

**MINE HILL TOWNSHIP BOARD OF EDUCATION**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Mine Hill, New Jersey**

**COMPREHENSIVE ANNUAL**

**FINANCIAL REPORT**

**of the**

**Mine Hill Township Board of Education**

**Mine Hill, New Jersey**

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

**Prepared by**

**Business Office**

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## **INTRODUCTORY SECTION**

**MINE HILL TOWNSHIP BOARD OF EDUCATION**  
**42 CANFIELD AVENUE SCHOOL**  
**MINE HILL, NEW JERSEY 07803-3085**

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Lee S. Nittel  
Superintendent

Carolina Rodriguez  
Business Administrator

Adam Zygmunt  
Principal

Marie Giantomasi  
Director of Special  
Education & Child  
Study Team Services

**Board of Education**

Diane Morris  
President

Jennifer Waters  
Vice President

Jennifer Antoncich  
Kathleen Bartnick  
Peter Bruseo  
Brian Homeyer  
Srinivasa Rajagopal

Phone: 973-366-0590  
Fax: 973-366-8786

Web Page:  
[www.minehillcas.org](http://www.minehillcas.org)

February 7, 2022

Honorable President and  
Members of the Board of Education of  
Mine Hill Township School District  
Mine Hill, New Jersey 07803

Dear Board Members:

The comprehensive annual financial report of the Mine Hill Township School District (the "District") for the fiscal year ended June 30, 2021 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the "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 basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Independent Auditors' Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected financial and demographic information, financial trends and the fiscal capacity of the District, generally presented on a multi- year basis. The District is required to undergo an annual single audit in conformity with the provisions of the U.S. Uniform Guidance and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports on the internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, is included in the single audit section of this report.

**1) Reporting Entity and Its Services**

The Mine Hill Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board ("GASB"). All funds of the District are included in this report. The Mine Hill Township Board of Education and its school constitute the District's reporting entity.

**2) Economic Condition and Outlook**

The Mine Hill Township Board of Education continues to provide a high quality education while maintaining a fiscally conservative approach. The Board has controlled costs and been mindful of the impact of its decisions on the local taxpayer. The result is that Mine Hill has consistently ranked near the bottom in per pupil spending in the county, while providing its students with an excellent education. This excellence in education has made Mine Hill a lighthouse district in Morris County.



### **3) Major Initiatives**

The District's curriculum is fully aligned with the New Jersey Student Learning Standards. In addition to being designated a NJ DOE Lighthouse District, Mine Hill also achieved silver level sustainability certification, and bronze level Future Ready Certification. The focus of the board is to maintain a high level of academic excellence and a nurturing environment that promotes educational improvement. Teachers have been highly trained in the Reader's and Writer's Workshop model, as well as the Learner-Active, Technology-Infused Classroom teaching strategies. Technology improvements in both infrastructure and hardware, coupled with refurbished contemporary learning spaces continue to keep the district and students moving forward to the 21st Century goals.

Moving forward, the district will be holding an election for a bond referendum to raise funds for general maintenance projects. Some projects include the replacement of specific windows, doors, floors, ceilings, roofs, outdoor surfaces, and various other projects to assure that the Canfield Avenue School building is maintained, safe, and secure.

During the 2020-2021 school year, the District maintained full-time administrators, while continuing shared service relationships with Morris Hills Public Schools for Child Study Team, Roxbury Board of Education for Custodial Services and Transportation, and the municipality for snow removal. These initiatives keep the costs in line with the District's goals and objectives.

### **4) Internal Accounting Controls**

Management of the District is responsible for establishing and maintaining an internal control system 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 system 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 awards, the District also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system is also subject to periodic evaluation by the District's management. As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control, including that portion related to major federal and state award programs, as well as to determine that the District has complied with applicable laws, regulations, contracts and grants.

### **5) Budgetary Controls**

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the debt service fund. Project length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as fund balance restrictions, commitments and assignments at June 30, 2021.

### **6) Accounting System and Reports**

The District's accounting records reflect generally accepted accounting principles, as promulgated by the GASB. The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements".

### **7) Cash Management**

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

**8) Risk Management**

The Board carries various forms of insurance, including, but not limited to, general liability, excess liability, automobile liability and comprehensive/collision, cyber liability, hazard and theft insurance on property and contents, and fidelity bonds. The School Alliance Insurance Fund ("SAIF") oversees risk management for the District. A schedule of insurance coverage is found on Exhibit J-20. The SAIF is a risk-sharing public entity risk pool that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage to its members. Additional information on the SAIF is included in the "Notes to the Basic Financial Statements".

**9) Other Information**

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch Vinci & Higgins 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 U.S. Uniform Guidance and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors' report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit and *Government Auditing Services* are included in the single audit section of this report.

**10) Acknowledgment**

We would like to express our appreciation to the members of the Mine Hill Township Board of Education for their continuing commitment to provide fiscal accountability to the citizens and taxpayers of Mine Hill and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished with the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

Lee S. Nittel  
Superintendent of Schools

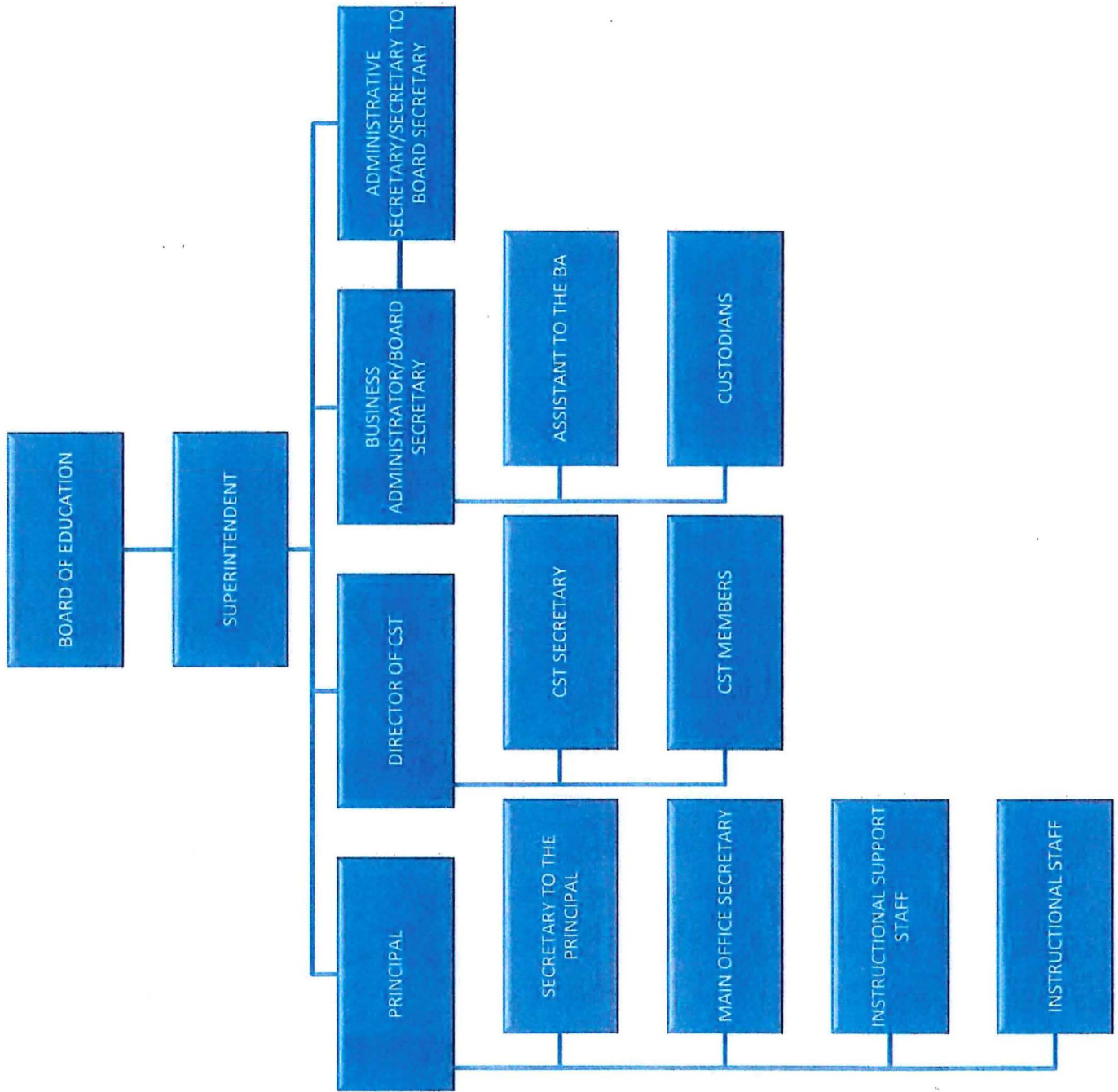
Carolina Rodriguez  
Business Administrator/Board Secretary

**Lee S. Nittel**

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**Carolina Rodriguez**

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**MINE HILL TOWNSHIP BOARD OF EDUCATION  
ROSTER OF OFFICIALS  
JUNE 30, 2021**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Diane Morris, President	2021
Jennifer Waters, Vice President	2021
Kathleen Bartnick	2021
Jennifer Antoncich	2022
Srinivasa Rajagopal	2022
Peter Bruseo	2023
Brian Homeyer	2023

<u>Other Officials</u>	<u>Title</u>
Lee S. Nittel	Superintendent of Schools
Carolina Rodriguez	Business Administrator/Board Secretary
Lisa Palmieri	Treasurer of School Monies
Isabel Machado	School Board Attorney
Marc Zitomer	School Board Attorney

**MINE HILL TOWNSHIP BOARD OF EDUCATION**  
**Consultants and Advisors**

**Board Attorney**

Marc H. Zitomer  
Schenck, Price, Smith & King, LLP  
220 Park Avenue  
P.O. Box 991  
Florham Park, New Jersey 07932

Isabel Machado  
Machado Law Group  
1 Cleveland Place  
Springfield, New Jersey 07081

**Board Auditor**

Lerch, Vinci & Higgins, LLP  
17-17 Route 208  
Fair Lawn, New Jersey 07410

**Official Depositories**

Lakeland Bank  
350 North Main Street  
Wharton, New Jersey 07885

State of New Jersey Cash Management Fund  
Division of Investments  
Department of Treasury  
Trenton, New Jersey 08625

## **FINANCIAL SECTION**



**LERCH, VINCI & HIGGINS, LLP**

**CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS**

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
JULIUS B. CONSONI, CPA, PSA  
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
RALPH M. PICONE, III, CPA, RMA, PSA  
DEBRA GOLLE, CPA  
MARK SACO, CPA  
ROBERT LERCH, CPA  
CHRISTOPHER M. VINCI, CPA, PSA  
CHRISTINA CUIFFO, CPA

## **INDEPENDENT AUDITOR'S REPORT**

Honorable President and Members  
of the Board of Education  
42 Canfield Avenue  
Mine Hill Township, New Jersey 07803

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Mine Hill Township Board of Education, as of and for the fiscal year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Board of Education'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 the 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Mine Hill Township Board of Education as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Emphasis of Matter***

### ***Adoption of New Accounting Pronouncement***

As discussed in Note 1 to the financial statements, in the fiscal year ended June 30, 2021, the Mine Hill Township Board of Education adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities which provided guidance on identifying fiduciary activities and how they should be reported. The adoption of this standard resulted in a change to how previously reported fiduciary fund activities are currently reported in the financial statements. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension information and other postemployment benefits information 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 Mine Hill Township Board of Education's basic financial statements. The introductory section, fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Mine Hill Township Board of Education.

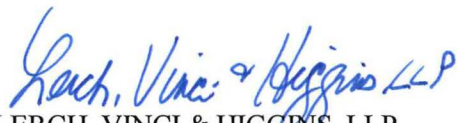
The fund financial statements, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.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



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

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

In accordance with Government Auditing Standards, we have also issued our report dated February 7, 2022 on our consideration of the Mine Hill Township Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Mine Hill Township Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Mine Hill Township Board of Education's internal control over financial reporting and compliance.



LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Public School Accountants



Gary J. Vinci  
Public School Accountant  
PSA Number CS00829

Fair Lawn, New Jersey  
February 7, 2022

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# **MINE HILL TOWNSHIP BOARD OF EDUCATION**

## **Management's Discussion and Analysis**

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

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. Certain comparative information between the current year (2020-2021) and the prior year (2019-2020) is required to be presented in the MD&A.

### **FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2020-2021 fiscal year include the following:

- The net position of the Mine Hill Township Board of Education at the close of the fiscal year was \$11,961,794.
- Overall revenues were \$13,082,472. General revenues accounted for \$9,841,634 or 75% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$3,240,838 or 25% of total revenues.
- The school district had \$11,349,544 in expenses for governmental activities; only \$3,097,822 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$9,841,511 were adequate to provide funding for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$6,361,215. The General Fund balance at June 30, 2021 was \$5,835,514, an increase of \$1,559,111 when compared with the beginning balance of \$4,276,403 at July 1, 2020.
- The General Fund unassigned budgetary basis fund balance at June 30, 2021 was \$561,288, which represents an increase of \$138,361 compared to the ending unassigned budgetary basis fund balance at June 30, 2020 of \$422,927.
- The school district maintains a Capital Reserve balance of \$3,983,212, a Maintenance Reserve balance of \$260,609, and Emergency Reserve balance of \$250,000 at June 30, 2021.

# MINE HILL TOWNSHIP BOARD OF EDUCATION

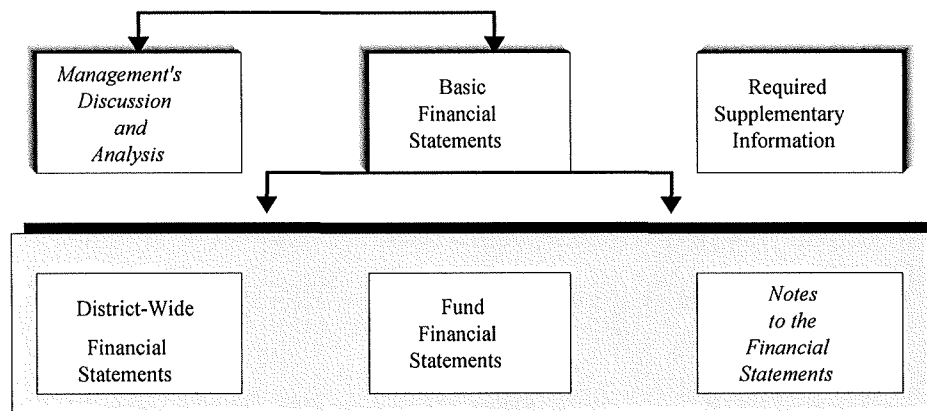
## Management's Discussion and Analysis

### OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditor's Report, required supplementary information which includes the management's discussion and analysis (this section), the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are district wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
  - The governmental funds statements tell how basic services were financed in the short term as well as what remains for future spending.
  - Proprietary funds statements offer short-term and long-term financial information about the activities the district operated like businesses.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The table below presents how the various parts of this annual report are arranged and related to one another.



# MINE HILL TOWNSHIP BOARD OF EDUCATION

## Management's Discussion and Analysis

The major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain are summarized below. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as instruction, special education, building maintenance and administration instances in which the district administers resources on behalf of someone else, such as unemployment payroll agency, and student activities	Activities the district operates similar to a private business: food service enterprise fund
Required financial Statements	Statements of net position Statement of activities	Balance Sheet Statement of revenues, expenditures and changes in fund balances	Statement of net position Statement of revenues, expenses, and changes in fund net position Statement of cash flows
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability and deferred inflows/outflows Information	All assets, deferred outflows/inflows of resources and liabilities, both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources are expected to be used up and liabilities and deferred inflows of resources that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows/inflows of resources and liabilities, both financial and capital and short-term and long-term
Type of inflow/outflow Information	All revenues and expenses during year, regardless of when cash is received or Paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.

### District-Wide Financial Statements

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

# MINE HILL TOWNSHIP BOARD OF EDUCATION

## Management's Discussion and Analysis

The two district-wide statements report the District's net position and how they have changed. Net position – the difference between the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources – is one way to measure the District's financial health or position.

### District-Wide Financial Statements (continued)

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements the District's activities are shown in two categories:

- *Governmental activities* – Most of the District's basic services are included here, such as regular and special education, transportation, administration, student activities, plant operations and maintenance. Property taxes and state aid finances most of these activities. The District also administers resources on behalf of someone else, such as unemployment, payroll agency, and student activities.
- *Business type activities* – These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The District's Food Service Fund is included under this category.

### Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds – focusing on its most significant or “major” funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and bond covenants.
- The District establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues (federal and state grants).

The District has two kinds of funds:

- *Governmental Funds* – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explains the relationship (or differences) between them. As a result of the implementation of GASB Standard No. 84, the District's unemployment, student activities, and payroll deductions and withholdings have their financial transactions recorded here.

- *Proprietary Funds* – Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements.

# **MINE HILL TOWNSHIP BOARD OF EDUCATION**

## **Management's Discussion and Analysis**

### **Fund Financial Statements (continued)**

*Enterprise Funds* –These funds are established to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that costs of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges. The District currently has only one enterprise fund.

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found following the basic financial statements.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process. The District adopts an annual expenditure budget for the general, special revenue and debt service funds. A budgetary comparison statement has been provided for these funds as required supplementary information. The required supplementary information can be found following the notes to the financial statements.

Combining statements and schedules are presented immediately following the major budgetary comparisons.

### **DISTRICT-WIDE FINANCIAL ANALYSIS**

Changes in Net Position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$11,961,794 as of June 30, 2021. See the following schedule:

# MINE HILL TOWNSHIP BOARD OF EDUCATION

## Management's Discussion and Analysis

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment), less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

### Statement of Net Position As of June 30, 2021 and 2020

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		<u>(Restated)</u>				<u>(Restated)</u>
<b>Assets</b>						
Current and Other Assets	\$ 6,563,956	\$ 5,064,062	\$ 57,613	\$ 54,609	\$ 6,621,569	\$ 5,118,671
Capital Assets	<u>7,014,330</u>	<u>7,121,969</u>	<u>2,190</u>	<u>2,420</u>	<u>7,016,520</u>	<u>7,124,389</u>
<b>Total Assets</b>	<u>13,578,286</u>	<u>12,186,031</u>	<u>59,803</u>	<u>57,029</u>	<u>13,638,089</u>	<u>12,243,060</u>
<b>Deferred Outflows of Resources</b>						
Deferred Amounts on Net Pension Liability	80,429	116,271	-	-	80,429	116,271
Deferred Amounts on Debt Refunding	<u>1,197</u>	<u>3,562</u>	<u>-</u>	<u>-</u>	<u>1,197</u>	<u>3,562</u>
<b>Total Deferred Outflow of Resources</b>	<u>81,626</u>	<u>119,833</u>	<u>-</u>	<u>-</u>	<u>81,626</u>	<u>119,833</u>
<b>Total Assets and Deferred Outflow of Resources</b>	<u>13,659,912</u>	<u>12,305,864</u>	<u>59,803</u>	<u>57,029</u>	<u>13,719,715</u>	<u>12,362,893</u>
<b>Liabilities</b>						
Current Liabilities	201,195	172,301	4,498	5,068	205,693	177,369
Non-Current Liabilities	<u>1,174,563</u>	<u>1,394,149</u>	<u>-</u>	<u>-</u>	<u>1,174,563</u>	<u>1,394,149</u>
<b>Total Liabilities</b>	<u>1,375,758</u>	<u>1,566,450</u>	<u>4,498</u>	<u>5,068</u>	<u>1,380,256</u>	<u>1,571,518</u>
<b>Deferred Inflows of Resources</b>						
Deferred Amounts on Net Pension Liability	373,549	421,270	-	-	373,549	421,270
Deferred Commodities Revenue	<u>-</u>	<u>-</u>	<u>1,444</u>	<u>2,470</u>	<u>1,444</u>	<u>2,470</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>1,749,307</u>	<u>1,987,720</u>	<u>5,942</u>	<u>7,538</u>	<u>1,755,249</u>	<u>1,995,258</u>
<b>Net Position:</b>						
Net Investment in Capital Assets	6,820,527	6,681,142	2,190	2,420	6,822,717	6,683,562
Restricted	5,096,217	4,715,932	-	-	5,096,217	4,715,932
Unrestricted	<u>(8,811)</u>	<u>(1,078,930)</u>	<u>51,671</u>	<u>47,071</u>	<u>42,860</u>	<u>(1,031,859)</u>
<b>Total Net Position</b>	<u>\$ 11,907,933</u>	<u>\$ 10,318,144</u>	<u>\$ 53,861</u>	<u>\$ 49,491</u>	<u>\$ 11,961,794</u>	<u>\$ 10,367,635</u>



# MINE HILL TOWNSHIP BOARD OF EDUCATION

## Management's Discussion and Analysis

### Changes in Net Position For the Fiscal Years Ended June 30, 2021 and 2020

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 7,278		\$ 283	\$ 47,498	\$ 7,561	\$ 47,498
Operating Grants and Contributions	3,090,544	\$ 2,391,109	142,733	85,586	3,233,277	2,476,695
General Revenues						
Property Taxes	7,410,594	7,283,234			7,410,594	7,283,234
State Aid - Unrestricted	2,381,617	2,379,503			2,381,617	2,379,503
Other	49,300	133,884	123	400	49,423	134,284
<b>Total Revenues</b>	<u>12,939,333</u>	<u>12,187,730</u>	<u>143,139</u>	<u>133,484</u>	<u>13,082,472</u>	<u>12,321,214</u>
<b>Expenses</b>						
Instruction						
Regular	5,727,216	4,815,700			5,727,216	4,815,700
Special Education	1,770,911	1,822,481			1,770,911	1,822,481
Other Instruction	87,118	79,452			87,118	79,452
School Sponsored Activities and Athletics	8,313	16,917			8,313	16,917
Support Services						
Student and Instruction Related Serv.	1,044,909	1,320,197			1,044,909	1,320,197
General Administrative Services	451,064	417,828			451,064	417,828
School Administrative Services	320,867	269,400			320,867	269,400
Central Services	374,325	326,423			374,325	326,423
Plant Operations and Maintenance	1,040,942	689,502			1,040,942	689,502
Pupil Transportation	513,306	680,477			513,306	680,477
Interest on Long-Term Debt	10,573	14,764			10,573	14,764
Food Services	-	-	138,769	125,713	138,769	125,713
<b>Total Expenses</b>	<u>11,349,544</u>	<u>10,453,141</u>	<u>138,769</u>	<u>125,713</u>	<u>11,488,313</u>	<u>10,578,854</u>
Change in Net Position	1,589,789	1,734,589	4,370	7,771	1,594,159	1,742,360
Net Position, Beginning of Year	10,318,144	8,477,281	49,491	41,720	10,367,635	8,519,001
Prior Period Adjustment	-	106,274	-	-	-	106,274
Net Position, End of Year	<u>\$ 11,907,933</u>	<u>\$ 10,318,144</u>	<u>\$ 53,861</u>	<u>\$ 49,491</u>	<u>\$ 11,961,794</u>	<u>\$ 10,367,635</u>

# MINE HILL TOWNSHIP BOARD OF EDUCATION

## Management's Discussion and Analysis

**Governmental Activities.** The District's total governmental activities' revenues, which includes State and Federal grants, were \$12,939,333 for the fiscal year ended June 30, 2021. Property taxes of \$7,410,594 represented 57% percent of revenues. Another significant portion of revenues came from State aid; total State, Federal and local aid was \$5,472,161.

