

SCHOOL DISTRICT

LITTLE SILVER
OF MONMOUTH COUNTY

LITTLE SILVER, NEW JERSEY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2021

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

Of the

Little Silver School District
of Monmouth County

Little Silver, New Jersey

For the Fiscal Year Ended June 30, 2021

Prepared by

Little Silver School District
of Monmouth County Board of Education
Finance Department

OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

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INTRODUCTORY SECTION



LITTLE SILVER PUBLIC SCHOOLS

124 Willow Drive, Little Silver, NJ 07739

Phone: 732-741-2188 Fax: 732-741-3644

December 15, 2021

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

Dear Board Members and Constituents:

The comprehensive annual financial report of the Little Silver School District (hereinafter, the “District”) for the fiscal year ended June 30, 2021, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Little Silver 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 and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District’s financial activities have been included.

The comprehensive annual financial report is presented in four sections:

The Introductory section includes this transmittal letter, Certificate of Excellence in Financial Reporting (ASBO), the Management Discussion and Analysis, the District’s organizational chart and a roster of officials.

The financial section includes the general purpose financial statements and schedules, as well as the auditor’s report thereon.

The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The Single Audit Section - The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and 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 the NJOMB Circular Letter 15-08, “*Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*”. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

- 1) **REPORTING ENTITY AND ITS SERVICES**: Little Silver School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by NCGA Statement No.3. All funds and government-wide financial statements of the District are included

in this report.

The Little Silver Board of Education and both its schools constitute the District's reporting entity. The Little Silver School District provides a comprehensive full range of educational services appropriate to grade levels Pre-School Handicapped through 8. The programs include regular instruction and special education for both special needs and for handicapped children in and out of district. The District provides a variety of after school activities which includes but not limited to band, chorus, computer club, and athletic activities. The District provides transportation for students who live 2 miles from Point Road Elementary school and any student who requires special education transportation.

The programs are provided at two locations: Markham Place Middle School (built 1934) on Markham Place and Point Road Elementary School (built 1955) on Little Silver Point Road. There are **64 employees at the middle school, 69** at the elementary school and 11 in district positions. School enrollment during 2020-2021 was 387 middle, 402 elementary school, and 5 out of district students.

2) ECONOMIC CONDITION AND OUTLOOK: Little Silver (2020 population of 5,772) is a suburban community whose residents mainly are professionals who work in corporations in the area or commute to New York City. Most of the area has been developed and there is little commercial enterprise.

Little Silver was named a borough in 1923 based on results of a referendum held in April 1923. It is comprised of approximately 3.32 square miles within Monmouth County. The original farms and nurseries have almost all been replaced by housing today and its location on the Shrewsbury River makes it a popular destination for water sports enthusiasts.

Little Silver Borough has approximately 5,772 residents comprised of 2,043 households. The average median household income was \$179,391 and about 1.4% of the population is below the poverty line. The local municipal government is comprised of the Mayor and Borough Council with all positions elected at large on a partisan basis as part of the November general election. The Borough Council has six members who serve three year terms on a staggered basis. The borough uses a "weak mayor/strong council" approach where the council members act as a legislative body with the mayor presiding at meetings and voting only in the event of a tie.

The school system is highly valued by local residents. Students in Little Silver attain very high scores on performance assessments, placing the school system year after year in the top five percent in the state academically. 64% of the professional staff holds advanced academic degrees, and there is a great deal of emphasis on continuing professional development.

The Education Foundation of Little Silver, created in 1995, provides additional resources for innovative educational programs with an emphasis on the support of technology and curriculum subscriptions in the schools. The Little Silver Parent Teacher Organization is also very generous with its support in enrichment and enhancement of the educational program of the schools.

Little Silver Schools have formed innovative partnerships in education with both corporations and local universities to further the implementation of academic programs and technology. There is a high level of participation by parents and the community members with the school system including making the facilities available for Little Silver's Recreation programs, PTO Extracurricular Afterschool Program, Boy Scouts, Girl Scouts, travel teams and adult recreational activities. The district has the parents involved throughout the school year in many activities such as: Back-to-School Nights, Family Activity Nights and Curriculum programs.

We recognize that the state and federal economic conditions continue to create a relatively uncertain economic environment for all entities, including the school district. The District is doing its part to maintain a responsible budget by keeping our cost per pupil below the state average. The district's administration closely monitors the cost of operations and continues to look for new funding sources and grant opportunities to maintain the quality educational services the district has been accustomed to providing.

3) MAJOR INITIATIVES: The Little Silver School District remains competitive with comparable communities in educational performance.

Implementation of the goals through specific objectives is a continuous process. However, implementation of the specific objectives occurs within specific timelines. The goal in progress for 2020-2021 were continuing efforts begun in prior years and are as follows:

Goal: To provide continued professional development to support “highly effective” instruction. Status: Many professional development activities were accomplished in the 2020-2021 school year. The district has provided multiple in-service days and training sessions for the staff. Many workshops were also presented during the year including parent workshops (i.e. Café after Dark, Curriculum Café). These workshops support the focus on federal and state mandated use of technology as well as the implementation of New Jersey Student Learning Standards and PARCC for both regular and special education. Little Silver Schools is also a member of a number of networks and consortiums, which provide professional development on a shared-cost basis.

The Enrichment Committee also explored, evaluated and updated various identification methods to identify gifted and talented learners. District policies were updated, parent workshop was developed, and staff trainings were implemented.

Goal: To promote student growth and achievement through enhancing learning practice and

Status: The district revised and developed curricula that incorporates lessons to include social issues due to COVID-19.

Social and emotional health, LBGTQ, growth mindset, and respect for vulnerable populations. The elementary school piloted the envisions Math program called will be utilized in 2020-2021 school year.

Goal: To cultivate the social-emotional development of students.

Status: The district developed an SEL Committee. The committee researched surveys available to staff and students. The committee will continue to implement the survey in the new school year.

Goal: To increase the volunteerism of the community.

Status: Point Road Elementary hosted the Book Lover’s Ball, SciVention Convention, Kindergarten Arbor Day, and community arts. Markham Place hosted chorus and band performances, the school play, and the Arts & STEM Showcase. The students’ participated in Cyberpatriots challenges and film festivals.

Goal: To research new technologies to enhance School Safety and Security

Status: The district continues to add additional cameras to the interior and exterior of both buildings with the best placement through our partnership with the local police department. The front door cameras were replaced with 4k models. The swipe system in both buildings has been replaced with additional doors added to the system.

Goal: To improve and upgrade district facilities and procedures to become more “Future Ready”

Status: The district is 1:1 Chromebooks for preschool through eighth grade. Staff was given access to promote virtual learning through GoToMeeting and Zoom. The staff was also given the ability to use Screencastify for virtual learning. The broadcasting studio implemented new editing software for video production. A new web filter was configured and deployed to all district devices. Facilities were assessed for needs by architects and engineers. Building projects to address these needs are in the process of being planned with a possible referendum to occur in 2022.

Goal: To explore diverse means of generating revenue to support the district’s budget

Status: The district sold outdated technology equipment to a vendor for revenue. The district researched a vendor to provide technology insurance for all 1:1 Chromebooks that will then be paid by parents. This was also the first year the district provided Pay to Play for extracurricular activities. The district wrote a grant for one grade level worth of

Chromebooks provided by the Education Foundation of Little Silver. The Parent Teacher Organization donated 4th and 8th grade furniture.

Long-Term Planning:

As we look to the future of Little Silver Schools the following assumptions are made:

- School personnel and healthcare cost have the largest impact on the school budget. Therefore, it will have a significant role on our future budgets.
- Tax levies for the school district cannot exceed 2% unless we meet one of the few exceptions. This means our cost, many of which are beyond our control must remain within the tax levy cap.
- All other controllable expenditures will be held to an inflationary growth of 2% or less in future budget cycles.
- The District has continued to add to Capital and Maintenance reserves despite the 2% tax levy cap and slight increased state funding so it will be able to address needs that will arise to improve or add to our existing facilities.
- The District will review the debt timeline to determine needs.

The District updated the five year strategic plan to identify and prioritize projects. The District workrf with the architect firm to determine a long term facilities assessment. The district will continue advocating for necessary funding from funding resources such as school funding formula and extraordinary aid. The District will annually review the plan as part of the budget process.

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

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

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

5) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. The final budget amount, as amended for the fiscal year, is reflected in the financial section. P.L. 2011, c 202 allowed school districts to elect to eliminate the budget vote and adopt a budget approved by the Board of Education and the New Jersey Department of Education (NJDOE) providing that the tax levy increase does not exceed 2% plus any allowable waivers.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open purchase encumbrances at year-end are either canceled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2018.

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

7) FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. Readers should refer to the Management's Discussion and Analysis for a summary of the financial statements in relation to the prior year.

8) DEBT ADMINISTRATION: At June 30, 2021 the District's outstanding debt issues included \$1,020,000 of general obligation bonds. Annual payments on the outstanding debt are made timely and the district continuously searches for the opportunities to refund existing debt at a savings to the district.

9) 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 Governmental 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 funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

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

11) OTHER INFORMATION: *Independent Audit*: State statutes require an annual audit by independent certified public accountants or registered municipal accounts. The accounting firm of Jump, Perry and Company, LLP, was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related Uniform Guidance and State Treasury Circular Letter 15-08. The auditor's report in the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's report related specifically to the single audit is included in the single audit section of this report.

Awards: The District had applied to the Association of School Business Officials (ASBO) International for the "Certificate of Excellence in Financial Reporting" for its comprehensive annual financial report for the fiscal year ended June 30, 2018. This is the third year that the District has received this prestigious award. In order to be awarded this certificate, the District published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States and applicable legal requirements.

The Certificate is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Programs' requirements and we are submitting it to ASBO to determine its eligibility for another certificate.

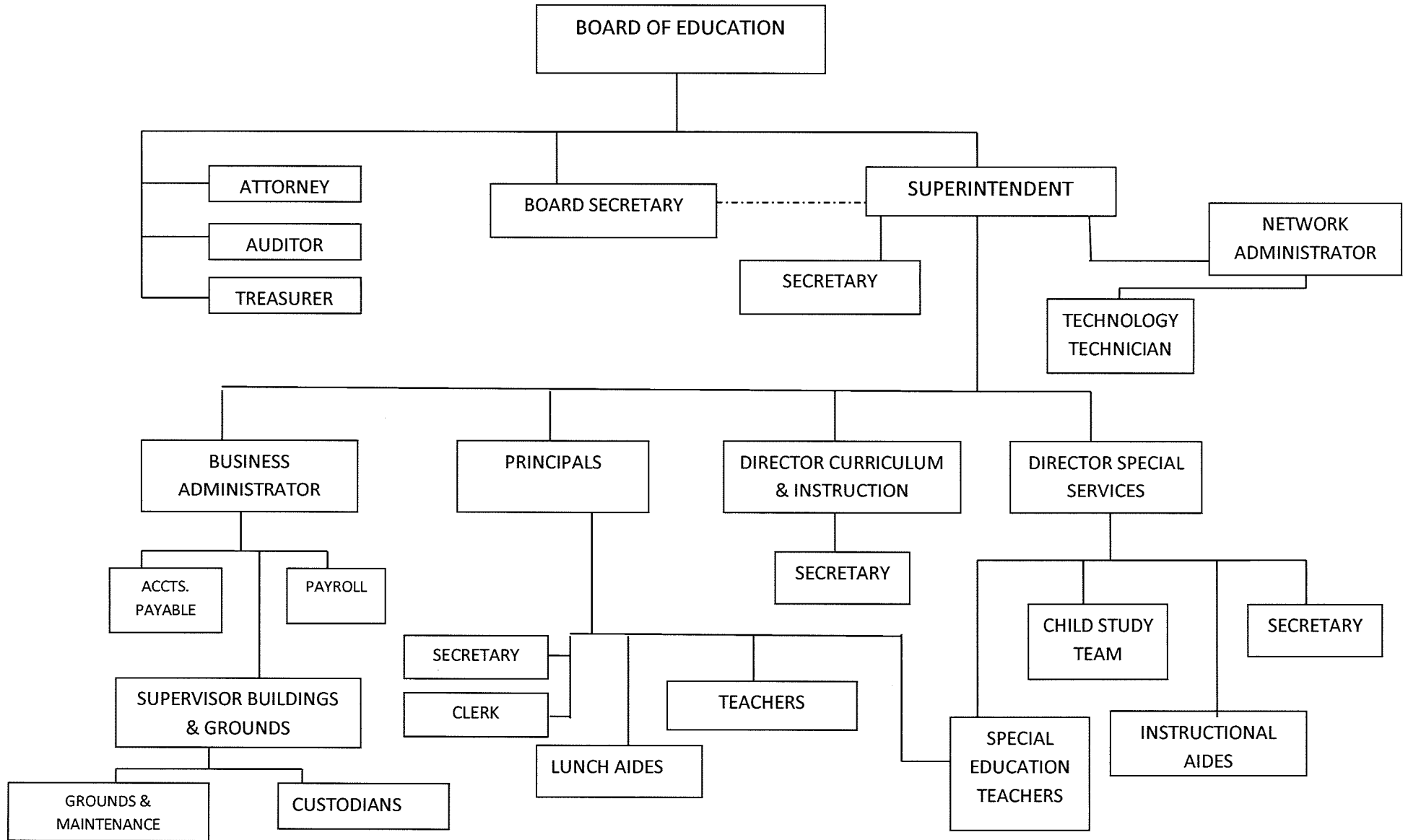
12) ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Little Silver Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our fiscal operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of the Little Silver Superintendent's Office and Business Office staff.

Respectfully submitted,

Michael E. Ettore

Superintendent of Schools School Business Administrator/Board Secretary

LITTLE SILVER BOARD OF EDUCATION ORGANIZATION CHART



APPROVED MAY 21, 2020

Little Silver School District

Roster of Officials
June 30, 2021

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Andrew Walsh, President,	2022
Carolyn Glynn, Vice President	2023
Meghan Bennet	2022
Maria Wood	2023
Alicia Aninowsky	2021
Kathryn Galbavy	2021
Marc Gasperino	2023

Other Officials

Eric Platt, Acting Superintendent

Denise Friedman, Interim Board Secretary/School Business Administrator

Sean Boyce, Treasurer

Bruce Padula, Attorney

Little Silver School District
Consultants and Advisors

Attorney

Cleary Giacobbe Alfieri Jacobs, LLC
5 Ravine Drive
Matawan, New Jersey 07747

Audit Firm

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

Official Depositories

Investors Bank
20 White Street
Red Bank, New Jersey 07701



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

Little Silver Public Schools

**for its Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 2020.**

The district report meets the criteria established for
ASBO International's Certificate of Excellence.



A handwritten signature in black ink that reads 'W. Edward Chabal'.

W. Edward Chabal
President

A handwritten signature in black ink that reads 'David J. Lewis'.

David J. Lewis
Executive Director

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Little Silver School District:
County of Monmouth
Little Silver, New Jersey

Report of the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Other Matters

Required Supplementary Information

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

Other Information

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

Other Information (continued)

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2021 on our consideration of the Little Silver School District in the County of Monmouth, State of New Jersey internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Little Silver School District in the County of Monmouth, State of New Jersey internal control over financial reporting and compliance.

Respectfully Submitted

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



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

December 15, 2021

REQUIRED SUPPLEMENTARY INFORMATION - PART I

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

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

Financial Highlights

Key financial highlights for June 30, 2021 are as follows:

Net position totaled \$18,911,892, which represents a 6.14 percent increase from June 30, 2020.

General revenues accounted for \$15,659,895 in revenue or 91.19 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$1,512,240 or 8.81 percent of total revenues of \$17,172,135.

Total assets increased by \$534,482 as current assets increased by \$642,998 and capital assets, net decreased by \$108,516.

The School Board had \$16,145,709 in expenses; only \$1,512,240 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$15,659,895 were adequate to provide for these programs.

Among major funds, the General Fund had \$15,864,879 in revenues and \$15,411,329 in expenditures and transfers. The General Fund's balance increased \$453,550 over June 30, 2020. The General Fund's balance is \$4,834,894.

Using this Comprehensive Annual Financial Report (CAFR)

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

The Statement of Net Position and Statement of Activities provide information about the activities of the School Board, presenting both an aggregate view of the School Board's finances and longer-term view of those finances. Fund financial statements provide the next level of detail. For government funds, these statements tell how services were financed in the short term as well as what remains for future spending. The fund financial statements also look at the School Board's most significant funds with all other non-major funds presented in total in one column. In the case of Little Silver School District, the General Fund is by far the most significant.

Reporting the School Board as a Whole

Statement of Net Position and the Statement of Activities

The Statement of Net Position and Statement of Activities provide information about the activities of the entire School District and are designed to provide readers with a broad overview of the District's finances, in a manner similar to private-sector business.

These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into consideration all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in net position. The change in net position is important because it informs the reader that, for the School District as a whole, the financial position of the School District has improved or worsened. The causes of the change may be the result of many factors, some financial and some not. Non-financial factors include, but are not limited to, the District's property tax base, current laws in New Jersey restricting revenue growth, facility conditions, and required educational programs. In the Statement of Net Position and the Statement of Activities, the School Board is divided into two kinds of activities:

Governmental Activities - All of the School Board's programs and services are reported here including, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

Business-Type Activities - This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service Funds are reported as a business activity.

Reporting the School Board's Most Significant Funds

Fund Financial Statement

The Analysis of the School Board's major funds begins with Exhibit B-1. Fund financial reports provide detailed information about the School Board's major funds. The School Board's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund.

