.00	-	\$ (165,000.00)	\$ 1,370,000.00	\$ 175,000.00
Other Liabilities:					
Compensated Absences	4,497.08	\$ 828.91	(339.10)	4,986.89	498.69
Obligations under Capital Lease	16,254.70		(5,114.91)	11,139.79	5,412.46
Net Pension Liability	218,029.00	132,891.00	(154,328.00)	196,592.00	
Total Other Liabilities	238,780.78	133,719.91	(159,782.01)	212,718.68	5,911.15
Governmental Activities Long-Term Liabilities	\$ 1,773,780.78	\$ 133,719.91	\$ (324,782.01)	\$ 1,582,718.68	\$ 180,911.15

The bonds payable are generally liquidated by the debt service fund, while the compensated absences, capital leases, and net pension liability are liquidated by the general fund.

**Bonds Payable** - Bonds and loans are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the School District are general obligation bonds.

On February 16, 2016, the School District issued \$1,930,000.00 general obligation refunding bonds at an interest rate of 2.110% for the purpose of refunding \$1,802,000.00 of its 2007 general obligation bonds. The final maturity of these bonds is August 15, 2027. The bonds will be paid from property taxes.

Principal and interest due on bonds outstanding is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	\$ 175,000.00	\$ 27,060.75	\$ 202,060.75
2023	210,000.00	22,999.00	232,999.00
2024	205,000.00	18,620.75	223,620.75
2025	205,000.00	14,295.25	219,295.25
2026	200,000.00	10,022.50	210,022.50
2027-2028	375,000.00	7,754.25	382,754.25
Total	\$ 1,370,000.00	\$ 100,752.50	\$ 1,470,752.50

**Bonds Authorized but not Issued** - As of June 30, 2021, the School District had no authorizations to issue additional bonded debt.

**Obligations under Capital Lease** - The School District is leasing a phone system with a total cost of \$26,365.00 under capital leases. The lease term is five years. Capital leases are depreciated in a manner consistent with the School District's depreciation policy for owned assets.

The following is a schedule of the future minimum lease payments under the capital lease at June 30, 2021.

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	\$ 5,412.46	\$ 648.05	\$ 6,060.51
2023	5,727.33	333.18	6,060.51
	\$ 11,139.79	\$ 981.23	\$ 12,121.02

**Note 6: LONG-TERM LIABILITIES (CONT'D)**

**Compensated Absences** - As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid. Refer to note 12 for a description of the School District's policy.

**Net Pension Liability** - For details on the net pension liability, refer to note 7. The School District's annual required contribution to the Public Employees' Retirement System is budgeted and paid from the general fund on an annual basis.

**Note 7: PENSION PLANS**

A substantial number of the School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), which are administered by the New Jersey Division of Pensions and Benefits (the "Division"). In addition, several School District employees participate in the Defined Contribution Retirement Program, which is a defined contribution pension plan. DCRP is administered by Prudential Financial for the Division.

Each of the aforementioned plans have a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements, required supplementary information, and detailed information about the PERS and TPAF plans' fiduciary net position that can be obtained by writing to or at the following website:

State of New Jersey, Department of the Treasury  
Division of Pensions and Benefits  
P.O. Box 295  
Trenton, New Jersey 08625-0295

<https://www.state.nj.us/treasury/pensions/financial-reports.shtml>

**General Information about the Pension Plans****Plan Descriptions**

**Teachers' Pension and Annuity Fund** - The Teachers' Pension and Annuity Fund is a cost-sharing multiple-employer defined benefit pension plan, with a special funding situation, which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The State of New Jersey ("State") is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF's designated purpose is to provide retirement benefits, death, disability and medical benefits to certain qualified members. Membership in the TPAF is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, who have titles that are unclassified, professional and certified. The TPAF Board of Trustees is primarily responsible for the administration of the Plan.

**Public Employees' Retirement System** - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan that was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS' designated purpose is to provide retirement, death, disability, and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the School District, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS' Board of Trustees is primarily responsible for the administration of the PERS.

**Note 7: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Plan Descriptions (Cont'd)**

**Defined Contribution Retirement Program** - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

**Vesting and Benefit Provisions**

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

The following represents the membership tiers for TPAF:

**Tier Definition**

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
- 4 Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 before age 65 with 30 years or more of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier.

Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**Note 7: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

**Public Employees' Retirement System** - The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The membership tiers for PERS are the same as previously noted for TPAF.

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

**Defined Contribution Retirement Program** - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and nonforfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and nonforfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

**Contributions**

**Teachers' Pension and Annuity Fund** - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2020. The State's contribution is based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, *Accounting and Financial Reporting for Pensions*.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2021 was 20.87% of the School District's covered payroll, of which 0.00% of payroll was required from the School District and 100.00% of payroll was required from the State of New Jersey. The School District was not required to contribute to the pension plan during the fiscal year ended June 30, 2021 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2020, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2021 was \$249,384.00, and was paid by April 1, 2021. School District employee contributions to the Plan during the fiscal year ended June 30, 2021 were \$89,639.81.



**Note 7: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

**Public Employees' Retirement System** - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2020. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2021 was 14.50% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2020, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2021 was \$13,188.00, and was paid by April 1, 2021. School District employee contributions to the Plan during the fiscal year ended June 30, 2021 were \$7,471.37.

**Defined Contribution Retirement Program** - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with P.L. 2007, C. 92, and P.L. 2007, C. 103, Plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District contributes 3% of the employees' base salary, for each pay period, to Prudential Financial no later than the fifth business day after the date on which the employee is paid for that pay period.

For the fiscal year ended June 30, 2021, employee contributions totaled \$5,745.01, and the School District recognized pension expense, which equaled the required contributions, of \$4,156.42. There were no forfeitures during the fiscal year.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions****Teachers' Pension and Annuity Fund**

**Pension Liability** - At June 30, 2021, the School District was not required to report a liability for its proportionate share of the net pension liability for TPAF because of the 100% special funding situation by the State of New Jersey.

The State's proportionate share of net pension liability, however, attributable to the School District is as follows:

School District's Proportionate Share of Net Pension Liability	-
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	\$ 7,246,888.00
	<u>\$ 7,246,888.00</u>

**Note 7: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Teachers' Pension and Annuity Fund (Cont'd)**

**Pension Liability (Cont'd)** - 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. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. For the June 30, 2020 measurement date, the School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At the June 30, 2020 measurement date, the School District proportion was 0.00% due to the 100% special funding situation with the State of New Jersey; however, the State's proportionate share of the TPAF net pension liability associated with the School District was 0.0110053457%, which was a decrease of 0.0001009832% from its proportion measured as of June 30, 2019.

**Pension Expense** - For the fiscal year ended June 30, 2021, the School District recognized \$450,642.00 in pension expense and revenue, in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plan's June 30, 2020 measurement date.

**Public Employees' Retirement System**

**Pension Liability** - At June 30, 2021, the School District reported a liability of \$196,592.00 for its proportionate share of the net pension liability for PERS. 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. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2020 measurement date, the School District's proportion was 0.0012055400%, which was a decrease of 0.0000044872% from its proportion measured as of June 30, 2019.

**Pension Expense** - For the fiscal year ended June 30, 2021, the School District recognized pension expense of \$(6,860.00), in the government-wide financial statements. This pension expense was based on the pension plan's June 30, 2020 measurement date.

**Deferred Outflows and Inflows of Resources** - At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between Expected and Actual Experience	\$ 3,580.00	\$ 695.00
Changes of Assumptions	6,378.00	82,315.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	6,720.00	-
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	6,607.00	17,723.00
School District Contributions Subsequent to the Measurement Date	14,449.00	-
	<b><u>\$ 37,734.00</u></b>	<b><u>\$ 100,733.00</u></b>

**Note 7: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System (Cont'd)**

**Deferred Outflows and Inflows of Resources (Cont'd)** - Deferred outflows of resources in the amount of \$14,449.00 will be included as a reduction of the net pension liability in the subsequent fiscal year, June 30, 2022. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Fiscal Year Ending June 30,</b>	
2022	\$ (26,137.00)
2023	(28,263.00)
2024	(19,069.00)
2025	(2,824.00)
2026	(1,155.00)
	<u>\$ (77,448.00)</u>

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

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

**Note 7: PENSION PLANS (CONT'D)****Actuarial Assumptions**

The net pension liabilities were measured as of June 30, 2020 and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation as of July 1, 2019. The total pension liabilities were calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>TPAF</u>	<u>PERS</u>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases: <sup>(1)</sup>		
Through 2026	1.55% - 4.45%	2.00% - 6.00%
Thereafter	2.75% - 5.65%	3.00% - 7.00%
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2015 - June 30, 2018	July 1, 2014 - June 30, 2018

<sup>(1)</sup> based on years of service

For TPAF, 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.

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

For TPAF and PERS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at the June 30, 2020 measurement date) 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.

**Note 7: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)**

Best estimates of arithmetic rates of return for each major asset class included in TPAF's and PERS' target asset allocation as of the June 30, 2020 measurement date are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rea Rate of Returr</u>
U.S. Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	<u>100.00%</u>	

**Discount Rate -**

**Teachers' Pension and Annuity Fund** - The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.21% as of the June 30, 2020 measurement date based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers would 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.

**Public Employees' Retirement System** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.21% as of the June 30, 2020 measurement date based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers would 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. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

**Note 7: PENSION PLANS (CONT'D)****Sensitivity of School District's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

**Teachers' Pension and Annuity Fund (TPAF)** - As previously mentioned TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2020, the Plan's measurement date, attributable to the School District is \$0.00. The following, however, presents the net pension liability of the State as of June 30, 2020 (Plan's measurement date), attributable to the School District, calculated using the discount rate of 5.40% as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	1% Decrease (4.40%)	Current Discount Rate (5.40%)	1% Increase (6.40%)
School District's Proportionate Share of the Net Pension Liability	-	-	-
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	\$ 8,512,319.00	\$ 7,246,888.00	\$ 6,196,160.00
	<u>\$ 8,512,319.00</u>	<u>\$ 7,246,888.00</u>	<u>\$ 6,196,160.00</u>

**Public Employees' Retirement System (PERS)** - The following presents the School District's proportionate share of the net pension liability at June 30, 2020, the Plan's measurement date, calculated using a discount rate of 7.00%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's Proportionate Share of the Net Pension Liability	\$ 249,423.00	\$ 196,592.00	\$ 154,621.00
	<u>\$ 249,423.00</u>	<u>\$ 196,592.00</u>	<u>\$ 154,621.00</u>

**Pension Plan Fiduciary Net Position**

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

**Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)****STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN****General Information about the OPEB Plan**

**Plan Description and Benefits Provided** - The State Health Benefit Local Education Retired Employees Plan (the "OPEB Plan") is a multiple-employer defined benefit OPEB plan, with a special funding situation, that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75 - *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*. The OPEB Plan is administered by the State of New Jersey Division of Pensions and Benefits (the "Division") and is part of the New Jersey State Health Benefits Program (SHBP). The Division issues a publicly available financial report that includes financial statements and required supplementary information which can be obtained by writing to or at the following website:

State of New Jersey  
Division of Pensions and Benefits  
P.O. Box 295  
Trenton, New Jersey 08625-0295  
<https://www.nj.gov/treasury/pensions/financial-reports.shtml>

The OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

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

**Employees Covered by Benefit Terms** - At June 30, 2020, the OPEB Plan's measurement date, the entire State Health Benefit Local Education Retired Employees OPEB Plan consisted of the following members.

Active Plan Members	216,804
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	149,304
Inactive Plan Members Entitled to but Not Yet Receiving Benefit Payments	-
	<u>366,108</u>

**Total Non-Employer OPEB Liability**

The State of New Jersey, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to the OPEB Plan for qualified retired TPAF, PERS, PFRS and ABP pension participants. The School District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the statement of net position.

**Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)****STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Total Non-Employer OPEB Liability (Cont'd)**

The State's proportionate share of the net OPEB liability associated with the School District as of June 30, 2021 was \$8,684,841.00. Since the OPEB liability associated with the School District is 100% attributable to the State, the OPEB liability will be referred to as the total non-employer OPEB liability.

The total non-employer OPEB liability was measured as of June 30, 2020, and was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. For the June 30, 2020 measurement date, the State's proportionate share of the non-employer OPEB liability associated with the School District was 0.0128076180%, which was an increase of 0.0016450094% from its proportion measured as of June 30, 2019.

**Actuarial Assumptions and Other Inputs** - The actuarial assumptions and other inputs vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2019 used the following actuarial assumptions, applied to all periods in the measurement:

**Salary Increases -**

	<u>TPAF/ABP</u> *	<u>PERS</u> *	<u>PFRS</u>
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

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\* based on service years

**Inflation Rate - 2.50%.**

**Mortality Rates** - Current and future retiree healthy mortality rates were based on the PUB-2010 Healthy classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

Disabled mortality was based on the PUB-2010 headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

**Experience Studies** - 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.

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



**Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)****STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Total Non-Employer OPEB Liability (Cont'd)**

**Discount Rate** - The discount rate for June 30, 2020 measurement date was 2.21%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**Changes in the Total Non-Employer OPEB Liability**

The below table summarizes the State's proportionate share of the change in the total non-employer OPEB liability associated with the School District:

Balance at June 30, 2020		\$	4,658,054.00
Changes for the Year:			
Service Cost	\$	165,073.00	
Interest Cost		166,266.00	
Difference between Expected and Actual Experience		2,255,639.00	
Changes in Assumptions		1,586,422.00	
Member Contributions		4,583.00	
Gross Benefit Payments		(151,196.00)	
Net Changes			4,026,787.00
Balance at June 30, 2021		\$	8,684,841.00

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

Differences between expected and actual experience reflect a decrease in liability from June 30, 2019 to June 30, 2020 is due to changes in the census, claims, and premiums experience.

Changes in assumptions reflect an increase in the liability from June 30, 2019 to June 30, 2020 is due to the combined effect of the decrease in the assumed discount rate from 3.50% as of June 30, 2019 to 2.21% as of June 30, 2020; and changes in the trend, repeal of the excise tax, and updated mortality improvement assumptions.

**Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate** - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2020, associated with the School District, using a discount rate of 2.21%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used is as follows:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District	\$ 10,470,024.00	\$ 8,684,841.00	\$ 7,289,000.00

**Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)****STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Changes in the Total Non-Employer OPEB Liability (Cont'd)**

**Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Healthcare Cost Trend Rates** - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2020, associated with the School District, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used is as follows:

	<b><u>1%</u></b> <b><u>Decrease</u></b>	<b><u>Healthcare Cost</u></b> <b><u>Trend Rates</u></b>	<b><u>1%</u></b> <b><u>Increase</u></b>
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District	\$ 7,010,697.00	\$ 8,684,841.00	\$ 10,678,375.00

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Total Non-Employer OPEB Liability**

**OPEB Expense** - For the fiscal year ended June 30, 2021, the School District recognized \$450,600.00 in OPEB expense and revenue, in the government-wide financial statements, for the State's proportionate share of the OPEB Plan's OPEB expense, associated with the School District. This expense and revenue was based on the OPEB Plan's June 30, 2020 measurement date.

**Deferred Outflows and Inflows of Resources** - In accordance with GASBS No. 75, the School District's proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources by the School District; however, at June 30, 2021, the State's proportionate share of the total non-employer OPEB liability's deferred outflows of resources and deferred inflows of resources, associated with School District, from the following sources are as follows:

	<b><u>Deferred</u></b> <b><u>Outflows</u></b> <b><u>of Resources</u></b>	<b><u>Deferred</u></b> <b><u>Inflows</u></b> <b><u>of Resources</u></b>
Difference between Expected and Actual Experience	\$ 1,318,585.00	\$ 1,174,549.00
Changes of Assumptions	1,477,263.00	990,990.00
Changes in Proportion	890,972.00	133,921.00
	<u>\$ 3,686,820.00</u>	<u>\$ 2,299,460.00</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the State's proportionate share of the total non-employer OPEB liability, associated with the School District, will be recognized in OPEB expense as follows:

<b><u>Fiscal</u></b> <b><u>Year Ending</u></b> <b><u>June 30,</u></b>	
2022	\$ 93,637.00
2023	93,637.00
2024	93,637.00
2025	93,637.00
2026	93,637.00
Thereafter	919,175.00
	<u>\$ 1,387,360.00</u>

**Note 9: ON-BEHALF PAYMENTS**

For the fiscal year ended June 30, 2021, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance were \$300,230.00, \$5,712.00, \$95,878.00, and \$168.00, respectively.