The total cost of all governmental activities programs and services was \$11,349,544. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$7,593,558 (67%) of total expenditures. Student and administrative support services totaled \$3,745,413 or (33%) of total expenditures.

Total governmental activities revenues were greater than expenses increasing net position \$1,589,789 from the previous year.

**Net Cost of Governmental Activities.** The District's total cost of services was \$10,681,665. After applying program revenues of \$7,278 and operating grants and contributions of \$2,422,665; the net cost of services of the District is \$8,251,722.

### Total and Net Cost of Governmental Activities For the Fiscal Years Ended June 30, 2021 and 2020

<u>Functions/Programs</u>	<u>Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Governmental Activities				
Instruction				
Regular	\$ 5,727,216	\$ 4,815,700	\$ 4,208,144	\$ 3,790,639
Special Education	1,770,911	1,822,481	913,289	897,113
Other Instruction	87,118	79,452	-	
School Sponsored Activities and Athletics	8,313	16,917	1,035	16,505
Support Services				
Student and Instruction Related Svcs.	1,044,909	1,320,197	920,223	1,248,246
General Administrative Services	451,064	417,828	403,930	410,362
School Administrative Services	320,867	269,400	223,971	210,659
Central Services	374,325	326,423	331,898	319,719
Plant Operations and Maintenance	1,040,942	689,502	901,160	645,605
Pupil Transportation	513,306	680,477	337,499	508,420
Interest on Long-Term Debt	10,573	14,764	10,573	14,764
Total Governmental Activities	<u>\$ 11,349,544</u>	<u>\$ 10,453,141</u>	<u>\$ 8,251,722</u>	<u>\$ 8,062,032</u>

**Business-Type Activities** – The District's total business-type activities revenues were \$143,139 for the fiscal year ended June 30, 2021.

The total cost of all business-type activities programs and services was \$138,769. The District's expenses are related to Food Service programs provided to all students, teachers and administrators within the District.

Total business-type activities revenues exceeded expenses, increasing net position by \$4,370 from the prior year balance.

# MINE HILL TOWNSHIP BOARD OF EDUCATION

## Management's Discussion and Analysis

### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

#### Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$6,361,215. At June 30, 2020, the fund balance was \$4,893,978.

Revenues for the District's governmental funds were \$11,983,464 while total expenses were \$10,516,227.

**General Fund** - The General Fund is the chief operating fund of the District and includes the primary operations in providing educational services to students including pupil transportation activities and capital outlay projects.

The following schedule presents a summary of General Fund Revenues.

	<b>Fiscal Years</b>		<b>Amount of</b>	<b>Percent</b>
	<b><u>2021</u></b>	<b><u>2020</u></b>		
			<b><u>Change</u></b>	<b><u>Change</u></b>
Local Sources	\$ 7,263,272	\$ 7,231,000	\$ 32,272	0.45%
State Sources	<u>4,201,928</u>	<u>4,158,971</u>	<u>42,957</u>	1.03%
Total Revenues	<u>\$ 11,465,200</u>	<u>\$ 11,389,971</u>	<u>\$ 75,229</u>	0.66%

Total General Fund Revenues increased by \$75,229 or approximately 0.7% over the previous year.

State aid revenues increased \$42,957 primarily due to an increased TPAF pension contribution from the State of New Jersey.

## MINE HILL TOWNSHIP BOARD OF EDUCATION

### Management's Discussion and Analysis

The following schedule presents a summary of General Fund expenditures.

	Fiscal Years		Amount of Change	Amount of Change
	Ended June 30,			
	2021	2020		
Current				
Instruction	\$ 6,627,581	\$ 6,215,743	\$ 411,838	6.63%
Undistributed Expenditures	3,121,701	3,319,414	(197,713)	-5.96%
Debt Service	15,540	11,655	3,885	33.33%
Capital Outlay	<u>141,267</u>	<u>90,866</u>	<u>50,401</u>	55.47%
 Total Expenditures	 \$ 9,906,089	 \$ 9,637,678	 \$ 268,411	 2.79%

The 2020-2021 General Fund revenues and other financing sources exceeded the expenditures and other financing uses by \$1,559,111. As a result, total fund balance increased to \$5,835,514 at June 30, 2021. The unassigned fund balance (deficit) increased from \$(41,219) at June 30, 2020 to \$67,671 at June 30, 2021.

**Special Revenue Fund** - The Special Revenue Fund includes all restricted Federal and State sources utilized in the operations of the district in providing educational services to students with special needs.

Revenues of the Special Revenue Fund were \$321,642, for the fiscal year ended June 30, 2021. Federal sources accounted for nearly all of the Special Revenue Fund's revenue.

Total Special Revenue Fund revenues increased by \$108,103 from the previous year.

Expenditures of the Special Revenue Fund were \$321,150. Instructional expenditures were \$199,708 or 62% of total expended for the fiscal year ended June 30, 2021.

**Capital Projects** - Expenditures and other financing uses were \$92,366. The fund balance decreased from \$587,824 at June 30, 2020 to \$495,458 at June 30, 2021.

#### Proprietary Funds

The District maintains an Enterprise Fund to account for activities that are supported in part through user fees.

**Enterprise Funds** - The District uses the Enterprise Fund to report activities related to the Food Services program. The District's Enterprise Funds provide the same type of information found in the district-wide financial statements, business-type activities, but in more detail. Factors concerning the finances of these Funds have already been addressed in the discussion of the District's business-type activities.

# MINE HILL TOWNSHIP BOARD OF EDUCATION

## Management's Discussion and Analysis

### GENERAL FUND BUDGETARY HIGHLIGHTS

The District's budget is prepared according to New Jersey Department of Education guidelines, and is based on accounting for certain transactions on the basis of cash receipts, disbursements and encumbrances. The most significant budgetary fund is the General Fund.

Over the course of the year, the District revised the annual operating budget several times. These budget amendments are detailed on Exhibit C-1 of this report.

### CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2021 amounts to \$7,014,330 (net of accumulated depreciation). The capital assets, as detailed below, consist of land, site improvements, buildings and building improvements, and equipment. Depreciation charges for fiscal year 2020-2021 amounted to \$341,272 for governmental activities and \$231 for business-type activities.

	<b><u>Governmental Activities</u></b>		<b><u>Business-Type Activities</u></b>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land	\$ 59,696	\$ 59,696		
Construction in Progress	1,104,842	916,676		
Site Improvements	148,254	148,254		
Buildings and Building Improvements	10,502,493	10,502,493		
Machinery and Equipment	<u>1,059,070</u>	<u>1,043,746</u>	<u>\$ 76,715</u>	<u>\$ 76,715</u>
Total	12,874,355	12,670,865	76,715	76,715
Less: Accumulated Depreciation	<u>(5,860,025)</u>	<u>(5,548,896)</u>	<u>(74,525)</u>	<u>(74,295)</u>
Total	<u>\$ 7,014,330</u>	<u>\$ 7,121,969</u>	<u>\$ 2,190</u>	<u>\$ 2,420</u>

Additional information on the District's capital assets is presented in the Notes to the Financial Statements.

## **MINE HILL TOWNSHIP BOARD OF EDUCATION**

### **Management's Discussion and Analysis**

#### **LONG TERM LIABILITIES**

At year end, the District's long-term liabilities consisted of bonds payable of \$195,000, capital leases payable of \$46,526, compensated absences payable of \$302,595 and net pension liability of \$630,442.

#### **Outstanding Long-Term Liabilities**

	<u><b>2021</b></u>	<u><b>2020</b></u>
Bonds Payable	\$ 195,000	\$ 385,000
Capital Leases Payable	46,526	59,389
Compensated Absences Payable	302,595	259,441
Net Pension Liability	<u>630,442</u>	<u>690,319</u>
 Total	 <u>\$ 1,174,563</u>	 <u>\$ 1,394,149</u>

Additional information of the District's long-term liabilities is presented in the Notes to the financial statements.

#### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

Many factors were considered by the District's administration during the process of developing the fiscal year 2021-2022 budget. The primary factors were the District's projected student population, the condition of the facility, the condition of the New Jersey economy, and the economic difficulties that face the region. Going forward beyond 2021-2022, the District will be faced with the potential of level or reduced State aid and a strict 2% budget CAP. Additionally, a school bond referendum was passed by the voters on September 28, 2021.

The District's total budget for 2021-22 is \$11,205,586. The Mine Hill Township Board of Education looks forward to working within the State mandated budget CAP restrictions while maintaining a high level of academic standard; providing a high quality of education for area students at a reasonable cost to taxpayers.

#### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information contact the Office of the School Business Administrator, Mine Hill Township Board of Education, 42 Canfield Avenue, Mine Hill, NJ 07803.

## **FINANCIAL STATEMENTS**

**MINE HILL TOWNSHIP BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2021**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 6,515,243	\$ 38,619	\$ 6,553,862
Receivables, net			
Receivables from Other Governments	45,944	15,101	61,045
Other Receivables		87	87
Inventory		3,806	3,806
Capital Assets			
Not Being Depreciated	1,164,538		1,164,538
Being Depreciated, net	<u>5,849,792</u>	<u>2,190</u>	<u>5,851,982</u>
Total Assets	<u>13,575,517</u>	<u>59,803</u>	<u>13,635,320</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	80,429		80,429
Deferred Amounts on Refunding of Debt	<u>1,197</u>	<u>-</u>	<u>1,197</u>
Total Deferred Outflows of Resources	<u>81,626</u>	<u>-</u>	<u>81,626</u>
Total Assets and Deferred Outflows of Resources	<u>13,657,143</u>	<u>59,803</u>	<u>13,716,946</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	126,665	291	126,956
Accrued Salaries and Wages Payable	62,553		62,553
Accrued Interest Payable	1,126		1,126
Unearned Revenue	5,882	4,207	10,089
Payables to Other Governments	4,872		4,872
Noncurrent Liabilities			
Due Within One Year	208,521		208,521
Due Beyond One Year	<u>966,042</u>	<u>-</u>	<u>966,042</u>
Total Liabilities	<u>1,375,661</u>	<u>4,498</u>	<u>1,380,159</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	373,549		373,549
Deferred Commodities Revenue	<u>-</u>	<u>1,444</u>	<u>1,444</u>
Total Liabilities and Deferred Inflows of Resources	<u>1,749,210</u>	<u>5,942</u>	<u>1,755,152</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	6,820,527	2,190	6,822,717
Restricted for			
Capital Projects	4,478,670		4,478,670
Other Purposes	617,547		617,547
Unrestricted	<u>(8,811)</u>	<u>51,671</u>	<u>42,860</u>
Total Net Position	<u>\$ 11,907,933</u>	<u>\$ 53,861</u>	<u>\$ 11,961,794</u>

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



**MINE HILL TOWNSHIP BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL 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	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities</b>						
Instruction						
Regular	\$ 5,727,216		\$ 1,519,072	\$ (4,208,144)		\$ (4,208,144)
Special Education	1,770,911		857,622	(913,289)		(913,289)
Other Instruction	87,118		87,118	-		-
School Sponsored Activities and Athletics	8,313	\$ 7,278		(1,035)		(1,035)
Support Services						
Student and Instruction Related Services	1,044,909		124,686	(920,223)		(920,223)
General Administration Services	451,064		47,134	(403,930)		(403,930)
School Administration Services	320,867		96,896	(223,971)		(223,971)
Central Services	374,325		42,427	(331,898)		(331,898)
Plant Operations and Maintenance	1,040,942		139,782	(901,160)		(901,160)
Pupil Transportation	513,306		175,807	(337,499)		(337,499)
Interest on Long-Term Debt	10,573	-	-	(10,573)	-	(10,573)
<b>Total Governmental Activities</b>	<b>11,349,544</b>	<b>7,278</b>	<b>3,090,544</b>	<b>(8,251,722)</b>	<b>-</b>	<b>(8,251,722)</b>
<b>Business-Type Activities</b>						
Food Service	138,769	283	142,733	-	\$ 4,247	4,247
<b>Total Business-Type Activities</b>	<b>138,769</b>	<b>283</b>	<b>142,733</b>	<b>-</b>	<b>4,247</b>	<b>4,247</b>
<b>Total Primary Government</b>	<b>\$ 11,488,313</b>	<b>\$ 7,561</b>	<b>\$ 3,233,277</b>	<b>(8,251,722)</b>	<b>4,247</b>	<b>(8,247,475)</b>
<b>General Revenues</b>						
Property Taxes, Levied for						
General Purposes				7,213,972		7,213,972
Debt Service				196,622		196,622
Investment Earnings				14,538	123	14,661
Investment Earnings - Restricted				172		172
State Aid Not Restricted				2,381,617		2,381,617
Miscellaneous Income				29,718		29,718
Miscellaneous Income - Restricted				4,872	-	4,872
<b>Total General Revenues</b>				<b>9,841,511</b>	<b>123</b>	<b>9,841,634</b>
Change in Net Position				1,589,789	4,370	1,594,159
Net Position, Beginning of Year (Restated)				10,318,144	49,491	10,367,635
Net Position, End of Year				<b>\$ 11,907,933</b>	<b>\$ 53,861</b>	<b>\$ 11,961,794</b>

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

## **FUND FINANCIAL STATEMENTS**

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2021**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 5,856,953	\$ 30,243	\$ 495,458		\$ 6,382,654
Restricted Cash and Cash Equivalents	132,589				132,589
Due from Other Funds	18,935				18,935
Receivables, Net					
Receivables from Other Governments	11,517	34,427	-	-	45,944
Total Assets	<u>\$ 6,019,994</u>	<u>\$ 64,670</u>	<u>\$ 495,458</u>	<u>\$ -</u>	<u>\$ 6,580,122</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts Payable	117,055	9,610			\$ 126,665
Accrued Salaries and Wages Payable	22,496				22,496
Payroll Deductions and Withholdings Payable	40,057				40,057
Due to Other Funds		18,935			18,935
Intergovernmental Accounts Payable	4,872				4,872
Unearned Revenue	-	5,882	-	-	5,882
Total Liabilities	<u>184,480</u>	<u>34,427</u>	<u>-</u>	<u>-</u>	<u>218,907</u>
<b>Fund Balances</b>					
Restricted Fund Balance					
Capital Reserve	3,822,212				3,822,212
Capital Reserve - Designated for Subsequent Year's Budget	161,000				161,000
Maintenance Reserve	260,609				260,609
Emergency Reserve	250,000				250,000
Excess Surplus	200,000				200,000
Excess Surplus - Designated for Subsequent Year's Budget	100,000				100,000
Capital Projects			495,458		495,458
Unemployment Compensation Reserve	76,695				76,695
Student Activities		30,243			30,243
Assigned Fund Balance					
Encumbrances	108,892				108,892
Committed Fund Balance					
Encumbrances	788,435				788,435
Unassigned Fund Balance	67,671	-	-	-	67,671
Total Fund Balances	<u>5,835,514</u>	<u>30,243</u>	<u>495,458</u>	<u>-</u>	<u>6,361,215</u>
Total Liabilities and Fund Balances	<u>\$ 6,019,994</u>	<u>\$ 64,670</u>	<u>\$ 495,458</u>	<u>\$ -</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$12,874,355 and the accumulated depreciation is \$5,860,025. 7,014,330

Interest on long-term debt is not accrued in the Governmental Funds, but rather is recognized as an expenditure when due. (1,126)

Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt 1,197

Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources on the statement of net position and deferred over future years.

Deferred Outflows of Resources	\$ 80,429	
Deferred Inflows of Resources	(373,549)	(293,120)

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

Bonds Payable	(195,000)	
Capital Leases Payable	(46,526)	
Net Pension Liability	(630,442)	
Compensated Absences	(302,595)	(1,174,563)
Net Position of Governmental Activities		<u>\$ 11,907,933</u>

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 7,213,972			\$ 196,622	\$ 7,410,594
Interest	14,538				14,538
Interest (Restricted - Unemployment Fund)	172				172
Miscellaneous	34,590	\$ 7,278	-	-	41,868
Total - Local Sources	7,263,272	7,278	-	196,622	7,467,172
Intergovernmental					
State Sources	4,201,928			-	4,201,928
Federal Sources	-	314,364	-	-	314,364
Total Intergovernmental Sources	4,201,928	314,364	-	-	4,516,292
Total Revenues	11,465,200	321,642	-	196,622	11,983,464
<b>EXPENDITURES</b>					
Current					
Instruction					
Regular Instruction	5,068,412				5,068,412
Special Education Instruction	1,557,563	106,041			1,663,604
Other Instruction		86,881			86,881
School Sponsored Activities and Athletics	1,606	6,786			8,392
Support Services					
Student and Instruction Related Services	948,666	25,463			974,129
General Administration Services	392,911				392,911
School Administration Services	275,729				275,729
Central Services	345,912				345,912
Plant Operations and Maintenance	645,630	95,979			741,609
Pupil Transportation	512,853				512,853
Debt Service					
Principal	12,863			190,000	202,863
Interest and Other Charges	2,677			6,622	9,299
Capital Outlay	141,267	-	\$ 92,366	-	233,633
Total Expenditures	9,906,089	321,150	92,366	196,622	10,516,227
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,559,111	492	(92,366)	-	1,467,237
Fund Balance, Beginning of Year (Restated)	4,276,403	29,751	587,824	-	4,893,978
Fund Balance, End of Year	\$ 5,835,514	\$ 30,243	\$ 495,458	\$ -	\$ 6,361,215

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
WITH THE DISTRICT-WIDE STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2)****\$ 1,467,237**

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities those costs are shown in the statement and allocated over their estimated useful lives as depreciation expense.

Capital Outlay	\$ 233,633	
Depreciation Expense	<u>(341,272)</u>	(107,639)

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal Repayments		
Bonds Payable	190,000	
Capital Leases	<u>12,863</u>	202,863

Governmental Funds report the effect of issuance costs, premiums, discount and deferred amounts on refundings in the statement of activities.