Governmental Funds

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

Enterprise Fund

The Enterprise Fund uses the same basis of accounting as business-type activities.

The School Board as a Whole

The Statement of Net Position provides the financial perspective of the School Board as a whole.

Table 1 provides a summary comparison of the School Board's net position for June 30, 2021 and 2020.

Table 1

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

	June 30, 2021			June 30, 2020		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets:						
Current and other assets	\$ 5,044,105	\$ 2,170	\$ 5,046,275	\$ 4,371,765	\$ 31,512	\$ 4,403,277
Capital assets, net	18,550,887	4,590	18,555,477	18,658,518	5,475	18,663,993
Total assets	23,594,992	6,760	23,601,752	23,030,283	36,987	23,067,270
Deferred outflow of resources	714,733	-	714,733	739,838	-	739,838
Liabilities:						
Current liabilities	167,314	11,396	178,710	23,081	3,279	26,360
Long-term liabilities outstanding	3,849,741	-	3,849,741	4,564,070	-	4,564,070
Total liabilities	4,017,055	11,396	4,028,451	4,587,151	3,279	4,590,430
Deferred inflow of resources	1,376,142	-	1,376,142	1,399,404	-	1,399,404
Net position:						
Net investment in capital assets	17,482,733	4,590	17,487,323	16,923,870	5,475	16,929,345
Restricted	3,845,838	-	3,845,838	3,701,181	-	3,701,181
Unrestricted	(2,412,043)	(9,226)	(2,421,269)	(2,841,485)	28,233	(2,813,252)
Total Net Position	\$ 18,916,528	\$ (4,636)	\$ 18,911,892	\$ 17,783,566	\$ 33,708	\$ 17,817,274

The unrestricted net position is a negative balance due to the unfunded liabilities for compensated absences and PERS pension. The District expects to be able to fund these liabilities as they come due yearly.

The School Board's combined net position was \$18,911,892 on June 30, 2021. This is a change of 6.14% from the previous year.

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

Table 2

Changes in Net Position

	June 30, 2021			June 30, 2020		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues						
Program revenues:						
Charges for services	\$ 75,510	\$ 69,792	\$ 145,302	\$ 50,736	\$ 215,635	\$ 266,371
Operating and capital grants and contributions	1,366,938	-	1,366,938	1,263,215	-	1,263,215
General revenues:						
Property taxes	14,497,906	-	14,497,906	14,262,071	-	14,262,071
Federal and state aid	881,862	-	881,862	747,303	-	747,303
Investment earnings	7,300	24	7,324	43,050	667	43,717
Miscellaneous	272,803	-	272,803	238,434	-	238,434
Total revenues	17,102,319	69,816	17,172,135	16,604,809	216,302	16,821,111
Expenses						
Instructional services	6,610,202	-	6,610,202	6,661,812	-	6,661,812
Support services	9,357,772	108,160	9,465,932	8,623,900	234,523	8,858,423
Interest on long-term liabilities	69,575	-	69,575	102,825	-	102,825
Total expenses	16,037,549	108,160	16,145,709	15,388,537	234,523	15,623,060
Change in net position	1,064,770	(38,344)	1,026,426	1,216,272	(18,221)	1,198,051
Net position - beginning	17,783,566	33,708	17,817,274	16,567,294	51,929	16,619,223
Prior period adjustment	68,192	-	68,192	-	-	-
Net position - beginning restated	17,851,758	33,708	17,885,466	16,567,294	51,929	16,619,223
Net position ending	\$ 18,916,528	\$ (4,636)	\$ 18,911,892	\$ 17,783,566	\$ 33,708	\$ 17,817,274

The tax levy increase was due in general to cover increased costs in salaries and benefits, utilities and the debt service. The Federal and State aid-restricted increased due to the increase in grants available.

Regular instructional costs decreased due to a reduction in full time staff which led a decrease in salary and benefits.

Other support services increased primarily due to the reduction in other purchased professional services from the Special Revenue Fund.

Expenses for Fiscal Year June 30, 2021

Business-Type Activities

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

Total Enterprise Fund expenses exceeded revenues by \$38,344.

Charges for services represent \$69,792 of revenue. This represents the amount paid by patrons for daily food service and catering.

Governmental Activities

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

Table 3

Governmental Activities

	2021		2020	
	Total Cost of <u>Services</u>	Net Cost of <u>Services</u>	Total Cost of <u>Services</u>	Net Cost of <u>Services</u>
Instruction	\$ 6,610,202	\$ 6,367,120	\$ 6,661,812	\$ 6,396,700
Support Services:				
Pupils and Instructional Staff	3,405,280	2,205,914	5,132,728	4,083,889
General Administration, School Administration, Business Operation and Maintenance of Facilities	5,539,012	5,539,012	3,199,109	3,199,109
Pupil Transportation	413,480	413,480	292,063	292,063
Interest and Fiscal Charges	<u>69,575</u>	<u>69,575</u>	<u>102,825</u>	<u>102,825</u>
Total Expenditures	<u>\$ 16,037,549</u>	<u>\$ 14,595,101</u>	<u>\$ 15,388,537</u>	<u>\$ 14,074,586</u>

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

Extracurricular activities includes expenses related to student activities provided by the District which are designed to provide opportunities for students to participate in school and public events for the purpose of motivation, enjoyment, skill improvement, school spirit and leadership. Approximately 90% of the student population participates in extracurricular activities.

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

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

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

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

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

The School Board's Funds

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

As the School Board completed the fiscal year ended June 30, 2021, it reported a combined fund balance of \$4,876,791, which is an increase of \$528,107. The Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds, Exhibit B-2, presents the reader with a detailed explanation of the increase in fund balance for the fiscal year.

All governmental funds are accounted for using the modified accrual basis of accounting. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the District's financing requirements.

General Fund. The general fund is the main operating fund of the District. At the end of the current fiscal year, the total fund balance was \$4,834,894, including funds restricted for capital, maintenance and emergency reserves in the amount of \$3,763,495. \$- has been generated in current year excess surplus. \$- of prior year excess surplus has been designated for subsequent year's expenditures. \$40,446 is restricted for unemployment compensation. The remaining amount of \$1,030,953 represents the balance designated for subsequent year's expenditures. \$136,707 was designated for encumbrances offset by a general fund unassigned deficit of \$393,633 (unassigned fund balance netted with the delayed state aid payments) resulting in the \$500,613 balance assigned to other purposes.

Special Revenue Fund. The special revenue fund is used to track the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes, other than debt service or capital projects. The fund balance of \$41,897 is restricted for student activity purposes.

Capital Projects Fund. The District uses the capital projects fund to account for financial resources to be used for the acquisition or construction of major capital projects (other than those financed by proprietary funds and trust funds).

The following schedule presents a summary of General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund revenues for the fiscal year ended June 30, 2021.

<u>Revenue</u>	<u>2021 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2020</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 14,853,519	86.85 %	\$ 259,228	1.78 %
State Sources	1,926,475	11.26	172,595	9.84
Federal Sources	<u>322,325</u>	<u>1.89</u>	<u>65,687</u>	<u>25.61</u>
Total	\$ <u>17,102,319</u>	<u>100.00 %</u>	\$ <u>497,510</u>	<u>3.00 %</u>

The following schedule presents a summary of General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2021.

<u>Expenditures</u>	<u>2021 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2020</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expenditures:				
Instruction	\$ 6,610,202	39.71 %	\$ (51,610)	(0.77)%
Undistributed Expenditures	9,012,759	54.16	2,701,167	42.80
Capital Outlay	244,868	1.47	208,830	579.47
Debt Service:				
Principal	705,000	4.24	-	-
Interest	<u>69,575</u>	<u>0.42</u>	<u>(33,250)</u>	<u>(32.34)</u>
Total	<u>\$ 16,642,404</u>	<u>100.00 %</u>	<u>\$ 2,825,137</u>	<u>20.45 %</u>

General Fund Budgeting Highlights

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

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

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

The General Fund finished the fiscal year approximately \$1,126,127 more than had been budgeted in terms of expenditures. Revenue-wise, the General Fund fared about \$102,371 better than expected. Both these amounts have been adjusted for the non-budgeted amounts reflected in the comparison schedule for reimbursed TPAF social security contributions and on-behalf TPAF post-retirement medical contributions.

The General Fund has restricted a portion of its Fund Balance. The restricted Fund Balance items are as follows:

Capital Reserve	2,236,082
Maintenance Reserve	1,382,097
Emergency Reserve	145,316
Unemployment Compensations	40,446

General Fund Budgeting Highlights (cont'd)

These restricted reserves are regulated as to their use by the State of New Jersey. Therefore, the Board places funds in the reserves in combination with the future financial needs of the District.

The expenditures were less due to cost containment by the Board even after the salary and benefit increases. General supplies were purchased at better prices than expected due to the school board joining other schools in cooperative bidding. The district also joined a co-op for energy consumption, which was done after the budget was struck. Through efforts made in finding jointures with other local districts, and increased students on district owned vehicles, the district transportation costs were lowered for special needs students.

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

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

Capital Assets and Debt Administration

Capital Assets. At the end of the fiscal year June 30, 2021, the School Board had \$18,555,477 invested in land, buildings, and machinery and equipment.

Table 4

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

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 5,297,900	\$ 5,297,900	\$ -	\$ -	\$ 5,297,900	\$ 5,297,900
Construction in Progress	-	-	-	-	-	-
Building and Improvements	12,937,078	13,059,546	-	-	12,937,078	13,059,546
Machinery and Equipment	315,909	301,072	4,590	5,475	320,499	306,547
Total	<u>\$ 18,550,887</u>	<u>\$ 18,658,518</u>	<u>\$ 4,590</u>	<u>\$ 5,475</u>	<u>\$ 18,555,477</u>	<u>\$ 18,663,993</u>

During the current fiscal year, \$256,786 of capital assets were capitalized as additions. Increases in capital assets were offset by depreciation expense for the year.

Debt Administration. The District's long-term liabilities are as follows for the governmental and business-type activities:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Bonds Payable (net)	\$ 1,020,000	\$ 1,725,000
Capital Leases payable	48,154	9,648
Pension Liability-PERS	2,505,356	2,607,432
Compensated Absences payable	276,231	221,990
Total long-term liabilities	<u>\$ 3,849,741</u>	<u>\$ 4,564,070</u>

For more detailed information, please refer to the Capital Assets and Long-term debt notes in the basic financial statements.

Economic Factors and Next Year's Budget

For the 2020-2021 school year, the School Board was able to sustain its budget through the local tax levy, state education aid and local revenue sources. Approximately 13.15% of the School Board's revenue is from federal, state and local aid (restricted and not restricted), while 86.85% of total revenue is from local sources.

The \$(2,412,043) in unrestricted net position for all governmental activities represents the accumulated results of all past years' operations. It means that if the School Board had to pay off all bills today, including all of the School Board's non-capital liabilities (compensated absences, etc.), the School Board would have that much in value.

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

The School Board anticipates a slight increase in enrollment for the 2021-2022 fiscal year. If the School Board were to experience a significant increase in enrollment with no appreciable increase in state aid for future budgets, the School Board will be faced with the following alternatives: (a) reduce programs and services, (b) increase local tax levy or (c) seek alternative sources of funding.

Contacting the School Board's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or need additional information, you may contact the School Business Administrator/Board Secretary at Little Silver School District, 124 Willow Drive, Little Silver, NJ, 07739.

BASIC FINANCIAL STATEMENTS

LITTLE SILVER SCHOOL DISTRICT
Statement of Net Position
June 30, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 4,706,172	\$ 2,170	\$ 4,708,342
Receivables, state	331,443	-	331,443
Receivables, federal	6,490	-	6,490
Receivables, other	-	-	-
Capital assets, non-depreciable	5,297,900	-	5,297,900
Capital assets, net	13,252,987	4,590	13,257,577
Total assets	<u>23,594,992</u>	<u>6,760</u>	<u>23,601,752</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - PERS	<u>714,733</u>	<u>-</u>	<u>714,733</u>
LIABILITIES			
Accounts payable	144,903	-	144,903
Unearned revenue	2,778	11,396	14,174
Payroll deductions and withholdings payable	19,633		19,633
Noncurrent liabilities:			
Due within one year	697,155	-	697,155
Due beyond one year	3,152,586	-	3,152,586
Total liabilities	<u>4,017,055</u>	<u>11,396</u>	<u>4,028,451</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - PERS	<u>1,376,142</u>	<u>-</u>	<u>1,376,142</u>
NET POSITION			
Net Investment in capital assets	17,482,733	4,590	17,487,323
Restricted for:			
Capital projects	2,236,082	-	2,236,082
Other purposes	1,609,756	-	1,609,756
Unrestricted	(2,412,043)	(9,226)	(2,421,269)
Total net position	<u>\$ 18,916,528</u>	<u>\$ (4,636)</u>	<u>\$ 18,911,892</u>

LITTLE SILVER SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Current:							
Regular instruction	\$ 5,243,292	\$ 49,410	\$ 193,672	\$ -	\$ (5,000,210)	\$ -	\$ (5,000,210)
Special education instruction	1,103,070	-	-	-	(1,103,070)	-	(1,103,070)
Other special instruction	263,840	-	-	-	(263,840)	-	(263,840)
Support services and undistributed costs:							
Instruction	350,212	-	-	-	(350,212)	-	(350,212)
Health services	208,356	-	-	-	(208,356)	-	(208,356)
Student and instr related services	1,523,864	26,100 *	128,653	-	(1,369,111)	-	(1,369,111)
Educational media services	186,173	-	-	-	(186,173)	-	(186,173)
Instruction staff training	43,111	-	-	-	(43,111)	-	(43,111)
General administrative services	419,621	-	-	-	(419,621)	-	(419,621)
School administrative services	455,917	-	-	-	(455,917)	-	(455,917)
Information technology services	337,166	-	-	-	(337,166)	-	(337,166)
Allowed maintenance for school facilities	286,402	-	-	-	(286,402)	-	(286,402)
Other operation & maintenance of plant	1,342,547	-	-	-	(1,342,547)	-	(1,342,547)
Student transportation services	413,480	-	-	-	(413,480)	-	(413,480)
Allocated employee benefits	-	-	-	-	-	-	-
Unallocated employee benefits	2,697,359	-	-	-	(2,697,359)	-	(2,697,359)
Non-budgeted expenses	1,044,613	-	1,044,613	-	-	-	-
Transfer to Charter school	48,951	-	-	-	(48,951)	-	(48,951)
Interest expense	69,575	-	-	-	(69,575)	-	(69,575)
Total governmental activities	16,037,549	75,510	1,366,938	-	(14,595,101)	-	(14,595,101)
Business-type activities:							
Food service	108,160	69,792	-	-	-	(38,368)	(38,368)
Total business-type activities	108,160	69,792	-	-	-	(38,368)	(38,368)
Total primary government	\$ 16,145,709	\$ 145,302	\$ 1,366,938	\$ -	\$ (14,595,101)	\$ (38,368)	\$ (14,633,469)
General revenues:							
Taxes:							
Property taxes levied for general purpose					13,723,331	-	13,723,331
Taxes levied for debt service					774,575	-	774,575
Federal and state aid					881,862	-	881,862
Miscellaneous income					258,456	-	258,456
Miscellaneous income restricted					14,347	-	14,347
Interest - restricted					7,300	-	7,300
Interest - unrestricted					-	24	24
Total general revenues					15,659,871	24	15,659,895
Change in net position					1,064,770	(38,344)	1,026,426
Net position—July 1					17,783,566	33,708	17,817,274
Prior Period Adjustments					68,192	-	68,192
Net position—July 1 (Restated)					17,851,758	33,708	17,885,466
Net position—June 30					\$ 18,916,528	\$ (4,636)	\$ 18,911,892

* Student activity revenue is reported as "charges for services"

** Includes the interest earnings on the unemployment compensation bank account

LITTLE SILVER SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 4,668,959 *	\$ 28,370 *	\$ -	\$ 8,843	\$ 4,706,172
Interfund receivables	8,843	18,447	-	-	27,290
Other receivable	-	-	-	-	-
Receivables from state	331,443	-	-	-	331,443
Receivables from other governments	-	6,490	-	-	6,490
Total assets	5,009,245	53,307	-	8,843	5,071,395
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	136,271	8,632	-	-	144,903
Interfund payable	18,447	-	-	8,843	27,290
Payroll deductions and withholdings payable	19,633 **	-	-	-	19,633
Unearned revenue	-	2,778	-	-	2,778
Total liabilities	174,351	11,410	-	8,843	194,604
Fund Balances:					
Restricted for:					
Excess surplus prior year - designated for subsequent years expenditures	-	-	-	-	-
Emergency reserve	145,316	-	-	-	145,316
Maintenance reserve	1,382,097	-	-	-	1,382,097
Capital reserve account	2,236,082	-	-	-	2,236,082
Excess surplus	-	-	-	-	-
Unemployment compensation	40,446	-	-	-	40,446
Student activities	-	41,897	-	-	41,897
Assigned to:					
Other purposes	136,707	-	-	-	136,707
Designated for subsequent year's expended by the board of education	393,633	-	-	-	393,633
Unassigned to:					
General fund	500,613	-	-	-	500,613
Total Fund balances	4,834,894	41,897	-	-	4,876,791
Total liabilities and fund balances	\$ 5,009,245	\$ 53,307	\$ -	\$ 8,843	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets are \$26,827,062 and the accumulated depreciation is \$8,276,175.

\$ 18,550,887

Deferred outflows related to the PERS pension plan

714,733

Deferred inflows related to the PERS pension plan

(1,376,142)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.