**Note 10: RISK MANAGEMENT**

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

**New Jersey Unemployment Compensation Insurance** - The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the School District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The School District is billed quarterly for amounts due to the State.

The following is a summary of the activity of the School District's unemployment claims for the current and previous two fiscal years:

<u>Fiscal Year Ended June 30,</u>	<u>School District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Income</u>	<u>Claims Incurred</u>	<u>Ending Balance</u>	
					<u>Claims Payable</u>	<u>Restricted Fund Balance</u>
2021	-	\$ 10,861.88	-	-	\$ 10,861.88	\$ 542.60
2020	-	-	-	\$ 266.18	-	542.60
2019	-	-	-	13.37	-	808.78

**Joint Insurance Fund** - The School District is a member of the School Alliance Insurance Fund ("SAIF"). The SAIF provides its members with the following coverage:

Workers' Compensation and Employer's Liability  
 Liability other than Motor Vehicles  
 Property Damage other than Motor Vehicles  
 Motor Vehicles  
 Environmental Impairment Liability  
 Crime Coverage

Contributions to the SAIF are determined by the SAIF Board of Trustees, based on actuarial assumptions determined by an actuary. The School District is jointly and personally liable for claims insured by the SAIF and its members during the period of its membership, including liability for supplemental assessments, if necessary. The SAIF's Board of Trustees may authorize refunds to its members in any fund year for which contributions exceed the amount necessary to fund all obligations for that year.

The SAIF publishes its own financial report for the fiscal year ended June 30, 2021, which can be obtained at [www.saifund.com](http://www.saifund.com).

**Note 11: DEFERRED COMPENSATION**

The School District offers its employees a choice of two deferred compensation plans created in accordance with Internal Revenue Code Sections 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.

**Note 12: COMPENSATED ABSENCES**

The School District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 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.

School District employees who are employed for ten months are entitled to ten paid sick leave days per fiscal school year. School District employees who are employed for twelve months are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. School District employees are entitled to two personal days, which may be carried forward to subsequent years. Vacation days not used during the year may not be accumulated and carried forward. Benefits paid in any future year will be calculated according to formulas outlined in the School Districts' agreements with the various employee unions and included in the current years' budget.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2021, the liability for compensated absences reported on the government-wide statement of net position was \$4,986.89.

**Note 13: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

**Interfunds** - The composition of interfund balances as of June 30, 2021 is as follows:

<b><u>Fund</u></b>	<b><u>Interfunds Receivable</u></b>	<b><u>Interfunds Payable</u></b>
General	\$ 96,392.31	
Food Service		\$ 96,392.31
	<u>\$ 96,392.31</u>	<u>\$ 96,392.31</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2022, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

**Note 14: CONTINGENCIES**

**Grantor Agencies** - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the School District expects such amount, if any, to be immaterial.

**Litigation** - The School District is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the School District, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

**Note 15: CONCENTRATIONS**

The School District depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the School District is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

**Note 16: FUND BALANCES****RESTRICTED**

As stated in note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

**General Fund**

**For Capital Reserve Account** - As of June 30, 2021, the balance in the capital reserve account is \$153,229.44. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

**For Maintenance Reserve Account** - As of June 30, 2021, the balance in the maintenance reserve account is \$30,000.00. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

**For Tuition** - In accordance with N.J.A.C. 6A:23A-3.1(f)(8), the School District has restricted fund balance in the amount of \$600,000.00 in a legal reserve for tuition adjustments. This restricted fund balance represents foreseeable future tuition adjustments up to a maximum of 10% of the estimated tuition cost of the respective contract year. As of June 30, 2021, \$600,000.00 has been restricted for the contract year 2020-2021.

**For Unemployment Compensation** - Pursuant to N.J.S.A. 43:21-7.3(g), the School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method" (see note 10). As a result, there exists at June 30, 2021 a restricted fund balance from employer contributions in the amount of \$542.60 for future unemployment claims.

**For Excess Surplus** - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation. New Jersey school districts are required to restrict general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2021 is \$294,118.40. Additionally, \$94,118.40 of excess fund balance generated during 2019-2020 has been restricted and designated for utilization in the 2021-2022 budget.

**Special Revenue Fund**

**For Student Activities** - In accordance with N.J.A.C. 6A:23A-16.12(c), each school district shall ensure through adoption of a formal board policy that all financial and bookkeeping controls are adequate to ensure appropriate fiscal accountability and sound business practices for funds collected for student activities. As such, borrowing from student activity funds is prohibited. The balance of these funds as of June 30, 2021 is \$19,944.71.

**Debt Service Fund** - As of June 30, 2021, the balance is \$10.21. These funds are restricted for future debt service expenditures.

**ASSIGNED**

As stated in note 1, the assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. Specific assignments of the School District's fund balance are summarized as follows:

**General Fund**

**Other Purposes** - As of June 30, 2021, the School District had \$39,724.36 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

**Note 16: FUND BALANCES (CONT'D)****UNASSIGNED**

As stated in note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

**General Fund** - As of June 30, 2021, \$25,213.00 of general fund balance was unassigned.

**Note 17: RESTATEMENT OF PRIOR PERIOD NET POSITION AND FUND BALANCE**

For the fiscal year ended June 30, 2021, the School District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. As a result, the following net positions and fund balances as of July 1, 2020 have been restated. The following tables illustrate the restatements:

		<b><u>Governmental Activities</u></b>
Beginning Net Position as Previously Reported at July 1, 2020		\$ 772,814.27
Prior Period Adjustments:		
Reclassification of Net Position from Fiduciary Fund:		
Unemployment Compensation Trust	\$ 542.60	
Reclassification of Student Activity Payable to Student Groups Balance from Fiduciary Fund	<u>20,154.46</u>	
Total Prior Period Adjustments		<u>20,697.06</u>
Net Position as Restated, July 1, 2020		<u><u>\$ 793,511.33</u></u>
		<b><u>General Fund</u></b>
Beginning Fund Balance as Previously Reported at July 1, 2020		\$ 599,589.67
Prior Period Adjustment:		
Reclassification of Unemployment Compensation Trust Net Position from Fiduciary Fund		<u>542.60</u>
Fund Balance as Restated, July 1, 2020		<u><u>\$ 600,132.27</u></u>
		<b><u>Special Revenue Fund</u></b>
Beginning Fund Balance as Previously Reported at July 1, 2020		-
Prior Period Adjustment:		
Reclassification of Student Activity Payable to Student Groups Balance from Fiduciary Fund		<u>\$ 20,154.46</u>
Fund Balance as Restated, July 1, 2020		<u><u>\$ 20,154.46</u></u>

**Note 18: SUBSEQUENT EVENTS**

**COVID-19** - On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the School District's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the School District is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2022.

**REQUIRED SUPPLEMENTARY INFORMATION  
PART II  
BUDGETARY COMPARISON SCHEDULES**



**LAUREL SPRINGS SCHOOL DISTRICT**  
 Required Supplementary Information - Part II  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 2,829,626.00		\$ 2,829,626.00	\$ 2,829,626.00	
Unrestricted Miscellaneous	2,000.00		2,000.00	9,472.12	\$ 7,472.12
Interest Earned on Maintenance Reserve	500.00		500.00		(500.00)
Interest Earned on Capital Reserve Funds	1.00		1.00		(1.00)
Total - Local Sources	2,832,127.00	-	2,832,127.00	2,839,098.12	6,971.12
State Sources:					
Equalization Aid	1,782,132.00		1,782,132.00	1,782,132.00	
Special Education Categorical Aid	239,471.00		239,471.00	239,471.00	
School Choice Aid	160,892.00		160,892.00	160,892.00	
Transportation Aid	22,482.00		22,482.00	22,482.00	
Security Aid	53,391.00		53,391.00	53,391.00	
On-Behalf T.P.A.F. Post Retirement Medical Contributions (non-budgeted)				95,878.00	95,878.00
On-Behalf T.P.A.F. Normal Pension Contributions (non-budgeted)				300,230.00	300,230.00
On-Behalf T.P.A.F. Non-Contributory Insurance (non-budgeted)				5,712.00	5,712.00
On-Behalf T.P.A.F. Long-Term Disability Insurance Contributions (non-budgeted)				168.00	168.00
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				95,343.03	95,343.03
Total - State Sources	2,258,368.00	-	2,258,368.00	2,755,699.03	497,331.03
Total Revenues	5,090,495.00	-	5,090,495.00	5,594,797.15	504,302.15
<b>EXPENDITURES:</b>					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool	25,139.50		25,139.50	24,824.40	315.10
Kindergarten	80,276.00		80,276.00	80,276.00	
Grades 1-5	561,815.63	\$ 1,762.00	563,577.63	543,511.90	20,065.73
Grades 6-8	100,087.17		100,087.17	98,556.30	1,530.87
Other Salaries for Instruction		552.50	552.50	552.50	
Purchased Technical Services	8,050.00	(402.00)	7,648.00	5,270.98	2,377.02
Other Purchased Services	42,350.00	(1,912.50)	40,437.50	13,742.98	26,694.52
General Supplies	64,081.32	(79.00)	64,002.32	27,883.46	36,118.86
Textbooks	10,000.00		10,000.00		10,000.00
Other Objects	3,780.00		3,780.00	12.00	3,768.00
Total Regular Programs	895,579.62	(79.00)	895,500.62	794,630.52	100,870.10

(Continued)

**LAUREL SPRINGS SCHOOL DISTRICT**  
 Required Supplementary Information - Part II  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Special Education - Instruction:					
Learning and Language Disabled:					
Salaries of Teachers	\$ 49,279.00		\$ 49,279.00	\$ 49,279.00	
General Supplies	1,095.90		1,095.90		\$ 1,095.90
Total Learning and Language Disabled	50,374.90	-	50,374.90	49,279.00	1,095.90
Preschool Disabilities - Part-time:					
Salaries of Teachers	25,139.50	\$ 3,060.14	28,199.64	28,199.60	0.04
Purchased Professional and Technical Services		18,287.00	18,287.00	14,515.00	3,772.00
General Supplies	5,000.00	(1,651.64)	3,348.36	176.04	3,172.32
Total Multiple Disabilities	30,139.50	19,695.50	49,835.00	42,890.64	6,944.36
Resource Room/Resource Center:					
Salaries of Teachers	120,414.00	2,221.50	122,635.50	121,039.00	1,596.50
Other Salaries for Instruction	77,798.00		77,798.00	64,779.78	13,018.22
General Supplies	854.50		854.50	7.38	847.12
Total Resource Room/Resource Center	199,066.50	2,221.50	201,288.00	185,826.16	15,461.84
Total Special Education Instruction	279,580.90	21,917.00	301,497.90	277,995.80	23,502.10
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	95,427.95	(7,001.14)	88,426.81	77,051.66	11,375.15
General Supplies	2,900.00		2,900.00	300.00	2,600.00
Total Basic Skills/Remedial - Instruction	98,327.95	(7,001.14)	91,326.81	77,351.66	13,975.15
Co-Curricular/Extra-Curricular - Instruction:					
Salaries of Teachers	1,000.00		1,000.00		1,000.00
Total Co-Curricular/Extra-Curricular - Instruction	1,000.00	-	1,000.00	-	1,000.00
Community Services Programs:					
Other Purchased Services	4,200.00		4,200.00	2,344.82	1,855.18
Total Community Services Programs	4,200.00	-	4,200.00	2,344.82	1,855.18
Total Instruction	1,278,688.47	14,836.86	1,293,525.33	1,152,322.80	141,202.53

(Continued)

**LAUREL SPRINGS SCHOOL DISTRICT**  
 Required Supplementary Information - Part II  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Instruction:					
Tuition to Other LEA's Within State - Regular	\$ 1,429,802.00	\$ 37,520.60	\$ 1,467,322.60	\$ 1,457,088.60	\$ 10,234.00
Tuition to Other LEA's Within State - Special	306,045.00	(49,000.00)	257,045.00	254,536.00	2,509.00
Tuition to County Vocational - Regular	18,435.00		18,435.00	18,435.00	
Tuition to Private Schools for the Disabled - Within State	721,809.00	(31,386.60)	690,422.40	177,474.13	512,948.27
Total Undistributed Expenditures - Instruction	2,476,091.00	(42,866.00)	2,433,225.00	1,907,533.73	525,691.27
Undistributed Expenditures - Health Services:					
Salaries	52,057.00	400.00	52,457.00	52,207.00	250.00
Purchased Professional and Technical Services	2,322.47	(2,192.16)	130.31	130.00	0.31
General Supplies	2,322.47	374.58	2,697.05	2,508.97	188.08
Total Undistributed Expenditures - Health Services	56,701.94	(1,417.58)	55,284.36	54,845.97	438.39
Undistributed Expenditures - Other Support Services -					
Students - Related Services:					
Purchased Professional/Educational Services	84,500.00	10,399.83	94,899.83	94,899.70	0.13
General Supplies		2,626.99	2,626.99	2,626.99	
Total Undistributed Expenditures - Other Support Services -	84,500.00	13,026.82	97,526.82	97,526.69	0.13
Students - Related Services					
Undistributed Expenditures - Special Education -					
Extraordinary Services:					
Purchased Prof & Educational Services	128,000.00	3,881.56	131,881.56	124,555.00	7,326.56
Total Undistributed Expenditures - Special Education -	128,000.00	3,881.56	131,881.56	124,555.00	7,326.56
Extraordinary Services					
Undistributed Expenditures - Other Support Services -					
Students - Guidance:					
Salaries of Other Professional Staff	25,799.08	562.00	26,361.08	26,360.04	1.04
Salaries of Secretarial and Clerical Assistance	4,945.20	1,000.00	5,945.20	5,945.20	
General Supplies	2,890.00	(2,890.00)			
Total Undistributed Expenditures - Other Support Services -	33,634.28	(1,328.00)	32,306.28	32,305.24	1.04
Students - Guidance					

(Continued)

**LAUREL SPRINGS SCHOOL DISTRICT**  
 Required Supplementary Information - Part II  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Other Support Services -					
Students - Child Study Team:					
Salaries of Other Professional Staff	\$ 68,237.08	\$ 4,598.96	\$ 72,836.04	\$ 72,836.04	
Salaries of Secretarial and Clerical Assistance	24,352.30	4,984.44	29,336.74	29,336.74	
Purchased Professional/Educational Services	17,773.00	(17,773.00)			
General Supplies	8,299.00	(900.81)	7,398.19	7,398.09	\$ 0.10
Total Undistributed Expenditures - Other Support Services -					
Students - Child Study Team	118,661.38	(9,090.41)	109,570.97	109,570.87	0.10
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Other Professional Staff		1,400.00	1,400.00	1,400.00	
Purchased Professional/Educational Services	300.00		300.00		300.00
Total Undistributed Expenditures - Improvement of Instruction Services	300.00	1,400.00	1,700.00	1,400.00	300.00
Undistributed Expenditures - Instructional Staff Training Services:					
Salaries of Other Professional Staff		4,485.00	4,485.00	4,485.00	
Other Purchased Services	3,800.00	(3,800.00)			
Supplies and Materials	250.00		250.00		250.00
Total Undistributed Expenditures - Instructional Staff Training Services	4,050.00	685.00	4,735.00	4,485.00	250.00
Undistributed Expenditures - Support Services - General Administration:					
Salaries of Other Professional Staff	46,000.00		46,000.00	46,000.00	
Salaries of Secretarial and Clerical Assistants	31,319.60	1,800.00	33,119.60	33,107.02	12.58
Legal Services		787.50	787.50	787.50	
Audit Fees	20,000.00	200.00	20,200.00	20,200.00	
Communications / Telephone	8,350.00	2,779.57	11,129.57	11,128.82	0.75
Other Purchased Services	6,825.00	769.92	7,594.92	7,594.92	
Supplies and Materials	875.00	102.00	977.00	969.00	8.00
BOE In-House Training/Meeting Supplies	300.00	(292.00)	8.00	8.00	
Miscellaneous Expenditures	275.00	37.43	312.43	312.43	
BOE Membership Dues & Fees	6,400.00	(3,411.30)	2,988.70	2,988.70	
Total Undistributed Expenditures - Support Services - General Administration	120,344.60	2,773.12	123,117.72	123,096.39	21.33