Amortization of Deferred Amount on Refunding	(2,365)
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Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

Decrease in Accrued Interest	1,091
------------------------------	-------

In the statement of activities, certain operating expenses - pension expenses and compensated absences - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid):

Decrease in PERS Pension Expenses	71,756	
Increase in Compensated Absences Liability	<u>(43,154)</u>	<u>28,602</u>

**Change in Net Position of Governmental Activities (Exhibit A-2)****\$ 1,589,789**

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
 PROPRIETARY FUND  
 FOOD SERVICE ENTERPRISE FUND  
 STATEMENT OF NET POSITION  
 AS OF JUNE 30, 2021**

	<b><u>Other Non-Major Fund</u></b>
<b>ASSETS</b>	
Current Assets	
Cash and Cash Equivalents	\$ 38,619
Intergovernmental Receivable	
Federal	14,031
State	1,070
Other Accounts Receivable	87
Inventories	<u>3,806</u>
Total Current Assets	<u>57,613</u>
Non-Current Assets	
Capital Assets	76,715
Less: Accumulated Depreciation	<u>(74,525)</u>
Total Non-Current Assets	<u>2,190</u>
Total Assets	<u>59,803</u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	291
Unearned Revenue	<u>4,207</u>
Total Current Liabilities	<u>4,498</u>
Total Liabilities	<u>4,498</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Commodities Revenue	<u>1,444</u>
Total Liabilities and Deferred Inflows of Resources	<u>5,942</u>
<b>NET POSITION</b>	
Investment in Capital Assets	2,190
Unrestricted	<u>51,671</u>
Total Net Position	<u>\$ 53,861</u>

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
 PROPRIETARY FUND  
 FOOD SERVICE ENTERPRISE FUND  
 STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<b><u>Other Non-Major Fund</u></b>
<b>OPERATING REVENUES</b>	
Charges for Services	
Daily Sales -	
Reimbursable	\$ 283
Total Operating Revenues	283
<b>OPERATING EXPENSES</b>	
Cost of Sales -	
Reimbursable	57,386
Salaries and Wages	53,954
Purchased Professional and Technical Svcs	8,000
Other Purchased Services	15,998
Supplies and Materials	311
Miscellaneous	2,889
Depreciation Expense	231
Total Operating Expenses	138,769
Operating Income/(Loss)	(138,486)
<b>NONOPERATING REVENUES</b>	
State Sources	
School Lunch Program	4,516
Federal Sources	
School Breakfast Program	40,885
National School Lunch Program	77,842
Food Distribution Program	19,490
Local Sources	
Interest Revenue	123
Total Nonoperating Revenues	142,856
Change in Net Position	4,370
Net Position, Beginning of Year	49,491
Net Position, End of Year	\$ 53,861

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
 PROPRIETARY FUND  
 FOOD SERVICE ENTERPRISE FUND  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<b><u>Other Non-Major Fund</u></b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	
Cash Received from Customers	\$ (63)
Cash Payments for Employees	
Salaries & Benefits	(53,954)
Cash Payments to Suppliers for Goods and Services	<u>(65,130)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(119,147)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCIAL ACTIVITIES</b>	
Cash Received from State and Federal Subsidy Reimbursements	<u>119,044</u>
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>119,044</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest on Investments	<u>123</u>
Net Cash Provided by (Used for) Investing Activities	<u>123</u>
Net Change in Cash and Cash Equivalents	20
Cash and Cash Equivalents, Beginning of Year	<u>38,599</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 38,619</u></u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED FOR OPERATING ACTIVITIES</b>	
Operating (Loss)	\$ <u>(138,486)</u>
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities	
Depreciation	231
USDA Commodities - Value Used - Food Distribution Program	19,490
Change in Assets and Liabilities	
(Increase)/Decrease in Inventories	1,040
(Increase)/Decrease in Other Accounts Receivable	174
Increase (Decrease) in Accounts Payable	(50)
Increase/(Decrease) in Deferred Commodities Revenue	(1,026)
Increase/(Decrease) in Unearned Revenue	<u>(520)</u>
Net Cash Provided by (Used for) Operating Activities	<u><u>\$ (119,147)</u></u>
Non-Cash Financing Activities	
Valued Received - Food Distribution Program	<u><u>\$ 18,464</u></u>

The accompanying Notes to the Financial Statements are an Integral Part of this Statement



## **NOTES TO THE FINANCIAL STATEMENTS**

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Mine Hill Township Board of Education (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of seven elected officials and is responsible for the fiscal control of the District. A Superintendent of Schools is appointed by the Board and is responsible for the administrative control of the District. A School Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property. The Board currently operates a Pre-Kindergarten through grade six (6) school district.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls. The Superintendent of Schools is the Chief Administrative Officer of the District who is responsible for general supervision of all schools, planning and operational functions of the District. The School Business Administrator/Board Secretary is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent to the Board.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Mine Hill Township Board of Education this includes general operations, food service and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity as a component unit.

**B. New Accounting Standards**

During fiscal year 2021, the District adopted the following GASB statement:

- GASB No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. New Accounting Standards (Continued)**

Other accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB No. 87, *Leases*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.
- GASB No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. The objectives of this Statement is to improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities.
- GASB No. 92, *Omnibus 2020*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022 except requirements related to GASB No. 87 and Implementation Guide No. 2019-3 are effective upon issuance. The objective of this Statement is to enhance comparability in the application of accounting and financial reporting requirements and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics.
- GASB No. 96, *Subscription – Based Information Technology Arrangements*, will be effective beginning with the fiscal year ending June 30, 2023. The objective of this Statement will be to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.
- GASB 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 section that maybe applicable to the District will be effective beginning with the fiscal year ending June 30, 2022. The objective of this Statement is to provide more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.

**C. Basis of Presentation - Financial Statements**

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the District's enterprise funds. Fiduciary funds are excluded from the district-wide financial statements. Currently the District has no fiduciary funds.

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation - Financial Statements (Continued)**

**District-Wide Financial Statements**

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Board of Education. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. In the statement of net position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) reflect on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or other governmental entities, including other school districts, who purchase, use, or directly benefit from goods or services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes, unrestricted state aid and other items not properly included among program revenues are reported instead as general revenues.

As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements. Exceptions to this general rule are charges between the Board's proprietary funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**Fund Financial Statements**

Separate fund financial statements are provided for governmental, proprietary, and fiduciary activities, even though the latter are excluded from the district-wide financial statements. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The District considers all of its governmental funds to be major funds.

The District reports the following major governmental funds:

The *general fund* is the School District's primary operating fund. It accounts for all financial resources of the District, except those to be accounted for in another fund.

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal, state and local financial programs, with the exception of grants for major capital projects and the child nutrition programs, student activity funds derived from athletic event or other activities of pupil organizations and private donations for scholarship awards.

The *capital projects fund* accounts for the proceeds from the sale of bonds, lease purchases and other revenues used for the acquisition or construction of capital facilities and other capital assets, other than those financed by the proprietary funds.

The *debt service fund* accounts for the accumulation of resources that are restricted, committed or assigned for the payment of principal and interest on long-term general obligation debt of governmental funds.

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation - Financial Statements (Continued)**

The District reports the following non-major proprietary fund which is organized to be self-supporting through user charges:

The *food service fund* accounts for the activities of the school cafeteria, which provides food service to students as well as a la carte and catering services for administrator, teachers and special events.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the district-wide financial statements as “internal balances”.

**Reclassifications**

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year’s presentation.

**D. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Property taxes, unrestricted state aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements (formula-type grants and aid) are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants and similar awards (reimbursement-type grants and awards) are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements imposed by the grantor or provider have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items are considered to be measurable and available only when cash is received by the District.

When both restricted and unrestricted resources are available for use, it is the Board’s policy to use restricted resources first, then unrestricted resources as they are needed.

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

***1. Cash, Cash Equivalents and Investments***

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value and are limited by N.J.S.A. 18A:20-37.

***2. Receivables***

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

***3. Inventories***

The cost of inventories of the governmental fund types are recorded as expenditures at the time individual inventory items are purchased.

Food Service Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method and consist of food and expendable supplies. The cost of such inventories is recorded as expenses when consumed rather than when purchased. The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of unused commodities inventory at year-end is reported as deferred inflows of resources.

***4. Capital Assets***

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Land and construction in progress are not depreciated. The other property, plant, and equipment of the District is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land Improvements	20
Buildings	50
Building Improvements	10-50
Machinery and Equipment	10-15
Vehicles	8
Computer Equipment	5

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

**5. *Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has two items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred amount on refunding of debt which results from a debt refunding reported in the district-wide statement of net position. Deferred amounts on debt refunding result from the difference on the transaction when the debt's reacquisition price is greater than the carrying value of the refunded debt. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

In addition to liabilities, statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Board has two types of items which arise only under the accrual basis of accounting that qualify for reporting in this category. Accordingly, one item is the deferred commodities revenue, reported in both the district-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities inventory at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed. The other item that qualifies for reporting in this category is the deferred amount on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years.

**6. *Compensated Absences***

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused vacation, personal and sick leave benefits. A long-term liability of accumulated vacation, personal and sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

**7. *Pensions***

In the district-wide financial statements and proprietary fund types in the fund financial statements, for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems sponsored and administered by the State of New Jersey and additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

In the governmental fund financial statements, net pension liabilities represent amounts normally expected to be liquidated with expendable available financial resources for required pension contributions that are due and payable at year end. Pension expenditures are recognized based on contractual pension contributions that are required to be made to the pension plan during the fiscal year.

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

**8. *Long-Term Obligations***

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Differences resulting from debt refundings are classified as deferred outflows of resources. Differences resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported with the unamortized bond premium or discount. Bond issuance costs are treated as an expense.

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

**9. *Net Position/Fund Balance***

**District-Wide Statements**

In the district-wide statements, there are three classes of net position:

- **Net Investment in Capital Assets** – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction or improvement of those assets or related debt also should be included.
- **Restricted Net Position** – reports net position when constraints placed on the residual amount of noncapital assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** – any portion of net position not already classified as either net investment in capital assets or net position – restricted is classified as net position – unrestricted.

**Governmental Fund Statements**

Fund balance categories are designed to make the nature and extent of the constraints placed on the District's fund balance more transparent. These categories are comprised of a hierarchy based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

**Restricted Fund Balance** – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Capital Reserve – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures (See Note 2C).

Capital Reserve - Designated for Subsequent Year's Budget– This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2021/2022 District budget certified for taxes.

Maintenance Reserve – This restriction was created by the Board in accordance with NJAC 6A:23A-14.2 to accumulate funds for the required maintenance of school facilities in accordance with the EFCA (NJSA 18A:7G-9) for a thorough and efficient education. (See Note 2D).



**MINE HILL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**9. Net Position/Fund Balance (Continued)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

**Restricted Fund Balance (Continued)**

Emergency Reserve – This restriction was created in accordance with NJAC 6A:23A-14.4(A)1 to accumulate funds in accordance with State statute to finance unanticipated general fund expenditures required for a thorough and efficient education. (See Note 2E).

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2021 audited excess surplus that is required to be appropriated in the 2022/2023 original budget certified for taxes.

Excess Surplus – Designated for Subsequent Year's Budget - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2020 audited excess surplus that was appropriated in the 2021/2022 original budget certified for taxes.

Capital Projects – Represents fund balance restricted specifically for capital acquisitions and improvements in the Capital Projects Fund.

Unemployment Compensation Reserve – This restriction was created in accordance with R.S. 43:21-7.3 to reserve funds for unemployment compensation claims reimbursable to the State under the District's election for payment in lieu of contributions (benefit reimbursement method). (See Note 4A)

Student Activities – This restriction was created in accordance with NJAC 6A:23A-16.12 to represent the accumulation of funds derived from athletic events and other student organizations reserved for the payment of student group activities.

**Committed Fund Balance** – Amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

Encumbrances – Represents outstanding purchase orders at year end for contracts awarded by formal action of the Board of Trustee's for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

**Assigned Fund Balance** – Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Encumbrances – Represent outstanding purchase orders for goods or services approved by management for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

**Unassigned Fund Balance** – Represents fund balance that has not been restricted, committed or assigned to specific purposes within the governmental funds.

In the general operating fund and other governmental funds (special revenue, capital projects and debt service fund types), it is the District's policy to consider restricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted (i.e., committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

**10. Fund Balance Policies**

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The school district itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***10. Fund Balance Policies (Continued)***

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the board's highest level of decision-making authority. The Board of Education is the highest level of decision-making authority for the school district that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the Board for specific purposes but do not meet the criteria to be classified as committed. The Board has authorized the School Business Administrator/Board Secretary to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

**F. Revenues and Expenditures/Expenses**

***1. Program Revenues***

Amounts reported as program revenues in the district-wide statement of activities include 1) charges to customers or applicants for goods or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, unrestricted state aid, investment earnings and miscellaneous revenues.

***2. Property Taxes***

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenues are recognized in the year they are levied and become available. Property taxes collected in advance of the year-end for which they are levied and transferred to the District are reported as deferred inflows of resources. The tax bills are mailed annually in June by the municipal tax collector and are levied and due in four quarterly installments on August 1, November 1, February 1 and May 1 of the fiscal year. When unpaid, taxes or any other municipal lien, or part thereof, on real property, remains in arrears on April 1<sup>st</sup> in the year following the calendar year levy when the same became in arrears, the tax collector of the municipality shall, subject to the provisions of New Jersey Statute, enforce the lien by placing the property on a tax sale. The municipality may institute annual "in rem" tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property.

***3. Tuition Revenues and Expenditures***

Tuition Revenues - Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs are determined and certified by the State Department of Education.

Tuition Expenditures - Tuition charges for the fiscal years 2019-2020 and 2020-2021 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

***4. Proprietary Funds, Operating and Nonoperating Revenues and Expenses***

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the food service enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

In accordance with the requirements of the New Jersey Department of Education (“the Department”), the District annually prepares its operating budget for the forthcoming year. The budget, except for the general fund and special revenue fund, which is more fully explained below and in the notes to the required supplementary information, is prepared in accordance with accounting principles generally accepted in the United States of America and serves as a formal plan for expenditures and the proposed means for financing them. Capital lease transactions are accounted for on the GAAP basis.

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Under the current law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. The Board previously adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore, voter approval of the annual budget is not required.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account 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. 6:20-2A.2(m)1. The Board approved several budget transfers during 2020/2021. Also, during 2020/2021 the Board increased the original General Fund budget by \$197,179 and the Special Revenue Fund budget by \$95,324. The increase was funded by the reappropriation of prior year general fund encumbrances, student activity revenues and additional grants awarded to the Board.

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 accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

Encumbrance accounting is employed in the governmental funds. 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 committed and/or assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services which are reappropriated and honored during the subsequent fiscal year.

**B. Excess Expenditures Over Appropriations**

The following is a summary of expenditures in excess of available appropriations. The overexpended appropriations resulted in unfavorable variances.

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund			
Unallocated Benefits			
Health Benefits	\$829,646	\$855,525	\$25,879

The above variances were offset with other available resources.

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**C. Capital Reserve**

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

Funds placed in the capital reserve are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a district may increase the balance in the capital reserve 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 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. 6:23A-14.1(g), the balance in the reserve 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 fiscal year ended June 30, 2021 is as follows:

Balance, July 1, 2020		\$ 3,490,689
Increased by:		
Unexpended Capital Projects Transferred to Capital Reserve	\$ 287,000	
Deposits Approved by Board Resolution	<u>1,337,773</u>	
		<u>1,624,773</u>
Decreased by:		
Withdrawal Approved by Board Resolution	27,250	
Withdrawal Approved in District Budget	<u>1,105,000</u>	
		<u>1,132,250</u>
Balance, June 30, 2021		<u>\$ 3,983,212</u>

The June 30, 2021 LRFP balance of local support costs of uncompleted capital projects is \$4,501,560. \$161,000 of the capital reserve balance at June 30, 2021 was designated and appropriated for use in the 2021/2022 original budget certified for taxes.

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**D. Maintenance Reserve**

A maintenance reserve account was established by the District. The accumulation of funds will be used for required maintenance of school facilities expenditures in subsequent fiscal years. The maintenance reserve is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the maintenance reserve are restricted to required maintenance activities for a school facility as reported in the comprehensive maintenance plan. A District may appropriate funds into the maintenance reserve 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. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the reserve cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

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

Balance, July 1, 2020	\$ 281,145
Decreased by:	
Withdrawal Approved by Board Resolution	<u>20,536</u>
Balance, June 30, 2021	<u>\$ 260,609</u>

The June 30, 2021 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$350,470.

**E. Emergency Reserve**

An emergency reserve account was established by the District. The accumulation of funds will be used to finance unanticipated General Fund current expenditures required for a thorough and efficient education in subsequent fiscal years.

Funds placed in the emergency reserve are restricted to finance reasonably unforeseeable costs and shall not include additional costs due to poor planning. A District may appropriate funds into the emergency reserve 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. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent or the withdrawal is included in the original budget certified for taxes to finance school security improvements to school facilities pursuant to 18A:7G-6(c)1. Pursuant to NJAC 6A:23A-14.4(A), the balance in the reserve cannot at any time exceed the greater of \$250,000 or one percent of the school district's General Fund budget as certified for taxes up to a maximum of \$1,000,000.

The activity of the emergency reserve for the fiscal year ended June 30, 2021 is as follows:

Balance, July 1, 2020	<u>\$ 250,000</u>
Balance, June 30, 2021	<u>\$ 250,000</u>

**F. Transfers to Capital Outlay**

During the 2020/2021 school year, the district transferred \$37,133 to the non-equipment capital outlay accounts.

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**G. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 4% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2021 is \$300,000. Of this amount, \$100,000 was designated and appropriated in 2021/2022 original budget certified for taxes and the remaining amount of \$200,000 will be appropriated in the 2022/2023 original budget certified for taxes.

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash Deposits and Investments**

**Cash Deposits**

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC and NCUSIF.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2021, the book value of the Board's deposits were \$6,553,862 and bank and brokerage firm balances of the Board's deposits amounted to \$7,410,920. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

**Depository Account**

Insured	\$ 7,407,797
Uninsured and Collateralized	<u>3,123</u>
	<u>\$ 7,410,920</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2021 the Board's bank balance of \$3,123 was exposed to custodial credit risk as follows:

**Depository Account**

Uninsured and Collateralized:

Collateral held by pledging financial institution's trust department not in the Board's name	\$ <u>3,123</u>
	<u>\$ 3,123</u>

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Cash Deposits and Investments (Continued)**

**Investments**

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America; Government Money Market Mutual Funds; any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located; Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by school districts; Local Government investment pools; deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2021, the Board had no outstanding investments.

Interest Rate Risk – Interest rate risk is the risk that changes in the market interest rate will adversely affect the fair value of an investment. The Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments as noted above (N.J.S.A. 18A:20-37). The District does not have an investment policy that would further limit its investment choices.

Concentration of Credit Risk – The concentration of credit risk is the risk of loss that may be caused by the Board's investment in a single issuer. The Board places no limit in the amount the District may invest in any one issuer.

Investment and interest earnings in the Capital Projects Fund are assigned to the General Fund in accordance with Board policy.