(3,849,741)

Net position of governmental activities

\$ 18,916,528

* Include former fiduciary fund cash and cash equivalents

** Include payroll deductions payable and flexible benefits liabilities

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Local sources:				
Local tax levy	\$ 13,723,331	\$ -	\$ 774,575	\$ 14,497,906
Tuition charges	49,410	-	-	49,410
Interest income on unemployment - restricted	4,710 *	-	-	4,710
Interest earned - capital reserve	2,590	-	-	2,590
Other restricted miscellaneous revenues	14,347 *****	-	-	14,347
Miscellaneous	144,016	140,540 **	-	284,556
Total Local Sources	<u>13,938,404</u>	<u>140,540</u>	<u>774,575</u>	<u>14,853,519</u>
State sources	1,926,475	-	-	1,926,475
Federal sources	-	322,325	-	322,325
Total revenues	<u>15,864,879</u>	<u>462,865</u>	<u>774,575</u>	<u>17,102,319</u>
EXPENDITURES				
Current:				
Regular instruction	4,909,080	334,212	-	5,243,292
Special education instruction	1,103,070	-	-	1,103,070
Other special instruction	263,840	-	-	263,840
Support Services and Undistributed Costs:				
Instruction	350,212	-	-	350,212
Health services	208,356	-	-	208,356
Student and instruction related services	1,401,576	122,288 ***	-	1,523,864
Educational media services	186,173	-	-	186,173
Instruction staff training	43,111	-	-	43,111
General administrative services	419,621	-	-	419,621
School administrative services	455,917	-	-	455,917
Information technology	337,166	-	-	337,166
Allowed maintenance for school facilities	286,402	-	-	286,402
Other operation & maintenance of plant	951,542	-	-	951,542
Student transportation services	413,480	-	-	413,480
Unallocated employee benefits	2,743,351	-	-	2,743,351
Non-budgeted expenditures	1,044,613	-	-	1,044,613
Transfer to Charter Schools	48,951	-	-	48,951
Debt service:				
Principal	-	-	705,000	705,000
Interest and other charges	-	-	69,575	69,575
Capital outlay	244,868	-	-	244,868
Total expenditures	<u>15,411,329</u>	<u>456,500</u>	<u>774,575</u>	<u>16,642,404</u>
Excess (Deficiency) of revenues over expenditures	<u>453,550</u>	<u>6,365</u>	<u>-</u>	<u>459,915</u>
Net change in fund balances	<u>453,550</u>	<u>6,365</u>	<u>-</u>	<u>459,915</u>
Fund balance—July 1	4,348,684	-	-	4,348,684
Prior period adjustments	32,660 ****	35,532 *****	-	68,192
Fund balance—July 1, restated	4,381,344	35,532	-	4,416,876
Fund balance—June 30	<u>\$ 4,834,894</u>	<u>\$ 41,897</u>	<u>\$ -</u>	<u>\$ 4,876,791</u>

* Includes interest earnings on the unemployment compensation bank account.

** Special revenue fund now includes revenues from student activities.

*** Special Revenue fund now includes expenditures from student activities.

**** Unemployment Fund Net Position as of June 30, 2020.

***** Student Activity Fund Net Position as of June 30, 2020.

***** Contributions to Unemployment Fund

LITTLE SILVER SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2021

Total net change in fund balances - governmental funds (from B-2)	\$	459,915				
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>						
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>						
	<table style="margin-left: auto; margin-right: auto;"> <tr> <td style="padding-right: 10px;">Depreciation expense</td> <td style="text-align: right;">(364,417)</td> </tr> <tr> <td style="padding-right: 10px;">Capital outlays</td> <td style="text-align: right; border-top: 1px solid black;">256,786</td> </tr> </table>	Depreciation expense	(364,417)	Capital outlays	256,786	(107,631)
Depreciation expense	(364,417)					
Capital outlays	256,786					
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		705,000				
Payment of lease is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		9,830				
In the Statement of Activities, certain operating expenses such as compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported when paid.		(54,241)				
In the Statement of Activities, the PERS pension expense is the amount paid plus net change in the Deferred Outflows, Deferred Inflows and pension liability as reported by the State of New Jersey		100,233				
Change in net position of governmental activities	\$	1,064,770				

LITTLE SILVER SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2021

	Business-type Activities	
	Food Service	Totals
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,170	\$ 2,170
Total current assets	2,170	2,170
Capital assets:		
Equipment, net	4,590	4,590
Total assets	\$ 6,760	\$ 6,760
LIABILITIES		
Current liabilities:		
Unearned revenue	\$ 11,396	\$ 11,396
Total liabilities	11,396	11,396
NET POSITION		
Investment in capital assets	4,590	4,590
Unrestricted	(9,226)	(9,226)
Total net position	(4,636)	(4,636)
Total liabilities and net position	\$ 6,760	\$ 6,760

LITTLE SILVER SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2021

	Business-type Activities	
	Food Service	Total Enterprise
Operating revenues:		
Sales	\$ 69,792	\$ 69,792
Total operating revenue	69,792	69,792
Operating expenses:		
Cost of sales - non-reimbursable programs	44,257	44,257
Salaries and benefits	55,990	55,990
Cost of supplies	-	-
Depreciation	885	885
Other purchased services	7,028	7,028
Total operating expenses	108,160	108,160
Operating income (loss)	(38,368)	(38,368)
Non-operating revenues:		
Interest revenue	24	24
Total non-operating revenues	24	24
Change in net position	(38,344)	(38,344)
Total net position—beginning	33,708	33,708
Total net position—ending	\$ (4,636)	\$ (4,636)

LITTLE SILVER SCHOOL DISTRICT
 Statement of Cash Flows
 Proprietary Funds
 For the Year Ended June 30, 2021

	Business-type Activities Enterprise Fund	
	Food Service	Total Enterprise
Cash Flows from Operating Activities:		
Sales to customers	\$ 77,909	\$ 77,909
Payments to employees and suppliers	(107,275)	(107,275)
Net cash provided by (used in) operating activities	(29,366)	(29,366)
Cash Flows from Investing Activities		
Interest	24	24
Net cash provided by (used in) investing activities	24	24
Net increase (decrease) in cash and cash equivalents	(29,342)	(29,342)
Cash and cash equivalents July 1	31,512	31,512
Cash and cash equivalents June 30	\$ 2,170	\$ 2,170
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ (38,368)	\$ (38,368)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	885	885
Decrease (increase) in deferred revenues	8,117	8,117
Net cash provided by (used in) operating activities	\$ (29,366)	\$ (29,366)

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2021

1. Summary of Significant Accounting Policies

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

A. Reporting Entity:

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A Superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The district-wide financial statements include all funds and account groups of the District over which the Board exercises operating control. The operations of the District include elementary schools and middle schools located in Little Silver. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation

The School District's basic financial statements consist of District-wide statements, including a Statement of Net Position and a Statement of Activities, and Fund Financial Statements which provide a more detailed level of financial information. The Statement of Net Position includes the reporting of assets, deferred outflows, liabilities and deferred inflows. Items not meeting that definition of assets and liabilities have been classified as deferred outflows or deferred inflows. The deferred outflows are reported under assets and deferred inflows are reported under liabilities on the Statement of Net Position.

The School District has employees that are enrolled in a defined benefit plan operated by the State of New Jersey which creates deferred outflows and inflows as described in Note 10.

District-Wide Statements: The district-wide financial statements (A-1 and A-2) include the statement of net position and the statement of activities. These Statements include the financial activities of the overall District, except for fiduciary activities. All interfund activity, excluding the fiduciary funds, has been eliminated in the statement of activities. Individual funds are not displayed but the statements distinguish governmental activities, generally financed in whole or in part with fees charged to external customers.

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2021

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

B. Basis of Presentation (Cont'd):

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

Fund Financial Statements: During the fiscal year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in Governmental Accounting Standards. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

The District reports the following governmental funds:

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

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

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

Little Silver School District
Notes to Financial Statements
For the Year Ended June 30, 2021

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

B. Basis of Presentation (Cont'd):

Special Revenue Fund: The special revenue fund is used to account for the proceeds of specific revenue from state and federal Government, (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted to expenditures for specified purposes. The implementation of GASB 84 moved the Student Activities Fund to the Special Revenue Fund. The Student Activity Fund was previously included in the Agency Fund.

Capital Projects Fund: The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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

The District reports the following proprietary fund:

Enterprise Funds: The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Fund is comprised of the Food Service Fund.

Depreciation of all capital assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	5-20 Years
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Additionally, the District reports the following fund type:

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

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2021

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

C. Basis of Accounting:

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

District-Wide, Proprietary, and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds are accounted for using the "economic resources" measurement focus and the modified accrual basis of accounting; the Enterprise Fund and Fiduciary Funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Differences in the accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures. The tax revenues are recognized in the year for which they are levied (see Note 1.D.). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

D. Property Taxes

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

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2021

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

E. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office and are not voted upon in the annual school election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C 6A:23:23-16.2(f).

All budget amendments/transfers must be approved by School Board resolution. Budget amendments during the year ended June 30, 2021 were insignificant.

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

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

F. Encumbrances

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

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

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

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2021

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

G. Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. 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 they may invest in. New Jersey statute 18A:2037 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 Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

H. Tuition Receivable

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

I. Tuition Payable

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

J. Inventories and Prepaid Expenses

Inventories and prepaid expenses, which benefit future periods are recorded as an expenditure during the year of purchase.

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

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2021

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

K. Short-Term Interfund Receivables/Payables

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

L. Capital Assets

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated acquisition value on the date received. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. The capitalization threshold used by school districts in the State of New Jersey is \$2,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method under the half-year convention over the following estimated useful lives:

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

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets are not capitalized and related depreciation is not reported in the fund financial statements.

M. Compensated Absences

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

Little Silver School District
Notes to Financial Statements
For the Year Ended June 30, 2021

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

M. Compensated Absences (Cont'd)

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for the compensated absences.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

N. Unearned Revenue

Unearned revenue in the general and special revenue funds represent cash which has been received but not yet earned.

O. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. Bonds are recognized as a liability on the fund financial statements when due.

P. Deferred Outflows/Inflows of Resources

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

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

Q. Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2021

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

R. Fund Balance Reserve

Governmental Accounting Standards established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five categories, as defined below:

1. Nonspendable - includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, long-term receivables, and corpus of any permanent funds.
2. Restricted - includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. Committed - includes amounts that can be spent only for the specific purposes determined by a formal action of the government's highest level of decision-making authority.
4. Assigned - amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process.
5. Unassigned - includes all spendable amounts not contained in the other classifications

S. Revenues - Exchange and Non-exchange Transactions

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

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

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2021

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

S. Revenues - Exchange and Non-exchange Transactions (Cont'd)

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

T. Operating Revenues and Expenses

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

U. Allocation of Indirect Expenses

The District reports all Direct Expenses by function in the Statement of Activities. Direct Expenses are those that are clearly identifiable with a function. Indirect Expenses are allocated to functions but are reported separately in the Statement of Activities. Employee Benefits, including the employer's share of Social Security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the Indirect Expense column of the Statement of Activities. Depreciation expense that could not be attributable to a specific function is considered an Indirect Expense and is reported separately in the Statement of Activities. Interest on long-term debt is considered an Indirect Expense and is reported separately on the Statement of Activities.

V. Management Estimates

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

Little Silver School District
Notes to Financial Statements
For the Year Ended June 30, 2021

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

W. GASB Pronouncements

Recently Issued Accounting Pronouncements to be implemented in future years

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

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

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

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

Little Silver School District
Notes to Financial Statements
For the Year Ended June 30, 2021

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

W. GASB Pronouncements (Cont'd)

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

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

Statement No. 96, *Subscription-Based Information Technology Arrangements*, This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). Statement No. 96 is effective for reporting periods beginning after June 15, 2022, and all reporting periods thereafter. Management has not yet determined the potential impact on the School District's financial statements.

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2021

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

W. GASB Pronouncements (Cont'd)

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

2. Cash and Cash Equivalents

Custodial credit risk is the risk that, in the case of a bank failure, the Board's deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-414 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the ACT, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA., However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2021, the School District's bank balance of \$5,009,085 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$ 4,756,963
Uninsured and Uncollateralized	<u>252,122</u>
	<u>\$ 5,009,085</u>

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2021

3. Investments

Pursuant to the Enabling Act, the funds of the District may be invested in any direct obligations of, or obligations as to which the principal and interest thereof is guaranteed by, the United States of America or other obligations as the District may approve.

Custodial Credit Risk: The District does not have a policy for custodial credit risk.

Credit Risk: Government Accounting Standards, require that disclosure be made as to the credit rating of all debt security investments except for obligations of U.S. government or investments guaranteed by the U.S. government. The District has no uninsured deposits.

Interest Rate Risk: The District does not have a policy to limit interest rate risk.

The District has no deposits invested.

4. Capital Reserve Account

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

Funds placed in the capital reserve account are restricted to capital projects in the District's Long Range Facilities Plan, ("LRFP"). Upon submission of the LRFP to the department, a district may deposit funds by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(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:

Balance, July 1, 2020	\$ 1,733,492
Add:	
Interest Earned	2,590
Approved at June 2021 Meeting	675,000
Withdrawal in Budget	<u>(175,000)</u>
Balance, June 30, 2021	<u>\$ 2,236,082</u>

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2021

5. Maintenance Reserve Account

A Maintenance Reserve Account was established by the Little Silver School District for the accumulation of funds for use as maintenance of Capital Projects in subsequent fiscal years. The Maintenance Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget.

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

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

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

Balance, July 1, 2020	\$ 1,380,046
Add:	
Interest	2,051
Approved at June 2021 Meeting	-
Balance, at June 30, 2021	<u>\$ 1,382,097</u>

6. Emergency Reserve Account

An Emergency Reserve Account was established by the Little Silver School District for the accumulation of funds in accordance with N.J.S.A. 18A:7F-41c(1). The Emergency Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget. Funds placed in the Emergency Reserve Account are to finance unanticipated general fund expenditures required for a thorough and efficient education.

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

Balance July 1, 2020	\$ 145,060
Add:	
Interest	256
Approved at June 2021 Meeting	-
Balance, June 30, 2021	<u>\$ 145,316</u>

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2021

7. Receivables

Receivables at June 30, 2021, consisted of accounts (rent and tuition), accrued interest, interfund, intergovernmental, and property taxes. All receivables are considered collectible in full. A summary of the principal items of governmental receivables is as follows:

	Governmental Fund Financial <u>Statements</u>	District-Wide Financial <u>Statements</u>
State Aid	\$ 331,443	\$ 331,443
Federal Aid	6,490	6,490
Interfunds	27,290	-
Other	-	-
Gross Receivables	<u>365,223</u>	<u>337,933</u>
Total Receivables, Net	<u>\$ 365,223</u>	<u>\$ 337,933</u>

Little Silver School District
Notes to Financial Statements
For the Year Ended June 30, 2021

8. Capital Assets

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated				
Land	\$ <u>5,297,900</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>5,297,900</u>
Total Capital Assets Not Being Depreciated	<u>5,297,900</u>	<u>-</u>	<u>-</u>	<u>5,297,900</u>
Capital Assets Being Depreciated				
Building and Building Improvements	19,992,441	188,000	-	20,180,441
Machinery and Equipment	<u>1,279,935</u>	<u>68,786</u>	<u>-</u>	<u>1,348,721</u>
Totals at Historical Cost	<u>21,272,376</u>	<u>256,786</u>	<u>-</u>	<u>21,529,162</u>
Less Accumulated Depreciation for:				
Site Improvements	-	-	-	-
Building and Building Improvements	(6,932,895)	(310,468)	-	(7,243,363)
Machinery and Equipment	<u>(978,863)</u>	<u>(53,949)</u>	<u>-</u>	<u>(1,032,812)</u>
Total Accumulated Depreciation	<u>(7,911,758)</u>	<u>(364,417)</u>	<u>-</u>	<u>(8,276,175)</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>13,360,618</u>	<u>(107,631)</u>	<u>-</u>	<u>13,252,987</u>
Government Activity Capital Assets, Net	\$ <u>18,658,518</u>	\$ <u>(107,631)</u>	\$ <u>-</u>	\$ <u>18,550,887</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Equipment	\$ 8,580	-	-	\$ 8,580
Less: Accumulated Depreciation	<u>(3,105)</u>	<u>(885)</u>	<u>-</u>	<u>(3,990)</u>
Enterprise Fund Capital Assets, Net	<u>\$ 5,475</u>	<u>\$ (885)</u>	<u>-</u>	<u>\$ 4,590</u>

Depreciation expense was charged to governmental functions as follows:

Operations and maintenance	\$ <u>364,417</u>
Total depreciation expense	\$ <u><u>364,417</u></u>

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2021

9. Non-current Liabilities

During the fiscal year ended June 30, 2021 the following changes occurred in the non-current liabilities:

	Balance <u>June 30, 2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2021</u>	Due within <u>one year</u>
Bonds payable	\$ 1,725,000	\$ -	\$ (705,000)	\$ 1,020,000	\$ 685,000
Capital leases	9,648	48,336	(9,830)	48,154	12,155
Compensated absences payable	221,990	54,241	-	276,231	-
Pension liability - PERS	<u>2,607,432</u>	<u>-</u>	<u>(102,076)</u>	<u>2,505,356</u>	<u>-</u>
	<u>\$ 4,564,070</u>	<u>\$ 102,577</u>	<u>\$ (816,906)</u>	<u>\$ 3,849,741</u>	<u>\$ 697,155</u>

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

A. Bonds Payable

Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds. The bonds issued were used for various capital projects within the District.