(Continued)

**LAUREL SPRINGS SCHOOL DISTRICT**  
 Required Supplementary Information - Part II  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Support Services - School Administration:					
Salaries of Principals / Assistant Principals	\$ 24,668.54	\$ 719.60	\$ 25,388.14	\$ 25,388.14	
Salaries of Other Professional Staff	1,954.00	364.00	2,318.00	2,318.00	
Salaries of Secretarial and Clerical Assistants	4,945.20		4,945.20	4,945.20	
Other Salaries	1,234.00	240.00	1,474.00	1,474.00	
General Supplies	23.25	1,414.81	1,438.06	1,211.56	\$ 226.50
Other Objects		469.11	469.11	469.11	
Total Undistributed Expenditures - Support Services - School Administration	<u>32,824.99</u>	<u>3,207.52</u>	<u>36,032.51</u>	<u>35,806.01</u>	<u>226.50</u>
Undistributed Expenditures - Central Services:					
Salaries	40,676.00	(6,196.68)	34,479.32	34,479.32	
Salaries of Secretarial and Clerical Assistants	5,390.00	5,449.97	10,839.97	10,838.99	0.98
Purchased Professional Services	18,511.00	4,393.02	22,904.02	22,704.02	200.00
Other Purchased Services		399.00	399.00	399.00	
Supplies and Materials	500.00	250.15	750.15	544.15	206.00
Interest on Lease Purchase	945.60	281.20	1,226.80	945.60	281.20
Miscellaneous Expenditures		412.00	412.00	412.00	
Total Undistributed Expenditures - Central Services	<u>66,022.60</u>	<u>4,988.66</u>	<u>71,011.26</u>	<u>70,323.08</u>	<u>688.18</u>
Undistributed Expenditures - Required Maintenance for School Facilities:					
Cleaning, Repair and Maintenance Services	82,586.00	5,897.99	88,483.99	88,483.99	
General Supplies	6,500.00	5,671.34	12,171.34	10,096.34	2,075.00
Total Undistributed Expenditures - Required Maintenance for School Facilities	<u>89,086.00</u>	<u>11,569.33</u>	<u>100,655.33</u>	<u>98,580.33</u>	<u>2,075.00</u>
Undistributed Expenditures - Custodial Services:					
Salaries of Secretarial and Clerical Assistants	36,876.90	1,754.26	38,631.16	38,631.16	
Other Purchased Professional and Technical Services	1,950.00	(1,815.00)	135.00	135.00	
Cleaning, Repair, and Maintenance Services	57,051.00	4,624.53	61,675.53	61,675.53	
Other Purchased Property Services	7,016.00	(852.09)	6,163.91	6,163.91	
Insurance	15,500.00	3,503.00	19,003.00	19,003.00	
General Supplies	9,735.00	(2,288.26)	7,446.74	7,446.74	
Energy (Natural Gas)	18,500.00	1,224.30	19,724.30	19,366.93	357.37
Energy (Heat and Electricity)	46,000.00	(7,960.83)	38,039.17	33,866.10	4,173.07
Total Undistributed Expenditures - Custodial Services	<u>192,628.90</u>	<u>(1,810.09)</u>	<u>190,818.81</u>	<u>186,288.37</u>	<u>4,530.44</u>

(Continued)

**LAUREL SPRINGS SCHOOL DISTRICT**  
 Required Supplementary Information - Part II  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Student Transportation Services:					
Management Fee - ESC & CTSA Trans Program	\$ 1,545.00	\$ 900.00	\$ 2,445.00	\$ 1,889.82	\$ 555.18
Contracted Services - (Other Than Between Home and School) - Vendors	3,500.00	2,998.38	6,498.38	5,996.07	502.31
Contracted Services (Special Education Students) - Vendors	4,500.00	(706.00)	3,794.00		3,794.00
Contracted Services (Special Education Students) - ESCs & CTSA	196,480.00	(12,392.50)	184,087.50	55,765.31	128,322.19
Total Undistributed Expenditures - Student Transportation Services	206,025.00	(9,200.12)	196,824.88	63,651.20	133,173.68
Undistributed Expenditures - Personnel Services - Employee Benefits:					
Unallocated Benefits:					
Social Security Contributions	23,000.00	(75.00)	22,925.00	22,203.16	721.84
Other Retirement Contributions - PERS	14,500.00		14,500.00	13,188.00	1,312.00
Other Retirement Contributions		4,175.00	4,175.00	4,156.42	18.58
Unemployment Compensation	5,000.00		5,000.00		5,000.00
Workman's Compensation	24,000.00	(3,710.00)	20,290.00	16,775.00	3,515.00
Health Benefits	424,461.00	(7,297.48)	417,163.52	369,220.66	47,942.86
Tuition Reimbursement	6,000.00		6,000.00	4,800.00	1,200.00
Other Employee Benefits	9,237.00	2,484.81	11,721.81	11,696.81	25.00
Total Undistributed Expenditures - Personnel Services - Employee Benefits	506,198.00	(4,422.67)	501,775.33	442,040.05	59,735.28
On-Behalf T.P.A.F. Post Retirement Medical Contributions (non-budgeted)				95,878.00	(95,878.00)
On-Behalf T.P.A.F. Normal Pension Contributions (non-budgeted)				300,230.00	(300,230.00)
On-Behalf T.P.A.F. Non-Contributory Insurance (non-budgeted)				5,712.00	(5,712.00)
On-Behalf T.P.A.F. Long-Term Disability Insurance Contributions (non-budgeted)				168.00	(168.00)
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				95,343.03	(95,343.03)
Total On-behalf Contributions	-	-	-	497,331.03	(497,331.03)
Total Undistributed Expenditures	4,115,068.69	(28,602.86)	4,086,465.83	3,849,338.96	237,126.87
Total Current Expense	5,393,757.16	(13,766.00)	5,379,991.16	5,001,661.76	378,329.40
Capital Outlay:					
Equipment:					
Undistributed Expenditures:					
Care & Upkeep of Grounds		5,449.95	5,449.95	5,449.95	
Lease Purchase	5,114.91		5,114.91	5,114.91	

(Continued)

**LAUREL SPRINGS SCHOOL DISTRICT**  
 Required Supplementary Information - Part II  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Capital Outlay (Cont'd):					
Equipment (Cont'd):					
Undistributed Expenditures (Cont'd):					
Grades 1-5	\$ 38,688.00	\$ (5,049.95)	\$ 33,638.05	\$ 19,163.00	\$ 14,475.05
Grades 6-8	6,826.00	(400.00)	6,426.00	3,382.00	3,044.00
Interest Deposit to Capital Reserve	1.00		1.00		1.00
Total Equipment	50,629.91	-	50,629.91	33,109.86	17,520.05
Total Capital Outlay:	50,629.91	-	50,629.91	33,109.86	17,520.05
Transfer of Funds to Charter Schools	-	13,766.00	13,766.00	13,766.00	-
Total Expenditures	5,444,387.07	-	5,444,387.07	5,048,537.62	395,849.45
Excess (Deficiency) of Revenues Over (Under) Expenditures	(353,892.07)	-	(353,892.07)	546,259.53	900,151.60
Fund Balances, July 1	-	-	-	820,812.67	(820,812.67)
Prior Period Adjustment	-	-	-	542.60	542.60
Fund Balances, July 1, Restated	-	-	-	821,355.27	(820,270.07)
Fund Balances, June 30	\$ (353,892.07)	-	\$ (353,892.07)	\$ 1,367,614.80	\$ 79,881.53
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve					
Designated for Subsequent Year's Expenditures				\$ 24,228.00	
Capital Reserve				129,001.44	
Maintenance Reserve				30,000.00	
Tuition Reserve				600,000.00	
Unemployment Compensation				542.60	
Excess Surplus (2020-21)				200,000.00	
Excess Surplus (2019-20) - Designated for Subsequent Year's Expenditures				94,118.40	
Assigned Fund Balance:					
Year-End Encumbrances				39,724.36	
Unassigned Fund Balance				250,000.00	
				1,367,614.80	
Reconciliation to Governmental Funds Statements (GAAP):					
Fiscal Year 2021 Last State Aid Payments Not Recognized on GAAP Basis				(224,787.00)	
Fund Balance per Governmental Funds (GAAP)				\$ 1,142,827.80	

**LAUREL SPRINGS SCHOOL DISTRICT**  
Required Supplementary Information - Part II  
Special Revenue Fund  
Budgetary Comparison Schedule  
For the Fiscal Year Ended June 30, 2021

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Revenue from Local Sources		\$ 3,758.88	\$ 3,758.88	\$ 3,758.88	
Total - Local Sources	-	3,758.88	3,758.88	3,758.88	-
Federal Sources:					
Title I, Part A	\$ 38,198.00	36,584.34	74,782.34	57,113.87	\$ (17,668.47)
Title II, Part A	7,773.00	2,932.60	10,705.60	8,742.00	(1,963.60)
Title IV, Part A	8,500.00	5,703.65	14,203.65	10,029.29	(4,174.36)
Education and Secondary School Emergency Relief Fund (CARES Act)		4,010.12	4,010.12	3,044.42	(965.70)
I.D.E.A., Part B, Basic	53,453.00	23,796.00	77,249.00	72,009.00	(5,240.00)
I.D.E.A., Part B, Preschool	2,677.00		2,677.00	2,677.00	
Coronavirus Relief Fund - Digital Divide		463.00	463.00	463.00	
Coronavirus Relief Fund		19,482.00	19,482.00	19,482.00	
Total - Federal Sources	110,601.00	92,971.71	203,572.71	173,560.58	(30,012.13)
Total Revenues	110,601.00	96,730.59	207,331.59	177,319.46	(30,012.13)
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	38,198.00	(7,740.50)	30,457.50	28,228.60	2,228.90
Purchased Professional - Technical Services		13,285.00	13,285.00	1,384.95	11,900.05
Tuition		77,249.00	77,249.00	72,009.00	5,240.00
Other Purchased Services (400-500 series)	53,453.00	(52,677.46)	775.54		775.54
Supplies and Materials	16,273.00	18,728.27	35,001.27	33,836.98	1,164.29
Total Instruction	107,924.00	48,844.31	156,768.31	135,459.53	21,308.78
Support Services:					
Salaries of Teachers		27,453.00	27,453.00	11,840.02	15,612.98
Employee Benefits		17,888.84	17,888.84	16,762.03	1,126.81
Purchased Professional - Technical Services	2,677.00	3,760.00	6,437.00	2,845.00	3,592.00
Other Purchased Services (400-500 series)		6,725.60	6,725.60	6,654.00	71.60
Supplies and Materials		1,100.00	1,100.00		1,100.00
Student Activities		3,968.63	3,968.63	3,968.63	
Total Support Services	2,677.00	60,896.07	63,573.07	42,069.68	21,503.39
Total Expenditures	110,601.00	109,740.38	220,341.38	177,529.21	42,812.17
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(13,009.79)	(13,009.79)	(209.75)	-
Fund Balance, July 1				-	
Prior Period Adjustment				20,154.46	
Fund Balance, July 1 (Restated)				20,154.46	
Fund Balance, June 30				\$ 19,944.71	
Recapitulation:					
Student Activities				\$ 19,944.71	



**LAUREL SPRINGS SCHOOL DISTRICT**  
Required Supplementary Information - Part II  
Budgetary Comparison Schedule  
Note to Required Supplementary Information  
For the Fiscal Year Ended June 30, 2021

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 5,594,797.15	\$ 177,319.46
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		30,555.72
State aid payment is recognized for GAAP statements in the current year, previously recognized for budgetary purposes	221,223.00	
State aid payment is recognized as revenue for budgetary purposes, not recognized for GAAP statements until subsequent year	<u>(224,787.00)</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 5,591,233.15</u></u>	<u><u>\$ 207,875.18</u></u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 5,048,537.62	\$ 177,529.21
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		<u>30,555.72</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u><u>\$ 5,048,537.62</u></u>	<u><u>\$ 208,084.93</u></u>

**REQUIRED SUPPLEMENTARY INFORMATION  
PART III**

**SCHEDULES RELATED TO ACCOUNTING  
AND REPORTING FOR PENSIONS**

**LAUREL SPRINGS SCHOOL DISTRICT**  
 Required Supplementary Information - Part III  
 Schedule of the School District's Proportionate Share of the Net Pension Liability  
 Public Employees' Retirement System (PERS)  
 Last Eight Plan Years

	Measurement Date Ending June 30,			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
School District's Proportion of the Net Pension Liability	0.0012055400%	0.0012100272%	0.0011986807%	0.0013591421%
School District's Proportionate Share of the Net Pension Liability	\$ 196,592.00	\$ 218,029.00	\$ 236,014.00	\$ 316,387.00
School District's Covered Payroll (Plan Measurement Period)	\$ 90,268.00	\$ 95,580.00	\$ 93,568.00	\$ 105,704.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	217.79%	228.11%	252.24%	299.31%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.32%	56.27%	53.60%	48.10%
	Measurement Date Ending June 30,			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.0013404088%	0.0011475672%	0.0016337016%	0.0017307702%
School District's Proportionate Share of the Net Pension Liability	\$ 396,991.00	\$ 257,606.00	\$ 305,874.00	\$ 330,785.00
School District's Covered Payroll (Plan Measurement Period)	\$ 94,340.00	\$ 88,004.00	\$ 125,716.00	\$ 133,588.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	420.81%	292.72%	243.31%	247.62%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%

*This schedule is presented to illustrate the requirement to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.*

**LAUREL SPRINGS SCHOOL DISTRICT**  
 Required Supplementary Information - Part III  
 Schedule of the School District's Contributions  
 Public Employees' Retirement System (PERS)  
 Last Eight Fiscal Years

	Fiscal Year Ended June 30,			
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually Required Contribution	\$ 14,449.00	\$ 13,188.00	\$ 11,770.00	\$ 11,923.00
Contributions in Relation to the Contractually Required Contribution	<u>(14,449.00)</u>	<u>(13,188.00)</u>	<u>(11,770.00)</u>	<u>(11,923.00)</u>
Contribution Deficiency (Excess)	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
School District's Covered Payroll (Fiscal Year)	\$ 99,618.00	\$ 89,938.00	\$ 72,388.00	\$ 85,986.00
Contributions as a Percentage of School District's Covered Payroll	14.50%	14.66%	16.26%	13.87%

	Fiscal Year Ended June 30,			
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 12,591.00	\$ 11,908.00	\$ 9,866.00	\$ 13,468.00
Contributions in Relation to the Contractually Required Contribution	<u>(12,591.00)</u>	<u>(11,908.00)</u>	<u>(9,866.00)</u>	<u>(13,468.00)</u>
Contribution Deficiency (Excess)	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
School District's Covered Payroll (Fiscal Year)	\$ 88,956.00	\$ 94,162.00	\$ 81,895.00	\$ 79,170.00
Contributions as a Percentage of School District's Covered Payroll	14.15%	12.65%	12.05%	17.01%

*This schedule is presented to illustrate the requirement to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.*

**LAUREL SPRINGS SCHOOL DISTRICT**  
Required Supplementary Information - Part III  
Schedule of the School District's Proportionate Share of the Net Pension Liability  
Teachers' Pension and Annuity Fund (TPAF)  
Last Eight Plan Years

	Measurement Date Ending June 30,			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability associated with the School District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
School District's Proportionate Share of the Net Pension Liability	-	-	-	-
State's Proportionate Share of the Net Pension Liability associated with the School District	<u>\$ 7,246,888.00</u>	<u>\$ 6,816,059.00</u>	<u>\$ 7,031,484.00</u>	<u>\$ 7,213,274.00</u>
	<u>\$ 7,246,888.00</u>	<u>\$ 6,816,059.00</u>	<u>\$ 7,031,484.00</u>	<u>\$ 7,213,274.00</u>
School District's Covered Payroll (Plan Measurement Period)	\$ 1,344,252.00	\$ 1,420,692.00	\$ 1,408,692.00	\$ 1,334,000.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	539.10%	479.77%	499.15%	540.73%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	24.60%	26.95%	26.49%	25.41%
	Measurement Date Ending June 30,			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability associated with the School District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
School District's Proportionate Share of the Net Pension Liability	-	-	-	-
State's Proportionate Share of the Net Pension Liability associated with the School District	<u>\$ 9,124,781.00</u>	<u>\$ 7,407,820.00</u>	<u>\$ 6,158,870.00</u>	<u>\$ 5,345,885.00</u>
	<u>\$ 9,124,781.00</u>	<u>\$ 7,407,820.00</u>	<u>\$ 6,158,870.00</u>	<u>\$ 5,345,885.00</u>
School District's Covered Payroll (Plan Measurement Period)	\$ 1,314,168.00	\$ 1,405,508.00	\$ 1,375,388.00	\$ 1,336,968.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	694.34%	527.06%	447.79%	399.85%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	22.33%	28.71%	33.64%	33.76%

*This schedule is presented to illustrate the requirement to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.*

**LAUREL SPRINGS SCHOOL DISTRICT**  
Required Supplementary Information - Part III  
Schedule of School District's Contributions  
Teachers' Pension and Annuity Fund (TPAF)  
Last Ten Fiscal Years

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

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

**LAUREL SPRINGS SCHOOL DISTRICT**  
 Required Supplementary Information - Part III  
 Notes to Required Supplementary Information  
 For the Fiscal Year Ended June 30, 2021

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

***Changes in Benefit Terms:***

The June 30, 2020 measurement date included two changes to the plan provisions. Chapter 157, P.L. 2019 expanded the definition of regular or assigned duties for purposes of accidental disability. The Division of Pension and Benefits (DPB) also adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions.

