

SCHOOL DISTRICT
OF
CITY OF PORT REPUBLIC

Port Republic City Board of Education
Port Republic, New Jersey

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2021

TABLE OF CONTENTS

INTRODUCTORY SECTION		Page
	Letter of Transmittal	1-3
	Organizational Chart	4
	Roster of Officials	5
	Consultants and Advisors	6
 FINANCIAL SECTION 		
	Independent Auditor's Report	7-9
	Required Supplementary Information - Part I	
	Management's Discussion and Analysis	10-15
	Basic Financial Statements	
A	District-wide Financial Statements:	
	A-1 Statement of Net Position	16
	A-2 Statement of Activities	17
B	Fund Financial Statement	
	Governmental Funds:	
	B-1 Balance Sheet	18
	B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	19
	B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20
	Proprietary Funds:	
	B-4 Statement of Net Position	21
	B-5 Statement of Revenues, Expenses, and Changes in Net Position	22
	B-6 Statement of Cash Flows	23
	Fiduciary Funds:	
	B-7 Statement of Fiduciary Net Position	N/A
	B-8 Statement of Changes in Fiduciary Net Position	N/A
	Notes to the Financial Statements	24-46
	Required Supplemental Information - Part II	
C	Budgetary Comparison Schedules	
	C-1 Budgetary Comparison Schedule - General Fund	47-52
	C-1a Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual	NA
	C-1b Community Development Block Grant - Budget to Actual	NA
	C-2 Budgetary Comparison Schedule - Special Revenue Fund	53
	Notes to the Required Supplementary Information	
	C-3 Budget-to-GAAP Reconciliation	54

TABLE OF CONTENTS (continued)

		Page
Required Supplementary Information - Part III		
L	L-1 Schedule of the District's Proportionate Share of the Net Pension Liability (PERS)	55
	L-2 Schedule of District Contributions (PERS)	56
	L-3 Schedule of the District's Proportionate Share of the Net Pension Liability (TPAF)	57
M	M-1 Schedule of the District's Proportionate Share of the Net OPEB Liability (PERS and TPAF)	58
 Other Supplementary Information		
D	School Level Schedules:	
	D-1 Combining Balance Sheet	N/A
	D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
	D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual	N/A
E	Special Revenue Fund:	
	E-1 Combining Schedule of Revenues and Expenditures Special Revenue Fund - Budgetary Basis	59
	E-2 Preschool Education Aid Schedule of Expenditures - Budgetary Basis	N/A
F	Capital Projects Fund:	
	F-1 Summary Schedule of Project Expenditures	N/A
	F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis	N/A
	F-2a Schedule of Project Revenue, Expenditures, Project Balance and Project Status - Budgetary Basis	N/A
G	Proprietary Funds	
	Enterprise Fund:	
	G-1 Combining Statement of Net Position	60
	G-2 Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	61
	G-3 Combining Statement of Cash Flows	62
	Internal Service Fund:	
	G-4 Combining Statement of Net Position	N/A
	G-5 Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	N/A
	G-6 Combining Statement of Cash Flows	N/A
H	Fiduciary Funds:	
	H-1 Combining Statement of Fiduciary Net Position	N/A
	H-2 Combining Statement of Changes in Fiduciary Net Position	N/A
	H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	N/A
	H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	N/A
I	Long-Term Debt:	
	I-1 Schedule of Serial Bonds	N/A
	I-2 Schedule of Obligations under Capital Leases	N/A
	I-3 Debt Service Fund Budgetary Comparison Schedule	N/A

TABLE OF CONTENTS (continued)