In 2012, the District issued \$750,000 of School District Bonds in order to fund various facility upgrades within the school district. The bonds are due to mature annually through the 2027 fiscal year at annual interest rates ranging from 2.75% to 3.00%.

In 2015, the District issued \$4,715,000 of refunding bonds to provide resources to refund a portion of the District's bonds issued by the Monmouth County Improvement Authority. The bonds are due to mature annually through the 2022 fiscal year at annual interest rates ranging from 4.00% to 5.00%.

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

Year ended June 30,	Principal	Interest	Total
2022	\$ 685,000	\$ 41,563	\$ 726,563
2023	50,000	8,625	58,625
2024	55,000	7,312	62,312
2025	55,000	5,869	60,869
2026	55,000	4,356	59,356
2027-2029	<u>120,000</u>	<u>3,600</u>	<u>123,600</u>
	<u>\$ 1,020,000</u>	<u>\$ 71,325</u>	<u>\$ 1,091,325</u>

Little Silver School District
Notes to Financial Statements
For the Year Ended June 30, 2021

9. Non-current Liabilities (Cont'd)

B. Bonds Authorized But Not Issued

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

C. Capital Leases:

The District is leasing equipment under various capital leases. During 2017, equipment of \$29,398 financed by the lease was recorded in machinery and equipment. During 2021, equipment of \$48,336 financed by the lease was recorded in machinery and equipment. The following is a schedule of the remaining future minimum lease payments under the capital leases and the present value of the net minimum lease payments at June 30, 2021:

Year ended June 30,		
2022	\$	14,505
2023		11,202
2024		11,202
2025		11,202
2026		6,534
Total minimum lease payments		<u>54,645</u>
Less: amounts representing interest		<u>(6,491)</u>
Present value of lease payments	\$	<u><u>48,154</u></u>

Amortization of the leased equipment under capital assets is included with depreciation expense. The depreciable life is 5 years and the accumulated depreciation at June 30, 2021 was \$33,185.

10. Pension Plans

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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

Little Silver School District
Notes to Financial Statements
For the Year Ended June 30, 2021

10. Pension Plans (cont'd)

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

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

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

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

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2021, the School District reported a liability of \$2,505,356 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined using update procedure to roll forward the total pension liability from an actuarial valuation as of July 1, 2019, to the measurement date of June 30, 2020. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2019. The School District's proportion measured as of June 30, 2020, was .0153633226%, which was an increase of .000892446% from its proportion measured as of June 30, 2019.

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2021

10. Pension Plans (cont'd)

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

For the year ended June 30, 2021, the School District recognized full accrual pension expense of \$259,817 in the government-wide financial statements consisting of employer contributions of \$168,067 and non-employer contributions of \$91,750. This pension expense was based on the pension plans June 30, 2019 measurement date. At June 30, 2020, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 45,618	\$ 8,860
Changes of assumptions	81,277	1,049,016
Net difference between projected and actual earnings on pension plan investments	85,635	-
Changes in proportion and differences between District contributions and proportionate share of contributions	329,536	318,266
District contributions subsequent to the measurement date	172,667	-
Total	<u>\$ 714,733</u>	<u>\$ 1,376,142</u>

\$172,667 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2020-2021 total salaries for PERS employees multiplied by an employer contribution rate. The payable is due on April 1, 2022 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$ (310,185)
2022	(282,795)
2023	(161,610)
2024	(65,352)
2025	(14,134)
Thereafter	-
Total	<u>\$ (834,076)</u>

Little Silver School District
Notes to Financial Statements
For the Year Ended June 30, 2021

10. Pension Plans (cont'd)

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

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

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

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.16, 5.21, 5.63, 5.48, 5.57, 5.72, and 6.44 years for the 2020, 2019, 2018, 2017, 2016, 2015, and 2014 amounts, respectively.

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2021

10. Pension Plans (cont'd)

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

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

Inflation Rate

Price	2.75%
Wage	3.25%

Salary Increases:

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

Investment Rate of Return	7.00%
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Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

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

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

Little Silver School District
Notes to Financial Statements
For the Year Ended June 30, 2021

10. Pension Plans (cont'd)

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2021

10. Pension Plans (cont'd)

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

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	3,521,060	2,505,356	2,169,364

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

	<u>6/30/21</u>	<u>6/30/20</u>
Collective Deferred Outflows of Resources	2,347,583,337	3,149,522,616
Collective Deferred Inflows of Resources	7,849,949,467	7,645,087,574
Collective Net Pension Liability	16,435,616,426	18,143,832,135
School District's Portion	.0153633226%	.0144708763%

B. Teachers' Pension and Annuity (TPAF)

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

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

Little Silver School District
Notes to Financial Statements
For the Year Ended June 30, 2021

10. Pension Plans (cont'd)

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

The following represents the membership tiers for TPAF:

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

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

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

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

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2020 was \$42,130,321. The School District's proportionate share was \$0.

Little Silver School District
Notes to Financial Statements
For the Year Ended June 30, 2021

10. Pension Plans (cont'd)

B. Teachers' Pension and Annuity (TPAF) (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, which was rolled forward to June 30, 2020. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2020, the State proportionate share of the TPAF net pension liability attributable to the School District was .0639803967%, which was an decrease of .0010568% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2020, the State of New Jersey recognized a pension expense in the amount of \$1,807,739 for the State's proportionate share of the TPAF pension expense attributable to the School District. This pension expense was based on the pension plans June 30, 2020 measurement date.

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

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

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

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

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2021

10. Pension Plans (cont'd)

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

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

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

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2021

10. Pension Plans (cont'd)

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

Discount Rate - The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.21% as of June 30, 2020 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 78% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

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

	1% Decrease (4.40%)	Current Discount Rate (5.40%)	1% Increase (6.40%)
State's proportionate share of the net pension liability	49,595,744	42,130,321	36,100,995

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

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

	6/30/21	6/30/20
Collective Deferred Outflows of Resources	9,626,548,228	10,129,162,237
Collective Deferred Inflows of Resources	14,591,988,841	17,736,240,054
Collective Net Pension Liability	65,993,498,688	61,519,112,443
School District's Portion	.0639803967%	.0650372022%

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2021

10. Pension Plans (Cont'd)

C. Defined Contribution Retirement Plan (DCRP)

The Defined Contribution Retirement Plan is a cost-sharing multiple-employer defined contribution pension plan which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A.43:15C-1 et. seq), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Divisions of Pensions and Benefits by Prudential Financial. The DCRP provides eligible members, and their beneficiaries, with tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A.43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District's contribution amounts for each pay period are transmitted to Prudential not later than the fifth business day after the date on which the employee is paid for that pay period.

The District's contributions to the DCRP for June 30, 2021 were \$6,246. There was no liability for unpaid contributions at June 30, 2021.

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

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2021

11. Post-Retirement Benefits

General Information about the OPEB Plan

Plan description and benefits provided

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

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

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

Basis of Presentation

The Schedule presents the State of New Jersey's obligation under NJSA 52:14-17.32f. The Schedule does not purport to be a complete presentation of the financial position or changes in financial position of the State Health Benefit Local Education Retired Employees Plan or the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the State of New Jersey to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Little Silver School District
Notes to Financial Statements
For the Year Ended June 30, 2021

11. Post-Retirement Benefits (cont'd)

Employees covered by benefit terms

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

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

Total Nonemployer OPEB Liability

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

Actuarial assumptions and other inputs

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

Inflation Rate	2.5%
Salary Increases through 2026	PERS 2.00%-6.00%
	PFRS 3.25%-15.25%
	TPAF 1.55%-3.05%
Thereafter	PERS 3.00%-7.00%
	PFRS 3.25%-15.25%
	TPAF 1.55%-3.05%
Discount Rate	2.21%
Healthcare Cost Trend Rates	4.5%-5.6%
Retirees' Share of Benefit Related Costs	1.5% of projected health insurance premiums for retirees

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2021

11. Post-Retirement Benefits (cont'd)

Actuarial assumptions and other inputs (cont'd)

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

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

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

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

Discount rate

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

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2021

11. Post-Retirement Benefits (cont'd)

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

The following presents the June 30, 2020 total OPEB liability of the State for school board retirees, as well as the State's total OPEB liability for the school district calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB Liability of the State for School Retirees	\$81,748,410,002	\$67,809,962,608	\$56,911,439,160
Total OPEB Liability of the State Associated with the School District for School Retirees	\$48,730,947	\$40,422,116	\$33,925,409

Health Care Trend Assumptions

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

Sensitivity of the total OPEB liability to changes in healthcare cost trend rates

The following presents the June 30, 2020 total OPEB liability of the State for school board retirees, as well as the State's total OPEB liability for the school district calculated using a health care cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Trend Rate	1% Increase
Total OPEB Liability of the State for School Retirees	\$54,738,488,540	\$67,809,962,608	\$83,375,182,975
Total OPEB Liability of the State Associated with the School District for School Retirees	\$32,630,094	\$40,422,116	\$49,700,681

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2021

11. Post-Retirement Benefits (cont'd)

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

For the year ended June 30, 2021, the board of education recognized OPEB expense of \$566,517 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75 and in which there is a special funding situation.

In accordance with GASB 75, the Little Silver School District's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 10,295,318,750	\$ (9,170,703,615)
Changes of assumptions	11,534,251,250	(7,737,500,827)
Contributions made in fiscal year ending 2020 after June 30, 2019 measurement date	-	-
Total	<u>\$ 21,829,570,000</u>	<u>\$ (16,908,204,442)</u>

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

Year ended June 30:	
2021	\$ 43,440,417
2022	43,440,417
2023	43,440,417
2024	43,440,417
2025	43,440,417
Thereafter	<u>4,704,163,473</u>
Total	<u>\$ 4,921,365,558</u>

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2021

12. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards.

District employees are granted varying amounts of sick leave in accordance with the districts personnel policy. 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. Upon separation the District shall pay the employee for unused sick leave in accordance with the Districts' agreements with the various employees. Vacation days not used during the year may only be carried forward with approval from the Superintendent.

The liability for vested compensated absences of the governmental fund types is recorded on the District-wide financials. The current portion of the compensated absences balance is shown separately from the long-term liability balance of compensated absences. The liability for vested compensated absences of the proprietary fund type is recorded within those funds as the benefits accrue to employees.

13. Deferred Compensation

The Board offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, 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. The plan administrators are as follows:

Lincoln Financial
AXA Equitable Life Insurance Co.
Metlife Resources
AIG/Valic

14. Risk Management

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

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

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2021

14. Risk Management (cont'd)

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

District Financial Year	Employee Contributions	Interest	Amount Reimbursed	Ending Balance
2020-2021	\$ 14,347	65	(6,626)	\$ 40,446
2019-2020	14,412	276	(1,662)	32,660
2018-2019	14,436	383	(33,542)	19,634

15. Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at June 30, 2021:

	Interfund Receivable	Interfund Payable
General Fund	\$ 8,843	\$ 18,447
Special Revenue Fund	18,447	-
Debt Service Fund	-	8,843
	<u>\$ 27,290</u>	<u>\$ 27,290</u>

The General Fund owes the Special Revenue Fund for grant payments received by year end.

The Debt Service Fund owes the General Fund for refunding fees paid by the General Fund.

16. Contingent Liabilities

Grant Programs

The school district participates in federal awards and state financial assistance grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

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

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2021

17. Fund Balances

General Fund - of the \$4,834,894 General Fund balance at June 30, 2021, \$136,707 of encumbrances is assigned to other purposes, \$2,236,082 is restricted for capital reserve, \$1,382,097 is restricted for maintenance reserve, \$145,316 is restricted for the emergency reserve, \$- is restricted for excess surplus for subsequent year expenditures, \$40,446 is restricted for unemployment claims. \$393,633 has been classified as assigned fund balance designated for subsequent year expenditures, \$- is restricted for excess surplus and \$500,613 is unassigned.

Special Revenue Fund - of the \$41,897 Special Revenue Fund balance at June 30, 2021, \$41,897 is restricted for the use of student activities purposes.

18. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Restricted Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve 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 \$-. The excess fund balance at June 30, 2020 was \$-.

19. Uncertain Tax Positions

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

20. Subsequent Events

Management has evaluated subsequent events through December 15, 2021, the date the financial statements were available to be issued.

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

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2021

21. Tax Abatement

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

23. Economic Dependency

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

24. Prior Period Adjustment

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

- Unemployment Compensation Fund is included in the General Fund
- Student Activity Fund is included in the Special Revenue Fund
- Payroll Agency, Flexible Spending Accounts and Summer Savings Funds are included in the General Fund

The Unemployment Compensation Fund had a fund balance of \$32,660 at June 30, 2020. This balance is shown as a prior period adjustment to the General Fund's beginning fund balance. The restated beginning fund balance is \$4,381,344.

The Student Activity Fund had a fund balance of \$35,532 at June 30, 2020. The balance of \$35,532 is shown as a prior period adjustment to the Special Revenue Fund's beginning fund balance. The restated beginning fund balance is \$35,532.

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

REQUIRED SUPPLEMENTARY INFORMATION - PART II

LITTLE SILVER SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local sources:					
Local tax levy	\$ 13,723,331	\$ -	\$ 13,723,331	\$ 13,723,331	\$ -
Tuition	49,500	-	49,500	49,410	(90)
Interest on Investments	-	-	-	2,338	2,338
Interest earned on capital reserve funds	1,000	-	1,000	2,590	1,590
Interest earned on unemployment-restricted	-	-	-	65 *	65
Interest earned on current expense emergency reserve	1	-	1	256	255
Interest earned on maintenance reserve	200	-	200	2,051	1,851
Other restricted miscellaneous revenues	-	-	-	14,347 **	14,347
Miscellaneous	62,001	-	62,001	144,016	82,015
Total - local sources	<u>13,836,033</u>	<u>-</u>	<u>13,836,033</u>	<u>13,938,404</u>	<u>102,371</u>
State sources:					
Categorical transportation aid	71,696	-	71,696	71,696	-
Categorical special education aid	499,557	(59,520)	440,037	440,037	-
Extraordinary aid	100,000	208,283	308,283	308,283	-
Categorical security aid	64,328	-	64,328	64,328	-
TPAF-LTDI (on-behalf - Non-budgeted)	-	-	-	1,054	1,054
TPAF - post retirement medical (on-behalf - Non-budgeted)	-	-	-	566,517	566,517
Teacher' pension and annuity fund (on-behalf - Non-budgeted)	-	-	-	1,807,739	1,807,739
TPAF social security (reimbursed - Non-budgeted)	-	-	-	477,042	477,042
Total state sources	<u>735,581</u>	<u>148,763</u>	<u>884,344</u>	<u>3,736,696</u>	<u>2,852,352</u>
Total revenues	<u>14,571,614</u>	<u>148,763</u>	<u>14,720,377</u>	<u>17,675,100</u>	<u>2,954,723</u>
EXPENDITURES:					
Current Expenditures:					
Regular Programs - Instruction:					
Preschool- Salaries of teachers	63,990	-	63,990	61,521	2,469
Kindergarten - Salaries of teachers	331,202	-	331,202	329,052	2,150
Grades 1-5 - Salaries of teachers	2,398,920	-	2,398,920	2,355,567	43,353
Grades 6-8 - Salaries of teachers	1,728,527	-	1,728,527	1,717,869	10,658
Regular Programs - Home Instruction:					
Salaries of teachers	3,840	-	3,840	992	2,848
Purchased professional-educational services	750	-	750	375	375
Regular Programs - Undistributed Instruction:					
Salaries of teachers	-	-	-	-	-
Other salaries for instruction	117,376	-	117,376	109,897	7,479
Purchased professional-educational services	500	-	500	97	403
Purchased professional technical services	18,250	6,500	24,750	14,693	10,057
Other purchased services (400-500 series)	500	-	500	171	329
General supplies	357,967	12,938	370,905	305,844	65,061
Textbooks	67,605	(12,578)	55,027	12,476	42,551
Other objects	10,484	-	10,484	526	9,958
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>5,099,911</u>	<u>6,860</u>	<u>5,106,771</u>	<u>4,909,080</u>	<u>197,691</u>
SPECIAL EDUCATION - INSTRUCTION					
Multiple Disabilities:					
Salaries of teachers	195,418	(12,865)	182,553	182,501	52
Other salaries for instruction	51,632	14,294	65,926	61,628	4,298
General supplies	4,300	-	4,300	200	4,100
Multiple Disabilities:	<u>251,350</u>	<u>1,429</u>	<u>252,779</u>	<u>244,329</u>	<u>8,450</u>