***Changes in Assumptions:***

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	3.98%
2019	6.28%	2015	4.90%
2018	5.66%	2014	5.39%
2017	5.00%		

The long-term expected rate of return used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%
2017	7.00%		

The mortality assumption was updated upon direction from the DPB.

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

***Changes in Benefit Terms:***

The June 30, 2020 measurement date included one change to the plan provisions. The Division of Pension and Benefits (DPB) adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions.

***Changes in Assumptions:***

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	5.40%	2016	3.22%
2019	5.60%	2015	4.13%
2018	4.86%	2014	4.68%
2017	4.25%		

The long-term expected rate of return used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%
2017	7.00%		

The mortality assumption was updated upon direction from the DPB.

**REQUIRED SUPPLEMENTARY INFORMATION  
PART IV**

**SCHEDULE RELATED TO ACCOUNTING  
AND REPORTING FOR POSTEMPLOYMENT BENEFITS**



**LAUREL SPRINGS SCHOOL DISTRICT**  
Required Supplementary Information - Part IV  
Schedule of Changes in the School District's Total OPEB Liability and Related Ratios  
Last Four Plan Years

	Measurement Date Ending June 30,			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total Non-Employer OPEB Liability - State's Proportionate Share of the Total OPEB Liability Associated with the School District				
Changes for the Year:				
Service Cost	\$ 165,073.00	\$ 143,972.00	\$ 186,080.00	\$ 223,812.00
Interest Cost	166,266.00	203,649.00	224,352.00	193,656.00
Difference Between Expected and Actual Experience	2,255,639.00	(807,267.00)	(641,388.00)	
Changes in Assumptions	1,586,422.00	69,452.00	(595,234.00)	(772,447.00)
Gross Benefit Payments	4,583.00	(142,988.00)	(138,698.00)	(142,380.00)
Member Contributions	<u>(151,196.00)</u>	<u>4,239.00</u>	<u>4,794.00</u>	<u>5,243.00</u>
Net Change in Total Non-Employer OPEB Liability	4,026,787.00	(528,943.00)	(960,094.00)	(492,116.00)
Total Non-Employer OPEB Liability - July 1	<u>4,658,054.00</u>	<u>5,186,997.00</u>	<u>6,147,091.00</u>	<u>6,639,207.00</u>
Total Non-Employer OPEB Liability - June 30	<u>\$ 8,684,841.00</u>	<u>\$ 4,658,054.00</u>	<u>\$ 5,186,997.00</u>	<u>\$ 6,147,091.00</u>
School District's Covered Payroll (Plan Measurement Period)	<u>\$ 1,280,247.00</u>	<u>\$ 1,204,288.00</u>	<u>\$ 1,276,412.00</u>	<u>\$ 1,269,382.00</u>
State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District as a Percentage of Covered Payroll	678.37%	386.79%	406.37%	484.26%

*This schedule is presented to illustrate the requirement to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.*

**LAUREL SPRINGS SCHOOL DISTRICT**  
Notes to Required Supplementary Information - Part IV  
For the Fiscal Year Ended June 30, 2021

***Changes in Benefit Terms:***

There were no changes in benefit terms from the previous valuations.

***Changes in Assumptions:***

The discount rate used as of June 30 measurement is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	2.21%	2018	3.87%
2019	3.50%	2017	3.58%

The mortality assumptions was updated upon the direction from the Division of Pension and Benefits (DPB).

The health care trend assumption is used to project the growth of the expected claims over the lifetime of the health care recipients. Medical and prescription drug trend rates are determined by utilizing experience data, industry experience which includes surveys and Aon trend guidance. These rates are adjusted further to be appropriate with respect to the plan provisions. The ultimate trend for medical and prescription drug benefits was lowered from 5.0% to 4.5%. Recent plan experience along with national trend studies indicate a reduction on the expectations of future long-term medical and prescription drug experience. For pre-Medicare medical benefits, the trend 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 rates for Plan Years 2019 through 2022 are reflected. For Plan Year 2023, the Medicare Advantage trend rate includes an assumed increase in the premiums based on recent experience and discussions with the Medicare Advantage vendor. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% decreasing to a 4.5% long-term trend rate after seven years.

## **OTHER SUPPLEMENTARY INFORMATION**

**SPECIAL REVENUE FUND**

**LAUREL SPRINGS SCHOOL DISTRICT**  
Special Revenue Fund  
Combining Schedule of Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2021

	Total Brought Forward	Coronavirus Relief Fund - Digital Divide	Coronavirus Relief Fund	Student Activity Fund	Total
<b>REVENUES:</b>					
Federal Sources	\$ 153,615.58	\$ 463.00	\$ 19,482.00		\$ 173,560.58
Local Sources				\$ 3,758.88	3,758.88
Total Revenues	153,615.58	463.00	19,482.00	3,758.88	177,319.46
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	28,228.60				28,228.60
Purchased Professional - Technical Services	1,384.95				1,384.95
Tuition	72,009.00				72,009.00
Supplies and Materials	13,891.98	463.00	19,482.00		33,836.98
Total Instruction	115,514.53	463.00	19,482.00	-	135,459.53
Support Services:					
Salaries of Teachers	11,840.02				11,840.02
Employee Benefits	16,762.03				16,762.03
Purchased Professional - Technical Services	2,845.00				2,845.00
Other Purchased Services (400-500 series)	6,654.00				6,654.00
Student Activities				3,968.63	3,968.63
Total Support Services	38,101.05	-	-	3,968.63	42,069.68
Total Expenditures	153,615.58	463.00	19,482.00	3,968.63	177,529.21
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	(209.75)	(209.75)
Fund Balance, July 1	-	-	-	-	-
Prior Period Adjustment	-	-	-	20,154.46	20,154.46
Fund Balance, July 1 (Restated)	-	-	-	20,154.46	20,154.46
Fund Balance June 30	-	-	-	\$ 19,944.71	\$ 19,944.71

## **PROPRIETARY FUND**

**LAUREL SPRINGS SCHOOL DISTRICT**  
Proprietary Fund  
Business-Type Activities - Enterprise Fund  
Statement of Net Position  
June 30, 2021

	<u>Food Service</u>
<b>ASSETS:</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 35,002.45
Accounts Receivable:	
State	63.75
Federal	<u>5,263.91</u>
Total Current Assets	<u>40,330.11</u>
Noncurrent Assets:	
Capital Assets	8,792.04
Less: Accumulated Depreciation	<u>(8,792.04)</u>
Total Noncurrent Assets	<u>-</u>
Total Assets	<u>40,330.11</u>
<b>LIABILITIES:</b>	
Current Liabilities:	
Interfund Accounts Payable:	
General Fund	<u>96,392.31</u>
Total Current Liabilities	<u>96,392.31</u>
<b>NET POSITION:</b>	
Unrestricted (Deficit)	<u>(56,062.20)</u>
Total Net Position (Deficit)	<u><u>\$ (56,062.20)</u></u>

**LAUREL SPRINGS SCHOOL DISTRICT**  
Proprietary Fund  
Business-Type Activities - Enterprise Fund  
Statement of Revenues, Expenses and Changes in Fund Net Position  
For the Fiscal Year Ended June 30, 2021

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	<u>Food Service</u>
OPERATING EXPENSES:	
Cost of Sales:	
Reimbursable Program	\$ 23,316.00
Total Operating Expenses	<u>23,316.00</u>
Operating Loss	<u>(23,316.00)</u>
NONOPERATING REVENUES:	
State Sources:	
State School Lunch Program	921.06
Federal Sources:	
National School Lunch Program	22,784.35
National School Breakfast Program	11,770.08
P-EBT Administrative Cost	<u>614.00</u>
Total Nonoperating Revenues	<u>36,089.49</u>
Change in Net Position	12,773.49
Net Position (Deficit), July 1	<u>(68,835.69)</u>
Net Position (Deficit), June 30	<u><u>\$ (56,062.20)</u></u>



**LAUREL SPRINGS SCHOOL DISTRICT**  
Proprietary Fund  
Business-Type Activities - Enterprise Fund  
Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2021

	<u>Food Service</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Payments to Suppliers	\$ (24,276.00)
Net Cash Provided by (Used for) Operating Activities	<u>(24,276.00)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
State Sources	868.04
Federal Sources	30,600.32
Transfer from / (to) General Fund	<u>764.00</u>
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>32,232.36</u>
Net Increase (Decrease) in Cash and Cash Equivalents	7,956.36
Cash and Cash Equivalents, July 1	<u>27,046.09</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 35,002.45</u></u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for)</b>	
<b>Operating Activities:</b>	
Operating Income (Loss)	\$ (23,316.00)
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided by (Used for) Operating Activities:	
Increase (Decrease) in Accounts Payable	<u>(960.00)</u>
Net Cash Provided by (Used for) Operating Activities	<u><u>\$ (24,276.00)</u></u>

## **LONG-TERM DEBT**

**LAUREL SPRINGS SCHOOL DISTRICT**  
Schedule of General Serial Bonds  
For the Fiscal Year Ended 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</u>	<u>Issued</u>	<u>Paid</u>	<u>Balance</u>
			<u>Date</u>	<u>Amount</u>		<u>June 30, 2020</u>			<u>June 30, 2021</u>
Refunding School Bonds	02/16/16	\$ 1,930,000.00	08/15/21	\$ 175,000.00	2.110%				
			08/15/22	210,000.00	2.110%				
			08/15/23	205,000.00	2.110%				
			08/15/24	205,000.00	2.110%				
			08/15/25	200,000.00	2.110%				
			08/15/26	195,000.00	2.110%				
			08/15/27	180,000.00	2.110%	\$ 1,535,000.00		\$ 165,000.00	\$ 1,370,000.00
						<u>\$ 1,535,000.00</u>	<u>-</u>	<u>\$ 165,000.00</u>	<u>\$ 1,370,000.00</u>

**LAUREL SPRINGS SCHOOL DISTRICT**  
Schedule of Obligations Under Capital Leases  
For the Fiscal Year Ended June 30, 2021

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<u>Purpose</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Amount of Original Lease</u>		<u>Interest Rate</u>	<u>Balance June 30, 2020</u>	<u>Retired</u>	<u>Balance June 30, 2021</u>
			<u>Principal</u>	<u>Interest</u>				
NEC Phone System	01/10/18	5 Years	\$ 26,365.00	\$ 3,937.55	3.717%	<u>\$ 16,254.70</u>	<u>\$ 5,114.91</u>	<u>\$ 11,139.79</u>

**LAUREL SPRINGS SCHOOL DISTRICT**  
Debt Service Fund  
Budgetary Comparison Schedule  
For the Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Modifications / Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 128,984.00		\$ 128,984.00	\$ 128,984.00	
Total - Local Sources	128,984.00	-	128,984.00	128,984.00	-
State Sources:					
Debt Service Aid Type II	66,664.00		66,664.00	66,664.00	
Total - State Sources	66,664.00	-	66,664.00	66,664.00	-
Total Revenues	195,648.00	-	195,648.00	195,648.00	-
EXPENDITURES:					
Regular Debt Service:					
Interest	30,648.00		30,648.00	30,647.75	\$ 0.25
Redemption of Principal	165,000.00		165,000.00	165,000.00	
Total Regular Debt Service	195,648.00	-	195,648.00	195,647.75	0.25
Total Expenditures	195,648.00	-	195,648.00	195,647.75	0.25
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	0.25	(0.25)
Fund Balance, July 1	-	-	-	9.96	(9.96)
Fund Balance, June 30	-	-	-	\$ 10.21	\$ (10.21)
Recapitulation:					
Restricted Fund Balance				\$ 10.21	

## STATISTICAL SECTION

## **Financial Trends Information**

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

**LAUREL SPRINGS SCHOOL DISTRICT**  
Net Position by Component  
Last Ten Fiscal Years (Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30,									
	2021**	2020	2019	2018	2017	2016	2015*	2014	2013	2012
Governmental Activities:										
Net Investment in Capital Assets	\$ 492,038.64	\$ 484,036.38	\$ 455,329.71	\$ 434,135.78	\$ 452,344.46	\$ 470,553.14	\$ 537,126.03	\$ 576,849.44	\$ 614,272.88	\$ 682,118.42
Restricted	1,097,845.36	432,494.64	537,272.96	366,966.45	237,926.35	1,086.16	1.51	0.89	6.52	2,712.34
Unrestricted (Deficit)	<u>(224,929.66)</u>	<u>(143,716.75)</u>	<u>(76,850.73)</u>	<u>(84,969.07)</u>	<u>(209,141.03)</u>	<u>165,193.63</u>	<u>(13,328.49)</u>	<u>263,072.70</u>	<u>332,321.07</u>	<u>295,489.98</u>
Total Governmental Activities Net Position	<u>\$ 1,364,954.34</u>	<u>\$ 772,814.27</u>	<u>\$ 915,751.94</u>	<u>\$ 716,133.16</u>	<u>\$ 481,129.78</u>	<u>\$ 636,832.93</u>	<u>\$ 523,799.05</u>	<u>\$ 839,923.03</u>	<u>\$ 946,600.47</u>	<u>\$ 980,320.74</u>
Business-Type Activities:										
Net Investment in Capital Assets								\$ 174.19	\$ 696.80	\$ 1,219.41
Unrestricted (Deficit)	\$ (56,062.20)	\$ (68,835.69)	\$ (63,353.53)	\$ (58,588.57)	\$ (52,090.78)	\$ (44,981.65)	\$ (35,074.61)	(34,885.22)	(27,824.00)	(23,427.57)
Total Business-Type Activities Net Position	<u>\$ (56,062.20)</u>	<u>\$ (68,835.69)</u>	<u>\$ (63,353.53)</u>	<u>\$ (58,588.57)</u>	<u>\$ (52,090.78)</u>	<u>\$ (44,981.65)</u>	<u>\$ (35,074.61)</u>	<u>\$ (34,711.03)</u>	<u>\$ (27,127.20)</u>	<u>\$ (22,208.16)</u>
Government-Wide:										
Net Investment in Capital Assets	\$ 492,038.64	\$ 484,036.38	\$ 455,329.71	\$ 434,135.78	\$ 452,344.46	\$ 470,553.14	\$ 537,126.03	\$ 577,023.63	\$ 614,969.68	\$ 683,337.83
Restricted	1,097,845.36	432,494.64	537,272.96	366,966.45	237,926.35	1,086.16	1.51	0.89	6.52	2,712.34
Unrestricted (Deficit)	<u>(280,991.86)</u>	<u>(212,552.44)</u>	<u>(140,204.26)</u>	<u>(143,557.64)</u>	<u>(261,231.81)</u>	<u>120,211.98</u>	<u>(48,403.10)</u>	<u>228,187.48</u>	<u>304,497.07</u>	<u>272,062.41</u>
Total Government-Wide Net Position	<u>\$ 1,308,892.14</u>	<u>\$ 703,978.58</u>	<u>\$ 852,398.41</u>	<u>\$ 657,544.59</u>	<u>\$ 429,039.00</u>	<u>\$ 591,851.28</u>	<u>\$ 488,724.44</u>	<u>\$ 805,212.00</u>	<u>\$ 919,473.27</u>	<u>\$ 958,112.58</u>

\* The implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, was effective beginning with the fiscal year ended June 30, 2014.