	Page
STATISTICAL SECTION (Unaudited)	
Introduction to the Statistical Section	
Financial Trends	
J-1 Net Assets/Net Position by Component	63
J-2 Changes in Net Assets/Net Position	64-65
J-3 Fund Balances - Governmental Funds	66
J-4 Changes in Fund Balances - Governmental Funds	67
J-5 General Fund Other Local Revenue by Source	68
Revenue Capacity	
J-6 Assessed Value and Estimated Actual Value of Taxable Property	69
J-7 Direct and Overlapping Property Tax Rates	70
J-8 Principal Property Taxpayers	71
J-9 Property Tax Levies and Collections	72
Debt Capacity	
J-10 Ratios of Outstanding Debt by Type	73
J-11 Ratios of General Bonded Debt Outstanding	74
J-12 Direct and Overlapping Governmental Activities Debt	75
J-13 Legal Debt Margin Information	76
Demographic and Economic Information	
J-14 Demographic and Economic Statistics	77
J-15 Principal Employers	78
Operating Information	
J-16 Full-time Equivalent District Employees by Function/Program	79
J-17 Operating Statistics	80
J-18 School Building Information	81
J-19 Schedule of Required Maintenance Expenditures by School Facility	82
J-20 Insurance Schedule	83
SINGLE AUDIT SECTION	
Page	
K-1 Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	84-85
K-2 Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with U.S. OMB Uniform Guidance and New Jersey OMB Circular Letter 15-08	86-87
K-3 Schedule of Expenditures of Federal Awards	88
K-4 Schedule of Expenditures of State Financial Assistance	89
K-5 Notes to the Schedules of Awards and Financial Assistance	90-92
K-6 Schedule of Findings and Question Costs	
Part I - Summary of Auditor's Results	93-94
Part 2 - Schedule of Financial Statement Findings	95
Part 3 - Schedule of State Award Findings and Questioned Costs	95
K-7 Summary Schedule of Prior Audit Findings	95

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Introductory Section

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**CITY OF PORT REPUBLIC SCHOOL DISTRICT
POMONA AVENUE
PORT REPUBLIC, NEW JERSEY 08241**

March 11, 2022

Honorable President and
Members of the Board of Education
City of Port Republic School District
County of Atlantic
Port Republic, New Jersey

The Comprehensive Annual Financial Report of the City of Port Republic School District (District) for the fiscal year ended June 30, 2021, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections:

- The Introductory Section includes this transmittal letter, the District's organizational chart and a roster of officials.
- The Financial Section includes the Independent Auditor's Report, Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the District's financial position and operating results, and other schedules providing detailed budgetary information.
- The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.
- The Single Audit Section in which the District is required to undergo an annual single audit in conformity with the provisions of the U.S. Office of Management and Budget Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of New Jersey OMB's Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1). REPORTING ENTITY AND ITS SERVICES

The District is a component unit of the City of Port Republic as set forth in Section 2100 of the Governmental Standards Board (GASB). All funds of the District are included in this report. The City of Port Republic Board of Education and all its schools constitute the District's reporting entity. The District is a Type I District and, as such, meets the criteria to be considered a component unit of the City of Port Republic. However, the City reports on a regulatory basis of accounting which does not recognize component units.

2). ECONOMIC CONDITION AND OUTLOOK

The District provides a full range of educational services appropriate to grade levels K through 8. These include regular education, as well as special education for disabled students. The District started the 2020-2021 fiscal year with an enrollment of 104 students. Although our enrollment has declined in recent years, our financial outlook continues to look good with the addition of a total of 20 choice seats through the choice program. Additionally, the District continues to take advantage of opportunities to share services and minimize costs.

3). MAJOR INITIATIVES

Student progress indicators continue to indicate that the District's educational program is an effective one, but we are striving for greater success. The District will be implementing new District and Board goal setting in 2020-2021 to develop a 5-year strategic plan for curriculum, technology, facility and finance. The Board recently hired a new permanent Superintendent that is very supportive of full technological integration and is excited about charting an exciting path forward. This will provide an exciting new chapter, as we welcome new ideas and initiatives. The Board is also looking forward to a full update of the Long-Range Facility Plan and an evaluation of long-range facility needs.

4). INTERNAL CONTROLS

Management of the District is responsible for establishing and maintaining internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP).

The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal awards and state financial assistance, the District also is responsible for ensuring that adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District's management. As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal awards and state financial assistance programs, as well as to determine that the District has complied with applicable law and regulations.