LITTLE SILVER SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Resource Room/Resource Center:					
Salaries of teachers	\$ 839,810	\$ -	\$ 839,810	\$ 799,716	\$ 40,094
Other salaries for instruction	40,196	20,000	60,196	54,820	5,376
Purchased professional-educational services	5,000	-	5,000	491	4,509
General supplies	3,850	-	3,850	3,714	136
Total Resource Room/Resource Center	888,856	20,000	908,856	858,741	50,115
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,140,206	21,429	1,161,635	1,103,070	58,565
Basic Skills/Remedial - Instruction					
Salaries of teachers	243,781	-	243,781	162,940	80,841
General Supplies	2,853	(182)	2,671	116	2,555
Total Basic Skills/Remedial - Instruction	246,634	(182)	246,452	163,056	83,396
School-Spon. Cocurricular Activities - Instruction					
Salaries	66,147	-	66,147	37,046	29,101
Supplies and materials	9,068	10	9,078	3,673	5,405
Other objects	1,750	-	1,750	260	1,490
Total School-Spon. Cocurricular Actvts. - Instruction	76,965	10	76,975	40,979	35,996
School-Spon. Athletics - Instruction					
Salaries	42,324	1,500	43,824	43,789	35
Purchased services (300-500 series)	6,000	(1,500)	4,500	1,691	2,809
Supplies and materials	7,480	-	7,480	3,552	3,928
Other objects	2,400	-	2,400	-	2,400
Total School-Spon. Cocurricular Actvts. - Instruction	58,204	-	58,204	49,032	9,172
Summer School - Instruction					
Salaries of teachers	12,480	-	12,480	7,904	4,576
Other salaries for instruction	13,650	-	13,650	2,869	10,781
Total Summer School - Instruction	26,130	-	26,130	10,773	15,357
Total Instruction	6,648,050	28,117	6,676,167	6,275,990	400,177
Undistributed Expenditures - Instruction:					
Tuition to other LEAs within the state - special	-	4,271	4,271	3,762	509
Tuition to Co. Voc. School Distr. - regular	-	334	334	334	-
Tuition to Priv. Sch. For Handic. in state	378,699	(606)	378,093	346,116	31,977
Total Undistributed Expenditures - Instruction:	378,699	3,999	382,698	350,212	32,486
Undist. Expend. - Health Services					
Salaries	181,725	18,850	200,575	200,496	79
Purchased professional and technical services	7,500	-	7,500	5,000	2,500
Supplies and materials	4,253	(1,370)	2,883	2,504	379
Other objects	-	356	356	356	-
Total Undistributed Expenditures - Health Services	193,478	17,836	211,314	208,356	2,958
Undist. Expend. - Other Support Serv - Students Related Service					
Salaries	322,157	11,260	333,417	324,275	9,142
Purchased professional - educational services	125,040	14,356	139,396	136,693	2,703
Supplies and materials	1,750	152	1,902	1,078	824
Total Undist. Expend. - Other Support Serv - Students	448,947	25,768	474,715	462,046	12,669
Undist. Expend. - Other Supp Serv Students - Extraordinary Serv					
Salaries	227,134	(1,896)	225,238	133,191	92,047
Total Undist. Expend. - Other Supp Serv Students - Extraordinary Serv	227,134	(1,896)	225,238	133,191	92,047
Undist. Expend. - Other Support Serv Students-Regular					
Salaries of other professional staff	143,750	425	144,175	144,175	-
Other purchased prof. and tech. services	17,040	(84)	16,956	15,616	1,340
Supplies and materials	4,810	1,518	6,328	3,188	3,140
Total Undist. Expend. - Other Support Serv - Students-Regular	165,600	1,859	167,459	162,979	4,480
Undist. Expend. - Other Support Serv - Students-Special					
Salaries of other professional staff	431,463	(100)	431,363	430,120	1,243
Salaries of secretarial and clerical assistants	22,236	-	22,236	22,236	-
Purchased Prof. Ed. Services	16,500	(16,500)	-	-	-
Other purchased prof. and tech. services	14,000	-	14,000	-	14,000
Other purchased services (400-500 series)	100	-	100	-	100
Supplies and materials	6,500	-	6,500	5,909	591
Other objects	15,760	1,343	17,103	2,855	14,248
Total Undist. Expend. - Other Supp Services - Students-Special	506,559	(15,257)	491,302	461,120	30,182

LITTLE SILVER SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Improv of Instruct Serv - Other Sup Serv - Instr					
Salaries of supervisor of instruction	\$ 130,663	\$ 5,900	\$ 136,563	\$ 127,809	\$ 8,754
Salaries of secretarial and clerical assistants	34,014	(625)	33,389	32,014	1,375
Other Salaries	19,360	1,000	20,360	5,120	15,240
Purchased professional - educational services	13,905	2,265	16,170	15,161	1,009
Supplies and materials	1,000	-	1,000	237	763
Other objects	2,123	-	2,123	1,899	224
Total Undist. Expend. - Improv of Instruct Serv - Other Sup Serv - Instr	201,065	8,540	209,605	182,240	27,365
Undist. Expend. - Educational Media Services/School Library					
Salaries	18,262	1,467	19,729	19,729	-
Salaries - Technology Coordinators	133,952	-	133,952	133,951	1
Purchased professional and technical services	39,500	(5,000)	34,500	4,650	29,850
Supplies and materials	25,324	3,957	29,281	27,843	1,438
Other objects	-	-	-	-	-
Total Undist. Expend. - Educational Media Services/School Library	217,038	424	217,462	186,173	31,289
Undist. Expend. - Instruction Staff Training Services					
Salaries of supervisor of instruction	27,944	2,033	29,977	28,056	1,921
Other Salaries	13,366	1,689	15,055	15,055	-
Total Undist. Expend. - Instruction Staff Training Services	41,310	3,722	45,032	43,111	1,921
Undist. Expend. - Support Service - General Administration					
Salaries	274,696	(12,244)	262,452	230,362	32,090
Legal services	50,000	1,663	51,663	45,279	6,384
Audit Fees	10,812	225	11,037	9,900	1,137
Architectural/Engineering Services	5,000	31,829	36,829	36,829	-
Other purchased professional services	17,701	2,440	20,141	20,141	-
Purchased technical services	4,300	-	4,300	146	4,154
Communications/Telephone	48,500	(12,256)	36,244	16,578	19,666
BOE Other purchased services	3,415	-	3,415	1,650	1,765
Other purchased services (400-500 series)	49,253	650	49,903	44,125	5,778
General supplies	2,650	(105)	2,545	1,787	758
Judgements against the school district	-	205	205	203	2
Miscellaneous expenditures	7,725	(100)	7,625	7,130	495
BOE membership dues and fees	6,570	-	6,570	5,491	1,079
Total Undist. Expend. - Support Service - General Administration	480,622	12,307	492,929	419,621	73,308
Undist. Expend. - Support Service - School Administration					
Salaries of principals/Assistant principals	308,247	11,000	319,247	308,747	10,500
Salaries of secretarial and clerical assistants	148,832	2,952	151,784	137,268	14,516
Purchased professional and technical services	3,500	(1,000)	2,500	-	2,500
Other purchased services (400-500 series)	6,300	-	6,300	-	6,300
Supplies and materials	8,813	2,839	11,652	7,250	4,402
Other objects	3,149	250	3,399	2,652	747
Total Undist. Expend. - Support Service - School Administration	478,841	16,041	494,882	455,917	38,965
Undistributed Expenditures - Central Services					
Salaries	290,134	8,820	298,954	295,178	3,776
Purchased professional services	12,676	2,058	14,734	13,209	1,525
Purchased technical services	3,600	250	3,850	2,100	1,750
Misc. Purchased Services	4,450	2,190	6,640	2,526	4,114
Supplies and materials	3,308	737	4,045	3,750	295
Miscellaneous expenditures	2,325	-	2,325	1,274	1,051
Total Undist. Expend. - Central Services	316,493	14,055	330,548	318,037	12,511
Undist.- Admin. Info. Technology					
Purchased Professional Services	38,060	550	38,610	17,794	20,816
Supplies and materials	2,200	-	2,200	1,335	865
Total Undist. Expend - Admin. Info. Technology	40,260	550	40,810	19,129	21,681
Interest Earned on Maintenance Reserve					
Interest earned on maintenance reserve	200	(200)	-	-	-
Total Interest Earned on Maintenance Reserve	200	(200)	-	-	-
Interest Earned on Current Expense Emergency Reserve					
Interest earned on current expense emergency reserve	1	(1)	-	-	-
Total Interest Earned on Current Expense Emergency Reserve	1	(1)	-	-	-
Undist. Expend. - Allowed Maintenance for School Facilities					
Salaries	40,467	1,201	41,668	41,667	1
Cleaning, repair and maintenance services	192,623	39,183	231,806	219,894	11,912
Other objects	5,763	725	6,488	6,488	-
General supplies	15,250	5,275	20,525	18,353	2,172
Total Undist. Expend. - Allowed Maintenance for School Facilities	254,103	46,384	300,487	286,402	14,085

LITTLE SILVER SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Other Operation & Maintenance of Plant					
Salaries	\$ 396,494	\$ (33,405)	\$ 363,089	\$ 325,356	\$ 37,733
Salaries of non-instructional aides	22,060	-	22,060	18,443	3,617
Cleaning, repair and maintenance services	100,970	41,672	142,642	101,993	40,649
Other purchased property services	30,250	80	30,330	27,493	2,837
Insurance	89,423	-	89,423	81,225	8,198
General supplies	44,483	81,404	125,887	120,577	5,310
Energy (electricity)	159,810	190	160,000	145,110	14,890
Energy (natural gas)	68,100	29,778	97,878	84,572	13,306
Other objects	3,500	-	3,500	2,710	790
Total Undist Expend-Other Operation & Maint Of Plant	915,090	119,719	1,034,809	907,479	127,330
Undist. Expend. - Care & Upkeep of Grounds					
Salaries	23,295	-	23,295	23,294	1
Cleaning, repair and maintenance services	5,250	-	5,250	4,384	866
General supplies	400	-	400	-	400
Total Undist Expend-Care & Upkeep of Grounds	28,945	-	28,945	27,678	1,267
Security					
Cleaning, repair and maintenance services	16,140	64	16,204	1,064	15,140
General supplies	1,000	14,640	15,640	15,321	319
Total Security	17,140	14,704	31,844	16,385	15,459
Undist. Expend. - Student Transportation Services					
Salaries-pupil transport(between home & school)-Regular	9,879	-	9,879	9,878	1
Salaries-pupil transport (between home & school)-Special	15,865	(3,200)	12,665	4,123	8,542
Contract Svc (btw Home & Sch.) - Vendors	42,000	(13,574)	28,426	26,904	1,522
Contract Svc (other than btw home & Sch.) - Vendors	1,000	700	1,700	1,700	-
Contract Svc (btw home & Sch.) - Joint Agreements	41,000	8,595	49,595	49,595	-
Contract Svc (Spl. Ed. Students) - ESCs & CTSA's	277,372	40,508	317,880	317,880	-
Contract Svc - Aid in Lieu Pymts - NonPub Sch	7,000	(3,600)	3,400	3,400	-
Total Undist. Expend. - Student Transportation Services	394,116	29,429	423,545	413,480	10,065
ALLOCATED EMPLOYEE BENEFITS					
Unemployment Compensation	13,000	(13,000)	-	-	-
Health benefits	2,439,667	(2,439,667)	-	-	-
Tuition reimbursement	22,000	(22,000)	-	-	-
Other employee benefits	360	(360)	-	-	-
TOTAL ALLOCATED EMPLOYEE BENEFITS	2,475,027	(2,475,027)	-	-	-
UNALLOCATED EMPLOYEE BENEFITS					
Group insurance	8,500	-	8,500	7,439	1,061
Social security contributions	165,464	44,958	210,422	155,656	54,766
Other retirement contributions - PERS	188,021	(10,779)	177,242	172,668	4,574
Unemployment Compensation	-	11,534	11,534	6,626	4,908
Workmen's compensation	114,211	(33,573)	80,638	80,408	230
Health benefits	2,500	2,386,168	2,388,668	2,311,503	77,165
Tuition reimbursement	3,000	20,058	23,058	8,558	14,500
Other employee benefits	420	906	1,326	493	833
TOTAL UNALLOCATED EMPLOYEE BENEFITS	482,116	2,419,272	2,901,388	2,743,351	158,037
ON-BEHALF CONTRIBUTIONS					
On-behalf TPAF-LTDI (non-budgeted)	-	-	-	1,054	(1,054)
On-behalf TPAF OPEB (post retirement med) (non-budgeted)	-	-	-	566,517	(566,517)
On-behalf TPAF Pension Contributions (non-budgeted)	-	-	-	1,807,739	(1,807,739)
Reimbursed TPAF social security contributions (non-budgeted)	-	-	-	477,042	(477,042)
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	2,852,352	(2,852,352)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	2,957,143	(55,755)	2,901,388	5,595,703	(2,694,315)
TOTAL UNDISTRIBUTED EXPENDITURES	8,262,784	242,228	8,505,012	10,649,259	(2,144,247)
TOTAL GENERAL CURRENT EXPENDITURES	14,910,834	270,345	15,181,179	16,925,249	(1,744,070)

LITTLE SILVER SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY					
Interest	\$ 1,000	\$ (1,000)	\$ -	\$ -	\$ -
Equipment					
Regular Programs - Instruction:					
Undistributed expenditures - Instruction	-	-	-	-	-
Total Equipment	-	-	-	-	-
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	175,000	38,906	213,906	213,906	-
Assessment for Debt Service on SDA Funding	30,962	-	30,962	30,962	-
Total Facilities Acquisition and Construction Services	205,962	38,906	244,868	244,868	-
TOTAL CAPITAL OUTLAY	206,962	37,906	244,868	244,868	-
Transfer of funds to Charter Schools	71,401	(4,605)	66,796	48,951	17,845
TOTAL EXPENDITURES	15,189,197	303,646	15,492,843	17,219,068	(1,726,225)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(617,583)	(154,883)	(772,466)	456,032	(1,228,498)
Fund Balance, July 1	4,399,661	-	4,399,661	4,399,661	-
Prior Period Adjustment				32,660	***
Fund Balance, July 1, Restated	4,399,661	-	4,399,661	4,432,321	-
Fund Balance, June 30	\$ 3,782,078	\$ (154,883)	\$ 3,627,195	\$ 4,888,353	\$ (1,228,498)

Recapitulation:

Restricted Fund Balance:

Capital reserve	\$ 2,236,082
Maintenance reserve	1,382,097
Emergency reserve	145,316
Unemployment compensation	40,446
Excess surplus-current year	-
Excess surplus - designated for subsequent year's expenditures	-

Assigned Fund Balance:

Year-end encumbrances	136,707
Designated for subsequent year's expenditures	393,633
Unrestricted/undesignated fund balance	<u>554,072</u>

Reconciliation to governmental funds statements (GAAP)

Fund balance per governmental funds (Budgetary)	4,888,353
Last state aid payment not recognized on GAAP basis	(53,459)
Fund balance per governmental funds (GAAP) - B-1	<u>4,834,894</u>

Restricted fund balances	4,157,128
Unrestricted fund balances	677,766

Fund balance per governmental funds (GAAP) - B-1 **\$ 4,834,894**

- * Includes interest earnings on the unemployment compensation bank account
- ** Includes contributions paid to unemployment compensation bank account
- *** Includes claims paid from unemployment compensation bank account
- **** Represents unemployment fund net position as of June 30, 2020

LITTLE SILVER SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local sources	\$ -	\$ 159,816	\$ 159,816	\$ 138,757	\$ (21,059)
Federal sources	218,661	94,788	313,449	311,818	(1,631)
Total Revenues	<u>218,661</u>	<u>254,604</u>	<u>473,265</u>	<u>450,575</u>	<u>(22,690)</u>
EXPENDITURES					
Instruction:					
Salaries of teachers	47,063	10,729	57,792	57,792	-
Other salaries for instruction	-	-	-	-	-
Purchased professional services	-	-	-	-	-
Textbooks	-	-	-	-	-
Miscellaneous expenditures	-	-	-	-	-
Tuition	121,608	41,334	162,942	130,648	32,294
General supplies	9,855	189,373	199,228	126,249	72,979
Total instruction	<u>178,526</u>	<u>241,436</u>	<u>419,962</u>	<u>314,689</u>	<u>105,273</u>
Support services:					
Other professional staff salaries	-	-	-	-	-
Secretarial/clerical salaries	-	-	-	-	-
Employee benefits	-	-	-	-	-
Purchased professional educational services	-	-	-	-	-
Purchased professional technical services	10,000	4,703	14,703	14,703	-
Other purchased services (400-500 series)	21,635	22,595	44,230	36,734	7,496
General supplies	8,500	54,646	63,146	58,349	4,797
Student activities	-	-	-	19,735	(19,735) <small>Note 1</small>
Total support services	<u>40,135</u>	<u>81,944</u>	<u>122,079</u>	<u>129,521</u>	<u>(7,442)</u>
Total expenditures	<u>\$ 218,661</u>	<u>\$ 323,380</u>	<u>\$ 542,041</u>	<u>\$ 444,210</u>	<u>\$ 97,831</u>
Total outflows	<u>218,661</u>	<u>323,380</u>	<u>542,041</u>	<u>444,210</u>	<u>97,831</u>
Excess (deficiency) of revenues Over (under) expenditures	<u>\$ -</u>	<u>\$ (68,776)</u>	<u>\$ (68,776)</u>	<u>\$ 6,365</u>	<u>\$ 75,141</u>
Fund Balance, July 1				-	
Prior Period Adjustment				35,532	
Fund Balance, July 1 (Restated)				35,532	
Fund Balance, June 30				<u>41,897</u>	
Recapitulation:					
Restricted:					
Student Activities				41,897	
Total Fund Balance				<u>\$ 41,897</u>	

Note 1 - Not required to budget for these funds.