**B. Receivables**

Receivables as of June 30, 2021 for the district's individual major and nonmajor funds including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Intergovernmental-				
Federal		\$ 34,427	\$ 14,031	\$ 48,458
State	\$ 11,517		1,070	12,587
Other	-	-	87	87
	<hr/>	<hr/>	<hr/>	<hr/>
Gross Receivables	11,517	34,427	15,188	61,132
Less: Allowance for				
Uncollectibles	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net Total Receivables	<u>\$ 11,517</u>	<u>\$ 34,427</u>	<u>\$ 15,188</u>	<u>\$ 61,132</u>

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**C. Unearned Revenue**

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

Special Revenue Fund	
Unencumbered Grant Draw Downs	\$ 3,657
Year End Encumbrances	<u>2,225</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 5,882</u>

**D. Capital Assets**

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

	Balance, July 1, 2020	Increases	Decreases	Balance, June 30, 2021
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 59,696			\$ 59,696
Construction in Progress	<u>916,676</u>	<u>\$ 188,166</u>	<u>-</u>	<u>1,104,842</u>
Total Capital Assets, Not Being Depreciated	<u>976,372</u>	<u>188,166</u>	<u>-</u>	<u>1,164,538</u>
Capital Assets, Being Depreciated:				
Site Improvements	148,254			148,254
Buildings and Building Improvements	10,502,493			10,502,493
Machinery and Equipment	<u>1,043,746</u>	<u>45,467</u>	<u>\$ (30,143)</u>	<u>1,059,070</u>
Total Capital Assets Being Depreciated	<u>11,694,493</u>	<u>45,467</u>	<u>(30,143)</u>	<u>11,709,817</u>
Less Accumulated Depreciation for:				
Site Improvements	(148,254)			(148,254)
Buildings and Building Improvements	(4,641,243)	(293,007)		(4,934,250)
Machinery and Equipment	<u>(759,399)</u>	<u>(48,265)</u>	<u>30,143</u>	<u>(777,521)</u>
Total Accumulated Depreciation	<u>(5,548,896)</u>	<u>(341,272)</u>	<u>30,143</u>	<u>(5,860,025)</u>
Total Capital Assets, Being Depreciated, Net	<u>6,145,597</u>	<u>(295,805)</u>	<u>-</u>	<u>5,849,792</u>
Governmental Activities Capital Assets, Net	<u>\$ 7,121,969</u>	<u>\$ (107,639)</u>	<u>\$ -</u>	<u>\$ 7,014,330</u>



**MINE HILL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets (Continued)**

	Balance, <u>July 1, 2020</u>	<u>Increases</u>	Balance, <u>June 30, 2021</u>
<b>Business-Type Activities:</b>			
Capital Assets, Not Being Depreciated:			
Machinery and Equipment	\$ 76,715	-	\$ 76,715
 Total Capital Assets, Not Being Depreciated	<u>76,715</u>	<u>-</u>	<u>76,715</u>
 Less Accumulated Depreciation for:			
Machinery and Equipment	(74,294)	\$ (231)	(74,525)
Total Accumulated Depreciation	<u>(74,294)</u>	<u>(231)</u>	<u>(74,525)</u>
 Business-Type Activities Capital Assets, Net	<u>\$ 2,421</u>	<u>\$ (231)</u>	<u>\$ 2,190</u>

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

**Governmental Activities:**

Support Services	
Student and Instruction Related Services	\$ 17,229
General Administration	26,586
Plant Operations and Maintenance	<u>297,457</u>
 Total Depreciation Expense - Governmental Activities	<u>\$ 341,272</u>

**Business-Type Activities:**

Food Service Fund	\$ 231
 Total Depreciation Expense - Business-Type Activities	<u>\$ 231</u>

**Construction and Other Significant Commitments**

The District has the following active construction projects as of June 30, 2021:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Partial Roof Replacement	\$ 469,878	\$ 40,122
HVAC Project (Phase 2)	<u>539,164</u>	<u>455,336</u>
 Total Commitments	<u>\$ 1,009,042</u>	<u>\$ 495,458</u>

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**E. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2020, is as follows:

**Due To/From Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ <u>18,935</u>

The above balances are the result of revenues earned or other financing sources received in one fund which are due to another fund and/or expenditures paid by one fund on behalf of another fund and/or to cover cash balances which were in an overdraft position.

The District expects all interfund balances to be liquidated within one year.

**F. Leases**

**Operating Leases**

The District leases postage machines under a noncancelable operating lease as well as the service and supply on a 60-month copier machine lease. Lease payments for the fiscal year ended June 30, 2021 were \$6,768. The future minimum lease payments for these operating leases are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 6,768
2023	6,768
2024	6,768
2025	<u>1,692</u>
Total	<u>\$ 21,996</u>

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**F. Leases (Continued)**

**Capital Leases**

The District is leasing five (5) copier machines totaling \$77,700 under capital lease. The lease is for a terms of five (5) years.

The capital assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Machinery and Equipment	\$ 59,389
Less: Accumulated Depreciation	<u>(12,863)</u>
Total	<u>\$ 46,526</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2021 were as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Governmental Activities</u>
2022	\$ 15,540
2023	15,540
2024	15,540
2025	<u>3,885</u>
Total Minimum Lease Payments	50,505
Less: Amount Representing Interest	<u>(3,979)</u>
Present Value of Minimum Lease Payments	<u>\$ 46,526</u>

**G. Long-Term Debt**

**General Obligation Bonds**

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets or other purposes permitted by statute. The full faith and credit of the Board are irrevocably pledged for the payment of the principal of the bonds and the interest thereon.

Bonds payable at June 30, 2021 are comprised of the following issues:

\$1,120,000, 2016 Refunding Bonds, due in a final installment of \$195,000 on March 1, 2022, interest at 1.720%	<u>\$195,000</u>
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**MINE HILL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**G. Long-Term Debt (Continued)**

The Board's schedule of principal and interest for long-term debt issued and outstanding is as follows:

**Governmental Activities:**

Fiscal Year Ending June 30,	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2022	\$ 195,000	\$ 3,354	\$ 198,354
Total	<u>\$ 195,000</u>	<u>\$ 3,354</u>	<u>\$ 198,354</u>

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2021 was as follows:

2.5% of Equalized Valuation Basis (Municipal)	\$ 11,823,025
Less: Net Debt	<u>195,000</u>
Remaining Borrowing Power	<u>\$ 11,628,025</u>

**H. Other Long-Term Liabilities**

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2021, was as follows:

	<u>Balance, July 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, June 30, 2021</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable	\$ 385,000		\$ 190,000	\$ 195,000	\$ 195,000
Capital Leases	59,389		12,863	46,526	13,521
Compensated Absences	259,441	\$ 43,154		302,595	
Net Pension Liability	690,319	-	59,877	630,442	-
Governmental Activity Long-Term Liabilities	<u>\$ 1,394,149</u>	<u>\$ 43,154</u>	<u>\$ 262,740</u>	<u>\$ 1,174,563</u>	<u>\$ 208,521</u>

For the governmental activities, the liabilities for compensated absences, capital leases and net pension liability are generally liquidated by the general fund.

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION**

**A. Risk Management**

The District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The Board has obtained commercial insurance coverage to guard against these events to minimize the exposure to the District should they occur. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

The District is a member of the School Alliance Insurance Fund (SAIF). The Fund is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims.

The relationship between the Board and the insurance fund is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Board is contractually obligated to make all annual and supplementary contributions to the fund, to report claims on a timely basis, cooperate with the management of the fund, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the fund. Members have a contractual obligation to fund any deficit of the fund attributable to a membership year during which they were a member.

SAIF provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the respective insurance funds are on file with the School's Business Administrator.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage's in any of the prior three years.

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, interest earnings, reimbursements to the State for benefits paid and the ending balance of the District's restricted fund balance for unemployment compensation claims in the General Fund for the current and previous two years:

<u>Fiscal Year Ended June 30,</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2021		\$ 5,384	\$ 172	\$ 5,384	\$ 76,695
2020	\$ 50,000	5,529	381	16,343	76,523
2019		7,459	557	8,566	36,956

**B. Contingent Liabilities**

The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

**Federal and State Awards** – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2021, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**C. Federal Arbitrage Regulations**

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2021, the District has not estimated its arbitrage earnings due to the IRS, if any.

**D. Employee Retirement Systems and Pension Plans**

**Plan Descriptions and Benefits Provided**

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all Board employees who are eligible for pension coverage:

**Public Employees' Retirement System (PERS)** – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees. PERS is a cost sharing multiple employer defined benefit pension plan. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division's) Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

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

The following represents the membership tiers for PERS:

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

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

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Teachers' Pension and Annuity Fund (TPAF)** – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees. TPAF is a cost sharing multiple- employer defined benefit pension plan with a special funding situation, which the State is responsible to fund 100% of local employer contributions, excluding any local employer early retirement incentive (ERI) contributions. For additional information about TPAF, please refer to the State Division of Pension and Benefits (Division's) Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

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

The following represent the membership tiers for TPAF:

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

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

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Board employees who are eligible for pension coverage.

**Defined Contribution Retirement Program (DCRP)** – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS or TPAF on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS or TPAF on or after November 2, 2008 and do not earn the minimum salary required or do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Other Pension Funds**

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local government employers do not appropriate funds to SACT.

The cost of living increase for PERS and TPAF, are funded directly by each of the respective systems but are currently suspended as a result of reform legislation.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits ("Division"), issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**Plan Amendments**

The authority to amend the provisions of the above plans rests with legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for TPAF and PERS, once a Target Funded Ratio (TFR) is met. The Pension Plan Design Committees will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation of final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committees will also have the authority to reactivate the cost of living adjustment (COLA) on pensions. However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a 30-year projection period.

**Measurement Focus and Basis of Accounting**

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

**Investment Valuation**

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Prudential retirement is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

The State of New Jersey, Department of the Treasury, Division of Investment issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290 or at [www.state.nj.us/treasury/doinvest](http://www.state.nj.us/treasury/doinvest).



**MINE HILL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Collective Net Pension Liability**

The collective net pension liability of the participating employers for local PERS at June 30, 2020 is \$16.4 billion and the plan fiduciary net position as a percentage of the total pension liability is 58.32%. The collective net pension liability of the State funded TPAF at June 30, 2020 is \$66.0 billion and the plan fiduciary net position as a percentage of total pension liability is 24.60%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2019 which were rolled forward to June 30, 2020.

**Actuarial Methods and Assumptions**

In the July 1, 2019 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee's annual compensation for fiscal year 2021.

PERS employers' and TPAF State's nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2021 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State's annual pension contribution was less than the actuarial determined amount. For local PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2021, 2020 and 2019 were equal to the required contributions.

During the fiscal years ended June 30, 2021, 2020 and 2019 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

<u>Fiscal Year Ended June 30,</u>	<u>PERS</u>	<u>On-Behalf TPAF</u>	<u>DCRP</u>
2021	\$ 42,292	\$ 681,898	\$ 5,384
2020	39,704	528,838	4,959
2019	37,299	455,088	6,613

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Employer and Employee Pension Contributions (Continued)**

In addition for fiscal years 2021, 2020 and 2019 the District contributed \$0, \$90 and \$111, respectively for PERS and the State contributed \$418, \$526 and \$607, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB Statement No. 85, *Omnibus 2017* (GASB No. 85). The DCRP contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$185,759 during the fiscal year ended June 30, 2021 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

**Public Employees Retirement System (PERS)**

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2019 through June 30, 2020. Employer allocation percentages have been rounded for presentation purposes.

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

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

At June 30, 2021, the District reported in the statement of net position (accrual basis) a liability of \$630,442 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019. The District's proportionate share of the net pension liability was based on the ratio of the District's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2020. At June 30, 2020, the District's proportionate share was .00386 percent, which was an increase of .00003 percent from its proportionate share measured as of June 30, 2019 of .00383 percent.

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources  
Related to Pensions (Continued)**

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

For the fiscal year ended June 30, 2021, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$29,464 for PERS. The pension contribution made by the District during the current 2020/2021 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2021 with a measurement date of the prior fiscal year end of June 30, 2020. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2021 for contributions made subsequent to the measurement date. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 11,479	\$ 2,230
Changes of Assumptions	20,452	263,972
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	21,549	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>26,949</u>	<u>107,347</u>
Total	<u>\$ 80,429</u>	<u>\$ 373,549</u>

At June 30, 2021, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(benefit) as follows:

<b><u>Year Ending June 30,</u></b>	<b><u>Total</u></b>
2022	\$ (107,370)
2023	(107,799)
2024	(61,468)
2025	(13,284)
2026	(3,199)
Thereafter	<u>-</u>
	<u>\$ (293,120)</u>

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NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources  
Related to Pensions (Continued)**

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

***Actuarial Assumptions***

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

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% Based on Years of Service
Thereafter	3.00%-7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries 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.

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**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources  
Related to Pensions (Continued)**

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

***Long-Term Expected Rate of Return***

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plans 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 the PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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%
US Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
High Yield	2.00%	5.95%
Real Assets	3.00%	9.73%
Private Credit	8.00%	7.59%
Real Estate	8.00%	9.56%
Private Equity	13.00%	11.42%

***Discount Rate***

The discount rate used to measure the total pension liabilities of the PERS plan was as follows:

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2021	June 30, 2020	7.00%
2020	June 30, 2019	6.28%

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**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources  
Related to Pensions (Continued)**

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

***Discount Rate (Continued)***

There was no crossover period for the PERS defined benefit plan. Therefore the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

***Sensitivity of Net Pension Liability***

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 7.00 percent, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	<b>1% Decrease <u>6.00%</u></b>	<b>Current Discount Rate <u>7.00%</u></b>	<b>1% Increase <u>8.00%</u></b>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 793,621</u>	<u>\$ 630,442</u>	<u>\$ 491,980</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability as of the measurement date of June 30, 2020. A sensitivity analysis specific to the District's net pension liability at June 30, 2020 was not provided by the pension system.

***Pension Plan Fiduciary Net Position***

Detailed information about the PERS pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

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**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources  
Related to Pensions (Continued)**

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

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2019 through June 30, 2020. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2020, the State's pension contribution was less than the actuarial determined amount.

In accordance with GASB No. 68, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to TPAF on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 68 is zero percent and the State's proportionate share is 100% of the net pension liability attributable to the District for TPAF. Therefore, in addition, the District does not recognize any portion of the TPAF collective deferred outflows of resources and deferred inflows of resources.

For the fiscal year ended June 30, 2021, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$969,888 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2021 the State's proportionate share of the net pension liability attributable to the District is \$15,597,004. The net pension liability was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2020. At June 30, 2020, the State's share of the net pension liability attributable to the District was .02368 percent, which was an increase of .00102 percent from its proportionate share measured as of June 30, 2019 of .02266 percent.

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**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources  
Related to Pensions (Continued)**

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

**Actuarial Assumptions**

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

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55-4.55% Based on Years of Service
Thereafter	2.75%-5.65% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries 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.



**MINE HILL TOWNSHIP BOARD OF EDUCATION  
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**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources  
Related to Pensions (Continued)**

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

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans 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 the 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%
US Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
High Yield	2.00%	5.95%
Real Assets	3.00%	9.73%
Private Credit	8.00%	7.59%
Real Estate	8.00%	9.56%
Private Equity	13.00%	11.42%

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**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources  
Related to Pensions (Continued)**

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

***Discount Rate***

The discount rate used to measure the total pension liabilities of the TPAF plan was as follows:

<b><u>Fiscal Year</u></b>	<b><u>Measurement Date</u></b>	<b><u>Discount Rate</u></b>
2021	June 30, 2020	5.40%
2020	June 30, 2019	5.60%

The following table represents the crossover period, if applicable, for the TPAF defined benefit plan:

**Period of Projected Benefit**

Payments for which the Following  
Rates were Applied:

Long-Term Expected Rate of Return	Through June 30, 2062
Municipal Bond Rate *	From July 1, 2062 and Thereafter

\* The municipal bond return rate used is 2.21% as of the measurement date of June 30, 2020. 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.

***Sensitivity of Net Pension Liability***

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 5.40%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (4.40 percent) or 1-percentage-point higher (6.40 percent) than the current rate:

	<b><u>1% Decrease (4.40%)</u></b>	<b><u>Current Discount Rate (5.40%)</u></b>	<b><u>1% Increase (6.40%)</u></b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 18,320,508</u>	<u>\$ 15,597,004</u>	<u>\$ 13,335,591</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2020. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2020 was not provided by the pension system.

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
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**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources  
Related to Pensions (Continued)**

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

***Pension Plan Fiduciary Net Position***

Detailed information about the TPAF pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**E. Post-Retirement Medical Benefits**

The State of New Jersey sponsors and administers the post-retirement health benefit program plan for school districts.

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a multiple-employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

**Plan Description and Benefits Provided**

The State of New Jersey sponsors and administers the following post-retirement health benefit program plan covering certain local school district employees, including those Board employees and retirees eligible for coverage.

**State Health Benefit Program Fund – Local Education Retired Employees Plan** (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage, prescription drug benefits and Medicare Part B reimbursement to qualified retired education employees and their covered dependents. The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents.

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.

**MINE HILL TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Fund. The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**Plan Membership**

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2019:

Active Plan Members	216,804
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>149,304</u>
Total	<u>366,108</u>

**Measurement Focus and Basis of Accounting**

The financial statements of the post-employment health benefit plans are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the post-employment health benefit plans. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

**Investment Valuation**

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**Collective Net OPEB Liability**

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2020 is \$67.8 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2019 which were rolled forward to June 30, 2020.

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**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**Actuarial Methods and Assumptions**

In the June 30, 2019 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**Post-Retirement Medical Benefits Contributions**

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.18 billion to the OPEB plan in fiscal year 2020.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. over a period not to exceed thirty years. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2021, 2020 and 2019 were \$213,696, \$796,189 and \$206,427, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2019 through June 30, 2020. Nonemployer allocation percentages have been rounded for presentation purposes.

In accordance with GASB No. 75, the District is not required to recognize an OPEB liability for the post-employment health benefit plan. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to the plan on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 75 is zero percent and the State's proportionate share is 100% of the OPEB liability attributable to the District. Therefore, in addition, the District does not recognize any portion of the collective deferred outflows of resources and deferred inflows of resources related to the plan.

For the fiscal year ended June 30, 2021, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$881,575. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2021 the State's proportionate share of the OPEB liability attributable to the District is \$15,071,788. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the District at June 30, 2020 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2020. At June 30, 2020, the state's share of the OPEB liability attributable to the District was .02223 percent, which was an increase of .00076 percent from its proportionate share measured as of June 30, 2019 of .02147 percent.

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**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

**Actuarial Assumptions**

The OPEB liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases*	
PERS:	
Initial Fiscal Year Applied Through	2026
Rate	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
TPAF:	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 4.45%
Rate Thereafter	1.55% to 4.45%
Mortality:	
PERS	Pre-retirement and Post-retirement based on Pub-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.
TPAF	Pre-retirement and Post-retirement based on Pub-2010 Healthy "Teachers" and "General" classifications respectively, headcount-weighted mortality tables with fully generational mortality improvement projections from the central year using Scale MP-2020

\*Salary increases are based on the defined benefit pension plan that the member is enrolled in and the members years of service.

For the June 30, 2020 measurement date healthcare cost trend rates for pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 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%.

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**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

**Actuarial Assumptions (Continued)**

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2015 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

100% of active members are considered to participate in the plan upon retirement.

**Discount Rate**

The discount rate used to measure the total OPEB liabilities of the plan was as follows:

<b><u>Fiscal Year</u></b>	<b><u>Measurement Date</u></b>	<b><u>Discount Rate</u></b>
2021	June 30, 2020	2.21%
2020	June 30, 2019	3.50%

The discount rate 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.

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NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

**Changes in the Total OPEB Liability**

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2021 (measurement date June 30, 2020) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2019 Measurement Date	\$ 8,959,353
Changes Recognized for the Fiscal Year:	
Service Cost	393,339
Interest on the Total OPEB Liability	322,930
Differences Between Expected and Actual Experience	2,897,502
Changes of Assumptions	2,753,098
Gross Benefit Payments	(262,387)
Contributions from the Member	7,953
Net Changes	\$ 6,112,435
Balance, June 30, 2020 Measurement Date	\$ 15,071,788

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

The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2020.



**MINE HILL TOWNSHIP BOARD OF EDUCATION  
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**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

**Sensitivity of OPEB Liability**

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 2.21%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current rate:

	<b>1% Decrease <u>(1.21%)</u></b>	<b>Current Discount Rate <u>(2.21%)</u></b>	<b>1% Increase <u>(3.21%)</u></b>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 18,169,818</u>	<u>\$ 15,071,788</u>	<u>\$ 12,649,427</u>

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.* The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<b>1% Decrease <u></u></b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase <u></u></b>
Total OPEB Liability (School Retirees)	<u>\$ 12,166,456</u>	<u>\$ 15,071,788</u>	<u>\$ 18,531,393</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2020. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2020 were not provided by the pension system.

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**F. Subsequent Events**

**Referendum**

On September 28, 2021 the voters of Mine Hill Township approved a \$4,958,240 referendum authorizing the District to issue bonds and/or notes to finance various capital improvements and upgrades to the Canfield Avenue School consisting of the replacement of windows, roofing, doors and flooring as well as improvements to the parking lot, playground equipment, the athletic field, and electrical wiring.

**Serial Bonds**

On December 1, 2021, the District issued \$4,958,000 in School District Bonds. These Bonds will finance expenditures related to the 2021 referendum. The District awarded the said sale of bonds to Roosevelt & Cross, Inc. at an interest rate of 1.0% to 2.125%. These Bonds will mature over 20 years with the first maturity due September 15, 2022.

**NOTE 5 RESTATEMENT**

On July 1, 2020, the Mine Hill Township Board of Education implemented GASB Statement No. 84 "Fiduciary Activities". The Mine Hill Township Board of Education has determined that the effect of implementing this accounting change on the financial statements previously reported as of and for the fiscal year ended June 30, 2020 are as follows:

**Governmental Activities**

The financial statements of the governmental activities as of June 30, 2020 have been restated to reflect the reclassification of certain activities related to unemployment compensation, student activities and payroll related activities which were previously reported as fiduciary activities to governmental activities. The effect of this restatement is to increase net position of governmental activities by \$106,274 from \$10,211,870 as previously reported to \$10,318,144 as of June 30, 2020.