5). BUDGETARY CONTROLS

In addition to internal accounting controls, the District maintains budgetary controls. The objectives of these budgetary controls are to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of School Estimate. Annual appropriated budgets are adopted for the general fund and the special revenue 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 reservations of fund balance at June 30, 2021.

6). ACCOUNTING SYSTEM AND REPORTS

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

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 in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8). RISK MANAGEMENT

The District carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

9). OTHER INFORMATION

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ford Scott and Associates was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Federal Uniform Guidance and State of New Jersey OMB Circular 15-08. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

10). ACKNOWLEDGMENTS

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

Respectfully submitted,

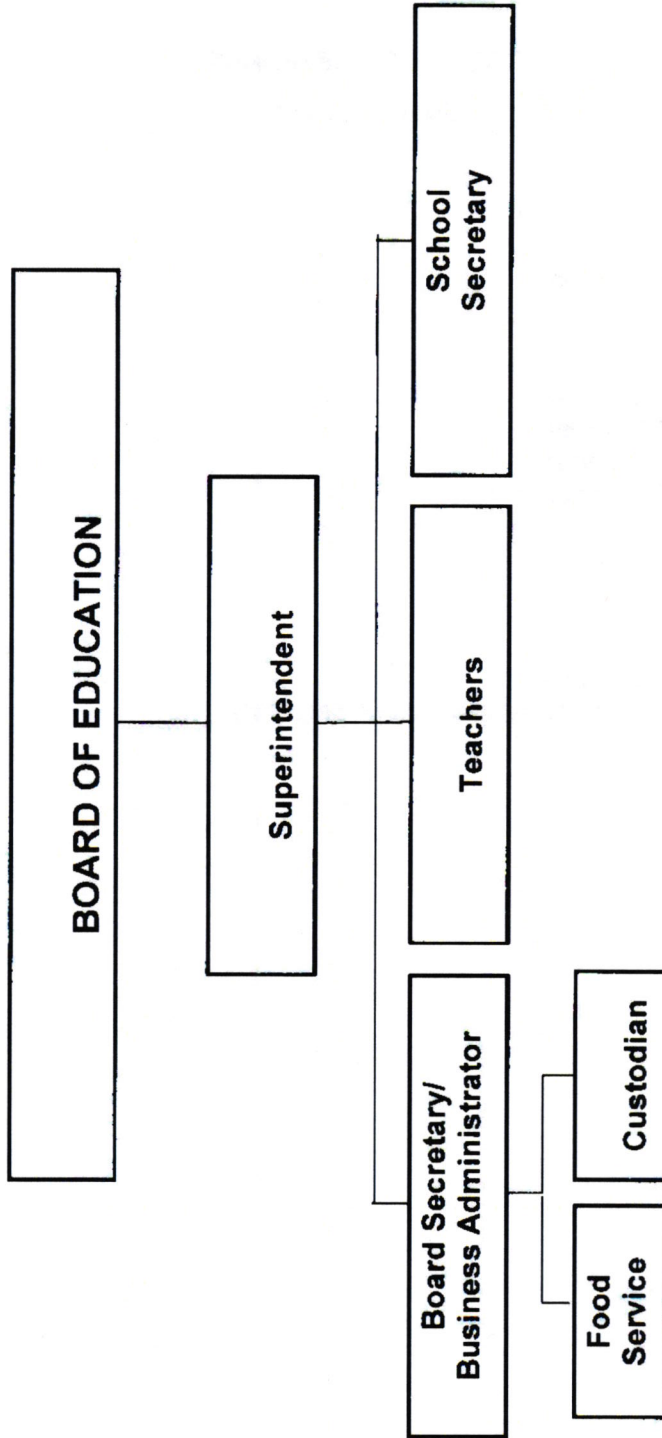
Brian London
Brian London
Superintendent