LITTLE SILVER SCHOOL DISTRICT
 Required Supplementary Information
 Budget-to-GAAP Reconciliation
 Note to Required Supplementary Information
 For the Year Ended June 30, 2021

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

		General Fund		Special Revenue Fund
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 17,675,100	[C-2]	\$ 450,575
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-		12,290
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(1,807,739)		-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		50,977		-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		(53,459)		-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	\$ 15,864,879	[B-2]	\$ 462,865
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 17,219,068	[C-2]	\$ 444,210
Differences - budget to GAAP				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes		-		12,290
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(1,807,739)		-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	\$ 15,411,329	[B-2]	\$ 456,500

REQUIRED SUPPLEMENTARY INFORMATION - PART III

**LITTLE SILVER SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability-PERS
For the Year Ended June 30, 2021**

Last 10 Fiscal Years*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
District's proportion of the net pension liability	100.000%	100.000%	0.01477%	0.01440%	0.01601%	0.01670%	0.01447%	0.01536%
District's proportionate share of the net pension liability associated with the district	\$ 2,824,263	2,574,308	\$ 3,442,726	\$ 4,263,882	\$ 3,726,280	\$ 3,287,651	\$ 2,607,432	\$ 2,505,356
District's covered-employee payroll	-	\$ 960,557	\$ 981,115	\$ 1,160,042	\$ 1,233,088	\$ 1,215,828	\$ 1,179,386	\$ 1,119,607
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.00%	268.00%	350.90%	345.79%	306.48%	270.40%	221.08%	223.77%
Plan fiduciary net position as a percentage of the total pension liability	40.71%	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%

The amounts presented were determined as of the fiscal year-end that occurred one year before the District's fiscal year end.

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

LITTLE SILVER SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the District Contributions-PERS
 For the Year Ended June 30, 2021

Last 10 Fiscal Years*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Contractually required contributions	\$ 109,279	\$ 112,358	\$ 129,425	\$ 129,019	\$ 152,381	\$ 167,431	\$ 141,849	\$ 168,068
Contributions in relation to the contractually required contribution	<u>109,279</u>	<u>\$ 112,358</u>	<u>\$ 129,425</u>	<u>132,938</u>	<u>153,392</u>	<u>172,331</u>	<u>148,757</u>	<u>172,668</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,919)</u>	<u>\$ (1,011)</u>	<u>\$ (4,900)</u>	<u>\$ (6,908)</u>	<u>\$ (4,600)</u>
District's covered-employee payroll	\$ 960,557	\$ 981,115	\$ 1,160,042	\$ 1,233,088	\$ 1,215,828	\$ 1,179,386	\$ 1,119,607	\$ 1,060,370
Contributions as a percentage of covered-employee payroll	11.38%	11.45%	11.16%	10.46%	12.36%	14.20%	12.67%	15.85%

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

**LITTLE SILVER SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability-TPAF
For the Year Ended June 30, 2021**

Last 10 Fiscal Years*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
State's proportion of the net pension liability associated with the District	0.0000%	0.0000%	0.5789%	0.0603%	0.0604%	0.0627%	0.0650%	0.6398%
State's proportionate share of the net pension liability associated with the District	\$ 29,364,054	30,343,665	36,588,072	47,425,407	40,738,256	39,884,432	39,913,945	42,130,321
District's covered-employee payroll	\$ 5,605,158	5,985,625	6,834,775	7,028,636	7,145,083	7,084,317	6,756,873	6,743,043
Proportionate share of the net pension liability as a percentage of District's covered-employee payroll	523.876%	506.942%	535.322%	674.746%	570.158%	562.996%	590.716%	624.797%
Plan fiduciary net position as a percentage of the total pension liability	33.76%	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%

The District has a special funding situation and is not required to make any payments for this liability therefore it is not recorded on the CAFR.

The amounts presented were determined as of the fiscal year-end that occurred one year before the District's fiscal year end.

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

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

Last 10 Fiscal Years*

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
State's portion of the OPEB liability associated with the District				
Service cost	\$ 1,538,546	\$ 1,267,741	\$ 1,147,632	\$ 1,175,487
Interest cost	960,971	1,111,999	1,073,037	884,461
Changes in assumptions	(4,202,332)	(3,091,485)	364,229	7,227,816
Differences between Expected and Actual Experiences	-	(1,791,293)	(4,363,970)	7,383,732
Member contributions	25,705	24,897	22,233	21,330
Gross benefit payments	(698,069)	(720,362)	(750,023)	(703,716)
Net change in total OPEB liability	(2,375,179)	(3,198,503)	(2,506,862)	15,989,110
State's total OPEB liability - beginning	<u>32,513,550</u>	<u>30,138,371</u>	<u>26,939,868</u>	<u>24,433,006</u>
State's total OPEB liability - ending	<u>\$ 30,138,371</u>	<u>\$ 26,939,868</u>	<u>\$ 24,433,006</u>	<u>\$ 40,422,116</u>
District's covered employee payroll	<u>\$ 8,856,609</u>	<u>\$ 8,765,457</u>	<u>\$ 8,983,849</u>	<u>\$ 9,017,333</u>
The State's OPEB liability as a percentage of covered employee payroll	340%	307%	272%	448%

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

Little Silver School District

Notes to Required Supplementary Information - Part III

For the Year Ended June 30, 2021

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None .

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

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None .

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

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None .

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

OTHER SUPPLEMENTARY INFORMATION

D. School Based Budget Schedules
Not Applicable

E. Special Revenue Fund

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

	Title I	Title IIA	I.D.E.A. - Part B		Title IV	Donations	Totals 2021
			Basic	Preschool			
Revenues:							
Federal Sources	\$ 57,792	\$ 13,330	\$ 165,339	\$ 5,490	\$ 3,911	\$ -	\$ 245,862
Local sources	-	-	-	-	-	112,657	112,657
Total revenues	<u>57,792</u>	<u>13,330</u>	<u>165,339</u>	<u>5,490</u>	<u>3,911</u>	<u>112,657</u>	<u>358,519</u>
Expenditures:							
Instruction:							
Salaries of teachers	57,792	-	-	-	-	-	57,792
Tuition	-	-	130,648	-	-	-	130,648
Other purchased services	-	-	-	-	-	-	-
General supplies	-	1,104	12,488	-	-	112,657	126,249
Total instruction	<u>57,792</u>	<u>1,104</u>	<u>143,136</u>	<u>-</u>	<u>-</u>	<u>112,657</u>	<u>314,689</u>
Support services:							
Salaries of program directors	-	-	-	-	-	-	-
Employee benefits	-	-	-	-	-	-	-
Purchased professional technical services	-	-	14,703	-	-	-	14,703
Purchased professional educational services	-	-	-	-	-	-	-
Other purchased services	-	11,984	7,500	3,978	3,000	-	26,462
General supplies	-	242	-	1,512	911	-	2,665
Student activities	-	-	-	-	-	-	-
Total support services	<u>-</u>	<u>12,226</u>	<u>22,203</u>	<u>5,490</u>	<u>3,911</u>	<u>-</u>	<u>43,830</u>
Total expenditures	<u>\$ 57,792</u>	<u>\$ 13,330</u>	<u>\$ 165,339</u>	<u>\$ 5,490</u>	<u>\$ 3,911</u>	<u>\$ 112,657</u>	<u>\$ 358,519</u>
Excess (deficiency) of revenues Over (under) expenditures	-	-	-	-	-	-	-
Fund Balance, July 1							
Prior Period Adjustment	-	-	-	-	-	-	-
Fund Balance, July 1 (Restated)							
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Cares 20-21	CRF 20-21	Student Activities 20-21	Totals 2021
Revenues:				
Federal Sources	\$ 45,303	\$ 20,653	\$ -	\$ 311,818
Local sources	-	-	26,100	138,757
Total revenues	45,303	20,653	26,100	450,575
Expenditures:				
Instruction:				
Salaries of teachers	-	-	-	57,792
Tuition	-	-	-	130,648
Other purchased services	-	-	-	-
General supplies	-	-	-	126,249
Total instruction	-	-	-	314,689
Support services:				
Salaries of program directors	-	-	-	-
Employee benefits	-	-	-	-
Purchased professional technical services	-	-	-	14,703
Purchased professional educational services	-	-	-	-
Other purchased services	10,272	-	-	36,734
General supplies	35,031	20,653	-	58,349
Student activities	-	-	19,735	19,735
Total support services	45,303	20,653	19,735	129,521
Total expenditures	\$ 45,303	\$ 20,653	\$ 19,735	\$ 444,210
Excess (deficiency) of revenues				
Over (under) expenditures	-	-	6,365	6,365
Fund Balance, July 1				
Prior Period Adjustment	-	-	35,532	35,532
Fund Balance, July 1 (Restated)	-	-	35,532	35,532
Fund Balance, June 30	\$ -	\$ -	\$ 41,897	\$ 41,897

F. Capital Projects Fund
Not Applicable

G. Proprietary Funds
See B-4 through B-6

H. Fiduciary Funds
Not Applicable

I. Long-Term Debt

LITTLE SILVER SCHOOL DISTRICT
 Long-Term Debt
 Schedule of Serial Bonds
 June 30, 2021

Issue	Date of Issue	Amount of Original Issue	Annual Date	Maturities Amount	Interest Rate	Beginning Balance July 1, 2020	Issued	Retired	Ending Balance June 30, 2021
Refunding Bonds (MCIA)	5/1/2015	4,715,000	2-1-22	635,000	5.00%	\$ 1,290,000	-	655,000	\$ 635,000
2012 Referendum	11/2/2012	750,000	8-1-21	50,000	2.50%	435,000	-	50,000	385,000
			8-1-22	50,000	2.50%				
			8-1-23	55,000	2.50%				
			8-1-24	55,000	2.75%				
			8-1-25	55,000	2.75%				
			8-1-26	60,000	3.00%				
			8-1-27	60,000	3.00%				
						<u>\$ 1,725,000</u>	<u>-</u>	<u>705,000</u>	<u>\$ 1,020,000</u>

**LITTLE SILVER SCHOOL DISTRICT
Long-Term Debt
Schedule of Obligations Under Capital Leases
For the Year Ended June 30, 2021**

<u>Series</u>	<u>Interest Rate</u>	<u>Amount of Original Issued</u>	<u>Beginning Balance July 1, 2020</u>	<u>Additions</u>	<u>Retired</u>	<u>Amount Outstanding June 30, 2021</u>
Municipal Capital Finance Copier Lease	5.28%	\$ 29,398	\$ 9,648	\$ -	\$ 6,345	\$ 3,303
Savin MP 3503SP Digital Copier	6.32%	18,261	-	18,261	1,311	16,950
Savin Pro 8300S Digital Copier	5.68%	30,075	-	30,075	2,174	27,901
			<u>\$ 9,648</u>	<u>\$ 48,336</u>	<u>\$ 9,830</u>	<u>\$ 48,154</u>

LITTLE SILVER SCHOOL DISTRICT
Debt Service Fund Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 774,575	\$ -	\$ 774,575	\$ 774,575	\$ -
Miscellaneous	-	-	-	-	-
Total Revenues	<u>774,575</u>	<u>-</u>	<u>774,575</u>	<u>774,575</u>	<u>-</u>
EXPENDITURES:					
Regular Debt Service:					
Interest	69,575	-	69,575	69,575	-
Redemption of Principal	705,000	-	705,000	705,000	-
Total Expenditures	<u>774,575</u>	<u>-</u>	<u>774,575</u>	<u>774,575</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATISTICAL SECTION

**Little Silver School District
Statistical Section**

<u>Contents</u>	<u>Page</u>
<p>Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.</p>	101-106
<p>Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.</p>	107-110
<p>Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.</p>	111-114
<p>Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.</p>	115-116
<p>Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.</p>	117-121

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

LITTLE SILVER SCHOOL DISTRICT
Net Position by Component
Last Ten Fiscal Years
UNAUDITED
(accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$ 11,336,359	\$ 12,004,737	\$ 12,913,600	\$ 14,780,010	\$ 15,098,218	\$ 15,668,168	\$ 16,089,302	\$ 16,512,398	\$ 16,923,870	\$ 17,482,733
Restricted	1,886,066	2,317,845	1,796,621	1,362,997	1,482,788	1,736,309	2,219,406	3,095,345	3,701,181	3,845,838
Unrestricted	618,276	241,042	248,644	(2,397,710)	(2,957,969)	(2,964,439)	(2,979,057)	(3,040,449)	(2,841,485)	(2,412,043)
Total governmental activities position	<u>\$ 13,840,701</u>	<u>\$ 14,563,624</u>	<u>\$ 14,958,865</u>	<u>\$ 13,745,297</u>	<u>\$ 13,623,037</u>	<u>\$ 14,440,038</u>	<u>\$ 15,329,651</u>	<u>\$ 16,567,294</u>	<u>\$ 17,783,566</u>	<u>\$ 18,916,528</u>
Business-type activities										
Net investment in capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,130	\$ 7,245	\$ 6,360	\$ 5,475	\$ 4,590
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	(34,737)	22,611	19,132	26,841	45,569	28,233	(9,226)
Total business-type activities net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (34,737)</u>	<u>\$ 22,611</u>	<u>\$ 27,262</u>	<u>\$ 34,086</u>	<u>\$ 51,929</u>	<u>\$ 33,708</u>	<u>\$ (4,636)</u>
District-wide										
Net investment in capital assets	\$ 11,336,359	\$ 12,004,737	\$ 12,913,600	\$ 14,780,010	\$ 15,098,218	\$ 15,676,298	\$ 16,096,547	\$ 16,518,758	\$ 16,929,345	\$ 17,487,323
Restricted	1,886,066	2,317,845	1,796,621	1,362,997	1,482,788	1,736,309	2,219,406	3,095,345	3,701,181	3,845,838
Unrestricted	618,276	241,042	248,644	(2,432,447)	(2,935,358)	(2,945,307)	(2,952,216)	(2,994,880)	(2,813,252)	(2,421,269)
Total district net position	<u>\$ 13,840,701</u>	<u>\$ 14,563,624</u>	<u>\$ 14,958,865</u>	<u>\$ 13,710,560</u>	<u>\$ 13,645,648</u>	<u>\$ 14,467,300</u>	<u>\$ 15,363,737</u>	<u>\$ 16,619,223</u>	<u>\$ 17,817,274</u>	<u>\$ 18,911,892</u>

Source: CAFR Schedule A-1 and District records.

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

LITTLE SILVER SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years
UNAUDITED
(accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities										
Instruction										
Regular	\$ 3,892,351	\$ 4,103,804	\$ 4,667,671	\$ 4,625,757	\$ 5,110,799	\$ 5,246,960	\$ 5,382,311	\$ 5,315,373	\$ 5,334,386	\$ 5,243,292
Special education	1,088,086	920,051	868,641	741,742	831,675	800,501	789,045	983,129	1,055,674	1,103,070
Other special education	142,847	274,637	146,959	337,775	230,849	238,305	201,260	271,742	271,752	263,840
Other instruction	85,368	85,151	119,084	92,145	-	-	-	-	-	-
Support Services:										
Tuition	201,905	207,125	189,575	207,347	-	-	-	-	-	-
Student & instruction related services	1,374,399	1,425,010	1,475,866	1,524,123	1,692,205	1,748,693	1,892,396	2,015,788	2,120,189	2,311,716
School administrative services	723,276	784,450	419,685	496,459	485,894	512,513	524,479	441,632	452,694	455,917
General administration	314,123	300,087	629,384	722,308	373,532	388,633	443,430	424,401	520,567	419,621
Plant operations and maintenance	972,813	984,285	997,085	984,813	1,051,964	1,060,199	1,016,103	1,443,721	1,452,215	1,575,000
Administrative information technology	-	-	-	-	275,017	247,655	286,138	292,323	326,469	337,166
Pupil transportation	257,299	227,110	243,157	264,467	222,181	205,000	241,510	318,639	292,063	413,480
Other support services	2,788,233	3,117,945	2,998,472	3,212,330	3,729,162	3,314,336	3,669,239	3,405,961	1,402,544	3,741,972
Special schools	-	-	-	-	5,232	-	-	-	-	48,951
Interest on long-term debt	332,182	307,170	274,977	191,820	139,975	194,297	167,235	137,250	102,825	69,575
Allocated employee benefits	-	-	-	-	-	-	-	-	2,005,962	-
Unallocated employee benefits	435,005	445,260	970,170	724,654	512,980	349,697	351,123	48,828	51,197	53,949
Total governmental activities expenses	12,607,887	13,182,085	14,000,726	14,125,740	14,661,465	14,306,789	14,964,269	15,098,787	15,388,537	16,037,549
Business-type activities:										
Food service	-	-	-	225,070	197,577	264,435	283,639	303,924	234,523	108,160
Child Care	-	-	-	-	-	-	-	-	-	-
Total business-type activities expense	-	-	-	225,070	197,577	264,435	283,639	303,924	234,523	108,160
Total district expenses	\$ 12,607,887	\$ 13,182,085	\$ 14,000,726	\$ 14,350,810	\$ 14,859,042	\$ 14,571,224	\$ 15,247,908	\$ 15,402,711	\$ 15,623,060	\$ 16,145,709
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ 20,500	\$ 28,500	\$ 117,550	\$ 99,450	\$ 166,843	\$ 217,294	\$ 125,700	\$ 54,300	\$ 50,736	\$ 49,410
Pupil transportation	42,775	90,550	-	-	-	11,665	-	-	-	-
Student and instr related services	-	-	-	-	-	-	-	-	-	26,100
Operating grants and contributions	283,840	253,568	283,288	278,942	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	1,039,903	1,303,858	1,363,515	1,315,545	1,263,215	1,366,938
Total governmental activities program revenues	347,115	372,618	400,838	378,392	1,206,746	1,532,817	1,489,215	1,369,845	1,313,951	1,442,448