\*\* The implementation of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, was effective beginning with the fiscal year ended June 30, 2021.

Source: Annual Comprehensive Financial Report Exhibit A-1.



**LAUREL SPRINGS SCHOOL DISTRICT**  
Changes in Net Position  
Last Ten Fiscal Years (Accrual Basis of Accounting)  
Unaudited

	Fiscal Year Ended June 30,									
	<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>
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 1,080,204.20	\$ 1,120,620.32	\$ 1,147,131.63	\$ 1,250,337.75	\$ 1,133,150.84	\$ 1,106,767.40	\$ 1,127,079.84	\$ 1,137,977.91	\$ 1,138,547.58	\$ 997,594.58
Special Education	286,001.80	275,426.11	245,046.75	266,327.77	257,645.91	245,362.94	206,210.79	204,434.70	216,956.34	209,859.60
Other Special Education	77,351.66	81,268.20	25,903.00	13,155.68	22,890.55	21,811.58	28,637.95	36,587.91	33,573.60	38,813.81
Other Instruction						6,224.74	3,129.87			
Co-Curricular / Extra-Curricular Instruction			338.45			700.00		5,643.75		
Community Services Programs / Operations	2,344.82	3,206.60	3,885.35	3,068.56	2,418.93			2,159.78	3,082.27	3,288.99
Support Services:										
Tuition	1,907,533.73	2,537,894.74	2,264,861.94	1,715,340.17	2,377,158.35	2,451,836.60	2,196,435.39	2,562,504.23	1,983,249.06	2,047,802.35
Student & Instruction Related Services	495,018.03	518,295.04	410,974.01	423,757.01	360,457.90	353,869.43	345,876.20	278,974.19	284,538.23	266,157.87
General Administrative Services	145,090.05	150,823.93	145,072.42	123,878.03	121,927.21	128,996.27	123,494.22	124,425.47	136,179.43	139,233.91
School Administrative Services	34,694.10	35,505.92	39,469.33	46,077.36	44,810.59	72,766.91	49,378.63	61,728.55	59,509.12	57,896.52
Central Services	74,326.08	71,402.81	89,030.65	71,688.62	69,691.77	66,294.64	60,657.24	63,832.13	64,089.36	63,720.48
Plant Operations and Maintenance	285,647.27	259,206.18	234,477.73	236,429.93	247,992.74	229,359.25	238,405.31	233,495.37	238,525.24	219,319.65
Pupil Transportation	63,651.20	96,126.98	232,617.30	118,984.70	152,403.39	97,895.30	77,672.83	49,556.70	46,319.47	45,155.21
Interest on Long-term Debt	37,872.49	32,916.89	35,352.07	38,444.88	47,828.41	73,777.72	92,496.47	97,652.71	102,387.63	107,409.96
Transfer to Charter School	13,766.00									
Unallocated Benefits	1,419,233.89	957,942.62	1,111,706.19	1,331,001.27	1,329,801.95	1,017,820.36	680,741.34	631,036.63	653,433.38	566,519.00
Total Governmental Activities Expenses	5,922,735.32	6,140,636.34	5,985,866.82	5,638,491.73	6,168,178.54	5,873,483.14	5,230,216.08	5,490,010.03	4,960,390.71	4,762,771.93
Business-Type Activities:										
Food Service	23,316.00	36,533.72	41,112.70	43,987.32	53,956.16	51,883.25	41,922.90	45,821.11	45,093.66	39,022.86
Total Business-Type Activities Expense	23,316.00	36,533.72	41,112.70	43,987.32	53,956.16	51,883.25	41,922.90	45,821.11	45,093.66	39,022.86
Total Government-Wide Expenses	<u>\$ 5,946,051.32</u>	<u>\$ 6,177,170.06</u>	<u>\$ 6,026,979.52</u>	<u>\$ 5,682,479.05</u>	<u>\$ 6,222,134.70</u>	<u>\$ 5,925,366.39</u>	<u>\$ 5,272,138.98</u>	<u>\$ 5,535,831.14</u>	<u>\$ 5,005,484.37</u>	<u>\$ 4,801,794.79</u>
Program Revenues:										
Governmental Activities:										
Charges for Services	\$ 3,758.88									
Operating Grants and Contributions	1,211,312.09	323,382.45	476,093.63	758,136.86	755,198.17	205,308.58	253,149.52	202,609.01	187,928.13	194,819.98
Total Governmental Activities Program Revenues	1,215,070.97	323,382.45	476,093.63	758,136.86	755,198.17	205,308.58	253,149.52	202,609.01	187,928.13	194,819.98
Business-Type activities:										
Charges for Services:										
Food Service		9,234.55	13,653.30	16,000.03	14,617.52	13,917.65	12,684.93	12,339.70	13,848.25	15,177.90
Operating Grants and Contributions	36,089.49	21,817.01	22,694.44	21,489.50	32,229.51	28,058.56	28,874.39	25,897.58	26,326.37	18,037.69
Total Business-Type Activities Program Revenues	36,089.49	31,051.56	36,347.74	37,489.53	46,847.03	41,976.21	41,559.32	38,237.28	40,174.62	33,215.59
Total Government-Wide Program Revenues	<u>\$ 1,251,160.46</u>	<u>\$ 354,434.01</u>	<u>\$ 512,441.37</u>	<u>\$ 795,626.39</u>	<u>\$ 802,045.20</u>	<u>\$ 247,284.79</u>	<u>\$ 294,708.84</u>	<u>\$ 240,846.29</u>	<u>\$ 228,102.75</u>	<u>\$ 228,035.57</u>
Net (Expense) / Revenue:										
Governmental Activities	\$ (4,707,664.35)	\$ (5,817,253.89)	\$ (5,509,773.19)	\$ (4,880,354.87)	\$ (5,412,980.37)	\$ (5,668,174.56)	\$ (4,977,066.56)	\$ (5,287,401.02)	\$ (4,772,462.58)	\$ (4,567,951.95)
Business-Type Activities	12,773.49	(5,482.16)	(4,764.96)	(6,497.79)	(7,109.13)	(9,907.04)	(363.58)	(7,583.83)	(4,919.04)	(5,807.27)
Total Government-Wide Net Expense	<u>\$ (4,694,890.86)</u>	<u>\$ (5,822,736.05)</u>	<u>\$ (5,514,538.15)</u>	<u>\$ (4,886,852.66)</u>	<u>\$ (5,420,089.50)</u>	<u>\$ (5,678,081.60)</u>	<u>\$ (4,977,430.14)</u>	<u>\$ (5,294,984.85)</u>	<u>\$ (4,777,381.62)</u>	<u>\$ (4,573,759.22)</u>

(Continued)

**LAUREL SPRINGS SCHOOL DISTRICT**  
Changes in Net Position  
Last Ten Fiscal Years (Accrual Basis of Accounting)  
Unaudited

	Fiscal Year Ended June 30,									
	<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 Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 2,829,626.00	\$ 2,829,626.00	\$ 3,047,030.00	\$ 2,592,418.00	\$ 2,842,962.00	\$ 2,969,081.00	\$ 2,650,308.00	\$ 2,851,055.00	\$ 2,571,840.00	\$ 2,521,412.00
Property Taxes Levied for Debt Service	128,984.00	134,610.00	128,172.00	129,594.00	137,874.00	141,274.00	144,673.00	148,066.00	134,651.00	137,370.00
Federal and State Aid Not Restricted	2,254,804.00	2,704,883.68	2,519,442.37	2,382,751.37	2,265,444.89	2,615,255.40	2,184,883.68	2,119,824.26	2,040,130.73	1,910,312.39
Federal and State Aid Restricted	56,221.24									
Miscellaneous Income	9,472.12	5,196.54	14,747.60	10,594.88	10,996.33	55,598.04	11,862.90	11,762.61	2,822.32	6,707.42
Cancellation of Federal Grant - Unearned Revenue								0.59		
Cancellation of Prior Year Receivable/Payables								50,015.12	(10,701.75)	
Total Governmental Activities	<u>5,279,107.36</u>	<u>5,674,316.22</u>	<u>5,709,391.97</u>	<u>5,115,358.25</u>	<u>5,257,277.22</u>	<u>5,781,208.44</u>	<u>4,991,727.58</u>	<u>5,180,723.58</u>	<u>4,738,742.30</u>	<u>4,575,801.81</u>
Total Business-Type Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Government-Wide	<u>\$ 5,279,107.36</u>	<u>\$ 5,674,316.22</u>	<u>\$ 5,709,391.97</u>	<u>\$ 5,115,358.25</u>	<u>\$ 5,257,277.22</u>	<u>\$ 5,781,208.44</u>	<u>\$ 4,991,727.58</u>	<u>\$ 5,180,723.58</u>	<u>\$ 4,738,742.30</u>	<u>\$ 4,575,801.81</u>
Change in Net Position:										
Governmental Activities	\$ 571,443.01	\$ (142,937.67)	\$ 199,618.78	\$ 235,003.38	\$ (155,703.15)	\$ 113,033.88	\$ 14,661.02	\$ (106,677.44)	\$ (33,720.28)	\$ 7,849.86
Business-Type Activities	12,773.49	(5,482.16)	(4,764.96)	(6,497.79)	(7,109.13)	(9,907.04)	(363.58)	(7,583.83)	(4,919.04)	(5,807.27)
Total Government-Wide	<u>\$ 584,216.50</u>	<u>\$ (148,419.83)</u>	<u>\$ 194,853.82</u>	<u>\$ 228,505.59</u>	<u>\$ (162,812.28)</u>	<u>\$ 103,126.84</u>	<u>\$ 14,297.44</u>	<u>\$ (114,261.27)</u>	<u>\$ (38,639.32)</u>	<u>\$ 2,042.59</u>

\* The implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, was effective beginning with the fiscal year ended June 30, 2015.

\*\* The implementation of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, was effective beginning with the fiscal year ended June 30, 2021.

Source: Annual Comprehensive Financial Report Exhibit A-2.

**LAUREL SPRINGS SCHOOL DISTRICT**  
Fund Balances, Governmental Funds  
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ending June 30,									
	<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	\$ 1,077,890.44	\$ 432,484.68	\$ 537,272.96	\$ 355,916.69	\$ 225,790.71	\$ 287,278.26	\$ 1,112.68	\$ 1,112.68	\$ 1,112.68	\$ 161,833.31
Assigned	39,724.36	10,155.59		183,076.10	47,279.87	119,489.60	165,262.00	236,329.42	310,721.00	115,942.00
Unassigned	25,213.00	156,949.40	253,876.00	87,640.00	111,075.00	122,167.00	210,473.45	90,870.00	84,924.25	83,440.00
Total General Fund	<u>\$ 1,142,827.80</u>	<u>\$ 599,589.67</u>	<u>\$ 791,148.96</u>	<u>\$ 626,632.79</u>	<u>\$ 384,145.58</u>	<u>\$ 528,934.86</u>	<u>\$ 376,848.13</u>	<u>\$ 328,312.10</u>	<u>\$ 396,757.93</u>	<u>\$ 361,215.31</u>
All Other Governmental Funds:										
Restricted	\$ 19,954.92	\$ 9.96		\$ 11,049.76	\$ 12,135.64	\$ 1,086.16	\$ 1.51	\$ 0.89	\$ 6.52	\$ 2,712.34
Total All Other Governmental Funds	<u>\$ 19,954.92</u>	<u>9.96</u>	<u>-</u>	<u>\$ 11,049.76</u>	<u>\$ 12,135.64</u>	<u>\$ 1,086.16</u>	<u>\$ 1.51</u>	<u>\$ 0.89</u>	<u>\$ 6.52</u>	<u>\$ 2,712.34</u>

\* The implementation of Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities, was effective beginning with the fiscal year ended June 30, 2021.

Source: Annual Comprehensive Financial Report Exhibit B-1.

**LAUREL SPRINGS SCHOOL DISTRICT**  
Changes in Fund Balances, Governmental Funds  
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30,									
	2021*	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Revenues:</b>										
Tax Levy	\$ 2,958,610.00	\$ 2,964,236.00	\$ 3,175,202.00	\$ 2,722,012.00	\$ 2,980,836.00	\$ 3,110,355.00	\$ 2,794,981.00	\$ 2,999,121.00	\$ 2,706,491.00	\$ 2,658,782.00
Miscellaneous	9,472.12	5,196.54	14,747.60	10,594.88	10,996.33	55,598.04	11,862.90	11,762.61	2,822.32	6,707.42
State Sources	2,818,799.03	2,806,829.57	2,610,411.00	2,444,581.37	2,336,702.89	2,324,418.40	2,259,655.68	2,196,353.26	2,109,721.73	1,922,241.17
Federal Sources	204,116.30	112,591.56	111,375.00	138,649.86	118,677.17	132,293.58	115,012.52	126,080.01	118,337.13	182,375.79
Local Sources	3,758.88									
<b>Total Revenue</b>	<b>5,994,756.33</b>	<b>5,888,853.67</b>	<b>5,911,735.60</b>	<b>5,320,578.30</b>	<b>5,447,212.39</b>	<b>5,622,665.02</b>	<b>5,181,512.10</b>	<b>5,333,316.88</b>	<b>4,937,372.18</b>	<b>4,770,621.79</b>
<b>Expenditures:</b>										
Instruction:										
Regular Instruction	960,645.77	1,001,061.89	1,027,573.20	1,130,779.32	1,013,592.41	986,677.47	1,005,262.33	1,016,160.33	1,012,663.42	873,660.50
Special Education Instruction	277,995.80	267,420.11	237,040.75	258,321.77	249,639.91	237,356.94	198,089.62	196,313.53	208,564.06	201,597.33
Other Special Instruction	77,351.66	81,268.20	25,903.00	13,155.68	22,890.55	21,811.58	28,637.95	36,587.91	33,573.60	38,813.81
Co-Curricular / Extra-Curricular Instruction			338.45			700.00		5,643.75		
Community Services Programs / Operations	2,344.82	3,206.60	3,885.35	3,068.56	2,418.93	6,224.74	3,129.87	2,159.78	3,082.27	3,288.99
Support Services and Undistributed Costs:										
Tuition	1,907,533.73	2,537,894.74	2,264,861.94	1,715,340.17	2,377,158.35	2,451,836.60	2,196,435.39	2,562,504.23	1,983,249.06	2,047,802.35
Student Related Services	466,758.45	494,544.46	394,962.03	407,745.03	344,445.92	337,857.45	329,633.87	262,731.85	267,753.68	249,633.33
General Administrative Services	128,211.30	133,945.18	128,193.67	115,872.03	113,921.21	120,990.27	115,373.05	116,304.30	127,787.15	130,971.64
School Administrative Services	35,806.01	36,336.63	35,466.33	42,074.36	40,807.59	68,763.91	43,017.98	57,667.96	55,312.98	53,765.38
Central Services	70,323.08	67,399.81	90,304.24	67,685.62	65,688.77	62,291.64	56,596.66	59,771.54	59,893.22	59,589.34
Plant Operations and Maintenance	284,868.70	259,206.18	234,477.73	236,429.93	247,992.74	229,359.25	238,405.31	233,495.37	238,525.24	219,319.65
Pupil Transportation	63,651.20	96,126.98	232,617.30	118,984.70	152,403.39	97,895.30	77,672.83	49,556.70	46,319.47	45,155.21
Business and Other Support Services										
Employee Benefits	939,371.08	859,127.19	852,909.67	772,469.73	751,909.90	664,893.33	621,276.21	628,286.17	652,868.22	564,016.14
Capital Outlay	27,994.95	38,692.99	44,363.77							
Transfer to Charter School	13,766.00									
Debt Service:										
Principal	165,000.00	170,000.00	175,000.00	150,000.00	150,000.00	125,000.00	125,000.00	125,000.00	100,000.00	100,000.00
Interest and Other Charges	30,647.75	34,172.04	36,736.76	42,509.88	48,082.52	89,288.14	94,444.38	99,600.63	104,241.26	108,366.26
<b>Total Expenditures</b>	<b>5,452,270.30</b>	<b>6,080,403.00</b>	<b>5,784,634.19</b>	<b>5,074,436.78</b>	<b>5,580,952.19</b>	<b>5,500,946.62</b>	<b>5,132,975.45</b>	<b>5,451,784.05</b>	<b>4,893,833.63</b>	<b>4,695,979.93</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>542,486.03</b>	<b>(191,549.33)</b>	<b>127,101.41</b>	<b>246,141.52</b>	<b>(133,739.80)</b>	<b>121,718.40</b>	<b>48,536.65</b>	<b>(118,467.17)</b>	<b>43,538.55</b>	<b>74,641.86</b>
<b>Other Financing Sources (Uses):</b>										
Bond Proceeds						1,930,000.00				
Payment to Refunded Bond Escrow Agent						(1,898,547.02)				
Cancellation of Federal Grants - Unearned Revenue							0.59			
Cancellation of Prior Year Payables							50,015.12	44.00		
Cancellation of Prior Year Receivable								(10,745.75)		
Capital Leases (Non-Budgeted)			26,365.00							
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>26,365.00</b>	<b>-</b>	<b>-</b>	<b>31,452.98</b>	<b>-</b>	<b>50,015.71</b>	<b>(10,701.75)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ 542,486.03</b>	<b>\$ (191,549.33)</b>	<b>\$ 153,466.41</b>	<b>\$ 246,141.52</b>	<b>\$ (133,739.80)</b>	<b>\$ 153,171.38</b>	<b>\$ 48,536.65</b>	<b>\$ (68,451.46)</b>	<b>\$ 32,836.80</b>	<b>\$ 74,641.86</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>3.6%</b>	<b>3.4%</b>	<b>3.7%</b>	<b>3.8%</b>	<b>3.5%</b>	<b>3.9%</b>	<b>4.3%</b>	<b>4.1%</b>	<b>4.2%</b>	<b>4.4%</b>