Todd D'Anna
Todd D'Anna
Business Administrator

CITY OF PORT REPUBLIC SCHOOL DISTRICT

County of Atlantic
Port Republic, New Jersey

ORGANIZATIONAL CHART



CITY OF PORT REPUBLIC BOARD OF EDUCATION

PORT REPUBLIC, NEW JERSEY

ROSTER OF OFFICIALS

June 30, 2021

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Joy Hooper, President	2022
Alex Martin, Vice President	2021
Jill Yochim	2022
Eric Stevenson	2022
Helen DeMario	2021

Other Officials

Brian London, Superintendent

Todd D'Anna, Board Secretary/School Business Administrator

**CITY OF PORT REPUBLIC BOARD OF EDUCATION
Consultants and Advisors**

Audit Firm

Ford Scott & Associates, LLC, CPAs
1535 Haven Avenue
Ocean City, NJ 08226

Attorney

Cooper Levenson Attorneys at Law
1125 Atlantic Avenue - 3rd Floor
Atlantic City, NJ 08401

Insurance Agent

Glenn Insurance, Inc.
PO Box 365
Absecon, NJ 08201

Official Depository

OceanFirst Bank
1777 New Road
Linwood, New Jersey 08221

Financial Section

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FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

www.ford-scott.com

Independent Auditor's Report

Honorable President and
Members of the Board of Education
City of Port Republic School District
County of Atlantic, New Jersey

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and 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 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 City of Port Republic School District, Port Republic, New Jersey, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Port Republic School District's basic financial statements. The introductory section, combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the schedule of state financial assistance as required by NJ OMB 15-08, and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the schedule of state financial assistance as required by NJ OMB 15-08, and statistical 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. 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 non-major fund financial statements, schedule of expenditures of federal awards, as required by the Uniform Guidance, the schedule of state financial assistance as required by NJ OMB 15-08 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2022 on our consideration of the City of Port Republic School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Port Republic School District's internal control over financial reporting and compliance.

Very truly yours,

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Nancy Sbrolla
Nancy Sbrolla
Certified Public Accountant
Licensed Public School Accountant
No. 2426

March 11, 2022

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Required Supplemental Information
Part I

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Port Republic School District's ("District") annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2021. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statement.

FINANCIAL HIGHLIGHTS

- The net position of the District increased \$40,768.69 as a result of an increase in property taxes levied.
- The State of New Jersey reimbursed the District \$71,965.08 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. Also, the State of New Jersey paid \$346,000.00 on behalf of the District for TPAF Pension Contributions. These amounts, which are not budgeted, are included as both a revenue and appropriation in the financial statements.
- As required by New Jersey State Statutes, the unreserved fund balance of the general fund is limited to 2% of the total general fund expenditures. Any excess is required to be designated as Reserved Fund Balance – Excess Surplus and included in the next year's budget as budgeted fund balance. As of June 30, 2021 the District had \$0.00 in excess surplus, of which \$0.00 has been appropriated and included as anticipated revenue in the 2022 fiscal year budget.
- During the fiscal year ended June 30, 2021, the District's revenues were \$33,627.19 higher than total expenditures. This can be attributed to the district receiving more for property taxes levied. During the prior fiscal year, revenues were lower than expenditures by \$31,499.99.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – *management's discussion and analysis* (this section), the basic *financial statements*, *required supplementary information*, and an optional section that presents *combining statements for special revenue, capital projects, proprietary, and fiduciary funds*. The basic financial statements include two kinds of statements that present different views of the District.

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the District's government, reporting on the District's operations in *more detail* than the government-wide statements.
 - The *governmental funds* statements tell how *general government* services like instruction were financed in the *short term* as well as what remains for future spending.
 - *Proprietary fund* statements offer *short-* and *long-term* financial information about the activities the District operates like businesses, such as the food service and community service programs.
 - *Fiduciary fund* statements provide information about the financial relationships – like the unemployment trust fund – in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. The following table shows how the required parts of this annual report are arranged and relate to one another.