LITTLE SILVER SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years
UNAUDITED
(accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Business-type activities:										
Charges for services										
Food service	-	-	-	190,290	254,828	268,873	290,463	321,767	215,635	69,792
Total business type activities program revenues	-	-	-	190,290	254,828	268,873	290,463	321,767	215,635	69,792
Total district program revenues	\$ 347,115	\$ 372,618	\$ 400,838	\$ 568,682	\$ 1,461,574	\$ 1,801,690	\$ 1,779,678	\$ 1,691,612	\$ 1,529,586	\$ 1,512,240
Net (Expense)/Revenue										
Governmental activities	\$ 12,260,772	\$ 12,809,467	\$ 13,599,888	\$ 13,747,348	\$ (13,454,719)	\$ (12,773,972)	\$ (13,475,054)	\$ (13,728,942)	\$ (14,074,586)	\$ (14,595,101)
Business-type activities	-	-	-	(34,780)	57,251	4,438	6,824	17,843	(18,888)	(38,368)
Total district-wide net expense	\$ 12,260,772	\$ 12,809,467	\$ 13,599,888	\$ 13,712,568	\$ (13,397,468)	\$ (12,769,534)	\$ (13,468,230)	\$ (13,711,099)	\$ (14,093,474)	\$ (14,633,469)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 10,513,301	\$ 10,675,633	\$ 10,889,146	\$ 11,160,929	\$ 11,572,216	\$ 12,179,323	\$ 12,931,801	\$ 13,190,437	\$ 13,454,246	\$ 13,723,331
Taxes levied for debt service	982,302	1,031,418	1,061,976	1,028,073	992,074	867,701	875,950	842,250	807,825	774,575
Unrestricted grants and contributions	1,335,522	1,582,172	1,449,796	1,864,229	565,808	481,434	479,930	659,491	747,303	881,862
Tuition Received	-	-	-	-	-	-	-	-	-	-
Investment earnings	11,830	4,085	5,718	5,347	5,842	9,964	8,321	46,645	43,050	7,300
Miscellaneous income	104,852	32,902	66,668	54,972	196,519	52,551	68,665	228,032	238,434	258,456
Miscellaneous income restricted	-	-	-	-	-	-	-	-	-	14,347
Transfers	(58,038)	-	-	(11,219)	-	-	-	-	-	-
Inventory retirements	-	750,000	-	-	-	-	-	-	-	-
Total governmental activities	12,889,769	14,076,210	13,473,304	14,102,331	13,332,459	13,590,973	14,364,667	14,966,855	15,290,858	15,659,871
Business-type activities:										
Investment earnings	-	-	-	43	97	213	-	-	667	24
Total business-type activities	-	-	-	43	97	213	-	-	667	24
Total district-wide	\$ 12,889,769	\$ 14,076,210	\$ 13,473,304	\$ 14,102,374	\$ 13,332,556	\$ 13,591,186	\$ 14,364,667	\$ 14,966,855	\$ 15,291,525	\$ 15,659,895
Change in Net Position										
Governmental activities	\$ 628,997	\$ 1,266,743	\$ (126,584)	\$ (2,219,325)	\$ (122,260)	\$ 817,001	\$ 889,613	\$ 1,237,913	\$ 1,216,272	\$ 1,064,770
Business-type activities	-	-	-	(34,737)	57,348	4,651	6,824	17,843	(18,221)	(38,344)
Total district	\$ 628,997	\$ 1,266,743	\$ (126,584)	\$ (2,254,062)	\$ (64,912)	\$ 821,652	\$ 896,437	\$ 1,255,756	\$ 1,198,051	\$ 1,026,426

Source: CAFR Schedule A-2 and District records.

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

LITTLE SILVER SCHOOL DISTRICT
Fund Balances - Governmental Funds
Last Ten Fiscal Years
UNAUDITED
(modified accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,686,467	\$ 2,219,406	\$ 2,872,219	\$ 3,258,598	\$ 3,803,941
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	49,842	126,890	295,061	747,430	530,340
Unassigned	-	-	-	-	-	305,666	351,620	397,358	342,656	500,613
Reserved	2,195,826	1,748,053	1,727,405	1,177,316	1,327,386	-	-	-	-	-
Unreserved	314,370	241,042	248,644	285,451	307,002	-	-	-	-	-
Total general fund	<u>\$ 2,510,196</u>	<u>\$ 1,989,095</u>	<u>\$ 1,976,049</u>	<u>\$ 1,462,767</u>	<u>\$ 1,634,388</u>	<u>\$ 2,041,975</u>	<u>\$ 2,697,916</u>	<u>\$ 3,564,638</u>	<u>\$ 4,348,684</u>	<u>\$ 4,834,894</u>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted			\$ 69,213	\$ 176,931	\$ 109,553					
Special revenue fund	-	-	-	-	-	-	-	-	-	41,897
Debt service fund	(5,858)	57,744	3	8,750	45,849	-	-	-	-	-
Capital projects fund	4	2	-	-	-	2,466	2,466	2,466	-	-
Total all other governmental funds	<u>\$ (5,854)</u>	<u>\$ 57,746</u>	<u>\$ 69,216</u>	<u>\$ 185,681</u>	<u>\$ 155,402</u>	<u>\$ 2,466</u>	<u>\$ 2,466</u>	<u>\$ 2,466</u>	<u>\$ -</u>	<u>\$ 41,897</u>

Source: CAFR Schedule B-1 and District records.

LITTLE SILVER SCHOOL DISTRICT
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
UNAUDITED
(modified accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Tax levy	\$ 11,495,603	\$ 11,707,051	\$ 11,951,122	\$ 12,189,002	\$ 12,564,290	\$ 13,047,024	\$ 13,807,751	\$ 14,032,687	\$ 14,262,071	\$ 14,497,906
Tuition charges	20,500	90,550	117,550	99,450	166,843	217,294	125,700	54,300	50,736	49,410
Transportation fees	42,775	28,500	27,150	31,871	-	11,665	-	-	-	-
Interest earnings	11,830	4,085	5,718	5,347	5,842	9,964	8,321	46,645	43,050	-
Miscellaneous	104,852	84,562	116,095	90,654	196,519	176,624	68,665	228,032	238,434	284,556
Miscellaneous-restricted	-	-	-	-	-	-	-	-	-	19,057
State sources	1,324,621	1,582,172	1,449,796	1,864,229	1,364,856	1,522,658	1,575,341	1,727,694	1,753,880	1,926,475
Federal sources	294,741	201,908	206,711	211,389	240,855	262,634	268,104	247,342	256,638	322,325
Total revenue	13,294,922	13,698,828	13,874,142	14,491,942	14,539,205	15,247,863	15,853,882	16,336,700	16,604,809	17,099,729
Expenditures										
Instruction:										
Regular Instruction	3,892,351	4,103,804	4,667,671	4,625,757	5,110,799	5,246,960	5,382,311	5,315,373	5,334,386	5,243,292
Special education instruction	1,088,086	920,051	868,641	741,742	831,675	800,501	789,045	983,129	1,055,674	1,103,070
Other special instruction	142,847	274,637	146,959	337,775	230,849	238,305	201,260	271,742	271,752	263,840
School-sponsored/other instructional	85,368	85,151	119,084	92,145	110,057	94,815	147,915	261,740	302,687	399,163
Support Services:										
Tuition	201,905	207,125	189,575	207,347	-	-	-	-	-	-
Student & inst. related services	1,374,399	1,425,010	1,475,866	1,524,123	1,587,380	1,653,878	1,744,481	1,754,048	1,817,502	1,961,504
General administration	314,123	300,087	419,685	496,459	373,532	388,633	443,430	424,401	520,567	419,621
School administration	723,276	784,450	629,384	722,308	485,894	512,513	524,479	441,632	452,694	455,917
Central services	-	-	-	984,813	275,017	247,655	286,138	292,323	326,469	337,166
Operations and maintenance	972,813	984,285	997,085	264,467	861,362	849,749	782,707	879,401	846,744	951,542
Student Transportation	257,299	227,110	243,157	-	222,181	205,000	241,510	318,639	292,063	413,480
Allowable maintenance-school facilities	-	-	-	2,022,930	157,996	184,097	212,880	278,987	327,102	286,402
Allocated employee benefits	-	-	-	-	-	-	-	-	2,005,962	-
Unallocated employee benefits	2,788,233	1,891,007	2,983,578	809,804	2,107,449	2,265,512	2,386,366	2,285,583	419,187	2,743,351
On-behalf TPAF pension contributions	-	799,940	-	453,980	574,738	567,861	612,587	594,095	531,308	567,571
Reimbursed TPAF social security	-	426,998	-	-	465,165	473,363	482,824	474,108	475,269	477,042
Capital outlay:										
Total capital outlay	114,054	933,208	585,104	565,815	48,794	226,747	84,058	52,527	36,038	244,868
Debt service:										
Principal	669,842	742,842	773,842	775,000	815,000	720,000	710,000	705,000	705,000	705,000
Interest and other charges	312,462	288,578	268,133	253,075	139,975	193,550	165,950	137,250	102,825	69,575
Total expenditures	12,937,058	14,394,283	14,367,764	14,877,540	14,397,863	14,869,139	15,197,941	15,469,978	15,823,229	16,642,404
Excess (Deficiency) of revenues over (under) expenditures	357,864	(695,455)	(513,622)	(385,598)	141,342	378,724	655,941	866,722	2,787,542	457,325
Other Financing sources (uses)										
Refund of extraordinary aid	(53,038)	-	-	-	-	-	-	-	-	-
Sale of bonds	-	750,000	-	-	-	-	-	-	-	-
Accrued interest on bonds	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	124,073	-	-	-	-
Transfers out	-	-	-	(11,219)	-	-	-	-	-	-
Total other financing sources (uses)	(53,038)	750,000	-	(11,219)	-	124,073	-	-	-	-
Net change in fund balances	\$ 304,826	\$ 54,545	\$ (513,622)	\$ (396,817)	\$ 141,342	\$ 254,651	\$ 655,941	\$ 866,722	\$ 2,787,542	\$ 457,325
Debt service as a percentage of noncapital expenditures	7.66%	7.66%	7.56%	7.18%	6.66%	6.24%	5.80%	5.46%	5.86%	4.72%

Source: CAFR Schedule B-2 and District records.

Note: Noncapital expenditures are total expenditures less capital outlay.

LITTLE SILVER SCHOOL DISTRICT
General Fund - Other Local Revenue by Source
Last Ten Fiscal Years
UNAUDITED
(modified accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Admissions	\$ -	\$ 3,987	\$ 4,310	\$ -	\$ -	\$ 8,645	\$ -	\$ -	\$ -	\$ -
Book fines	140	12	299	-	-	286	-	-	-	-
Enrichment programs	10,665	12,908	9,561	-	-	-	508	-	-	-
Interest	11,830	10,868	5,718	5,347	5,842	9,963	31,009	45,496	42,183	7,300
Miscellaneous	5,601	9,407	4,378	14,352	96,062	38,894	8,125	62,031	93,161	158,363
Facility rentals	1,413	450	694	-	-	2,207	2,685	496	18,317	-
Refund prior year's expenditures	-	-	18,375	-	-	2,341	2,180	13,485	-	-
Sale of assets	-	-	-	-	-	-	3,833	-	-	-
Transportation fees	35,775	28,500	27,150	31,871	-	11,665	-	-	-	-
Tuition	59,708	90,550	117,550	99,450	166,843	217,294	125,700	54,300	50,736	49,410
	<u>\$ 809,639</u>	<u>\$ 156,682</u>	<u>\$ 188,035</u>	<u>\$ 151,020</u>	<u>\$ 268,747</u>	<u>\$ 291,295</u>	<u>\$ 174,040</u>	<u>\$ 175,808</u>	<u>\$ 204,397</u>	<u>\$ 215,073</u>

Source: District records

LITTLE SILVER SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
UNAUDITED

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate ^b
2012	11,934,400	1,152,141,400	3,376,500	15,500	84,456,800	-	-	1,251,924,600	-	989,441	1,252,914,041	1,615,713,440	0.934
2013	15,317,400	1,233,714,800	4,051,200	17,300	100,897,600	-	-	1,353,998,300	-	1,395,197	1,355,393,497	1,595,594,714	0.882
2014	15,317,400	1,233,714,800	4,051,200	17,300	100,897,600	-	-	1,353,998,300	-	1,395,197	1,355,393,497	1,592,462,530	0.882
2015	24,062,400	1,330,815,200	4,128,500	17,300	100,937,900	-	-	1,459,961,300	-	974,140	1,460,935,440	1,719,005,830	0.834
2016	9,345,600	1,501,675,100	4,035,000	17,300	113,702,100	-	-	1,628,775,100	-	1,180,677	1,629,955,777	1,628,775,100	0.868
2017	8,067,100	1,535,922,600	4,066,300	17,300	114,869,100	-	-	1,662,942,400	-	1,155,753	1,664,098,153	1,692,700,912	0.830
2018	8,367,500	1,555,782,800	4,105,500	17,700	118,690,000	-	387,000	1,667,350,500	-	1,167,167	1,688,517,667	1,768,026,329	0.831
2019	6,400,400	1,604,282,700	1,846,600	12,000	123,843,751	-	-	1,736,385,451	-	1,176,084	1,737,561,535	1,785,011,559	0.821
2020	6,359,600	1,601,415,500	4,201,400	18,300	127,383,051	-	-	1,739,377,851	-	1,248,792	1,740,626,643	1,757,131,945	0.833
2021	6,098,200	1,658,127,600	4,230,300	21,900	127,494,651	-	-	1,795,972,651	-	1,271,215	1,797,243,866	1,764,563,442	0.819

Source: Monmouth County Tax Board

LITTLE SILVER SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
UNAUDITED

Fiscal Year Ended June 30,	Little Silver School District			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Red Bank Regional School District	Municipality of Little Silver	Monmouth County	
2012	0.851	0.083	0.934	0.493	0.521	0.366	2.314
2013	0.804	0.078	0.882	0.510	0.498	0.354	2.244
2014	0.804	0.078	0.882	0.510	0.498	0.354	2.244
2015	0.759	0.075	0.834	0.482	0.469	0.365	2.150
2016	0.801	0.067	0.868	0.439	0.429	0.320	2.056
2017	0.765	0.065	0.830	0.439	0.434	0.295	2.008
2018	0.780	0.051	0.831	0.424	0.437	0.296	1.998
2019	0.772	0.049	0.821	0.431	0.437	0.291	1.990
2020	0.790	0.043	0.833	0.449	0.446	0.289	2.017
2021	0.776	0.043	0.819	0.435	0.451	0.269	1.974

Source: Monmouth County Tax Board

LITTLE SILVER SCHOOL DISTRICT
Principal Property Taxpayers
Current Year and Nine Years Ago
UNAUDITED

	2021		
	Assessed Valuation	Rank [Optional]	% of Total District Net Assessed Value
Markham Prospect Associates	\$ 15,579,800		0.87%
Conover Realty, LLC	8,289,500		0.46%
BK Trikha Properties, LLC	4,453,000		0.25%
Taxpayer #1	3,498,200		0.19%
1979 Associates, L.L.C.	3,207,151		0.18%
Taxpayer #2	3,105,500		0.17%
I.S.T. Corp	3,082,800		0.17%
Taxpayer #3	3,070,000		0.17%
Little Silver Racquet Club Assoc	3,967,700		0.22%
Little Silver Market Properties LLC	2,957,500		0.16%
Total Net Taxable Value	\$ 51,211,151		2.85%

	2012		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Markham Prospect Associates	\$ 8,694,700		0.69%
Conover Realty LLC	5,750,400		0.42%
Taxpayer #1	3,871,900		0.29%
Taxpayer #2	3,782,200		0.26%
I.S.T. Corp	2,796,700		0.17%
Taxpayer #3	2,780,100		0.17%
1979 Associates, LLC	2,452,200		0.15%
Yo Holdings, LLC	2,432,300		0.14%
Taxpayer #4	2,430,100		0.14%
Taxpayer #5	2,373,900		0.13%
	37,364,500		2.56%

**LITTLE SILVER SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Fiscal Years
UNAUDITED**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2012	11,495,603	11,495,603	100.00%	-
2013	11,707,051	11,707,051	100.00%	-
2014	11,951,122	11,951,122	100.00%	-
2015	12,189,002	12,189,002	100.00%	-
2016	13,047,024	13,047,024	100.00%	-
2017	12,179,323	12,179,323	100.00%	-
2018	12,931,801	12,931,801	100.00%	-
2019	13,190,437	13,190,437	100.00%	-
2020	13,454,246	13,454,246	100.00%	-
2021	13,723,331	13,723,331	100.00%	-

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

LITTLE SILVER SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities				Business- Type Activities	Total District	% of Personal Income	Per Capita
	General Obligation Bonds & Loans	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2012	7,166,686	-	-	-	-	7,166,686	2.01%	1,198
2013	6,423,844	-	-	-	-	6,423,844	1.77%	1,088
2014	6,400,002	-	-	-	-	6,400,002	1.70%	1,081
2015	6,250,100	-	-	-	-	6,250,100	1.60%	1,057
2016	4,565,000	-	-	-	-	4,565,000	1.07%	900
2017	3,845,000	-	26,795	-	-	3,871,795	0.87%	655
2018	3,135,000	-	21,378	-	-	3,156,378	N/A	N/A
2019	2,430,000	-	15,668	-	-	2,445,668	N/A	N/A
2020	1,725,000	-	9,648	-	-	1,734,648	N/A	N/A
2021	1,020,000	-	3,303	-	-	1,023,303	N/A	N/A

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

See Exhibit NJ J-14 for personal income and population data.

These ratios are calculated using personal income and population for the prior calendar year.