\* The implementation of Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities, was effective beginning with the fiscal year ended June 30, 2021.

Source: Annual Comprehensive Financial Report Exhibit B-2.

**LAUREL SPRINGS SCHOOL DISTRICT**  
 General Fund - Unrestricted Miscellaneous Revenues by Source  
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)  
*Unaudited*

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	Fiscal Year Ended June 30,									
	<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>
Miscellaneous	<u>\$ 9,472.12</u>	<u>\$ 5,196.54</u>	<u>\$ 14,747.60</u>	<u>\$ 10,594.88</u>	<u>\$ 10,996.33</u>	<u>\$ 55,598.04</u>	<u>\$ 11,862.90</u>	<u>\$ 11,762.61</u>	<u>\$ 2,822.32</u>	<u>\$ 6,707.42</u>

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*Source: School District records.*

## **Revenue Capacity Information**

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

**LAUREL SPRINGS SCHOOL DISTRICT**  
Assessed Value and Actual Value of Taxable Property  
Last Ten Years  
*Unaudited*

Year Ended Dec. 31	Vacant Land	Residential	Farm Reg.	Farm Qual.	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities <sup>(1)</sup>	Net Valuation Taxable	Estimated Actual (County Equalized ) Value	Total Direct School Tax Rate <sup>(2)</sup>
2021	\$ 422,400.00	\$ 103,425,500.00	-	-	\$ 8,600,300.00	-	\$ 3,492,400.00	\$ 115,940,600.00	\$ 8,194,500.00	\$ 92.00	\$ 115,940,692.00	\$ 125,354,741.00	\$ 2.538
2020	425,400.00	103,343,400.00	-	-	8,768,300.00	-	3,492,400.00	116,029,500.00	8,071,200.00	100.00	116,029,600.00	124,428,418.00	2.552
2019	425,400.00	102,860,400.00	-	-	8,768,300.00	-	3,492,400.00	115,546,500.00	8,249,200.00	100.00	115,546,600.00	121,474,453.00	2.616
2018	425,400.00	102,833,900.00	-	-	8,768,300.00	-	3,451,400.00	115,479,000.00	8,290,200.00	100.00	115,479,100.00	116,751,592.00	2.513
2017 (r)	460,400.00	102,789,100.00	-	-	8,768,300.00	-	3,451,400.00	115,469,200.00	8,125,900.00	100.00	115,469,300.00	112,884,153.00	2.427
2016	434,500.00	68,549,724.00	-	-	6,784,050.00	-	1,810,000.00	77,578,274.00	5,411,600.00	100.00	77,578,374.00	113,071,380.00	3.864
2015	434,500.00	68,751,481.00	-	-	6,929,800.00	-	1,810,000.00	77,925,781.00	5,359,800.00	100.00	77,925,881.00	115,377,230.00	3.727
2014	434,500.00	68,988,796.00	-	-	6,929,800.00	-	1,810,000.00	78,163,096.00	5,217,300.00	100.00	78,163,196.00	119,151,061.00	3.646
2013	434,500.00	69,039,050.00	-	-	7,138,400.00	-	1,810,000.00	78,421,950.00	5,040,300.00	3,075,198.00	81,497,148.00	126,752,788.00	3.444
2012	434,500.00	68,864,100.00	-	-	7,137,100.00	-	1,810,000.00	78,245,700.00	5,131,900.00	3,627,425.00	81,873,125.00	139,924,356.00	3.220

<sup>(r)</sup> Revaluation

<sup>(1)</sup> taxable value of communication equipment.

<sup>(2)</sup> tax rates are per \$100.00 of assessed valuation.

Source: Camden County Board of Taxation.

**LAUREL SPRINGS SCHOOL DISTRICT**  
Direct and Overlapping Property Tax Rates  
Last Ten Years  
(Rate per \$100 of Assessed Value)  
*Unaudited*

Year Ended Dec. 31	School District Direct Rate			Overlapping Rates		Total Direct and Tax Rate
	<u>Basic Rate</u>	<u>General Obligation Debt Service</u>	<u>Total Direct School Tax Rate</u>	<u>Laurel Springs Borough</u>	<u>County of Camden</u>	
2021	\$ 2.427	\$ 0.111	\$ 2.538	\$ 1.805	\$ 0.914	\$ 5.257
2020	2.436	0.116	2.552	1.769	0.913	5.234
2019	2.510	0.106	2.616	1.721	0.913	5.250
2018	2.388	0.125	2.513	1.679	0.906	5.098
2017 (r)	2.306	0.121	2.427	1.647	0.872	4.946
2016	3.745	0.119	3.864	2.363	1.281	7.508
2015	3.592	0.135	3.727	2.309	1.299	7.335
2014	3.517	0.129	3.646	2.278	1.298	7.222
2013	3.314	0.130	3.444	2.216	1.324	6.984
2012	3.085	0.135	3.220	2.156	1.348	6.724

<sup>(r)</sup> Revaluation

Source: Municipal Tax Collector.



**LAUREL SPRINGS SCHOOL DISTRICT**  
Principal Property Tax Payers  
Current Year and Nine Years Ago  
*Unaudited*

<u>Taxpayer</u>	2021			2012		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
Laurel Springs Gardens Association	\$ 3,025,800	1	2.61%	\$ 1,450,000	2	1.77%
Bell Atlantic - Tangible per Prop				3,627,425	1	4.43%
Bell Atlantic - 35 Broadway	1,324,900	2	1.14%	1,154,000	3	1.41%
Worldcom/MCI	320,400	9	0.28%	326,000	6	0.40%
Hudson United Bank				319,000	7	0.39%
Wine Barrel NJ LLC	505,100	3	0.44%			
Verizon Business Network Services	488,600	4	0.42%			
Rakshak, LLC				362,000	5	0.44%
Sat-Raj, Inc.	463,700	5	0.40%	308,100	8	0.38%
Budsud, LLC				248,300	9	0.30%
JOHO 38 High, LLC				240,000	10	0.29%
Oak Run Apartments LLC	425,600	6	0.37%			
Kellmoll Properties LLC	410,800	7	0.35%	399,100	4	0.49%
Wayne & Kathleen Bommer	353,300	8	0.30%			
Take Time, LLC	297,300	10	0.26%			
Total	<u>\$ 7,615,500.00</u>		<u>6.57%</u>	<u>\$ 8,433,925.00</u>		<u>10.30%</u>

Source: Municipal Tax Assessor.

**LAUREL SPRINGS SCHOOL DISTRICT**  
Property Tax Levies and Collections  
Last Ten Fiscal Years  
*Unaudited*

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Fiscal Year Ended <u>June 30,</u>	School District Taxies Levied for the <u>Fiscal Year</u>	Collected within the Fiscal Year of <u>the Levy</u> <sup>(1)</sup>  <u>Amount</u>	Percentage of Levy	Collections in <u>Subsequent Years</u>
2021	\$ 2,958,610.00	\$ 2,861,005.56	96.70%	\$ 97,604.44
2020	2,964,236.00	2,963,110.50	99.96%	1,125.50
2019	3,175,202.00	3,075,346.56	96.86%	99,855.44
2018	2,722,012.00	2,722,012.00	100.00%	-
2017	2,980,836.00	2,980,836.00	100.00%	-
2016	3,110,355.00	2,922,497.35	93.96%	187,857.65
2015	2,794,981.00	2,695,126.66	96.43%	99,854.34
2014	2,999,121.00	2,999,121.00	100.00%	-
2013	2,706,491.00	2,606,640.74	96.31%	99,850.26
2012	2,658,782.00	2,658,782.00	100.00%	-

<sup>(1)</sup> School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

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*Source: School District records.*

## **Debt Capacity Information**

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

**LAUREL SPRINGS SCHOOL DISTRICT**  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
*Unaudited*

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Fiscal Year Ended <u>June 30,</u>	Governmental <u>Activities</u>		Business-Type <u>Activities</u> <sup>(2)</sup>	Total <u>School District</u>	Percentage of	
	General Obligation <u>Bonds</u> <sup>(1)</sup>	Capital <u>Leases</u> <sup>(1)</sup>			Personal <u>Income</u> <sup>(3)</sup>	<u>Per Capita</u> <sup>(4)</sup>
2021	\$ 1,370,000.00	\$ 11,139.79	-	\$ 1,381,139.79	*	*
2020	1,535,000.00	16,254.70	-	1,551,254.70	*	\$ 824.83
2019	1,705,000.00	21,088.41	-	1,726,088.41	1.66%	913.72
2018	1,880,000.00	-	-	1,880,000.00	1.87%	1,006.42
2017	2,030,000.00	-	-	2,030,000.00	2.10%	1,087.89
2016	2,180,000.00	-	-	2,180,000.00	2.32%	1,165.78
2015	2,177,000.00	-	-	2,177,000.00	2.38%	1,164.79
2014	2,302,000.00	-	-	2,302,000.00	2.62%	1,229.70
2013	2,427,000.00	-	-	2,427,000.00	2.85%	1,290.96
2012	2,527,000.00	-	-	2,527,000.00	2.99%	1,334.21

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*Sources:*

<sup>(1)</sup> *School District Records*

<sup>(2)</sup> *No outstanding debt exists for business-type activities.*

<sup>(3)</sup> *Personal income has been estimated based upon the municipal population and per capita.*

<sup>(4)</sup> *Per capita calculation based upon population information provided by the New Jersey Department of Labor and Workforce Development.*

\* *information not available*

**LAUREL SPRINGS SCHOOL DISTRICT**  
Ratios of Net General Bonded Debt Outstanding  
Last Ten Fiscal Years  
*Unaudited*

Fiscal Year Ended <u>June 30,</u>	<u>General Bonded Debt Outstanding</u>			Percentage of Net Assessed Valuation <u>Taxable</u> <sup>(2)</sup>	<u>Per Capita</u> <sup>(3)</sup>
	<u>General Obligation Bonds</u>	<u>Deductions</u>	<u>Net General Bonded Debt Outstanding</u> <sup>(1)</sup>		
2021	\$ 1,370,000.00	-	\$ 1,370,000.00	1.18%	*
2020	1,535,000.00	-	1,535,000.00	1.32%	\$ 824.83
2019	1,705,000.00	-	1,705,000.00	1.48%	913.72
2018	1,880,000.00	-	1,880,000.00	1.63%	1,006.42
2017	2,030,000.00	-	2,030,000.00	1.76%	1,087.89
2016	2,180,000.00	-	2,180,000.00	2.81%	1,165.78
2015	2,177,000.00	-	2,177,000.00	2.79%	1,164.79
2014	2,302,000.00	-	2,302,000.00	2.95%	1,229.70
2013	2,427,000.00	-	2,427,000.00	2.98%	1,290.96
2012	2,527,000.00	-	2,527,000.00	3.09%	1,334.21

*Sources:*

<sup>(1)</sup> *School District Records*

<sup>(2)</sup> *Net Assessed Valuation provided by Abstract of Ratables, County Board of Taxation*

<sup>(3)</sup> *Per Capita calculation based upon population information provided by the New Jersey Department of Labor and Workforce Development*

\* *information not available*

**LAUREL SPRINGS SCHOOL DISTRICT**  
Direct and Overlapping Governmental Activities Debt  
As of December 31, 2020  
*Unaudited*

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Laurel Springs Borough</u>	<u>Debt Authorized But Not Issued</u>
Municipal Debt: <sup>(1)</sup>					
Laurel Springs Borough School District	\$ 1,370,000.00	\$ 1,370,000.00			
Laurel Springs Borough Sewer Utility	48,030.00	48,030.00			
Laurel Springs Borough	<u>2,928,875.00</u>	<u>6,437.26</u>	<u>\$ 2,922,437.74</u>	<u>\$ 2,922,437.74</u>	
	<u>4,346,905.00</u>	<u>1,424,467.26</u>	<u>2,922,437.74</u>	<u>2,922,437.74</u>	<u>-</u>
Overlapping Debt Apportioned to the Municipality:					
County of Camden: <sup>(2)</sup>					
General:					
Bonds	36,380,000.00	19,103,198.00 <sup>(3)</sup>	17,276,802.00	-	\$ 91,546,694.00 <sup>(5)</sup>
Notes	25,461,125.00		25,461,125.00	-	<sup>(5)</sup>
Loan Agreement	351,009,923.00		351,009,923.00	-	<sup>(5)</sup>
Bonds Issued by Other Public Bodies					
Guaranteed by the County	<u>248,987,704.00</u>	<u>248,987,704.00 <sup>(4)</sup></u>			
	<u>661,838,752.00</u>	<u>268,090,902.00</u>	<u>393,747,850.00</u>	<u>-</u>	<u>91,546,694.00</u>
	<u>\$ 666,185,657.00</u>	<u>\$ 269,515,369.26</u>	<u>\$ 396,670,287.74</u>	<u>\$ 2,922,437.74</u>	<u>\$ 91,546,694.00</u>

**Sources:**

<sup>(1)</sup> 2020 Annual Debt Statement - Borough of Laurel Springs

<sup>(2)</sup> County of Camden

<sup>(3)</sup> includes reserve for payment of bonds, other accounts receivable, and general obligation pension refunding bonds

<sup>(4)</sup> deductible in accordance with N.J.S. 40:37A-80

<sup>(5)</sup> Such debt is allocated as a proportion of the Borough's share of the total 2020 Equalized Value, which is .31%.