**Governmental Funds**

The financial statements of the governmental funds as of June 30, 2020 have been restated to reflect the reclassification of certain activities related to unemployment compensation, student activities and payroll activities previously reported as fiduciary funds to governmental funds. The effect of this restatement is to increase fund balances of governmental funds by \$106,274 from \$4,787,704 as previously reported to \$4,893,978 as of June 30, 2020. General Fund fund balance increased \$76,523 from \$4,199,880 as previously reported to \$4,276,403 as of June 30, 2020. Special Revenue Fund fund balance increased \$29,751 from \$0 as previously reported to \$29,751 as of June 30, 2020.

**Fiduciary Funds**

The financial statements of the fiduciary funds as of June 30, 2020 have been restated to reflect the reclassification of certain activities to governmental funds as noted above. The effect of this restatement is to decrease total fiduciary net position by \$102,868 from \$102,868 as previously reported to \$0 as of June 30, 2020.

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 6 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC**

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the “Pandemic”) by the World Health Organization and has been affecting many parts of the world, including the United States and the State of New Jersey. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President’s Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

Governor Phil Murphy (the “Governor”) of the State of New Jersey (the “State”) declared a state of emergency and a public health emergency on March 9, 2020 due to the outbreak of COVID-19, which spread to the State and to all counties within the State. The Governor also instituted mandatory measures via various executive orders to contain the spread of the virus. These measure, which altered the behaviors of businesses and people, had negative impacts on regional, state and local economies. The Governor, pursuant to various executive orders, then implemented a multi-stage approach to restarting New Jersey’s economy. The declaration of the state of emergency and of a public health emergency was terminated by the Governor, by executive order, on June 4, 2021. Also, on June 4, 2021, the Governor signed into law Assembly Bill No. 5820 which terminates most of the governor’s pandemic-related executive orders in early July. The remaining executive orders (dealing with coronavirus testing and vaccinations, moratoriums on evictions and utility shutoffs and various other matters) will terminate on January 1, 2022. In the event of substantial increases in COVID-19 hospitalizations, spot positivity or rates of transmission, the Governor is empowered to impose more restrictive measures than currently in place.

Recently, the United States Congress has passed relief and stimulus legislations including the American Rescue Plan Act signed into law by President Biden on March 12, 2021, comprising of \$1.9 trillion in funding to address the COVID-19 Pandemic. This legislation is intended to address the financial impact of the pandemic on the U.S. economy and alleviate the health effects of the COVID-19 pandemic. The Plan provides funding for state and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the School District. It is too early to predict if the legislation will have its intended affect.

The largest portion of the School District’s revenues is derived from local tax revenues levied by the Borough. In that regard, under applicable State statutes, the Borough annually is required to pay 100% of the amount levied for operations and debt service to the School District regardless of delinquencies in applicable property tax collections. The ability of the Borough to fully collect property taxes on a timely basis may be affected by the economic impact of the Pandemic; however, the District does not anticipate an interruption in the timely collection of property taxes from the Borough.

Because of the evolving nature of the outbreak and federal, state and local responses thereto, the Board cannot predict how the outbreak will impact the financial condition or operations of the School District, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. The Board cannot predict costs associated with this or any other potential infectious disease outbreak, including whether there will be any reduction in State funding or an increase in operational costs incurred to clean, sanitize and maintain it facilities either before or after an outbreak of an infectious disease.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

## **BUDGETARY COMPARISON SCHEDULES**

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>REVENUES</b>					
Local Sources					
Local Tax Levy	\$ 7,213,972		\$ 7,213,972	\$ 7,213,972	
Interest	3,500		3,500	14,538	\$ 11,038
Interest (Restricted - Unemployment Fund)				172	172
Miscellaneous (Restricted - Unemployment Fund)				4,872	4,872
Miscellaneous	75,000	-	75,000	29,718	(45,282)
Total Local Sources	7,292,472	-	7,292,472	7,263,272	(29,200)
State Sources					
School Choice Aid	1,227,305		1,227,305	1,227,305	
Transportation Aid	171,868		171,868	171,868	
Special Education Aid	348,338		348,338	348,338	
Equalization Aid	1,151,822		1,151,822	1,151,822	
Security Aid	41,980		41,980	41,980	
Extraordinary Aid				205,705	205,705
Non-Public Transportation Aid				2,610	2,610
On-behalf TPAF (Non Budget)					
Pension Contributions - Normal Cost				669,166	669,166
Pension Contributions - NCGI				12,732	12,732
Post Retirement Medical Cont.				213,696	213,696
Long-Term Disability Insurance Cont.				418	418
Social Security Payments	-	-	-	185,759	185,759
Total State Sources	2,941,313	-	2,941,313	4,231,399	1,290,086
Total Revenues	10,233,785	-	10,233,785	11,494,671	1,260,886
<b>EXPENDITURES</b>					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool	58,850	\$ 59,106	117,956	116,411	1,545
Kindergarten	215,731	(49,493)	166,238	159,284	6,954
Grades 1-5	1,348,149	28,010	1,376,159	1,352,868	23,291
Grades 6-8	190,630	58,174	248,804	233,416	15,388
Regular Program - Home Instruction					
Salaries of Teachers	2,000	-	2,000		2,000
Purchased Prof. - Ed. Services	10,000	-	10,000		10,000
Other Purch. Serv.	500	-	500		500
Regular Programs - Undistributed Instruction					
Purchased Prof. - Ed. Services	46,638	2,495	49,133	29,287	19,846
Purchased Technical Services	100	11,017	11,117	11,115	2
Other Purch. Serv.	50,640	(938)	49,702	38,108	11,594
General Supplies	329,150	27,532	356,682	263,364	93,318
Total Regular Programs	2,252,388	135,903	2,388,291	2,203,853	184,438
Multiple Disabilities					
Salaries of Teachers	107,363	43,185	150,548	95,526	55,022
Other Salaries for Instruction	46,571	-	46,571	33,739	12,832
Purchased Prof. - Ed. Services	700	32	732	732	-
General Supplies	3,000	1,500	4,500	3,704	796
Other Objects	2,500	(1,532)	968	-	968
Total Multiple Disabilities	160,134	43,185	203,319	133,701	69,618

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT (Continued)</b>					
Special Education (Continued)					
Resource Room / Resource Center					
Salaries of Teachers	\$ 142,733	\$ 6,056	\$ 148,789	\$ 146,479	\$ 2,310
Other Salaries for Instruction	130,073	2,902	132,975	117,987	14,988
General Supplies	1,500	-	1,500	830	670
Total Resource Room / Resource Center	274,306	8,958	283,264	265,296	17,968
Total Special Education	434,440	52,143	486,583	398,997	87,586
School Sponsored Co/Extra Curricular Activities					
Salaries	21,000	-	21,000	1,113	19,887
Supplies and Materials	1,000	-	1,000	-	1,000
Total School Sponsored Co/Extra Curricular Activities	22,000	-	22,000	1,113	20,887
Total Instruction	2,708,828	188,046	2,896,874	2,603,963	292,911
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State - Regular	1,386,784	176	1,386,960	1,386,960	-
Tuition to Other LEAs Within the State - Special	405,376	-	405,376	396,771	8,605
Tuition to Co. Voc. School District - Regular	140,000	-	140,000	45,900	94,100
Tuition to APSSD Within the State	800,000	(20,932)	779,068	507,573	271,495
Tuition - State Facilities	39,872	-	39,872	-	39,872
Total Undistributed Expenditures - Instruction	2,772,032	(20,756)	2,751,276	2,337,204	414,072
Attendance & Social Work					
Salaries	2,015	(2,015)	-	-	-
Purchased Professional and Technical Services	8,100	2,021	10,121	9,744	377
Total Attendance & Social Work	10,115	6	10,121	9,744	377
Health Services					
Salaries	62,625	2,163	64,788	61,813	2,975
Purchased Professional and Technical Services	7,000	3,988	10,988	8,588	2,400
Other Purch. Services	250	-	250	-	250
Supplies and Materials	3,000	-	3,000	680	2,320
Other Objects	250	-	250	-	250
Total Health Services	73,125	6,151	79,276	71,081	8,195
Speech, OT, PT & Related Services					
Purch. Prof. Ed Services	160,000	-	160,000	130,135	29,865
Supplies and Materials	1,800	-	1,800	1,516	284
Total Speech, OT, PT & Related Services	161,800	-	161,800	131,651	30,149
Other Support Services - Extra Services					
Purchased Professional - Educational Services	130,000	-	130,000	107,595	22,405
Total Other Support Services - Extra Services	130,000	-	130,000	107,595	22,405
Guidance					
Salaries of Other Professional Staff	64,275	1,478	65,753	65,753	-
Other Purch. Prof. & Tech. Serv.	1,000	-	1,000	-	1,000
Other Purchased Services	350	-	350	-	350
Supplies and Materials	500	-	500	149	351
Other Objects	350	-	350	-	350
Total Guidance	66,475	1,478	67,953	65,902	2,051

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
<b>EXPENDITURES</b>					
<b>CURRENT (Continued)</b>					
Undistributed Expenditures (Continued)					
Child Study Team					
Salaries of Secretarial and Clerical Assistants	\$ 32,108	\$ 1,027	\$ 33,135	\$ 33,135	
Other Salaries	1,300	-	1,300	1,237	\$ 63
Purchased Professional - Educational Svs.	162,041	(5,988)	156,053	152,544	3,509
Other Purchased Professional and Tech. Services	3,000	-	3,000	2,497	503
Other Purchased Services	2,234	-	2,234	2,234	-
Supplies and Materials	3,600	-	3,600	391	3,209
Other Objects	800	-	800	-	800
Total Child Study Team	205,083	(4,961)	200,122	192,038	8,084
Improvement of Instructional Services					
Salaries of Other Prof. Staff	64,068	1,980	66,048	48,049	17,999
Other Objects	240	-	240	-	240
Total Improvement of Instructional Services	64,308	1,980	66,288	48,049	18,239
Educational Media Services/School Library					
Salaries	63,738	2,163	65,901	65,901	-
Purchased Professional and Technical Services	68,000	-	68,000	68,000	-
Other Purchased Services	21,300	(876)	20,424	10,158	10,266
Supplies and Materials	5,000	876	5,876	2,876	3,000
Other Objects	500	-	500	-	500
Total Educational Media Serv./School Library	158,538	2,163	160,701	146,935	13,766
Staff Training Services					
Purchased Professional/Educational Services	60,000	-	60,000	33,300	26,700
Other Purchased Services	9,500	-	9,500	225	9,275
Supplies and Materials	650	310	960		960
Other Objects	1,000	(310)	690	-	690
Total Staff Training Services	71,150	-	71,150	33,525	37,625
Support Services General Administration					
Salaries	218,985	1,938	220,923	220,908	15
Unused Vacation Payment to Terminated/Retired Staff	1,100	2,639	3,739	3,739	-
Legal Services	15,000	-	15,000	4,293	10,707
Audit Fees	23,500	186	23,686	23,686	-
Architectural/Engineering Services	5,000	(3,004)	1,996		1,996
Other Purchased Prof. Serv.	4,685	-	4,685	4,635	50
Purchased Technical Services	450	398	848	648	200
Communications/Telephone	14,960	108	15,068	13,852	1,216
BOE Other Purchased Prof. Serv.	2,800	(506)	2,294		2,294
Misc. Purchased Services	3,650	816	4,466	2,806	1,660
General Supplies	2,000	(700)	1,300	1,166	134
BOE In-House Training/Meeting Supplies	100	-	100	40	60
Miscellaneous Expenditures	3,000	-	3,000	2,666	334
BOE Membership Dues and Fees	5,000	-	5,000	4,693	307
Total Support Services General Administration	300,230	1,875	302,105	283,132	18,973
Support Services School Administration					
Salaries of Principal/Asst. Principals/Program Dir.	97,703	4,885	102,588	102,588	-
Salaries of Secretarial and Clerical Assistants	60,920	1,824	62,744	61,867	877
Other Purchased Professional and Tech. Services		199	199	199	-
Other Purchased Services	4,540	(753)	3,787	3,400	387
Supplies and Materials	2,500	554	3,054	3,054	-
Other Objects	1,390	-	1,390	1,284	106
Total Support Services School Administration	167,053	6,709	173,762	172,392	1,370



**MINE HILL TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT (Continued)</b>					
Undistributed Expenditures (Continued)					
Central Services					
Salaries	\$ 194,351	\$ 4,498	\$ 198,849	\$ 198,849	
Purchased Technical Services	22,000	116	22,116	21,860	\$ 256
Miscellaneous Purchased Services	33,600	792	34,392	34,392	-
Supplies and Materials	3,000	1,487	4,487	4,487	-
Misc. Expenditures	2,000	(399)	1,601	1,490	111
Total Central Services	254,951	6,494	261,445	261,078	367
Required Maintenance for School Facilities					
Cleaning, Repair and Maintenance	209,696	9,909	219,605	183,732	35,873
General Supplies	2,584	5,701	8,285	7,741	544
Total Required Maintenance for School Facilities	212,280	15,610	227,890	191,473	36,417
Custodial Services					
Salaries	13,765	(2,353)	11,412		11,412
Purchased Prof. And Technical Serv.	246,694	(549)	246,145	238,489	7,656
Cleaning, Repair and Maint. Serv.	19,225	585	19,810	16,035	3,775
Other Purchased Property Services	7,900	-	7,900	7,354	546
Insurance	57,648	-	57,648	44,819	12,829
Miscellaneous Purchased Services	2,500	-	2,500		2,500
General Supplies	1,500	-	1,500		1,500
Energy (Natural Gas)	45,000	-	45,000	32,028	12,972
Energy (Electricity)	55,000	-	55,000	41,964	13,036
Energy (Gasoline)	450	-	450	-	450
Total Custodial Services	449,682	(2,317)	447,365	380,689	66,676
Care & Upkeep of Grounds					
Cleaning, Repair, and Maintenance Services	40,500	17,198	57,698	57,698	-
General Supplies	300	(148)	152	-	152
Total Care & Upkeep of Grounds	40,800	17,050	57,850	57,698	152
Security					
Salaries	9,634	(6)	9,628	8,258	1,370
Purchased Prof. and Technical Serv.	28,500	-	28,500	3,850	24,650
Cleaning, Repair, and Maintenance Services	3,100	-	3,100	-	3,100
Total Security	41,234	(6)	41,228	12,108	29,120
Student Transportation Services					
Salaries of Non-Instructional Aides	4,932	123	5,055	5,055	-
Management Fee - ESC & CTA Trans. Program	29,900	(123)	29,777	19,665	10,112
Contracted Services (Other than Between Home and School)-					
Vendors	8,600	-	8,600		8,600
Contracted Services (Spl. Ed. Students) - Vendors	4,500	-	4,500		4,500
Contracted Services (Spl. Ed. Students) - Joint Agreements	50,000	(47,931)	2,069		2,069
Contracted Services (Reg. Students) - ESCs and CTSA	280,000	(10,000)	270,000	170,962	99,038
Contracted Services (Spl. Ed. Students) - ESCs and CTSA	540,000	(36,491)	503,509	300,968	202,541
Contracted Services - Aide in Lieu - Non-Public	60,000	-	60,000	13,961	46,039
Total Student Transportation Services	977,932	(94,422)	883,510	510,611	372,899

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT(Continued)</b>					
Undistributed Expenditures (Continued)					
Unallocated Benefits - Employee Benefits					
Social Security Contributions	\$ 65,000	\$ 39,731	\$ 104,731	\$ 83,948	\$ 20,783
Other Retirement Contributions - PERS	40,000	4,646	44,646	44,646	-
Other Retirement Contributions - Regular	5,000	384	5,384	5,384	-
Unemployment	20,000	(20,000)			-
Unemployment Compensation (Non-Budgeted)				4,872	(4,872)
Workers Compensation	26,000	(4,817)	21,183	21,183	-
Health Benefits	800,448	29,198	829,646	855,525	(25,879)
Tuition Reimbursement	20,000	(12,408)	7,592	7,592	-
Other Employee Benefits	33,000	(1,788)	31,212	31,212	-
Total Unallocated Benefits - Employee Benefits	1,009,448	34,946	1,044,394	1,054,362	(9,968)
On-Behalf TPAF (Non-Budget)					
Pension Contributions - Normal Cost				669,166	(669,166)
Pension Contributions NCGI				12,732	(12,732)
Post Retirement Medical Cont.				213,696	(213,696)
Long-Term Disability Insurance Cont.				418	(418)
Social Security Payments	-	-	-	185,759	(185,759)
Total On-Behalf Payments	-	-	-	1,081,771	(1,081,771)
Total Undistributed Expenditures	7,166,236	(28,000)	7,138,236	7,149,038	(10,802)
Interest Earned on Maintenance Reserve	500	-	500	-	500
Total Current Expenditures	9,875,564	160,046	10,035,610	9,753,001	282,609
<b>CAPITAL OUTLAY</b>					
Equipment					
Undistributed Expenditures					
Undist. Expend - Instruction	40,000	140	40,140	40,140	-
Undist. Expend - General Administration	3,500	(140)	3,360	2,999	361
Undist. Expend - School Administration	3,500	-	3,500	2,328	1,172
Total Undist. Exp. - Non-Instructional Services	47,000	-	47,000	45,467	1,533
Facilities Acquisition and Construction Serv.					
Architectural and Engineering Services		9,883	9,883	9,883	-
Construction Svcs	1,401,400	27,250	1,428,650	85,917	1,342,733
Assessment for Debt Service on SDA Funding	11,821	-	11,821	11,821	-
Total Facilities Acquisition and Construction Services	1,413,221	37,133	1,450,354	107,621	1,342,733
Interest Deposit to Capital Reserve	3,000	-	3,000	-	3,000
Total Capital Outlay	1,463,221	37,133	1,500,354	153,088	1,347,266
Total Expenditures	11,338,785	197,179	11,535,964	9,906,089	1,629,875

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	\$ (1,105,000)	\$ (197,179)	\$ (1,302,179)	\$ 1,588,582	\$ 2,890,761
Fund Balance, Beginning of Year (Restated)	<u>4,740,549</u>	<u>-</u>	<u>4,740,549</u>	<u>4,740,549</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 3,635,549</u>	<u>\$ (197,179)</u>	<u>\$ 3,438,370</u>	<u>\$ 6,329,131</u>	<u>\$ 2,890,761</u>
<b>Recapitulation of Fund Balance</b>					
Restricted					
Capital Reserve				\$ 3,822,212	
Capital Reserve - Designated for Subsequent Year's Budget				161,000	
Maintenance Reserve				260,609	
Emergency Reserve				250,000	
Unemployment Compensation				76,695	
Excess Surplus				200,000	
Excess Surplus - Designated for Subsequent Year's Budget				100,000	
Committed Fund Balances					
Encumbrances				788,435	
Assigned Fund Balance					
Encumbrances				108,892	
Unassigned				<u>561,288</u>	
Fund Balance (Budgetary Basis)				6,329,131	
Less:					
State Aid not Recognized on GAAP Basis				<u>(493,617)</u>	
Fund Balance (GAAP Basis)				<u>\$ 5,835,514</u>	

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Intergovernmental					
Federal	\$ 215,096	\$ 91,867	\$ 306,963	\$ 305,700	\$ (1,263)
Local	-	3,457	3,457	7,278	3,821
	<u>215,096</u>	<u>95,324</u>	<u>310,420</u>	<u>312,978</u>	<u>2,558</u>
Total Revenues	<u>215,096</u>	<u>95,324</u>	<u>310,420</u>	<u>312,978</u>	<u>2,558</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries	56,250	13,775	70,025	70,025	-
Tuition	105,200	841	106,041	106,041	-
General Supplies	32,000	(17,907)	14,093	13,142	951
Miscellaneous Expenditures		100	100		100
Student Activities	-	-	-	6,786	(6,786)
	<u>193,450</u>	<u>(3,191)</u>	<u>190,259</u>	<u>195,994</u>	<u>(5,735)</u>
Total Instruction	<u>193,450</u>	<u>(3,191)</u>	<u>190,259</u>	<u>195,994</u>	<u>(5,735)</u>
Support Services					
Salaries	4,112	(210)	3,902	3,902	-
Purchased Professional and Technical Services	17,534	4,330	21,864	21,561	303
Supplies and Materials	-	91,295	91,295	91,029	266
Miscellaneous Expenditures	-	3,100	3,100	-	3,100
	<u>21,646</u>	<u>98,515</u>	<u>120,161</u>	<u>116,492</u>	<u>3,669</u>
Total Support Services	<u>21,646</u>	<u>98,515</u>	<u>120,161</u>	<u>116,492</u>	<u>3,669</u>
Total Expenditures	<u>215,096</u>	<u>95,324</u>	<u>310,420</u>	<u>312,486</u>	<u>(2,066)</u>
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	-	-	-	492	(492)
Fund Balances, Beginning of Year (Restated)	<u>29,751</u>	<u>-</u>	<u>29,751</u>	<u>29,751</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 29,751</u>	<u>\$ -</u>	<u>\$ 29,751</u>	<u>\$ 30,243</u>	<u>\$ (492)</u>
Recapitulation:					
Restricted:					
Student Activities	<u>\$ 29,751</u>	<u>\$ -</u>	<u>\$ 29,751</u>	<u>\$ 30,243</u>	<u>\$ (492)</u>

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described below. Encumbrance accounting is also employed as an extension of formal budgetary integration of the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

The following presents a reconciliation of the General and Special Revenue Funds from the budgetary basis of accounting as presented in the Budgetary Comparison Schedule - General Fund and Special Revenue Fund to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.