LITTLE SILVER SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
UNAUDITED

Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Net Bonded Debt Per Capita
2012	7,166,686	-	7,166,686	0.57%	1,198
2013	6,423,844	-	6,423,844	0.47%	1,088
2014	6,400,002	-	6,400,002	0.47%	1,081
2015	6,250,100	-	6,250,100	0.43%	1,057
2016	4,565,000	-	4,565,000	0.28%	900
2017	4,390,425	-	4,390,425	0.00%	743
2018	3,135,000	-	3,135,000	0.19%	539
2019	2,430,000	-	2,430,000	0.14%	420
2020	1,725,000	-	1,725,000	0.10%	N/A
2021	1,020,000	-	1,020,000	0.06%	N/A

LITTLE SILVER SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of June 30, 2021
UNAUDITED

Net direct debt of school district as of June 30, 2021	\$	1,020,000
Net Overlapping Debt of School District:		
Borough of Little Silver (100%)		8,418,496
County of Monmouth - Little Silver share (1.364%)		113,125
		8,531,621
Subtotal, Overlapping Debt		8,531,621
Total direct and overlapping bonded debt as of June 30, 2021	\$	9,551,621

Sources: Little Silver Chief Financial Officer
and Monmouth County Treasurer's Office.

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

LITTLE SILVER SCHOOL DISTRICT
 Legal Debt Margin Information
 Last Ten Fiscal Years
 UNAUDITED

Legal Debt Margin for Fiscal Year 2021

Equalized valuation basis

2021	\$ 1,764,563,442	
2020	1,757,131,945	
2019	1,785,011,559	
	<u>\$ 5,306,706,946</u>	[A]

Average equalized valuation of taxable property \$ 1,768,902,315 **[A/3]**

Debt limit (3% of average equalization value)	53,067,069	[B]
Net bonded school debt	1,020,000	[C]
Legal debt margin	<u>\$ 52,047,069</u>	[B-C]

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 48,965,532	\$ 48,323,772	\$ 48,037,707	\$ 49,070,631	\$ 48,284,782	\$ 45,066,605	\$ 51,460,767	\$ 52,457,388	\$ 53,101,698	\$ 53,067,069
Total net debt applicable to limit	<u>7,166,686</u>	<u>6,423,844</u>	<u>6,400,002</u>	<u>6,250,100</u>	<u>5,303,975</u>	<u>4,390,425</u>	<u>3,135,000</u>	<u>2,430,000</u>	<u>1,725,000</u>	<u>1,020,000</u>
Legal debt margin	<u>\$ 41,798,846</u>	<u>\$ 41,899,928</u>	<u>\$ 41,637,705</u>	<u>\$ 42,820,531</u>	<u>\$ 42,980,807</u>	<u>\$ 40,676,180</u>	<u>\$ 48,325,767</u>	<u>\$ 50,027,388</u>	<u>\$ 51,376,698</u>	<u>\$ 52,047,069</u>
Total net debt applicable to the limit as a percentage of debt limit	17.15%	15.33%	15.37%	14.60%	12.34%	10.79%	6.49%	4.86%	3.36%	1.96%

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

LITTLE SILVER SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years
UNAUDITED

Year	Population	Personal Income (thousands of dollars) ^a	Per Capita Personal Income	Unemployment Rate
2012	5,982	356,939,958	62,969	6.4%
2013	5,906	362,781,956	63,662	4.7%
2014	5,918	375,526,690	67,069	5.7%
2015	5,913	390,370,347	70,231	3.7%
2016	5,895	425,901,960	72,248	3.4%
2017	5,908	445,433,660	75,395	3.0%
2018	5,813	N/A	N/A	2.8%
2019	5,782	N/A	N/A	2.0%
2020	5,790	N/A	N/A	N/A
2021	5,772	N/A	N/A	N/A

Source: New Jersey Department of Labor, State Data Center and Monmouth County Planning Board.

** School District per capita income based on US Bureau of the Census, Population Division.

^a Personal income has been estimated based upon the municipal population and per capita personal income presented.

LITTLE SILVER SCHOOL DISTRICT
Principal Employers
Current Year and Nine Years Ago
UNAUDITED

2021

2012

DATA NOT AVAILABLE

DATA NOT AVAILABLE

Source: Borough of Little Silver

LITTLE SILVER SCHOOL DISTRICT
Full-time Equivalent District Employees by Function/Program
Last Ten Fiscal Years
UNAUDITED

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Instruction										
Regular	68.8	74.0	74.0	74.0	74.0	74.0	71.0	67.4	67.9	61.0
Special education	18.4	11.0	11.0	11.0	11.0	12.0	19.0	26.6	27.4	26.0
Other special education	-	-	-	-	-	-	-	-	-	-
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	18.0	20.3	20.3	20.3	20.3	20.3	20.3	15.3	10.0	10.0
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 administration	6.0	7.0	7.0	8.0	8.0	8.0	7.0	7.0	7.0	7.0
School administrative services	-	-	-	-	-	-	-	-	-	-
Other administrative services	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Central services	0.4	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Administrative information technology	11.5	11.5	11.5	11.5	11.5	11.5	11.5	10.5	10.5	10.5
Plant operations & maintenance	0.6	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Other support services	-	-	-	-	-	-	-	-	-	-
Special Schools	-	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-	-	-
Child Care	-	-	-	-	-	-	-	-	-	-
Total	<u>128.5</u>	<u>129.9</u>	<u>129.9</u>	<u>130.9</u>	<u>130.9</u>	<u>131.9</u>	<u>134.9</u>	<u>132.9</u>	<u>128.9</u>	<u>120.6</u>

Source: District Personnel Records

LITTLE SILVER SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years
 UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2012	817	10,578,708	12,948	1.81%	75	10:6:1	8:8:1	809	779.40	2.15%	96.3%
2013	846	10,949,148	12,942	-0.05%	75.11	12:1	9:1	839	804.90	3.71%	95.9%
2014	872	11,376,191	13,046	0.80%	78.16			865.87	831.73	3.20%	96.1%
2015	854	11,905,753	13,941	6.86%	84.96	12:1	9:1	849.09	813.86	-1.94%	95.9%
2016	845	13,530,229	16,012	14.86%	85.96	12:1	9:1	846.52	814.06	0.02%	96.2%
2017	849	14,021,577	16,515	3.14%	74	12:1	9:1	847	825	0.06%	97.4%
2018	854	14,887,386	17,433	5.55%	90	11:01	9:1	884	849	4.43%	96.0%
2019	837	14,575,201	17,414	-0.11%	94	11:01	9:01	825	835	-2.54%	101.2%
2020	811	14,979,366	18,470	6.07%	95.3	11:01	10:01	850	824	0.41%	96.9%
2021	789	15,622,961	19,801	7.20%	87	11:01	10:01	790	771	-7.06%	97.6%

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

LITTLE SILVER SCHOOL DISTRICT
 School Building Information
 Last Ten Fiscal Years
 UNAUDITED

District Building	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Elementary										
Point Road Elementary										
Square Feet	50,998	50,998	53,548	53,548	53,548	53,548	53,548	53,548	53,548	53,548
Capacity (students)	466	466	506	506	506	506	506	506	506	506
Enrollment	460	457	477	464	471	471	454	439	418	492
Middle School										
Markham Place Middle School										
Square Feet	57,189	57,189	57,189	57,189	57,189	57,189	57,189	57,189	57,189	57,189
Capacity (students)	387	387	387	387	387	387	387	387	387	387
Enrollment	347	376	383	388	374	374	378	392	388	289
Other										
Administration Building										
Square Feet	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400

LITTLE SILVER SCHOOL DISTRICT
Schedule of Required Maintenance Expenditures by School Facility
Last 10 Fiscal Years
UNAUDITED

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

<u>School Facilities</u>	<u>Markham Place</u>	<u>Point Road Elementary</u>	<u>Other Facilities</u>	<u>Total</u>
2012	86,857	81,040	500	168,397
2013	99,977	66,765	312	167,054
2014	96,713	74,009	1,419	172,141
2015	90,459	81,762	1,740	173,961
2016	82,158	74,258	1,579	157,996
2017	95,731	86,526	1,840	184,097
2018	110,697	100,054	2,129	212,880
2019	145,072	131,124	2,790	278,987
2020	170,092	153,739	3,272	327,102
2021	148,928	134,609	2,865	286,402

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

Source: District records

**LITTLE SILVER SCHOOL DISTRICT
INSURANCE SCHEDULE
June 30, 2021
UNAUDITED**

	<u>Coverage limits</u>	<u>Deductible</u>
Multi-Peril - General Securities Property - Blanket Building and contents (Replacement Cost Values)	37,019,292	1,000
Extra Expense Section - All Risks Coverage	1,000,000	
Electronic Data Processing Equipment	385,000	250
Flood & Earthquake (each)	5,015,000 5,000,000	25,000 25,000
Musical Instruments Floater	500,000	500
Monies and Security	25,000	500
Comprehensive General Liability	2,000,000	varies
Employers Non-Owned & Hired Automobile Liability	2,000,000 2,000,000	500 500
Employee Benefits Liability Aggregate	1,000,000 3,000,000	1,000
Workers Compensation - NJSBAIG Covered Payrolls	2,000,000 8,662,714	
	Included in blanket property limit	
Boiler Insurance - General Securities Extra Expense Section	100,000	1,000 1,000
Fidelity Bond - General Securities Treasurer Board Secretary	200,000 83,000	1,000
School Board Legal Liability - NJSBAIG	1,000,000	5,000
Student Accident - Berkley Life and Health Ins. Co. Compulsory Program Catastrophic Casualty	1,000,000 500,000	
Umbrella Liability - Utica Cyber Liability - Utica	10,000,000 1,000,000	10,000 10,000

Source: District Records

SINGLE AUDIT SECTION

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

Honorable President and
Members of the
Little Silver School District
County of Monmouth
Little Silver, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Little Silver School District in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Little Silver School District basic financial statements, and have issued our report thereon dated December 15, 2021.

Internal Control Over Financial Reporting

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

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

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

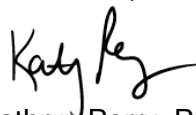
As part of obtaining reasonable assurance about whether the Little Silver School District financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a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

Purpose of this Report

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

Respectfully Submitted

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



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

December 15, 2021

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

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

Report on Compliance for Each Major Federal and State Program

We have audited Little Silver School District's compliance with the types of compliance requirements described in the OMB Compliance Supplement and the New Jersey OMB Circular 15-08 that could have a direct and material effect on each of Little Silver School District's major federal programs for the year ended June 30, 2021. Little Silver School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of Little Silver School District's compliance.

Opinion on Each Major Federal and State Program

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

Report on Internal Control Over Compliance

Management of Little Silver 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 Little Silver School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the New Jersey OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Little Silver School District's internal control over compliance.

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

Purpose of this Report

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

Respectfully submitted,

JUMP, PERRY AND COMPANY, L.L.P.
Toms River, New Jersey



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

December 15, 2021

LITTLE SILVER SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards, Schedule A
 For the Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Period	Program or Award Amount	Balance at June 30, 2020	Cash Received	Budgetary Expenditures	Balance at June 30, 2021		
							(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Education Passed-through State Department of Education:									
Special Revenue Fund:									
Title IV	84.424A	7/1/20-6/30/21	5,000	-	3,911	(3,911)	-	-	-
Title II Part A	84.367A	7/1/19-6/30/20	16,243	(2,101)	2,101	-	-	-	-
Title II Part A	84.367A	7/1/20-6/30/21	17,742	-	12,412	(13,330)	(918)	-	-
Title I	84.010	7/1/19-6/30/20	57,577	(13,796)	13,796	-	-	-	-
Title I	84.010	7/1/20-6/30/21	57,792	-	54,527	(57,792)	(3,265)	-	-
CARES	84.425D	7/1/20-6/30/21	45,303	-	45,303	(45,303)	-	-	-
CRF	84.425D	7/1/20-6/30/21	20,653	-	20,653	(20,653)	-	-	-
Special Education Cluster:									
I.D.E.A. Basic	84.027A	7/1/19-6/30/20	183,885	(46,708)	46,708	-	-	-	-
I.D.E.A. Basic	84.027A	7/1/20-6/30/21	199,645	-	164,435	(165,339)	(904)	-	-
I.D.E.A. Preschool	84.173	7/1/20-6/30/21	12,617	-	4,087	(5,490)	(1,403)	-	-
Subtotal of Special Education Cluster				(46,708)	215,230	(170,829)	(2,307)	-	-
Total U.S. Department of Education				(62,605)	367,933	(311,818)	(6,490)	-	-
Total Expenditures of Federal Awards				\$ (62,605)	\$ 367,933	\$ (311,818)	\$ (6,490)	\$ -	\$ -

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

LITTLE SILVER SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance, Schedule B
 For the Year Ended June 30, 2021

State Grantor/ Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2020	Cash Received	Budgetary Expenditures	Deferred Revenue at June 30, 2021	(Accounts Receivable) at June 30, 2021	Due to Grantor at June 30, 2021	MEMO		
										Budgetary Receivable	Cumulative Total Expenditures	
General Fund:												
Extraordinary Aid	20-100-034-5120-473	7/1/19-6/30/20	\$ 225,225	\$ (225,255)	\$ 225,255	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Extraordinary Aid	21-100-034-5120-473	7/1/20-6/30/21	308,283	-	-	(308,283)	-	(308,283)	-	-	308,283	
Special Education Categorical Aid	21-495-034-5120-089	7/1/20-6/30/21	440,037	-	399,201	(440,037)	-	-	-	(40,836)	440,037	
Categorical Security Aid	21-495-034-5120-084	7/1/20-6/30/21	64,328	-	58,358	(64,328)	-	-	-	(5,970)	64,328	
Categorical Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	71,696	-	65,043	(71,696)	-	-	-	(6,653)	71,696	
On-behalf TPAF Pension Contribution	21-100-034-5095-002	7/1/20-6/30/21	1,807,739	-	1,807,739	(1,807,739)	-	-	-	-	1,807,739	
On-behalf TPAF Post-Retirement Medical	21-100-034-5095-001	7/1/20-6/30/21	566,517	-	566,517	(566,517)	-	-	-	-	566,517	
On-behalf TPAF Long-Term Disability Insurance	21-100-034-5095-004	7/1/20-6/30/21	1,054	-	1,054	(1,054)	-	-	-	-	1,054	
Reimbursed TPAF Social Security Tax Contribution	20-100-034-5094-003	7/1/19-6/30/20	475,269	(23,312)	23,312	-	-	-	-	-	-	
Reimbursed TPAF Social Security Tax Contribution	21-100-034-5094-003	7/1/20-6/30/21	477,042	-	453,882	(477,042)	-	(23,160)	-	-	477,042	
Total General Fund				(248,567)	3,600,361	(3,736,696)	-	(331,443)	-	(53,459)	3,736,696	
Total State Expenditures Subject to Single Audit Determination				(248,567)	3,600,361	(3,736,696)	-	(331,443)	-	(53,459)	3,736,696	
State Expenditures Not Subject to Major Program Determination												
General Fund:												
On-behalf TPAF Pension Contribution	21-100-034-5095-002	7/1/20-6/30/21	1,807,739	-	1,807,739	(1,807,739)	-	-	-	-	1,807,739	
On-behalf TPAF Post-Retirement Medical	21-100-034-5095-001	7/1/20-6/30/21	566,517	-	566,517	(566,517)	-	-	-	-	-	
On-behalf TPAF Long-Term Disability Insurance	21-100-034-5095-004	7/1/20-6/30/21	1,054	-	1,054	(1,054)	-	-	-	-	-	
Total State Expenditures Not Subject to Major Program Determination				-	2,375,310	(2,375,310)	-	-	-	-	1,807,739	
Total Expenditures of State Awards Subject to Major Program Determination				\$ (248,567)	\$ 1,225,051	\$ (1,361,386)	\$ -	\$ (331,443)	\$ -	\$ (53,459)	\$ 1,928,957	

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

Little Silver School District

Notes to Schedules of Awards and Financial Assistance

June 30, 2021

1. General

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

2. Basis of Accounting

The accompanying schedules of expenditures of federal and state awards are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements.

3. Relationship to Basic Financial Statements

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules 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 last state aid payment in the current budget year, which is mandated pursuant to P.L. 2003, c.97.(A3521). For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(1,810,221) for the general fund, \$10,507 for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page.

Little Silver School District

Notes to Schedules of Awards and Financial Assistance

June 30, 2021

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 1,926,475	\$ 1,926,475
Special Revenue Fund	<u>322,325</u>	<u>-</u>	<u>322,325</u>
Total awards and financial assistance	<u>\$ 322,325</u>	<u>\$ 1,926,475</u>	<u>\$ 2,248,800</u>

4. Relationship to Federal and State Financial Reports

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

5. Other

TPAF Social Security and Post Retirement/Medical Benefits Contributions represent the amounts reimbursed by the State for the employer's share of social security contributions and Post Retirement/Medical Benefits for TPAF members for the year ended June 30, 2021.

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

6. Indirect Costs

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

Little Silver School District
 Schedule of Findings and Questioned Costs
 June 30, 2021

Section I - Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: Unmodified opinion

Internal control over financial reporting:

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

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

Federal Awards Section: N/A

Internal Control over major programs:

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

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

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

Identification of major programs:

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

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? yes no

Little Silver School District
Schedule of Findings and Questioned Costs

June 30, 2021

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

State Awards Section

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? X yes no

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

Internal Control over major programs:

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

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 15-08? yes X no

Identification of major programs:

GMIS Number(s)	Name of State Program
495-034-5120-089	Special Education Aid
495-034-5120-084	Security Aid

Section II - Financial Statement Findings - N/A

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

Little Silver School District
Summary Schedule of Prior Year Audit Findings
June 30, 2021

Summary Schedule of Prior Year Audit Findings - N/A