The source for this computation was the 2020 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

**LAUREL SPRINGS SCHOOL DISTRICT**  
 Legal Debt Margin Information  
 Last Ten Fiscal Years  
*Unaudited*

Legal Debt Margin Calculation for Calendar Year 2020:

Equalized valuation basis: <sup>(1)</sup>

2019	\$ 125,450,860.00
2018	123,910,456.00
2017	<u>121,403,490.00</u>

**[A] \$ 370,764,806.00**

Average equalized valuation of taxable property **[A/3] \$ 123,588,268.67**

Debt limit (2 1/2 % of average equalization value) <sup>(2)</sup> **[B] \$ 3,089,706.72**

Total Net Debt Applicable to Limit **[C] 1,370,000.00**

Legal Debt Margin **[B-C] \$ 1,719,706.72**

	Fiscal Year									
	<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>
Debt limit	\$ 3,089,706.72	\$ 3,017,130.25	\$ 2,905,069.41	\$ 2,839,855.96	\$ 2,831,413.58	\$ 2,907,101.08	\$ 3,014,518.09	\$ 3,216,101.72	\$ 3,421,427.53	\$ 3,610,183.68
Total net debt applicable to limit <sup>(3)</sup>	<u>1,370,000.00</u>	<u>1,535,000.00</u>	<u>1,705,000.00</u>	<u>1,880,000.00</u>	<u>2,030,000.00</u>	<u>2,180,000.00</u>	<u>2,177,000.00</u>	<u>2,302,000.00</u>	<u>2,302,000.00</u>	<u>2,527,000.00</u>
Legal debt margin	<u>\$ 1,719,706.72</u>	<u>\$ 1,482,130.25</u>	<u>\$ 1,200,069.41</u>	<u>\$ 959,855.96</u>	<u>\$ 801,413.58</u>	<u>\$ 727,101.08</u>	<u>\$ 837,518.09</u>	<u>\$ 914,101.72</u>	<u>\$ 1,119,427.53</u>	<u>\$ 1,083,183.68</u>
Total net debt applicable to the limit as a percentage of debt limit	44.34%	50.88%	58.69%	66.20%	71.70%	74.99%	72.22%	71.58%	67.28%	70.00%

Sources:

<sup>(1)</sup> Equalized valuation bases were provided by the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

<sup>(2)</sup> Limit set by N.J.S.A. 18A:24-19 for a K through 6 school district

<sup>(3)</sup> School District records

## **Demographic and Economic Information**

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



**LAUREL SPRINGS SCHOOL DISTRICT**  
Demographic and Economic Statistics  
Last Ten Fiscal Years  
*Unaudited*

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<u>Fiscal Year Ended June 30,</u>	<u>Population</u> <sup>(1)</sup>	<u>Personal Income</u> <sup>(2)</sup>	<u>County Per Capita Personal Income</u> <sup>(3)</sup>	<u>Unemployment Rate</u> <sup>(4)</sup>
2020	1,861	*	*	9.5%
2019	1,866	\$ 104,085,480.00	\$ 55,780.00	3.8%
2018	1,869	100,440,060.00	53,740.00	3.8%
2017	1,867	96,876,763.00	51,889.00	4.1%
2016	1,870	93,930,100.00	50,230.00	5.4%
2015	1,869	91,336,161.00	48,869.00	5.2%
2014	1,873	87,892,398.00	46,926.00	7.5%
2013	1,881	85,124,655.00	45,255.00	3.3%
2012	1,894	84,487,552.00	44,608.00	8.1%
2011	1,899	83,189,493.00	43,807.00	8.0%

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*Sources:*

<sup>(1)</sup> *Annual Estimates of the Resident Population for Municipalities in New Jersey, by County: April 1, 2010 to July 1, 2020.*

<sup>(2)</sup> *Personal income has been estimated based upon the municipal population and per capita personal income.*

<sup>(3)</sup> *Regional Economic Information System, Bureau of Economic Analysis, November 2020.*

<sup>(4)</sup> *New Jersey Department of Labor and Workforce Development - Unemployment Statistics*

*\* information not available*

		2021		2022		
			Percentage of Total			Percentage of Total
<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Employment</u>

Information regarding the ten principal non-governmental employers for 2021 and 2012 could not be accumulated by the School District as a result of not having a source from which to obtain such information.

## **Operating Information**

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

**LAUREL SPRINGS SCHOOL DISTRICT**  
 Full-time Equivalent District Employees by Function/Program  
 Last Ten Fiscal Years  
*Unaudited*

<u>Function/Program</u>	Fiscal Year Ended June 30,									
	<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	13.9	13.5	14.1	14.1	14.1	14.1	13.9	14.5	14.5	14.0
Special education	4.2	3.2	2.0	2.0	2.0	2.0	2.0	2.5	2.5	2.5
Other instruction	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.0	3.0	3.0
Support Services:										
Student & instruction related services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
General administrative services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
School administrative services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Business administrative services	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	-
Plant operations and maintenance	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total	<u>27.8</u>	<u>26.4</u>	<u>25.8</u>	<u>25.8</u>	<u>25.8</u>	<u>25.8</u>	<u>25.6</u>	<u>26.2</u>	<u>26.2</u>	<u>25.5</u>

*Source: School District records*

**LAUREL SPRINGS SCHOOL DISTRICT**  
 Operating Statistics  
 Last Ten Fiscal Years  
*Unaudited*

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Fiscal Year Ended <u>June 30,</u>	<u>Enrollment</u>	<u>Operating Expenditures *</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff Certified</u>	<u>Pupil / Teacher Ratio Elementary</u>	<u>Average Daily Enrollment (ADE)</u>	<u>Average Daily Attendance (ADA)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2021	167	\$ 5,228,627.60	\$ 31,309.15	16.81%	18.05	9.5:1	168	162	-8.70%	96.43%
2020	183	6,107,719.45	36,573.17	-12.53%	16.65	10.2:1	184	177	-2.13%	96.20%
2019	186	5,950,514.75	31,992.01	-5.89%	16.1	11.7:1	188	178	1.08%	94.68%
2018	181	5,600,046.85	30,107.78	1.64%	16.1	11.6:1	186	177	-6.06%	95.16%
2017	200	6,120,350.13	30,601.75	-4.76%	16.1	12.3:1	198	189	0.00%	95.45%
2016	199	5,799,705.42	29,144.25	-8.66%	16.1	12.3:1	198	191	2.59%	96.46%
2015	193	5,137,719.61	26,620.31	6.06%	15.9	12.1:1	193	190	1.05%	98.45%
2014	191	5,392,357.32	28,232.24	-6.48%	17.0	11.2:1	191	184	4.95%	96.34%
2013	184	4,858,003.07	26,402.19	-6.21%	17	10.7:1	182	172	-2.67%	94.51%
2012	188	4,655,361.97	24,762.56	9.67%	16.5	11.3:1	187	179	11.98%	95.72%

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Sources: School District records

\* operating expenditures equal total expenditures less capital outlay, transfer to charter school, and debt service.

**LAUREL SPRINGS SCHOOL DISTRICT**

School Building Information

Last Ten Fiscal Years

*Unaudited*


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	Fiscal Year Ended June 30,									
	<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>
School District Building:										
Elementary:										
Laurel Springs Elementary										
Square Feet	25,000	25,000	25,000	25,000	25,000	25,000	25,000	*	*	*
Capacity (students)	*	*	*	*	*	*	*	*	*	*
Enrollment	167	183	186	181	200	199	193	191	184	188
Number of Schools at June 30, 2021										
Elementary = 1										
Middle School = 0										
High School = 0										
Other = 0										

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*Source: School District records.*

\* Information not available

**LAUREL SPRINGS SCHOOL DISTRICT**  
Schedule of Required Maintenance  
Last Ten Fiscal Years  
*Unaudited*

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Undistributed Expenditures - Required Maintenance for School Facilities

11-000-261-XXX

		Fiscal Year Ended June 30,									
<u>* School Facilities</u>	<u>Project # (s)</u>	<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>
Laurel Springs Elementary	N/A	\$ 98,580.33	\$ 89,478.76	\$ 85,621.98	\$ 89,983.95	\$ 102,240.56	\$ 89,785.65	\$ 86,241.19	\$ 84,733.30	\$ 98,825.52	\$ 81,571.22
Total School Facilities		<u>\$ 98,580.33</u>	<u>\$ 89,478.76</u>	<u>\$ 85,621.98</u>	<u>\$ 89,983.95</u>	<u>\$ 102,240.56</u>	<u>\$ 89,785.65</u>	<u>\$ 86,241.19</u>	<u>\$ 84,733.30</u>	<u>\$ 98,825.52</u>	<u>\$ 81,571.22</u>

\* School facilities as defined under EFCFA (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6:24-1.3).

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Source: School District records.

**LAUREL SPRINGS SCHOOL DISTRICT**

Insurance Schedule

June 30, 2021

*Unaudited*


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	<u>Coverage</u>	<u>Deductible</u>
School Package Policy		
Property & Auto Physical Damage <sup>(1)</sup>	\$ 500,000,000	2,500/1,000
Boiler & Machinery	100,000,000	2,500
General & Auto Liability <sup>(1)</sup>	5,000,000	
Environment Impairment Liability <sup>(1)</sup>	1,000,000	10,000
Crime Coverage		
Money and Securities <sup>(1)</sup>	50,000	1,000
Faithful Performance <sup>(1)</sup>	500,000	1,000
Computer Fraud, Forgery <sup>(1)</sup>	50,000	1,000
School Board Legal Liability <sup>(1)</sup>	5,000,000	5,000
Workers' Compensation <sup>(1)</sup>	Statutory	
Student Accident Insurance <sup>(2)</sup>	5,000,000	
Surety Bonds		
Board Secretary/Business Administrator <sup>(3)</sup>	160,000	

<sup>(1)</sup> *School Alliance Insurance Fund*<sup>(2)</sup> *American International*<sup>(3)</sup> *Selective Insurance*


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*Source: School District Records*



**SINGLE AUDIT SECTION**

**Exhibit K-2****REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE STATE OF NEW JERSEY CIRCULAR 15-08-OMB****INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Laurel Springs School District  
Laurel Springs, New Jersey 08021

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

We have audited the Laurel Springs School District's, in the County of Camden, State of New Jersey, compliance with the types of compliance requirements described in the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on the School District's major state program for the fiscal year ended June 30, 2021. The School District's major state program is identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

***Management's Responsibility***

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state award applicable to its state programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for the School District's major state program 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; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, and State of New Jersey Circular 15-08-OMB, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major state program. However, our audit does not provide a legal determination of the Laurel Springs School District's compliance.

***Opinion on Each Major State Program***

In our opinion, the Laurel Springs School District, in the County of Camden, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state program for the fiscal year ended June 30, 2021.

**Report on Internal Control over Compliance**

Management of the Laurel Springs School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on its major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major state program and to test and report on internal control over compliance in accordance with the State of New Jersey Circular 15-08-OMB, 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 Laurel Springs School District's internal control over compliance.

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

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

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

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



L. Jarred Corn  
Certified Public Accountant  
Public School Accountant No. CS 00219700

Voorhees, New Jersey  
March 9, 2022

**LAUREL SPRINGS SCHOOL DISTRICT**  
Schedule of Expenditures of Federal Awards, Schedule A  
For the Fiscal Year Ended June 30, 2021

Federal Grantor/ Pass-through	Federal Assistance Listing Number	Additional Award Identification	Federal FAIN Number	Pass-Through Entity Identifying Number	Program or Award Amount	Grant Period		Balance June 30, 2020
Grantor / Program or Cluster Title						From	To	
Special Revenue Fund:								
U.S. Department of Education								
Passed-through State Department of Education:								
E.S.S.A.:								
Title I Grants to Local Educational Agencies	84.010		S010A200030	NCLB189021	\$ 67,773.00	07/01/20	09/30/21	
Title I Grants to Local Educational Agencies	84.010		S010A190030	NCLB189020	44,938.00	07/01/19	09/30/20	<u>\$ (22,839.66)</u>
Total Title I Grants to Local Educational Agencies								<u>(22,839.66)</u>
Supporting Effective Instruction State Grants								
(Title II, Part A) ESSA	84.367A		S367A200029	NCLB189021	9,431.00	07/01/20	09/30/21	
Supporting Effective Instruction State Grants								
(Title II, Part A) ESSA	84.367A		S367A190029	NCLB189020	6,948.00	07/01/19	09/30/20	<u>(11,079.40)</u>
Total Supporting Effective Instruction State Grants								<u>(11,079.40)</u>
Title IV, Student Support and Academic Enrichment (ESSA)								
Title IV, Student Support and Academic Enrichment (ESSA)	84.424A		S424A200031	NCLB189021	11,507.00	07/01/20	09/30/21	
Title IV, Student Support and Academic Enrichment (ESSA)	84.424A		S424A190031	NCLB189020	10,000.00	07/01/19	09/30/20	<u>(6,560.35)</u>
Total Title IV, Support and Academic Enrichment (ESSA)								<u>(6,560.35)</u>
Special Education Cluster (IDEA):								
Special Education Grants to States	84.027A		H027A200100	IDEA189021	77,249.00	07/01/20	09/30/21	
Special Education Grants to States	84.027A		H027A190100	IDEA189020	68,126.00	07/01/19	09/30/20	(62,886.00)
Special Education Preschool Grants	84.173		H173A200114	IDEA189021	2,677.00	07/01/20	09/30/21	
Special Education Preschool Grants	84.173		H173A190114	IDEA189020	2,663.00	07/01/19	09/30/20	(2,663.00)
Special Education Preschool Grants	84.173		H173A180030	IDEA189019	2,484.00	07/01/18	06/30/19	<u>2,484.00</u>
Total Special Education Cluster								<u>(63,065.00)</u>
Elementary and Secondary School Emergency Relief Fund (ESSER):								
Education Stabilization Fund (CARES ACT)	84.425	COVID-19, 84.425D	S425D200027	Unavailable	37,658.00	03/13/20	09/30/22	<u>(31,696.88)</u>
Total Elementary and Secondary School Emergency Relief Fund (ESSER)								<u>(31,696.88)</u>
U.S. Department of the Treasury:								
Passed-through State Department of Education:								
Coronavirus Relief Fund	21.019	COVID-19	SLT0228	Unavailable	19,482.00	03/01/20	09/30/23	
Coronavirus Relief Fund - Digital Divide	21.019	COVID-19	S425D200027	Unavailable	463.00	07/16/20	10/31/20	
Total Coronavirus Relief Fund								<u>-</u>
Total Special Revenue Fund								<u>(135,241.29)</u>
Enterprise Fund:								
U.S. Department of Agriculture								
Passed-through State Department of Agriculture:								
Child Nutrition Cluster:								
National School Breakfast Program	10.553	COVID-19	211NJ304N1099	Unavailable	11,770.08	07/01/20	06/30/21	
National School Lunch Program	10.555	COVID-19	211NJ304N1099	Unavailable	22,784.35	07/01/20	06/30/21	
National School Lunch Program	10.555	COVID-19	201NJ304N1099	Unavailable	18,643.31	07/01/19	06/30/20	<u>(695.80)</u>
Total Child Nutrition Cluster								<u>(695.80)</u>
P-EBT Administrative Cost	10.649	COVID-19	202121S900941	Unavailable	614.00	07/01/20	06/30/21	<u>-</u>
Total Enterprise Fund								<u>(695.80)</u>
Total Federal Financial Assistance								<u>\$ (135,937.09)</u>

<sup>(a)</sup> see note 5 to the schedules of expenditures of federal awards and state financial assistance.

This schedule of expenditures of federal awards is included as other supplementary information only. A federal single audit in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) was not required as total federal expenditures did not equal or exceed \$750,000.00.

The accompanying notes to financial statements and notes to the schedules of expenditures of federal awards and state financial assistance are an integral part of this schedule.