The following table also summarizes the major features of the District's financial statements, including the portion of the District's government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

**Major Features of City of Port Republic School District's
Government-wide and Fund Financial Statements**

	Government wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as food service and student activities	Activities the District operates similar to private businesses; food service, Performing Arts and Latchkey	Instances in which the District is the trustee or agent for someone else's resources, such as payroll agency and student activities.
Required financial statements	Statement of net position	Balance sheet Statement of revenues, expenditures, and changes in net position	Statement of net position Statement of revenues, expenses, and changes in net position Statement of cash flows	Statement of fiduciary net position Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short- term and long-term.	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included.	All assets and liabilities, both financial and capital, and short- term and long- term.	All assets and liabilities, both short-term and long-term.
Type of inflow/outflow information	All revenues and expenses during the 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 payment is due during the year or soon thereafter	All revenues and expenses, regardless of when cash is received or paid.	All revenues and expenses during year, regardless of when cash is received or paid.

Government-wide Statements

The government-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 government'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.

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

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

The government-wide financial statements of the District are divided into two categories:

- *Governmental activities* – most of the District's basic services are included here, such as instruction, administration, and plant operations. Property taxes and state and federal grants finance most of these activities.
- *Business-type activities* – the District charges fees to customers to help it cover the costs of certain services it provides. The District's food service, performing arts, and latchkey are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant *funds* – not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

The District has three kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which 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 you 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 government-wide statements, we provide additional information at the bottom of the governmental funds statement that explains the relationship (or differences) between them.
- *Proprietary funds* – Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information. In fact, the District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.
- *Fiduciary funds* – The District is the trustee, or *fiduciary*, for its employees' unemployment compensation plan. It is also responsible for other assets that - because of a trust arrangement – can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position. The District's governmental activities net position increased between fiscal years 2021 and 2020 as a result of an increase in property taxes levied. The financial condition of the District, excluding depreciation expense, increased slightly during the 2021 fiscal year.

	<u>Governmental Activities</u>		<u>Business-type</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current and other assets	\$ 308,956.51	249,015.43			308,956.51	249,015.43
Capital assets	125,746.43	135,463.31			125,746.43	135,463.31
Deferred Outflows	25,163.00	42,747.00				42,747.00
Total assets	459,865.94	427,225.74	-	-	434,702.94	427,225.74
Long-term liabilities	232,502.51	259,614.59	-	-	232,502.51	259,614.59
Other liabilities	125,692.76	122,790.00	-	-	125,692.76	122,790.00
Total liabilities	358,195.27	382,404.59	-	-	358,195.27	382,404.59
Net position						
Invested in Capital Assets	125,746.43	135,463.31			125,746.43	135,463.31
Restricted	188,200.01	148,361.32	-	-	188,200.01	148,361.32
Unrestricted	(212,275.77)	(239,003.48)	-	-	(212,275.77)	(239,003.48)
Total net position	\$ 101,670.67	44,821.15	-	-	101,670.67	44,821.15

As required by New Jersey Statutes, the unrestricted net position of the District is not permitted to exceed 2% of total general fund expenditures, after reductions for On-behalf TPAF pension and social security and assets acquired under capital leases. Any excess must be appropriated as budgeted fund balance in the subsequent years' budget. As of June 30, 2021, the District did have \$0.00 in excess fund balance, of which \$0.00 has been appropriated and included as anticipated revenue in the 2022 fiscal year budget.

Changes in net position. The total revenue of the District increased \$83,293.22 due to an increase in property taxes levied.

Approximately 40.98% of the District's revenue comes from the State of New Jersey in the form of unrestricted state aid. The City of Port Republic levies property taxes on properties located in the City. This tax is remitted to the District on a monthly basis. The District expenses are primarily related to instruction, administration, and plant operations.