		<b>General Fund</b>		<b>Special Revenue Fund</b>
<b>Sources/Inflows of Resources</b>				
Actual revenues (budgetary basis)	(C-1)	\$ 11,494,671	(C-2)	\$ 312,978
Difference - Budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				
Encumbrances, June 30, 2021				(2,225)
Encumbrances, June 30, 2020				10,889
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements (current year)		(493,617)		
State Aid payments recognized for GAAP statements, not recognized for Budgetary purposes (prior year)		<u>464,146</u>		<u>-</u>
Total Revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	(B-2)	<u>\$ 11,465,200</u>	(B-2)	<u>\$ 321,642</u>
<b>Uses/Outflows of Resources</b>				
Actual expenditures (budgetary basis)	(C-1)	\$ 9,906,089	(C-2)	\$ 312,486
Differences - budget to GAAP				
Encumbrances for supplies 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.				
Encumbrances, June 30, 2021				(2,225)
Encumbrances, June 30, 2020		<u>-</u>		<u>10,889</u>
Total Expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	(B-2)	<u>\$ 9,906,089</u>	(B-2)	<u>\$ 321,150</u>

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**PENSION INFORMATION**  
**AND**  
**POST-EMPLOYMENT BENEFITS INFORMATION**

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

**Public Employees Retirement System**

**Last Eight Fiscal Years\***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.00386 %	0.00383 %	0.00374 %	0.00476 %	0.00465 %	0.00454 %	0.00535 %	0.00518 %
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 630,442	\$ 690,319	\$ 738,329	\$ 1,110,079	\$ 1,376,165	\$ 1,020,031	\$ 1,001,856	\$ 989,462
District's Covered Payroll	\$ 271,694	\$ 279,766	\$ 272,250	\$ 276,328	\$ 330,374	\$ 319,652	\$ 345,301	\$ 374,391
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	43.10%	40.53%	36.87%	24.89%	24.01%	31.34%	34.47%	37.84%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

\* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT CONTRIBUTIONS**

**Public Employees Retirement System**

**Last Eight Fiscal Years**

	<u>2020</u>	<u>2021</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 42,292	\$ 39,704	\$ 37,299	\$ 44,177	\$ 41,279	\$ 39,555	\$ 43,361	\$ 41,206
Contributions in Relation to the Contractually Required Contribution	<u>42,292</u>	<u>39,704</u>	<u>37,299</u>	<u>44,177</u>	<u>41,279</u>	<u>39,555</u>	<u>43,631</u>	<u>41,206</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 268,232	\$ 271,694	\$ 279,766	\$ 272,250	\$ 276,328	\$ 330,374	\$ 319,652	\$ 345,301
Contributions as a Percentage of Covered Payroll	15.77%	14.61%	13.33%	16.23%	14.94%	11.97%	13.65%	11.93%

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.



**MINE HILL TOWNSHIP BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

**Teachers Pension and Annuity Fund**

**Last Eight Fiscal Years\***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 15,597,004</u>	<u>\$ 13,909,454</u>	<u>\$ 14,664,608</u>	<u>\$ 15,248,674</u>	<u>\$ 17,680,798</u>	<u>\$ 12,306,930</u>	<u>\$ 11,338,109</u>	<u>\$ 10,054,085</u>
Total	<u>\$ 15,597,004</u>	<u>\$ 13,909,454</u>	<u>\$ 14,664,608</u>	<u>\$ 15,248,674</u>	<u>\$ 17,680,798</u>	<u>\$ 12,306,930</u>	<u>\$ 11,338,109</u>	<u>\$ 10,054,085</u>
District's Covered Payroll	\$ 2,557,543	\$ 2,563,949	\$ 2,530,726	\$ 2,396,258	\$ 2,287,613	\$ 2,273,212	\$ 2,092,420	\$ 2,054,589
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

\* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
AND SCHEDULE OF DISTRICT CONTRIBUTIONS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Change of Benefit Terms:** None.

**Change of Assumptions:** Assumptions used in calculating the net pension liability and statutorily required employer contribution are presented in Note 4D.

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF  
TOTAL OTHER POSTEMPLOYMENT BENEFIT LIABILITY**

**Postemployment Health Benefit Plan**

**Last Four Fiscal Years\***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 393,339	\$ 361,994	\$ 421,988	\$ 512,053
Interest on the Total OPEB Liability	322,930	383,087	395,567	339,427
Differences Between Expected and Actual Experience	2,897,502	(1,321,508)	(540,376)	
Changes of Assumptions	2,753,098	133,585	(1,109,574)	(1,420,372)
Gross Benefit Payments	(262,387)	(275,025)	(258,547)	(239,512)
Contributions from the Member	<u>7,953</u>	<u>8,153</u>	<u>8,936</u>	<u>8,819</u>
Net Change in Total OPEB Liability	\$ 6,112,435	\$ (709,714)	\$ (1,082,006)	\$ (799,585)
Total OPEB Liability - Beginning of Year	<u>8,959,353</u>	<u>9,669,067</u>	<u>10,751,073</u>	<u>11,550,658</u>
Total OPEB Liability - End of Year	<u>\$ 15,071,788</u>	<u>\$ 8,959,353</u>	<u>\$ 9,669,067</u>	<u>\$ 10,751,073</u>
 District's Proportionate Share of OPEB Liability	 \$0	 \$0	 \$0	 \$0
State's Proportionate Share of OPEB Liability	<u>\$ 15,071,788</u>	<u>\$ 8,959,353</u>	<u>\$ 9,669,067</u>	<u>\$ 10,751,073</u>
Total OPEB Liability - Ending	<u>\$ 15,071,788</u>	<u>\$ 8,959,353</u>	<u>\$ 9,669,067</u>	<u>\$ 10,751,073</u>
 District's Covered Payroll	 <u>\$ 2,829,237</u>	 <u>\$ 2,843,715</u>	 <u>\$ 2,802,976</u>	 <u>\$ 2,672,586</u>
 District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	  0%	  0%	  0%	  0%

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

\*The amounts presented for each fiscal year were determined as of the previous fiscal year end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 75. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY  
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Changes in Benefit Terms:**

None.

**Changes of Assumptions**

Assumptions used in calculating the OPEB liability are presented in Note 4E.

## **OTHER SUPPLEMENTARY INFORMATION**

## **SPECIAL REVENUE FUND**

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>IDEA Part B Basic Regular</u>	<u>IDEA Part B Basic Preschool</u>	<u>No Child Left Behind</u>		<u>ESSER I / C.A.R.E.S. Emergency Relief Grant</u>	<u>Coronavirus Relief Fund Grant</u>	<u>Student Activities</u>	<u>Total</u>
			<u>Title I</u>	<u>Title IIA</u>				
<b>REVENUES</b>								
Intergovernmental								
Federal	\$ 106,041	\$ 4,797	\$ 87,069	\$ 16,764	\$ 59,874	\$ 31,155		\$ 305,700
Local	-	-	-	-	-	-	\$ 7,278	7,278
Total Revenues	<u>\$ 106,041</u>	<u>\$ 4,797</u>	<u>\$ 87,069</u>	<u>\$ 16,764</u>	<u>\$ 59,874</u>	<u>\$ 31,155</u>	<u>\$ 7,278</u>	<u>\$ 312,978</u>
<b>EXPENDITURES</b>								
Instruction								
Salaries			\$ 70,025					\$ 70,025
Tuition	\$ 106,041							106,041
General Supplies			13,142					13,142
Student Activities	-	-	-	-	-	-	\$ 6,786	6,786
Total Instruction	<u>106,041</u>	<u>-</u>	<u>83,167</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,786</u>	<u>195,994</u>
Support Services								
Salaries			3,902					3,902
Purchased Professional and Technical Services		\$ 4,797		\$ 16,764				21,561
Supplies and Materials	-	-	-	-	\$ 59,874	\$ 31,155	-	91,029
Total Support Services	<u>-</u>	<u>4,797</u>	<u>3,902</u>	<u>16,764</u>	<u>59,874</u>	<u>31,155</u>	<u>-</u>	<u>116,492</u>
Total Expenditures	<u>\$ 106,041</u>	<u>\$ 4,797</u>	<u>\$ 87,069</u>	<u>\$ 16,764</u>	<u>\$ 59,874</u>	<u>\$ 31,155</u>	<u>\$ 6,786</u>	<u>\$ 312,486</u>
Excess/(Deficiency) of Revenues								
Over/(Under) Expenditures							492	492
Fund Balance, July 1, 2020 (Restated)							29,751	29,751
Fund Balance, June 30, 2021							<u>\$ 30,243</u>	<u>\$ 30,243</u>

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
PRESCHOOL EDUCATION AID SCHEDULE OF EXPENDITURES**

NOT APPLICABLE

**SPECIAL REVENUE FUND  
SCHEDULE OF STUDENT ACTIVITIES RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Restated Balance, July 1, 2020</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance, June 30, 2021</u>
Canfield Avenue School	\$ 29,751	\$ 7,278	\$ 6,786	\$ 30,243



## **CAPITAL PROJECTS FUND**

MINE HILL TOWNSHIP BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Original Amount Authorized</u>	<u>Amended Authorization</u>	<u>Expenditures to Date</u>		<u>Balance June 30, 2021</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Partial Roof Replacement	\$ 510,000	\$ 510,000	\$ 469,878		\$ 40,122
HVAC Project	<u>994,500</u>	<u>994,500</u>	<u>446,798</u>	\$ 92,366	<u>455,336</u>
	<u>\$ 1,504,500</u>	<u>\$ 1,504,500</u>	<u>\$ 916,676</u>	<u>\$ 92,366</u>	<u>\$ 495,458</u>

Recapitulation of Fund Balance

Restricted for Capital Projects	
Available for Capital Projects	<u>\$ 495,458</u>
Fund Balance, GAAP Basis	<u>\$ 495,458</u>

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Expenditures and Other Financing Uses**

## Expenditures:

Architectural and Engineering Services	\$ 1,440
Construction Services	<u>90,926</u>

Total Expenditures and Other Financing Uses	<u>92,366</u>
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Excess (Deficiency) of Revenue Over (Under) Expenditures	
Other Financing Sources (Uses)	(92,366)

Fund Balance, July 1, 2020	<u>587,824</u>
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Fund Balance, June 30, 2021	<u><u>\$ 495,458</u></u>
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**Reconciliation to Governmental Funds Statements (GAAP Basis):**

Fund Balance (Budgetary Basis)	<u>\$ 495,458</u>
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Fund Balance Per Governmental Funds (GAAP Basis)	<u><u>\$ 495,458</u></u>
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**MINE HILL TOWNSHIP BOARD OF EDUCATION**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE**  
**AND PROJECT STATUS - BUDGETARY BASIS**  
**PARTIAL ROOF REPLACEMENT**  
**FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Transfer from Capital Reserve	\$ 510,000	-	\$ 510,000	\$ 510,000
Total Revenues and Other Financing Sources	510,000	-	510,000	510,000
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	44,517		44,517	45,000
Construction Services	425,361	-	425,361	465,000
Total Expenditures and Other Financing Uses	469,878	-	469,878	510,000
Excess of Revenues Over Expenditures	\$ 40,122	\$ -	\$ 40,122	\$ -
<b>Additional Project Information:</b>				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 510,000			
Revised Authorized Cost	\$ 510,000			
<b>Percentage Increase Over Original</b>				
Authorized Cost	N/A			
Percentage Completion	100.00%			
Original Target Completion Date	June 30, 2020			
Revised Target Completion Date	June 30, 2022			

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
HVAC PROJECT  
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Transfer from Capital Reserve	\$ 994,500	-	\$ 994,500	\$ 994,500
Total Revenues and Other Financing Sources	994,500	-	994,500	994,500
<b>Expenditures and Other Financing Uses</b>				
Architectural and Engineering Services	77,267	\$ 1,440	78,707	82,500
Construction Services	369,531	90,926	460,457	912,000
Total Expenditures and Other Financing Uses	446,798	92,366	539,164	994,500
Excess of Revenues Over Expenditures	\$ 547,702	\$ (92,366)	\$ 455,336	\$ -
<b>Additional Project Information:</b>				
Project Number	3240-030-19-1000			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 994,500			
Revised Authorized Cost	\$ 994,500			
Percentage Increase Over Original Authorized Cost	54.21%			
Percentage Completion	54.21%			
Original Target Completion Date	June 30, 2021			
Revised Target Completion Date	June 30, 2022			

**ENTERPRISE FUND**

**EXHIBIT G-1**

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
ENTERPRISE FUND  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2021**

THIS STATEMENT IS NOT APPLICABLE  
FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**EXHIBIT G-2**

**STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

THIS STATEMENT IS NOT APPLICABLE  
FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**EXHIBIT G-3**

**STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

THIS STATEMENT IS NOT APPLICABLE  
FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

**FIDUCIARY FUNDS**

**NOT APPLICABLE**



## **LONG-TERM DEBT**

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2020</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2021</u>
			<u>Date</u>	<u>Amount</u>					
2016 Refunding Bonds	6/14/2016	\$ 1,120,000	3/1/2022	\$ 195,000	1.720%	\$ 385,000	\$ -	\$ 190,000	\$ 195,000
						\$ 385,000	\$ -	\$ 190,000	\$ 195,000

**LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<u>Year</u>	<u>Description</u>	<u>Amount of Original Issue</u>	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2021</u>
2020	Acquisition of Copiers	\$ 68,623	\$ 59,389	\$ -	\$ 12,863	\$ 46,526

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 196,622	-	\$ 196,622	\$ 196,622	\$ -
Total Revenues	196,622	-	196,622	196,622	-
<b>EXPENDITURES</b>					
Debt Service					
Principal	190,000	-	190,000	190,000	-
Interest	6,622	-	6,622	6,622	-
Total Expenditures	196,622	-	196,622	196,622	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -

## STATISTICAL SECTION

This part of the Mine Hill Township Board of Education's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

### Contents

### Exhibits

#### **Financial Trends**

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

J-1 to J-5

#### **Revenue Capacity**

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

J-6 to J-9

#### **Debt Capacity**

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

J-10 to J-13

#### **Demographic and Economic Information**

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

J-14 and J-15

#### **Operating Information**

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

J-16 to J-20

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

**MINE HILL TOWNSHIP BOARD OF EDUCATION**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
(Unaudited)  
*(accrual basis of accounting)*

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
			Restated	Restated						
Governmental Activities										
Net Investment in Capital Assets	\$ 4,720,183	\$ 4,618,277	\$ 4,661,241	\$ 5,054,597	\$ 5,053,585	\$ 5,052,749	\$ 5,781,868	\$ 6,194,622	\$ 6,681,142	\$ 6,820,527
Restricted	482,863	1,125,158	1,252,857	962,979	1,467,791	2,530,379	2,676,602	3,627,524	4,715,932	5,096,217
Unrestricted	262,755	286,664	(151,949)	(810,815)	(1,100,632)	(1,171,251)	(1,193,251)	(1,344,865)	(1,078,930)	(8,811)
Total Governmental Activities Net Position	\$ 5,465,801	\$ 6,030,099	\$ 5,762,149	\$ 5,206,761	\$ 5,420,744	\$ 6,411,877	\$ 7,265,219	\$ 8,477,281	\$ 10,318,144	\$ 11,907,933
Business-Type Activities										
Net Investment in Capital Assets	\$ 3,777	\$ 1,073		\$ 17,698	\$ 10,781	\$ 10,500	\$ 4,675	\$ 2,651	\$ 2,420	\$ 2,190
Unrestricted	25,952	32,308	40,952	21,079	24,530	21,995	27,125	39,069	47,071	51,671
Total Business-Type Activities Net Position	\$ 29,729	\$ 33,381	\$ 40,952	\$ 38,777	\$ 35,311	\$ 32,495	\$ 31,800	\$ 41,720	\$ 49,491	\$ 53,861
District-Wide										
Net Investment in Capital Assets	\$ 4,723,960	\$ 4,619,350	\$ 4,661,241	\$ 5,072,295	\$ 5,064,366	\$ 5,063,249	\$ 5,786,543	\$ 6,197,273	\$ 6,683,562	\$ 6,822,717
Restricted	482,863	1,125,158	1,252,857	962,979	1,467,791	2,530,379	2,676,602	3,627,524	4,715,932	5,096,217
Unrestricted/(Deficit)	288,707	318,972	(110,997)	(789,736)	(1,076,102)	(1,149,256)	(1,166,126)	(1,305,796)	(1,031,859)	42,860
Total District Net Position	\$ 5,495,530	\$ 6,063,480	\$ 5,803,101	\$ 5,245,538	\$ 5,456,055	\$ 6,444,372	\$ 7,297,019	\$ 8,519,001	\$ 10,367,635	\$ 11,961,794

Note 1 - Fund Balances at June 30, 2020 have been restated to reflect the implementation of GASB Statement No. 84 "Fiduciary Activities" and for a correction of an error.

**MINE HILL TOWNSHIP BOARD OF EDUCATION**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
*(accrual basis of accounting)*

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses</b>										
<b>Governmental Activities</b>										
Instruction										
Regular	\$ 2,401,705	\$ 2,618,840	\$ 2,893,133	\$ 5,445,147	\$ 5,339,403	\$ 5,685,605	\$ 5,861,087	\$ 5,336,451	\$ 4,815,700	\$ 5,727,216
Special Education	759,755	916,538	658,155	2,232,834	2,392,872	1,942,774	1,965,545	1,911,761	1,822,481	1,770,911
Other Instruction	35,044	63,594	9,642	82,845	91,459	93,536	85,446	72,563	79,452	87,118
School Sponsored Activities and Athletics	51,815	30,244	28,941	57,041	41,372	26,553	31,591	33,497	16,917	8,313
Support Services:										
Tuition	3,874,104	3,308,918	3,219,845							
Student & Instruction Related Services	576,976	672,988	659,025	673,340	662,389	875,366	1,089,288	1,380,753	1,320,197	1,044,909
General Administration Services	227,860	192,037	260,600	527,587	394,263	391,213	433,838	402,601	417,828	451,064
School Administration Services	218,404	225,160	241,070	300,307	311,275	306,042	298,724	277,378	269,400	320,867
Central Services	174,726	179,873	215,116	247,500	266,601	297,468	331,324	353,048	326,423	374,325
Plant Operations And Maintenance	421,542	407,756	453,221	592,629	550,001	505,316	588,478	644,497	689,502	1,040,942
Pupil Transportation	524,187	625,041	664,871	726,106	691,000	749,869	765,184	693,295	680,477	513,306
Capital Outlay		20,255								
Charter Schools	8,075		9,516							
Interest On Long-Term Debt	81,900	76,200	70,230	61,349	44,483	19,740	20,909	16,679	14,764	10,573
<b>Total Governmental Activities Expenses</b>	<b>9,356,093</b>	<b>9,337,444</b>	<b>9,383,365</b>	<b>10,946,685</b>	<b>10,785,118</b>	<b>10,893,482</b>	<b>11,471,414</b>	<b>11,122,523</b>	<b>10,453,141</b>	<b>11,349,544</b>
<b>Business-Type Activities:</b>										
Food Service	149,709	149,048	136,862	137,025	144,043	139,574	140,279	129,093	125,713	138,769
<b>Total Business-Type Activities Expense</b>	<b>149,709</b>	<b>149,048</b>	<b>136,862</b>	<b>137,025</b>	<b>144,043</b>	<b>139,574</b>	<b>140,279</b>	<b>129,093</b>	<b>125,713</b>	<b>138,769</b>
<b>Total District Expenses</b>	<b>\$ 9,505,802</b>	<b>\$ 9,486,492</b>	<b>\$ 9,520,227</b>	<b>\$ 11,083,710</b>	<b>\$ 10,929,161</b>	<b>\$ 11,033,056</b>	<b>\$ 11,611,693</b>	<b>\$ 11,251,616</b>	<b>\$ 10,578,854</b>	<b>\$ 11,488,313</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charges For Services:										
Instruction - (Tuition)	\$ 9,543	\$ 42,721	\$ 40,862	\$ 485	\$ -	\$ 5,061	\$ 33,356	\$ 10,608		
School Sponsored Activities (Student Activities)										\$ 7,278
Operating Grants And Contributions	1,046,026	1,082,773	1,041,022	1,052,530	1,572,615	1,899,274	2,536,791	2,410,713	2,391,109	3,090,544
<b>Total Governmental Activities Program Revenues</b>	<b>1,055,569</b>	<b>1,125,494</b>	<b>1,081,884</b>	<b>1,053,015</b>	<b>1,572,615</b>	<b>1,904,335</b>	<b>2,570,147</b>	<b>2,421,321</b>	<b>2,391,109</b>	<b>3,097,822</b>
<b>Business-Type Activities:</b>										
Charges For Services										
Food Service	85,011	97,202	90,247	84,745	75,223	78,294	76,166	75,642	47,498	283
Operating Grants And Contributions	52,947	60,178	62,384	59,640	59,581	62,215	60,485	63,726	85,586	142,733
<b>Total Business Type Activities Program Revenues</b>	<b>137,958</b>	<b>157,380</b>	<b>152,631</b>	<b>144,385</b>	<b>134,804</b>	<b>140,509</b>	<b>136,651</b>	<b>139,368</b>	<b>133,084</b>	<b>143,016</b>
<b>Total District Program Revenues</b>	<b>\$ 1,193,527</b>	<b>\$ 1,282,874</b>	<b>\$ 1,234,515</b>	<b>\$ 1,197,400</b>	<b>\$ 1,707,419</b>	<b>\$ 2,044,844</b>	<b>\$ 2,706,798</b>	<b>\$ 2,560,689</b>	<b>\$ 2,524,193</b>	<b>\$ 3,240,838</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (8,300,524)	\$ (8,211,950)	\$ (8,301,481)	\$ (9,893,670)	\$ (9,212,503)	\$ (8,989,147)	\$ (8,901,267)	\$ (8,701,202)	\$ (8,062,032)	\$ (8,251,722)
Business-Type Activities	(11,751)	8,332	15,769	7,360	(9,239)	935	(3,628)	10,275	7,371	4,247
<b>Total District-Wide Net Expense</b>	<b>\$ (8,312,275)</b>	<b>\$ (8,203,618)</b>	<b>\$ (8,285,712)</b>	<b>\$ (9,886,310)</b>	<b>\$ (9,221,742)</b>	<b>\$ (8,988,212)</b>	<b>\$ (8,904,895)</b>	<b>\$ (8,690,927)</b>	<b>\$ (8,054,661)</b>	<b>\$ (8,247,475)</b>