Cash Received	Budgetary Expenditures			Passed- Through to Subrecipients	Adjustments <sup>(a)</sup>	Repayment of Prior Years' Balances	Balance June 30, 2021		
	Pass-Through Funds	Direct Funds	Total Budgetary Expenditures				(Accounts Receivable)	Unearned Revenue	Due to Grantor
\$ 31,836.34 22,839.66	\$ (57,113.87)		\$ (57,113.87)				\$ (25,277.53)		
54,676.00	(57,113.87)	-	(57,113.87)	-	-	-	(25,277.53)	-	-
4,468.60	(8,742.00)		(8,742.00)				(4,273.40)		
11,079.40									
15,548.00	(8,742.00)	-	(8,742.00)	-	-	-	(4,273.40)	-	-
6,764.65 6,560.35	(10,029.29)		(10,029.29)		\$ (0.04)		(3,264.68)		
13,325.00	(10,029.29)	-	(10,029.29)	-	(0.04)	-	(3,264.68)	-	-
68,759.00 62,886.00 2,677.00 2,663.00	(72,009.00) (2,677.00)		(72,009.00) (2,677.00)				(3,250.00)		
						\$ 2,484.00			
136,985.00	(74,686.00)	-	(74,686.00)	-	-	2,484.00	(3,250.00)	-	-
33,600.00	(3,044.42)		(3,044.42)		595.00		(546.30)		
33,600.00	(3,044.42)	-	(3,044.42)	-	595.00	-	(546.30)	-	-
19,482.00 463.00	(19,482.00) (463.00)		(19,482.00) (463.00)						
19,945.00	(19,945.00)	-	(19,945.00)	-	-	-	-	-	-
274,079.00	(173,560.58)	-	(173,560.58)	-	594.96	2,484.00	(36,611.91)	-	-
10,866.08 19,038.44 695.80	(11,770.08) (22,784.35)		(11,770.08) (22,784.35)				(904.00) (3,745.91)		
30,600.32	(34,554.43)	-	(34,554.43)	-	-	-	(4,649.91)	-	-
-	(614.00)	-	(614.00)	-	-	-	(614.00)	-	-
30,600.32	(35,168.43)	-	(35,168.43)	-	-	-	(5,263.91)	-	-
\$ 304,679.32	\$ (208,729.01)	-	\$ (208,729.01)	-	\$ 594.96	\$ 2,484.00	\$ (41,875.82)	-	-

**LAUREL SPRINGS SCHOOL DISTRICT**  
Schedule of Expenditures of State Financial Assistance, Schedule B  
For the Fiscal Year Ended June 30, 2021

					Balance at June 30, 2020	
State Grantor/ Program Title General Fund:	Grant or State Project Number	Program or Award Amount	Grant Period		Unearned Revenue / (Accounts Receivable)	Due to Grantor
			From	To		
New Jersey Department of Education:						
State Aid - Public:						
Equalization Aid	495-034-5120-078	\$ 1,782,132.00	07/01/20	06/30/21		
Equalization Aid	495-034-5120-078	1,736,208.00	07/01/19	06/30/20	\$ (173,232.08)	
Categorical Special Education Aid	495-034-5120-089	239,471.00	07/01/20	06/30/21		
Categorical Special Education Aid	495-034-5120-089	239,471.00	07/01/19	06/30/20	(23,893.49)	
Categorical Security Aid	495-034-5120-084	53,391.00	07/01/20	06/30/21		
Categorical Security Aid	495-034-5120-084	53,391.00	07/01/19	06/30/20	(5,327.15)	
School Choice Aid	495-034-5120-068	160,892.00	07/01/20	06/30/21		
School Choice Aid	495-034-5120-068	165,642.00	07/01/19	06/30/20	(16,527.11)	
Total State Aid - Public					(218,979.83)	-
Transportation Aid:						
Categorical Transportation Aid	495-034-5120-014	22,482.00	07/01/20	06/30/21		
Categorical Transportation Aid	495-034-5120-014	22,482.00	07/01/19	06/30/20	(2,243.17)	
Total Transportation Aid					(2,243.17)	-
Extraordinary Special Education Costs Aid	100-034-5120-044	78,053.00	07/01/19	06/30/20	(78,053.00)	
Total Extraordinary Special Education Costs Aid					(78,053.00)	-
Reimbursed T.P.A.F. Social Security Aid	495-034-5095-003	95,343.03	07/01/20	06/30/21		
Reimbursed T.P.A.F. Social Security Aid	495-034-5095-003	88,270.68	07/01/19	06/30/20	(4,345.46)	
Total Reimbursed T.P.A.F. Social Security Aid					(4,345.46)	-
On-Behalf T.P.A.F. Pension Contributions - Post-Retirement						
Medical (non-budgeted)	495-034-5094-001	95,878.00	07/01/20	06/30/21		
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)	495-034-5094-002	300,230.00	07/01/20	06/30/21		
On-Behalf T.P.A.F. Non-contributory Insurance	495-034-5094-004	5,712.00	07/01/20	06/30/21		
On-Behalf T.P.A.F. Pension Contributions - Long-Term Disability Insurance (non-budgeted)	495-034-5094-004	168.00	07/01/20	06/30/21		
Total On-Behalf TPAF Pension Contributions (non-budgeted)					-	-
Total General Fund					(303,621.46)	-
Special Revenue Fund:						
New Jersey Department of Education:						
Nonpublic Aid:						
Textbook Aid (Ch. 194, L. 1977)	100-034-5120-064	3,742.00	07/01/19	06/30/20		\$ 11.00
Total Textbook Aid (Ch. 194, L. 1977)					-	11.00
Nursing Services	100-034-5120-070	6,887.00	07/01/19	06/30/20		68.87
Total Nursing Services					-	68.87
Technology Initiative Program	100-034-5120-373	2,556.00	07/01/19	06/30/20		82.91
Total Technology Initiative Program					-	82.91
Security Aid Program	100-034-5120-509	10,650.00	07/01/19	06/30/20		1,090.06
Total Security Aid Program					-	1,090.06
Auxiliary Services (Ch. 192, L. 1977)	100-034-5120-067					
Compensatory Education		4,056.00	07/01/19	06/30/20	(450.00)	4,056.00
Handicapped Services (Ch. 193, L. 1977)	100-034-5120-066					
Corrective Speech		6,015.00	07/01/19	06/30/20	(1,418.00)	4,465.62
Examination and Classification		15,975.00	07/01/19	06/30/20	(2,925.00)	10,404.00
Supplementary Instruction		7,609.00	07/01/19	06/30/20	(1,881.00)	4,937.65
Total Handicapped Services (Ch. 193, L. 1977)					(6,224.00)	19,807.27
Total Special Revenue Fund					(6,674.00)	25,116.11
Debt Service Fund:						
New Jersey Department of Education:						
Debt Service Aid Type II	495-034-5120-075	66,664.00	07/01/20	06/30/21	-	-
Enterprise Fund:						
New Jersey Department of Agriculture:						
State School Lunch Aid	100-010-3350-023	921.06	07/01/20	06/30/21		
State School Lunch Aid	100-010-3350-023	410.70	07/01/19	06/30/20	(10.73)	
Total Enterprise Fund					(10.73)	-
Total State Financial Assistance					\$ (310,306.19)	\$ 25,116.11
Less: State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:						
General Fund (Non-Cash Assistance):						
New Jersey Department of Education:						
On-behalf T.P.A.F. Pension Contributions - Post-Retirement Medical	495-034-5094-001	91,156.00	07/01/20	06/30/21		
On-behalf T.P.A.F. Pension Contributions - Normal Cost	495-034-5094-002	241,389.00	07/01/20	06/30/21		
On-behalf T.P.A.F. Non-Contributory Insurance (non-budgeted)	495-034-5094-004	4,327.00	07/01/20	06/30/21		
On-behalf T.P.A.F. - Long-Term Disability Insurance Contribution	495-034-5094-004	142.00	07/01/20	06/30/21		
Total General Fund (Non-Cash Assistance)						
Total State Financial Assistance Subject to Major Program Determination for State Single Audit						

<sup>(a)</sup> see note 5 to the schedules of expenditures of federal awards and state financial assistance.

The accompanying notes to financial statements and notes to the schedules of expenditures of federal awards and state financial assistance are an integral part of this schedule.

Cash Received	Total Budgetary Expenditures	Passed- Through to Subrecipients	Adjustments <sup>(a)</sup>	Repayment of Prior Years' Balances	Balance at June 30, 2021			(Memo Only)	
					(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2021	Cumulative Total Expenditures
\$ 1,604,747.22	\$ (1,782,132.00)				\$ (177,384.78)			\$ (177,384.78)	\$ (1,782,132.00)
173,232.08									
215,635.22	(239,471.00)				(23,835.78)			(23,835.78)	(239,471.00)
23,893.49									
48,076.72	(53,391.00)				(5,314.28)			(5,314.28)	(53,391.00)
5,327.15									
144,877.59	(160,892.00)				(16,014.41)			(16,014.41)	(160,892.00)
16,527.11									
2,232,316.58	(2,235,886.00)	-	-	-	(222,549.25)	-	-	(222,549.25)	(2,235,886.00)
20,244.25	(22,482.00)				(2,237.75)			(2,237.75)	(22,482.00)
2,243.17									
22,487.42	(22,482.00)	-	-	-	(2,237.75)	-	-	(2,237.75)	(22,482.00)
78,053.00									
78,053.00	-	-	-	-	-	-	-	-	-
91,011.22	(95,343.03)				(4,331.81)				(95,343.03)
4,345.46									
95,356.68	(95,343.03)	-	-	-	(4,331.81)	-	-	-	(95,343.03)
95,878.00	(95,878.00)								(95,878.00)
300,230.00	(300,230.00)								(300,230.00)
5,712.00	(5,712.00)								(5,712.00)
168.00	(168.00)								(168.00)
401,988.00	(401,988.00)	-	-	-	-	-	-	-	(401,988.00)
2,830,201.68	(2,755,699.03)	-	-	-	(229,118.81)	-	-	(224,787.00)	(2,755,699.03)
				\$ (11.00)					
-	-	-	-	(11.00)	-	-	-	-	-
				(68.87)					
-	-	-	-	(68.87)	-	-	-	-	-
				(82.91)					
-	-	-	-	(82.91)	-	-	-	-	-
				(1,090.06)					
-	-	-	-	(1,090.06)	-	-	-	-	-
450.00	-	-	-	(4,056.00)	-	-	-	-	-
1,418.00				(4,465.62)					
2,925.00				(10,404.00)					
1,881.00			\$ 0.89	(4,938.54)					
6,224.00	-	-	0.89	(19,808.16)	-	-	-	-	-
6,674.00	-	-	0.89	(25,117.00)	-	-	-	-	-
66,664.00	(66,664.00)	-	-	-	-	-	-	-	(66,664.00)
857.31	(921.06)				(63.75)				(921.06)
10.73									
868.04	(921.06)	-	-	-	(63.75)	-	-	-	(921.06)
\$ 2,904,407.72	(2,823,284.09)	-	\$ 0.89	\$ (25,117.00)	\$ (229,182.56)	-	-	\$ (224,787.00)	\$ (2,823,284.09)
	95,878.00								
	300,230.00								
	5,712.00								
	168.00								
	401,988.00								
	\$ (2,421,296.09)								

**LAUREL SPRINGS SCHOOL DISTRICT**

Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance  
For the Fiscal Year Ended June 30, 2021

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**Note 1: BASIS OF PRESENTATION**

The accompanying schedules of expenditures of federal awards and state financial assistance ("the schedules") include federal and state award activity of the Laurel Springs School District (hereafter referred to as the "School District"). The School District is defined in note 1 to the School District's basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules. Because these schedules present only a selected portion of the operations of the School District, it is not intended to and does not present the financial position and changes in operations of the School District.

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying schedules are presented using the budgetary basis of accounting, with the following exceptions: programs recorded in the enterprise fund are presented using the accrual basis of accounting. These bases of accounting are described in note 1 to the School District's basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

**Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

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



**Notes to the Schedules of Expenditures of Federal Awards  
and State Financial Assistance (Cont'd)**

**Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D)**

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$3,564.00 for the general fund and \$30,550.72 for the special revenue fund. See exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

Awards and financial assistance revenues reported in the School District's basic financial statements on a GAAP basis with a reconciliation to the budgetary basis reported on the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General		\$ 2,752,135.03	\$ 2,752,135.03
Special Revenue	\$ 204,116.30		204,116.30
Debt Service		66,664.00	66,664.00
Food Service	35,168.43	921.06	36,089.49
GAAP Basis Revenues	239,284.73	2,819,720.09	3,059,004.82
GAAP Adjustments:			
State Aid Payments		3,564.00	3,564.00
Encumbrances	(30,555.72)		(30,555.72)
	(30,555.72)	3,564.00	(26,991.72)
Total Awards and Financial Assistance Expended	\$ 208,729.01	\$ 2,823,284.09	\$ 3,032,013.10

**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: ADJUSTMENTS**

Amounts reported in the column entitled "adjustments" represent the following adjustments:

<u>Description</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
Favorable Difference in Liquidation of Prior Year Encumbrance(s)	\$ 595.00		\$ 595.00
Difference Due to Rounding	(0.04)	\$ 0.89	0.85
Total Adjustments	\$ 594.96	\$ 0.89	\$ 616.18

**Note 6: REIMBURSED AND ON-BEHALF PAYMENTS**

During the fiscal year ended June 30, 2021, the School District was the recipient of federal and state assistance that represented either a reimbursement to the School District or payments made on-behalf of the School District. Revenues and expenditures reported under the federal food distribution program represent the current year value received and the current year distribution, respectively, of American-grown United States Department of Agriculture foods utilized in the School District's food service program. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year. Lastly, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance related to TPAF members.

**Note 7: MAJOR PROGRAMS**

Major programs are identified in the *Summary of Auditor's Results* section of the *Schedule of Findings and Questioned Costs*.

**LAUREL SPRINGS SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2021

**Section 1- Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued \_\_\_\_\_unmodified\_\_\_\_\_

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_yes X no

Significant deficiency(ies) identified? \_\_\_\_\_yes X none reported

Noncompliance material to financial statements noted? \_\_\_\_\_yes X no

**Federal Awards**

*(A Federal Single Audit was not required for the fiscal year ended June 30, 2021.)*

Internal control over major programs:

Material weakness(es) identified? \_\_\_\_\_yes \_\_\_\_\_no

Significant deficiency(ies) identified? \_\_\_\_\_yes \_\_\_\_\_none reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)? \_\_\_\_\_yes \_\_\_\_\_no

Identification of major programs:

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

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

Auditee qualified as low-risk auditee? \_\_\_\_\_yes \_\_\_\_\_no

**LAUREL SPRINGS SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2021

**Section 1- Summary of Auditor's Results (Cont'd)**

**State Financial Assistance**

Internal control over major programs:

Material weakness(es) identified? \_\_\_\_\_ yes X no

Significant deficiency(ies) identified? \_\_\_\_\_ yes X none reported

Type of auditor's report issued on compliance for major programs \_\_\_\_\_ unmodified

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

Identification of major programs:

**GMIS Number(s)**

**Name of State Program**

_____	State Aid - Public: _____
495-034-5120-078	Equalization Aid _____
495-034-5120-089	Categorical Special Education Aid _____
495-034-5120-084	Categorical Security Aid _____
495-034-5120-068	School Choice Aid _____
_____	_____

Dollar threshold used to distinguish between type A and type B programs: \$ \_\_\_\_\_ 750,000.00

Auditee qualified as low-risk auditee? X yes \_\_\_\_\_ no

**LAUREL SPRINGS SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2021

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***Section 2- Schedule of Financial Statement Findings***

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements related to financial statements for which *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, requires.

None.

**LAUREL SPRINGS SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2021

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***Section 3- Schedule of Federal Award Findings and Questioned Costs***

This section identifies the significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs, and significant instances of abuse related to the audit of major Federal programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

A Federal single audit was not required for the fiscal year ended June 30, 2021.

**LAUREL SPRINGS SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2021

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***Section 4- Schedule of State Financial Assistance Findings and Questioned Costs***

This section identifies the significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs, and significant instances of abuse related to the audit of major State programs, as required by State of New Jersey Circular 15-08-OMB.

None.

**LAUREL SPRINGS SCHOOL DISTRICT**  
Summary Schedule of Prior Year Audit Findings  
and Questioned Costs as Prepared by Management

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

**FINANCIAL STATEMENT FINDINGS**

None.

**FEDERAL AWARDS**

A Federal single audit was not required for the fiscal year ended June 30, 2020.

**STATE FINANCIAL ASSISTANCE PROGRAMS**

None.