	2021		2020	
	2021 Amount	Percentage	2020 Amount	Percentage
Property taxes	\$ 1,885,328.04	55.34%	1,828,694.00	55.03%
Unrestricted Federal and State aid	1,396,124.08	40.98%	1,386,901.55	41.73%
Miscellaneous and special items	(3,210.58)	-0.09%	(4,624.21)	-0.14%
Operating grants and contributions	128,388.33	3.77%	112,365.31	3.38%
Totals	\$ 3,406,629.87	100.00%	3,323,336.65	100.00%

Governmental & Business-Type Activities

The following schedule summarizes the governmental and business-type activities of the District during the 2021 and 2020 fiscal years.

	Governmental Activities		Business-type Activities		Totals	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenues						
Program revenue						
Federal and state grants	128,388.33	112,365.31			128,388.33	112,365.31
General revenues						
Property taxes	1,885,328.04	1,828,694.00	-	-	1,885,328.04	1,828,694.00
State aid entitlements	1,396,124.08	1,386,901.55	-	-	1,396,124.08	1,386,901.55
Miscellaneous	5,605.37	10,375.79			5,605.37	10,375.79
Total revenues	3,415,445.82	3,338,336.65	-	-	3,415,445.82	3,338,336.65
Expenses						
Instruction:						
Regular	1,160,411.51	1,250,476.46			1,160,411.51	1,250,476.46
Special Education	213,301.27	296,978.10			213,301.27	296,978.10
School Sponsored Activities	-	2,700.00			-	2,700.00
Support services:						
Tuition	852,638.53	875,998.82			852,638.53	875,998.82
Student & instruction	562,494.35	473,550.82			562,494.35	473,550.82
School admin services	85,309.59	67,686.65			85,309.59	67,686.65
General admin services	134,105.33	116,142.69			134,105.33	116,142.69
Plant operations/maint	172,162.81	137,332.96			172,162.81	137,332.96
Pupil transportation	98,592.62	64,785.44			98,592.62	64,785.44
Central services	31,120.17	40,228.29			31,120.17	40,228.29
Transfer to Charter School	55,725.00	37,690.00			55,725.00	37,690.00
Capital outlay		-			-	-
Business-type activities				15,000.00	-	15,000.00
Total expenses	3,365,861.18	3,363,570.23	-	15,000.00	3,365,861.18	3,378,570.23
Excess (Deficiency) before items	49,584.64	(25,233.58)	-	(15,000.00)	49,584.64	(40,234)
Special items					-	-
Transfers	(8,815.95)	(15,000.00)		15,000.00	(8,815.95)	-
Change in net position	\$ 40,768.69	(40,233.58)	-	-	40,768.69	(40,233.58)
Net position – beginning	60,902.18	85,054.93	-	-	60,902.18	85,054.93
Net position – ending	101,670.87	44,821.35	-	-	101,670.87	44,821.35

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As of the year end, the governmental funds reported a combined fund balance of \$284,823.75 which is \$33,627.19 higher than the beginning of the year. In addition to the analysis discussed at Financial Highlights and Financial Analysis of the District as a Whole, this increase is due to an increase in property taxes levied. Also, the District continues to monitor spending on an ongoing basis to ensure actual expenditures stay within the budget.

General Fund Budgetary Highlights

As further explained in the Notes to the Financial Statements, annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budgets are submitted to the County office and, as a Type I School District, are approved by the Board of School Estimate. Transfers of appropriations may be made by Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the board and under certain circumstances require approval by the Executive County Superintendent of Schools. The District is permitted to encumber funds throughout the year for purchases ordered but not yet received. Any open encumbrances as of June 30th carry over to the next fiscal year and are added to the appropriation reflected in the certified budget.

After adjusting total revenue reported on Exhibit C-1 for the Reimbursed TPAF Social Security Contribution and On-behalf Contributions, which are not budgeted, the District's actual revenue was over the budget by \$12,637.41. This is a result of realizing additional revenue allocated by the State of New Jersey for Special Education Extraordinary Aid and additional miscellaneous income. Again, after adjusting for the Reimbursed TPAF Social Security Contribution and On-behalf Contributions, actual expenditures were below the budgeted appropriations by \$173,170.09. This is the result of good controls over spending throughout the year and a decrease in tuition expense. Audit exhibit C-1 does not include current year depreciation expense.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

During the 2021 fiscal year, the District did not invest in any significant capital assets or projects. The decrease is due to the depreciation on the various property and equipment owned by the District.