**MINE HILL TOWNSHIP BOARD OF EDUCATION**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
*(accrual basis of accounting)*

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes Levied For General Purposes, Net	\$ 5,722,545	\$ 5,836,996	\$ 6,103,736	\$ 6,351,923	\$ 6,372,601	\$ 6,488,053	\$ 6,617,814	\$ 6,868,167	\$ 7,097,116	\$ 7,213,972
Taxes Levied For Debt Service	120,000	208,775	205,225	210,225	211,090	209,275	207,150	196,168	186,118	196,622
Unrestricted Grants And Contributions	1,622,348	2,096,427	2,492,141	2,443,365	2,332,261	2,336,862	2,374,844	2,760,138	2,379,503	2,381,617
Investment and Miscellaneous Income	51,991	34,189	18,757	46,349	21,095	60,576	114,660	78,962	133,884	49,300
Transfers	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	<u>7,516,884</u>	<u>8,176,387</u>	<u>8,819,859</u>	<u>9,051,862</u>	<u>8,937,047</u>	<u>9,094,766</u>	<u>9,314,468</u>	<u>9,903,435</u>	<u>9,796,621</u>	<u>9,841,511</u>
Business-Type Activities:										
Investment Earnings	<u>65</u>	<u>57</u>	<u>69</u>	<u>48</u>	<u>46</u>	<u>68</u>	<u>107</u>	<u>216</u>	<u>400</u>	<u>123</u>
Total Business-Type Activities	<u>65</u>	<u>57</u>	<u>69</u>	<u>48</u>	<u>46</u>	<u>68</u>	<u>107</u>	<u>216</u>	<u>400</u>	<u>123</u>
Total District-Wide	<u>\$ 7,516,949</u>	<u>\$ 8,176,444</u>	<u>\$ 8,819,928</u>	<u>\$ 9,051,910</u>	<u>\$ 8,937,093</u>	<u>\$ 9,094,834</u>	<u>\$ 9,314,575</u>	<u>\$ 9,903,651</u>	<u>\$ 9,797,021</u>	<u>\$ 9,841,634</u>
<b>Change in Net Position</b>										
Governmental Activities	\$ (783,640)	\$ (35,563)	\$ 518,378	\$ (841,808)	\$ (275,456)	\$ 105,619	\$ 413,201	\$ 1,202,233	\$ 1,734,589	\$ 1,589,789
Business-Type Activities	<u>(11,686)</u>	<u>8,389</u>	<u>15,838</u>	<u>7,408</u>	<u>(9,193)</u>	<u>1,003</u>	<u>(3,521)</u>	<u>10,491</u>	<u>7,771</u>	<u>4,370</u>
Total District	<u>\$ (795,326)</u>	<u>\$ (27,174)</u>	<u>\$ 534,216</u>	<u>\$ (834,400)</u>	<u>\$ (284,649)</u>	<u>\$ 106,622</u>	<u>\$ 409,680</u>	<u>\$ 1,212,724</u>	<u>\$ 1,742,360</u>	<u>\$ 1,594,159</u>

**MINE HILL TOWNSHIP BOARD OF EDUCATION**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
*(modified accrual basis of accounting)*

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Restricted	\$ 482,863	\$ 1,125,158	\$ 1,252,857	\$ 884,187	\$ 1,388,999	\$ 1,630,680	\$ 2,582,742	\$ 3,202,449	\$ 4,198,357	\$ 4,870,516
Committed				183,716			142,822			788,435
Assigned	17,402	93,573	667,721	269,623	62,604	18,140	9,429	55,069	119,265	108,892
Unassigned	<u>97,728</u>	<u>83,131</u>	<u>68,517</u>	<u>(122,861)</u>	<u>(20,488)</u>	<u>(26,121)</u>	<u>(32,121)</u>	<u>(82,378)</u>	<u>(41,219)</u>	<u>67,671</u>
Total General Fund	<u>\$ 597,993</u>	<u>\$ 1,301,862</u>	<u>\$ 1,989,095</u>	<u>\$ 1,214,665</u>	<u>\$ 1,431,115</u>	<u>\$ 1,622,699</u>	<u>\$ 2,702,872</u>	<u>\$ 3,175,140</u>	<u>\$ 4,276,403</u>	<u>\$ 5,835,514</u>
All Other Governmental Funds										
Unassigned (Deficit)		\$ (2,925)								
Restricted	<u>\$ 270,785</u>	<u>270,785</u>	<u>\$ 270,785</u>	<u>\$ 78,792</u>	<u>\$ 78,792</u>	<u>\$ 949,699</u>	<u>\$ 143,860</u>	<u>\$ 425,075</u>	<u>\$ 617,575</u>	<u>\$ 525,701</u>
Total All Other Governmental Funds	<u>\$ 270,785</u>	<u>\$ 267,860</u>	<u>\$ 270,785</u>	<u>\$ 78,792</u>	<u>\$ 78,792</u>	<u>\$ 949,699</u>	<u>\$ 143,860</u>	<u>\$ 425,075</u>	<u>\$ 617,575</u>	<u>\$ 525,701</u>

Note 1 - Fund Balances at June 30, 2020 have been restated to reflect the implementation of GASB Statement No. 84 "Fiduciary Activities" and for a correction of an error.



**MINE HILL TOWNSHIP BOARD OF EDUCATION**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
*(modified accrual basis of accounting)*

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues</b>										
Tax Levy	\$ 6,045,771	\$ 6,308,961	\$ 6,562,148	\$ 6,583,691	\$ 6,697,328	\$ 6,824,964	\$ 7,064,335	\$ 7,203,602	\$ 7,283,234	\$ 7,410,594
Tuition Charges	42,721	40,862	485		5,061	33,356	10,608	23,920		
Interest Earned on Capital Reserve	50	946								
Miscellaneous	34,139	17,811	52,729	21,095	60,576	114,660	78,962	155,473	134,477	56,578
State Sources	2,892,599	3,296,201	3,218,244	3,204,559	3,455,661	3,638,692	3,746,240	4,045,655	4,158,971	4,201,928
Federal Sources	286,601	236,962	271,271	195,491	208,975	198,865	237,937	197,987	212,946	314,364
<b>Total Revenue</b>	<b>9,301,881</b>	<b>9,901,743</b>	<b>10,104,877</b>	<b>10,004,836</b>	<b>10,427,601</b>	<b>10,810,537</b>	<b>11,138,082</b>	<b>11,626,637</b>	<b>11,789,628</b>	<b>11,983,464</b>
<b>Expenditures</b>										
Instruction										
Regular Instruction	1,637,758	1,737,652	1,984,588	4,835,868	4,596,060	4,510,529	4,679,541	4,838,134	4,521,665	5,068,412
Special Education Instruction	577,571	578,747	432,128	2,176,147	2,338,374	1,845,926	1,793,697	1,822,482	1,782,631	1,663,604
Other Instruction	26,400	47,818	82,845	82,845	91,459	93,536	85,446	72,563	79,452	86,881
School Sponsored Activities and Athletics	38,382	23,422	24,534	57,395	24,843	25,090	27,231	32,639	17,279	8,392
Support Services:										
Tuition	3,874,104	3,444,873	3,352,365							
Student and Inst. Related Services	519,549	642,263	632,877	659,919	659,741	827,947	1,001,205	1,087,753	1,052,573	974,129
General Administration Services	217,348	182,647	234,497	514,922	360,752	375,635	387,098	393,392	414,116	392,911
School Administrative Services	163,181	174,048	180,312	271,745	278,730	252,479	238,035	248,337	254,885	275,729
Central Services	151,396	159,540	186,581	248,832	264,931	282,914	293,001	325,528	332,333	345,912
Administration Information Technology										
Plant Operations And Maintenance	371,502	371,671	415,942	583,079	546,728	495,323	564,846	644,775	613,136	741,609
Pupil Transportation	523,281	624,383	664,263	726,137	690,922	749,401	764,108	685,176	680,626	512,853
Unallocated Benefits	900,291	972,254	966,789							
Charter Schools	8,075	8,434	9,516							
Capital Outlay	8,613	24,897	123,027	603,280	149,336	95,888	833,372	524,303	710,521	233,633
Debt Service:										
Principal	125,000	130,000	135,000	145,000	150,000	180,000	180,000	185,000	199,234	202,863
Interest and Other Charges	83,775	78,150	72,300	66,090	59,275	13,378	16,168	13,072	12,311	9,299
Cost of Issuance	-	-	-	-	30,995	-	-	-	-	-
<b>Total Expenditures</b>	<b>9,226,226</b>	<b>9,200,799</b>	<b>9,414,719</b>	<b>10,971,259</b>	<b>10,242,146</b>	<b>9,748,046</b>	<b>10,863,748</b>	<b>10,873,154</b>	<b>10,670,762</b>	<b>10,516,227</b>
<b>Excess (Deficiency) of Revenues</b>										
Over (Under) Expenditures	75,655	700,944	690,158	(966,423)	185,455	1,062,491	274,334	753,483	1,118,866	1,467,237
<b>Other Financing Sources (Uses)</b>										
Payments of Refunding Escrow Agent					(1,089,005)					
Refunding Bond Proceeds					1,120,000					
Capital Lease Proceeds (Non-Budget)					1,120,000				68,623	
Transfers In	-	-	-	-	-	1,076,792		751,767	198,324	
Transfers Out	-	-	-	-	-	(1,076,792)	-	(751,767)	(198,324)	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,995</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>68,623</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ 75,655</b>	<b>\$ 700,944</b>	<b>\$ 690,158</b>	<b>\$ (966,423)</b>	<b>\$ 216,450</b>	<b>\$ 1,062,491</b>	<b>\$ 274,334</b>	<b>\$ 753,483</b>	<b>\$ 1,187,489</b>	<b>\$ 1,467,237</b>
<b>Debt Service as a Percentage of</b>										
Noncapital Expenditures	1.36%	1.42%	1.45%	1.40%	1.79%	1.86%	1.79%	1.79%	2.00%	1.97%

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND OTHER LOCAL REVENUES BY SOURCE  
LAST TEN FISCAL YEARS  
(Unaudited)**

<b><u>Fiscal Year Ended June 30</u></b>	<b><u>Tuition</u></b>	<b><u>Interest on Investments</u></b>	<b><u>Prior Year Refunds</u></b>	<b><u>Rentals - Use of Facilities</u></b>	<b><u>Other</u></b>	<b><u>Total</u></b>
2012	\$ 42,721	\$ 3,200		\$ 5,000	\$ 25,989	\$ 76,910
2013	40,862	4,164			14,593	59,619
2014	485	5,784	\$ 8,195		32,370	46,834
2015		6,140			14,955	21,095
2016	5,061	12,553			48,023	65,637
2017	33,356	21,536		18,000	75,124	148,016
2018	10,608	37,704		11,000	30,258	89,570
2019		75,159	28,839		49,250	153,248
2020		61,450	31,772	7,000	33,662	133,884
2021		14,710	6,921	20,559	7,110	49,300

Source: School District's Financial Statements

**MINE HILL TOWNSHIP BOARD OF EDUCATION**  
**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN YEARS**  
(Unaudited)

Year	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Valuation	Public Utilities <sup>a</sup>	Net Valuation Taxable	Tax-Exempt Property	Estimated Actual (County Equalized) Valuation	Total School Tax Rate <sup>b</sup>
2012	\$ 16,828,000	\$ 372,524,600	\$ 88,600	\$ 29,100	\$ 27,663,100	\$ 20,540,200	\$ 592,300	\$ 438,265,900	\$ 100	\$ 438,266,000	\$ 35,057,900	\$ 460,713,189	\$ 1.410
2013	14,735,300	378,557,100	88,600	29,100	27,559,500	19,126,500	592,300	440,688,400	100	440,688,500	35,128,400	447,304,759	1.461
2014	11,901,100	386,049,700	88,600	29,100	27,559,500	19,126,500	592,300	445,346,800	100	445,346,900	35,325,900	439,154,028	1.475
2015	11,548,400	386,414,300	88,600	29,100	27,159,500	18,027,800	592,300	443,860,000	-	443,860,000	35,556,100	422,683,375	1.496
2016	11,548,400	386,731,300	88,600	29,100	27,164,800	18,027,800	592,300	444,182,300	-	444,182,300	35,556,100	423,980,203	1.522
2017	11,396,500	386,520,300	88,600	29,100	28,192,800	19,260,300	592,300	446,079,900	-	446,079,900	35,595,200	432,835,519	1.557
2018	11,026,300	386,784,200	88,600	24,800	29,052,800	19,260,300	592,300	446,829,300	-	446,829,300	35,595,200	451,928,709	1.597
2019	11,554,700	387,961,400			28,788,600	19,260,300	592,300	448,157,300	-	448,157,300	36,212,400	476,610,975	1.617
2020	10,948,000	387,348,100	88,600	24,800	29,792,400	19,260,300	592,300	448,054,500	-	448,054,500	36,144,600	478,759,312	1.640
2021	10,952,700	387,534,100	88,600	24,200	29,986,600	19,260,300	592,300	448,438,800	-	448,438,800	35,712,200	484,027,929	1.669

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

b - Tax rates are per \$100

Source: Municipal Tax Assessor

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
PER \$100 OF ASSESSED VALUATION  
LAST TEN YEARS  
(Unaudited)**

<u>Year</u>	<u>School District</u>	<u>Mine Hill Township</u>	<u>Morris County</u>	<u>Total</u>
2012	\$ 1.410	\$ 0.724	\$ 0.258	\$ 2.392
2013	1.461	0.745	0.256	2.462
2014	1.475	0.755	0.254	2.484
2015	1.496	0.758	0.240	2.494
2016	1.522	0.758	0.243	2.523
2017	1.557	0.754	0.253	2.564
2018	1.597	0.752	0.255	2.604
2019	1.617	0.749	0.274	2.640
2020	1.640	0.752	0.278	2.670
2021	1.669	0.772	0.281	2.722

Source: Tax Duplicate, Mine Hill Township

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)**

Taxpayer	2021		2012	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
John Crimi/County Concrete	\$ 16,503,200	3.68%	INFORMATION NOT AVAILABLE	
Stowaway Self Storage VI, LLC	5,256,400	1.17%		
Multi-Fab Sales and Service	3,221,000	0.72%	AVAILABLE	
Mroz Family Properties, LLC	3,085,100	0.69%		
MHM Route 46	2,429,700	0.54%		
GF Land Holding LLC	1,147,700	0.26%		
Mount Olive Road LLC	1,060,700	0.24%		
Lot 1 Block 401 Real Estate Holding	988,200	0.22%		
Randall, LLC	844,300	0.19%		
MDHT LLC	766,900	0.17%		
	<u>\$ 35,303,200</u>	<u>7.87%</u>	<u>\$</u>	<u>- 0.00%</u>

Source: Municipal Tax Assessor

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
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	\$ 6,045,771	\$ 6,045,771	100.00%	N/A
2013	6,308,961	6,308,961	100.00%	N/A
2014	6,562,148	6,562,148	100.00%	N/A
2015	6,583,691	6,570,419	99.80%	\$ 2,000
2016	6,697,328	6,697,328	100.00%	N/A
2017	6,824,964	6,273,479	91.92%	551,485
2018	7,064,335	7,064,335	100.00%	-
2019	7,203,602	7,203,602	100.00%	-
2020	7,283,234	7,283,234	100.00%	-
2021	7,410,594	7,410,594	100.00%	-

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
(Unaudited)**

<u>Fiscal Year Ended June 30,</u>	<u>Governmental Activities</u>		<u>Population</u>	<u>Per Capita</u>
	<u>General Obligation</u>	<u>Bonds</u>		
2012	\$	1,628,000	3,664	\$ 443
2013		1,498,000	3,662	407
2014		1,363,000	3,630	373
2015		1,218,000	3,545	340
2016		1,120,000	3,569	313
2017		940,000	3,554	264
2018		760,000	3,523	216
2019		575,000	3,478	165
2020		385,000	3,473	111
2021		195,000	Not Available	Not Available

Source: District records

\* Estimate

**MINE HILL TOWNSHIP BOARD OF EDUCATION**  
**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding				
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
2012	\$ 1,628,000	-	\$ 1,628,000	0.371%	\$ 444
2013	1,498,000	-	1,498,000	0.340%	409
2014	1,363,000	-	1,363,000	0.306%	375
2015	1,218,000	-	1,218,000	0.274%	344
2016	1,120,000	-	1,120,000	0.252%	314
2017	940,000	-	940,000	0.211%	264
2018	760,000	-	760,000	0.170%	216
2019	575,000	-	575,000	0.128%	165
2020	385,000	-	385,000	0.086%	111
2021	195,000	-	195,000	0.043%	Not Available

Source: District records



**MINE HILL TOWNSHIP BOARD OF EDUCATION  
COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING BONDED DEBT  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(Unaudited)**

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt			
Mine Hill Township (1)	\$ 3,058,439	\$ 2,432,000	\$ 626,439
Mine Hill Township Board of Education	<u>385,000</u>	<u>385,000</u>	<u>-</u>
	<u>\$ 3,443,439</u>	<u>\$ 2,817,000</u>	626,439
Overlapping Debt Apportioned to the Municipality:			
County of Morris (2)			<u>2,106,194</u>
Total Direct and Overlapping Debt			<u>\$ 2,732,633</u>

Sources:

- (1) Mine Hill Township Annual Debt Statement
- (2) Morris County Debt Statement December 31, 2020

**MINE HILL TOWNSHIP BOARD OF EDUCATION**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt Limit	\$ 12,216,156	\$ 11,627,493	\$ 11,109,097	\$ 12,963,621	\$ 12,755,062	\$ 12,721,194	\$ 10,827,567	\$ 11,155,561	\$ 11,553,735	\$ 11,823,025
Total Net Debt Applicable To Limit	1,628,000	1,498,000	1,363,000	1,218,000	1,120,000	940,000	760,000	575,000	385,000	195,000
Legal Debt Margin	<u>\$ 10,588,156</u>	<u>\$ 10,129,493</u>	<u>\$ 9,746,097</u>	<u>\$ 11,745,621</u>	<u>\$ 11,635,062</u>	<u>\$ 11,781,194</u>	<u>\$ 10,067,567</u>	<u>\$ 10,580,561</u>	<u>\$ 11,168,735</u>	<u>\$ 11,628,025</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	13.33%	12.88%	12.27%	9.40%	8.78%	7.39%	7.02%	5.15%	3.33%	1.65%