	Governmental Activities		Total	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Buildings and Improvements	123,121.39	130,528.64	123,121.39	130,528.64
Equipment	2,625.04	4,934.67	2,625.04	4,934.67
Total	\$ 125,746.43	135,463.31	125,746.43	135,463.31

More detailed information about the District's capital assets is presented in Note 4 to the financial statements.

Long-term Debt

New Jersey State Statutes governing Type I School Districts require the bonded debt be assumed by the City and provision for amortization of principal and interest on the outstanding debt is included in the City budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to present users (residents, receiving districts, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have questions about the report or need additional financial information, contact the District's business administrator at 137 Pomona Avenue, Port Republic, NJ 08241

BASIC FINANCIAL STATEMENTS

The basic financial statements provide a financial overview of the district's operation. These financial statements present the financial position and operating results of all funds.

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DISTRICT - WIDE FINANCIAL STATEMENTS

The district-wide financial statements provide a financial overview of the district's operation. These financial statements present the financial position and operating results of the governmental and business-type funds.

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City of Port Republic School District
(A Component Unit of the City of Port Republic)
Statement of Net Position
June 30, 2021

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 251,064.21	-	251,064.21
Other accounts receivable	2,121.00	-	2,121.00
Receivables from other governments	55,771.30	-	55,771.30
Interfund receivables	-	-	-
Inventory	-	-	-
Capital assets not being depreciated			
Land		-	-
Depreciable assets, net of accumulated depreciation	125,746.43	-	125,746.43
Total assets	<u>434,702.94</u>	<u>-</u>	<u>434,702.94</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	25,163.00	-	25,163.00
Loss on Refunding Bonds	-	-	-
Total Deferred Outflows of Resources	<u>25,163.00</u>	<u>-</u>	<u>25,163.00</u>
LIABILITIES			
Payroll Deductions Payable	16,258.58		16,258.58
Due to Employees	1,530.18	-	1,530.18
Deferred Revenue	6,344.00		6,344.00
Noncurrent liabilities:			
Due beyond one year	59,224.51	-	59,224.51
Net pension liability	173,278.00	-	173,278.00
Total liabilities	<u>256,635.27</u>	<u>-</u>	<u>256,635.27</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	101,560.00	-	101,560.00
Total Deferred Inflows of Resources	<u>101,560.00</u>	<u>-</u>	<u>101,560.00</u>
NET POSITION			
Net investment in capital assets	125,746.43	-	125,746.43
Restricted for:			
Capital projects	618.63	-	618.63
Other purposes	187,581.38	-	187,581.38
Unrestricted net position/(deficit)	(212,275.77)	-	(212,275.77)
Total net position	<u>\$ 101,670.67</u>	<u>-</u>	<u>101,670.67</u>

The accompanying notes are an integral part of these financial statements

**City of Port Republic School District
(A Component Unit of the City of Port Republic)
Statement of Activities
For the Year Ended June 30, 2021**