**Legal Debt Margin Calculation for Fiscal Year 2021**

Equalized Valuation Basis

2020	\$ 481,313,245
2019	476,610,975
2018	<u>460,838,800</u>

Average Equalized Valuation Of Taxable Property	<u>\$ 472,921,007</u>
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Debt Limit (2.5% of Average Equalization Value)	\$ 11,823,025
Total Net Debt Applicable to Limit	<u>195,000</u>

Legal Debt Margin	<u>\$ 11,628,025</u>
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Source: Township Annual Debt Statements

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
DEMOGRAPHIC STATISTICS  
LAST TEN YEARS  
(Unaudited)**

<b><u>Year Ended December 31,</u></b>	<b><u>Unemployment Rate</u></b>	<b><u>Per Capita Income</u></b>	<b><u>Population</u></b>
2012	8.5	\$ 79,775	3,664
2013	8.9	80,815	3,662
2014	6.6	84,278	3,630
2015	6.1	88,335	3,545
2016	5.4	91,148	3,569
2017	4.9	93,633	3,554
2018	4.9	97,819	3,523
2019	3.9	101,646	3,478
2020	3.6	Not Available	3,473
2021	11.9	Not Available	Not Available

Source: New Jersey Department of Labor, Morris County  
United States Bureau of Census  
School District Records

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

**2021**

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**2012**

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INFORMATION NOT  
AVAILABLE

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

<u>Function/Program</u>	<u>Fiscal Years Ended June 30,</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	29.6	34.3	28.0	28.0	28.0	29.1	28.0	29.0	29.0	28.0
Special Education	9.4	21.0	14.3	14.3	13.6	12.8	13.6	17.0	10.0	13.0
Other Instruction	0.3		1.0	1.0	1.0	1.0	1.0	1.0		1.0
School Sponsored/Other Instruction	7.0									
Support Services:										
Student & Instruction Related Services	5.5	3.1	4.1	4.1	4.1	4.4	3.4	7.6	5.1	5.0
General Administration Services	1.9	1.2	2.1	1.9	1.9	2.1	2.1	3.0	2.8	2.0
School Administrative Services	2.0	3.0	3.0	3.1	3.0	3.0	2.8	2.8	2.3	2.5
Central Services	1.1	1.8	2.0	2.0	2.0	2.0	2.5	2.0	2.0	2.0
Plant Operations and Maintenance	10.5	5.0	1.0	2.3	2.3		3.0	0.3	4.7	4.5
Pupil Transportation	0.1	0.1	0.1	0.1	0.2	0.2	0.2		0.2	
Total	<u>67.4</u>	<u>69.5</u>	<u>55.6</u>	<u>56.8</u>	<u>56.1</u>	<u>54.56</u>	<u>56.50</u>	<u>62.55</u>	<u>56.00</u>	<u>58.00</u>

Source: District Personnel Records

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
(Unaudited)**

<b>Fiscal Year Ended June 30,</b>	<b>Enrollment <sup>a</sup></b>	<b>Operating Expenditures <sup>b</sup></b>	<b>Cost Per Pupil <sup>c</sup></b>	<b>Percentage Change</b>	<b>Teaching Staff</b>	<b>Pupil/ Teacher Ratio</b>	<b>Average Daily Enrollment</b>	<b>Average Daily Attendance (ADA) <sup>d</sup></b>	<b>% Change in Average Daily Enrollment</b>	<b>Student Attendance Percentage</b>
2012	425	\$ 9,008,838	\$ 21,197	2.32%	40	13:1	423	408	6.28%	96.45%
2013	413	8,967,752	21,714	2.44%	41	10:1	412	397	-2.60%	96.36%
2014	387	9,084,392	23,474	8.11%	41	9.4:1	389	373	-5.58%	95.89%
2015	369	10,156,889	27,525	17.26%	37	9.4:1	366	353	-5.91%	96.45%
2016	360	9,852,540	27,368	-0.57%	35	9.4:1	359	344	-1.91%	95.82%
2017	349	9,458,780	27,103	-0.97%	35	9.4:1	352	336	-1.95%	95.45%
2018	399	9,834,208	24,647	-9.06%	36	9.4:1	365	349	3.69%	95.62%
2019	335	10,150,779	30,301	22.94%	36	9.4:1	348	331	-4.66%	95.22%
2020	338	9,748,696	28,842	-4.81%	35	9.4:1	332	320	-4.59%	96.39%
2021	338	10,070,432	29,794	3.30%	34	10:1	341	330	2.71%	96.77%

Sources: District records

- Note:
- a Enrollment based on annual October district count.
  - b Operating expenditures equal total expenditures less debt service and capital outlay.
  - c Cost per pupil represents operating expenditures divided by enrollment.
  - d Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
(Unaudited)**

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
Canfield Avenue School (1923)										
Square Feet	61,271	61,271	61,271	61,271	61,271	61,271	61,271	61,271	61,271	61,271
Capacity (students)	470	470	470	470	470	470	470	470	470	470
Enrollment	425	413	387	369	360	349	399	335	338	338

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

Note: Year of original construction is shown in parentheses. Enrollment is based on the annual October District count.

Source: District Records

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
LAST TEN FISCAL YEARS  
(Unaudited)**

<u>Year</u>	<u>Amount</u>
2012	\$ 110,193
2013	122,991
2014	83,742
2015	123,080
2016	168,606
2017	75,091
2018	123,968
2019	206,828
2020	147,715
2021	191,473



**MINE HILL TOWNSHIP BOARD OF EDUCATION**  
**SCHEDULE OF INSURANCE**  
**JUNE 30, 2021**  
**(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - School Excess Liability Fund:		
Building & Personal Property	\$500,000,000/ Occurrence	
Auto Physical Damage		\$ 2,500
General Liability including Auto, Employee Benefits		
Each Occurrence	\$ 5,000,000	\$ 1,000
General Aggregate	Agreed upon based on membership	
Product/Completed Ops		
Personal Injury		
Fire Damage		
Medical Expenses	\$ 2,500,000	
(excluding students taking part in athletics)	\$ 10,000	
Automobile Coverage		
Combined Single Limit		
Hired/Non-owned		
Security Guard Liability	Included \$1,000,000/ \$25,000,000	
Environmental Impairment Liability	Fund Agg. \$50,000	\$ 50,000
Crime Coverage	Inside/Outside	\$ 1,000
Blanket Dishonesty Bond	\$ 500,000	\$ 1,000
Boiler & Machinery	\$ 100,000,000	\$ 2,500
Excess Liability (AL/GL/SLPL)	\$ 5,000,000	
School Board Legal (SLPL)	\$ 5,000,000	\$ 10,000
	\$2,000,000 per	
Cyber Liability	Occurrence/Agg	\$ 10,000
	Not through this office	
Workers' Compensation		
Employer's Liability		
Supplemental Indemnity	\$195,000 Selective Insurance	
Bond for School Business Administrator		
Bond for Treasurer of School Monies	\$ 185,000	
Student Accident/Bollinger	None	

Source: School District's Records

**SINGLE AUDIT SECTION**



**LERCH, VINCI & HIGGINS, LLP**

**CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS**

**EXHIBIT K-1**

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
JULIUS B. CONSONI, CPA, PSA  
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
RALPH M. PICONE, III, CPA, RMA, PSA  
DEBRA GOLLE, CPA  
MARK SACO, CPA  
ROBERT LERCH, CPA  
CHRISTOPHER M. VINCI, CPA, PSA  
CHRISTINA CUIFFO, CPA

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

**INDEPENDENT AUDITOR'S REPORT**

Honorable President and Members  
of the Board of Education  
42 Canfield Avenue  
Mine Hill Township, New Jersey 07803

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Mine Hill Township Board of Education as of and for the fiscal year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Mine Hill Township Board of Education's basic financial statements and have issued our report thereon dated February 7, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Mine Hill Township Board of Education'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 Mine Hill Township Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Mine Hill Township Board of Education's internal control.

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

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

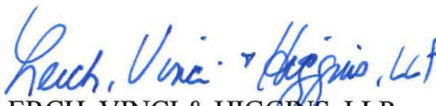
### **Compliance and Other Matters**


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

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Mine Hill Township Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated February 7, 2022.

### **Purpose of this Report**

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

  
LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Public School Accountants

  
Gary J. Vinci  
Public School Accountant  
PSA Number CS00829

Fair Lawn, New Jersey  
February 7, 2022





**LERCH, VINCI & HIGGINS, LLP**

**CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS**

**EXHIBIT K-2**

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
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ROBERT LERCH, CPA  
CHRISTOPHER M. VINCI, CPA, PSA  
CHRISTINA CUIFFO, CPA

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT  
ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
AS REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

**INDEPENDENT AUDITOR'S REPORT**

Honorable President and Members  
of the Board of Education  
42 Canfield Avenue  
Mine Hill Township, New Jersey 07803

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

We have audited the Mine Hill Township Board of Education's compliance with the types of compliance requirements described in the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Mine Hill Township Board of Education's major state programs for the fiscal year ended June 30, 2021. The Mine Hill Township Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Mine Hill Township Board of Education's compliance.

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

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

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

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

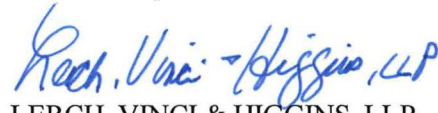
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

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

## Report on Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Mine Hill Township Board of Education, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated February 7, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.



LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Public School Accountants



Gary J. Vinci  
Public School Accountant  
PSA Number CS00829

Fair Lawn, New Jersey  
February 7, 2022

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2020			Def Rev Carryover	A/R Carryover	Cash Received	Budgetary Expenditures	Adjustment	Paid to Grantor	June 30, 2021			MEMO GAAP Receivable
						(Accounts Receivable)	Unearned Revenue	Due to Grantor							Accounts Receivable	Unearned Revenue	Due to Grantor	
U.S. Department of Agriculture Passed-Through State Department of Education																		
Enterprise Fund																		
National School Lunch Program	10.555	211NJ304N1099	N/A	7/1/20-6/30/21	\$ 77,842						\$ 68,659	\$ 77,842			\$ (9,183)		\$ (9,183)	
National School Lunch Program	10.555	201NJ304N1099	N/A	7/1/19-6/30/20	54,492	\$ (6,814)					6,814							
School Breakfast Program	10.553	211NJ304N1099	N/A	7/1/20-6/30/21	40,885						36,037	40,885			(4,848)		(4,848)	
School Breakfast Program	10.553	201NJ304N1099	N/A	7/1/19-6/30/20	16,161	(3,603)					3,603							
Federal Food Distribution Program	10.555	211NJ304N1099	N/A	7/1/20-6/30/21	18,464						18,464	17,020			-	\$ 1,444	-	
Federal Food Distribution Program	10.555	201NJ304N1099	N/A	7/1/19-6/30/20	14,860	-	\$ 2,470	-	-	-	-	2,470	-	-	-	-	-	
Total Child Nutrition Cluster/U.S. Department of Agriculture						(10,417)	2,470	-	-	-	133,577	138,217	-	-	(14,031)	1,444	-	(14,031)
U.S. Department of Education Passed-Through State Department of Education																		
Special Revenue Fund																		
I.D.E.A. Part B, Basic Regular	84.027	H027A200100	IDEA-2870-21	7/1/20-9/30/21	106,041						106,041	106,041			-	-	-	
I.D.E.A. Part B, Basic Regular	84.027	H027A190100	IDEA-2870-20	7/1/19-9/30/20	102,092	(31,944)					31,944						-	
I.D.E.A. Part B, Basic Regular	84.027	H027A170100	IDEA-2870-18	7/1/17-6/30/18	101,476			\$ 2,441						\$ 2,441			-	
I.D.E.A. Part B, Preschool	84.173	H173A200114	IDEA-2870-21	7/1/20-9/30/21	3,297			\$ 1,500	\$ (1,500)		4,797	4,797			-	-	-	
I.D.E.A. Part B, Preschool	84.173	H173A190114	IDEA-2870-20	7/1/19-9/30/20	3,297	(3,297)	1,500	-	(1,500)	1,500	1,797	-	-	-	-	-	-	
Total						(35,241)	1,500	2,441	-	-	144,579	110,838	-	2,441	-	-	-	
No Child Left Behind/ESEA:																		
Title I - Part A	84.010	S010A200030	NCLB-2870-21	7/1/20-9/30/21	82,554				5,208	(5,208)	55,199	87,069			(32,563)	693	(29,645)	
Title I - Part A	84.010	S010A190030	NCLB-2870-20	7/1/19-9/30/20	99,188	(52,106)	5,208		(5,208)	5,208	46,898				-	-	-	
Title IIA	84.367A	S367A200029	NCLB-2870-21	7/1/20-9/30/21	16,764				569	(569)	11,982	16,764			(5,351)	569	(4,782)	
Title IIA	84.367A	S367A190029	NCLB-2870-20	7/1/19-9/30/20	569	(853)	569	-	(569)	569	284	-	-	-	-	-	-	
Total						(52,959)	5,777	-	-	-	114,363	103,833	-	-	(37,914)	1,262	-	(34,427)
Elementary and Secondary School Emergency Relief Fund (ESSER):																		
ESSER I - C.A.R.E.S. Emergency Relief Grant	84.425D	S425D200027	N/A	3/13/20-9/30/22	65,828	(62,418)	56,464	-			65,828	59,874	\$ 200			200	-	
Coronavirus Relief Fund Grant	21.019	S425D210027	N/A	3/13/20-9/30/23	31,155						31,155	31,155			-	-	-	
ESSER II - Coronavirus Response and Relief Supplem. Appropri.	84.425D	S425D210027	N/A	3/13/20-9/30/23	255,786										(255,786)	255,786	-	
ESSER II - Learning Acceleration	84.425D	S425D210027	N/A	3/13/20-9/30/23	25,000										(25,000)	25,000	-	
ESSER II - Mental Health	84.425D	S425D210027	N/A	3/13/20-9/30/23	45,000	-	-	-	-	-	-	-	-	-	(45,000)	45,000	-	
Total						(62,418)	56,464	-	-	-	96,983	91,029	200	-	(325,786)	325,986	-	
Total Special Revenue Fund						(150,618)	63,741	2,441	-	-	355,925	305,700	200	2,441	(363,700)	327,248	-	(34,427)
Total Federal Financial Awards						\$ (161,035)	\$ 66,211	\$ 2,441	\$ -	\$ -	\$ 489,502	\$ 443,917	\$ 200	\$ 2,441	\$ (377,731)	\$ 328,692	\$ -	\$ (48,458)

Note - This schedule is not subject to a federal single audit.



MINE HILL TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2020		Cash Received	Budgetary Expenditures	June 30, 2021		Memo	
				Unearned Revenue	(Accounts Receivable)			Unearned Revenue	(Accounts Receivable)	GAAP Receivable	Cumulative Total Expenditures
State Department of Education											
General Fund											
Special Education Aid	21-495-034-5120-089	7/1/20-6/30/21	\$ 348,338			\$ 314,241	\$ 348,338		\$ (34,097)		\$ 348,338
Special Education Aid	20-495-034-5120-089	7/1/19-6/30/20	348,338		\$ (34,603)	34,603					-
Equalization Aid	21-495-034-5120-078	7/1/20-6/30/21	1,151,822			1,039,075	1,151,822		(112,747)		1,151,822
Equalization Aid	20-495-034-5120-078	7/1/19-6/30/20	1,201,619		(119,366)	119,366					-
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	41,980			37,871	41,980		(4,109)		41,980
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	41,980		(4,170)	4,170					-
School Choice Aid	21-495-034-5120-068	7/1/20-6/30/21	1,227,305			1,107,169	1,227,305		(120,136)		1,227,305
School Choice Aid	20-495-034-5120-068	7/1/19-6/30/20	1,167,808	-	(116,007)	116,007	-	-	-	-	-
Total State Aid - Public Cluster				-	(274,146)	2,772,502	2,769,445	-	(271,089)	-	2,769,445
Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	171,868			155,045	171,868		(16,823)		171,868
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	171,868		(17,073)	17,073					-
Nonpublic School Transportation Costs	21-495-034-5120-014	7/1/20-6/30/21	2,610	-	-	-	2,610	-	(2,610)	\$ (2,610)	2,610
Total Transportation Aid Cluster				-	(17,073)	172,118	174,478	-	(19,433)	(2,610)	174,478
Extraordinary Aid	21-100-034-5120-044	7/1/20-6/30/21	205,705				205,705		(205,705)		205,705
Extraordinary Aid	20-100-034-5120-044	7/1/19-6/30/20	172,927		(172,927)	172,927					-
On-Behalf TPAF											
Pension Contributions Normal Costs	21-495-034-5094-002	7/1/20-6/30/21	669,166			669,166	669,166				669,166
Pension System-NCGI Prem.	21-495-034-5094-004	7/1/20-6/30/21	12,732			12,732	12,732				12,732
Long-Term Disability Insurance Contributions	21-495-034-5094-004	7/1/20-6/30/21	418			418	418				418
Post Retirement-Medical	21-495-034-5094-001	7/1/20-6/30/21	213,696			213,696	213,696				213,696
Social Security Aid	21-495-034-5094-003	7/1/20-6/30/21	185,759			176,852	185,759		(8,907)	(8,907)	185,759
Social Security Aid	20-495-034-5094-003	7/1/19-6/30/20	179,457	-	(8,519)	8,519	-	-	-	-	-
Total General Fund				-	(472,665)	4,198,930	4,231,399	-	(505,134)	(11,517)	4,231,399
Enterprise Fund											
State School Lunch Program	21-100-010-3350-023	7/1/20-6/30/21	4,516			3,446	4,516		(1,070)	(1,070)	4,516
State School Lunch Program	20-100-010-3350-023	7/1/19-6/30/20	1,761	-	(485)	485	-	-	-	-	-
Total Enterprise Fund				-	(485)	3,931	4,516	-	(1,070)	(1,070)	4,516
State Financial Assistance Subject to Single Audit Determination				-	(473,150)	4,202,861	4,235,915	-	(506,204)	(12,587)	4,235,915
Less: State Aid Not Subject to Single Audit:											
On-Behalf TPAF NCGI Premium	21-495-034-5094-004	7/1/20-6/30/21	12,732			12,732	12,732				12,732
On-Behalf TPAF Long-Term Disability Insurance Ct	21-495-034-5094-004	7/1/20-6/30/21	418			418	418				418
On-Behalf TPAF Pension Contributions	21-495-034-5094-002	7/1/20-6/30/21	669,166			669,166	669,166				669,166
On-Behalf TPAF Post-Retirement Medical	21-495-034-5094-001	7/1/20-6/30/21	213,696	-	-	213,696	213,696	-	-	-	213,696
Total for State Financial Subject to Single Audit				\$ -	\$ (473,150)	\$ 3,306,849	\$ 3,339,903	\$ -	\$ (506,204)	\$ (12,587)	\$ 3,339,903

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1 GENERAL**

The accompanying schedules present the activity of all federal and state financial assistance programs of the Mine Hill Township Board of Education. The Board of Education is defined in Note 1(A) to the Board's financial statements. All federal financial assistance received directly from federal agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

**NOTE 2 BASIS OF ACCOUNTING**

The accompanying schedules are prepared and presented using 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 basis of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (U.S. Uniform Guidance) and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$29,471 for the general fund and an increase of \$8,664 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 4,201,928	\$ 4,201,928
Special Revenue Fund	\$ 314,364		314,364
Food Service Fund	<u>138,217</u>	<u>4,516</u>	<u>142,733</u>
Total Awards Financial Assistance	<u>\$ 452,581</u>	<u>\$ 4,206,444</u>	<u>\$ 4,659,025</u>

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the District's fiscal year and grant program years.

**NOTE 5 OTHER INFORMATION**

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$185,759 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2021. The amount reported as TPAF Pension System Contributions in the amount of \$681,898, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$213,696 and TPAF Long-Term Disability Insurance in the amount of \$418 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2021.

**NOTE 6 ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT**

On-behalf State Programs for TPAF Pension, Post-Retirement Medical Benefits and Long-Term Disability Insurance Contributions payments are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's financial statements and the amount subject to State single audit and major program determination.

**NOTE 7 DE MINIMIS INDIRECT COST RATE**

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

## Financial Statement Section

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**MINE HILL TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

***Part 2 – Schedule of Financial Statement Findings***

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements in accordance with Government Auditing Standards.

There are none.

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

***Part 3 – Schedule of Federal and State Award Findings and Questioned Costs***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08, as amended.

**CURRENT YEAR FEDERAL AWARDS**

Not Applicable.

**CURRENT YEAR STATE AWARDS**

There are none.

**MINE HILL TOWNSHIP BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

This section identifies the status of prior-year findings related to the basic statements and federal and state awards that are required to be reported in accordance with U.S. Uniform Guidance and New Jersey OMB's Circular 15-08, as amended.

**STATUS OF PRIOR YEAR FINDINGS**

There were none.