Functions/Programs	Expenses	Indirect Expense Allocation	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities
Governmental activities:						
Instruction:						
Regular	\$ 749,321.57	411,089.94	-	87,412.00	(1,072,999.51)	(1,072,999.51)
Special education	138,112.50	75,188.77	-	-	(213,301.27)	(213,301.27)
School Sponsored Activities	-	-	-	-	-	-
Other special instruction	-	-	-	-	-	-
Support services:						
Tuition	852,638.53	-	-	-	(852,638.53)	(852,638.53)
Student & instruction related services	364,214.90	198,279.45	-	40,976.33	(521,518.02)	(521,518.02)
School administrative services	55,237.93	30,071.66	-	-	(85,309.59)	(85,309.59)
General and business administrative services	82,340.75	51,764.58	-	-	(134,105.33)	(134,105.33)
Central Services	31,120.17	-	-	-	(31,120.17)	(31,120.17)
Plant operations and maintenance	172,162.81	-	-	-	(172,162.81)	(172,162.81)
Pupil transportation	98,592.62	-	-	-	(98,592.62)	(98,592.62)
Unallocated benefits	766,394.40	(766,394.40)	-	-	-	-
Capital outlay	-	-	-	-	-	-
Transfer to Charter School	55,725.00	-	-	-	(55,725.00)	(55,725.00)
Total governmental activities	3,365,861.18	-	-	128,388.33	(3,237,472.85)	(3,237,472.85)
Business-type activities:						
Food Service	-	-	-	-	-	-
Total business-type activities	-	-	-	-	-	-
Total government	3,365,861.18	-	-	128,388.33	(3,237,472.85)	(3,237,472.85)
General revenues:						
Taxes:						
Property taxes, levied for general purposes, net					1,885,328.04	1,885,328.04
Federal and State aid not restricted					1,396,124.08	1,396,124.08
Investment Earnings					873.08	873.08
Miscellaneous Income					4,732.29	4,732.29
Special item:					(8,815.95)	(8,815.95)
Adjustment of Prior Year Payables					-	-
Total general revenues and transfers					3,278,241.54	3,278,241.54
Change in Net Position					40,768.69	40,768.69
Net Position—beginning balance					44,821.15	44,821.15
Prior Period Restatement					16,080.83	16,080.83
Net Position - beginning balance restated					60,901.98	60,901.98
Net Position—ending balance					101,670.67	101,670.67
					\$	\$

The accompanying notes are an integral part of these financial statements

FUND FINANCIAL STATEMENTS

The combining and individual fund statements and schedules present more detailed information for the individual funds in a format that segregates information by fund type. These statements are segregated as follows:

Governmental Funds - This section consists of the general, special revenue, and capital projects funds.

Proprietary Funds - This section consists of the food service funds and internal service funds. This fund is operated in a manner similar to a private business enterprise.

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City of Port Republic School District
(A Component Unit of the City of Port Republic)
Balance Sheet
Governmental Funds
June 30, 2021

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 172,766.71	78,297.50	251,064.21
Other accounts receivable	2,121.00		2,121.00
Interfund accounts receivable	78,520.97		78,520.97
Receivables from other governments	37,419.30	18,352.00	55,771.30
Total assets	<u>290,827.98</u>	<u>96,649.50</u>	<u>387,477.48</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable		-	-
Other Current Liabilities			-
Payroll Deductions and Withholdings Payable	16,258.58		16,258.58
Due to Employees	1,530.18		1,530.18
Interfund accounts payable		78,520.97	78,520.97
Unearned revenue	-	6,344.00	6,344.00
Total liabilities	<u>17,788.76</u>	<u>84,864.97</u>	<u>102,653.73</u>
Fund Balances:			
Restricted for:			
Excess surplus	-		-
Excess surplus -- designated for Subsequent year's expenditures	-		-
Capital Reserve	618.63		618.63
Student Activities		11,784.53	11,784.53
Assigned to:			
Designated for subsequent year's expenditures:			
Unreserved fund balance	167,389.00		167,389.00
Encumbrances	7,789.22		7,789.22
Unreserved, reported in:			
General fund	<u>97,242.37</u>		<u>97,242.37</u>
Total Fund balances	<u>273,039.22</u>	<u>11,784.53</u>	<u>284,823.75</u>
Total liabilities and fund balances	<u>290,827.98</u>	<u>96,649.50</u>	
Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			125,746.43
Pension Liabilities Net of Deferred Outflows & Inflows			(249,675.00)
Some liabilities, such as compensated absences and capital leases, are not due and payable in the current period and therefore are not reported in the funds.			
Compensated Absences			<u>(59,224.51)</u>
Total net position of governmental activities			<u>101,670.67</u>

City of Port Republic School District
(A Component Unit of the City of Port Republic)
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
REVENUES			
Local tax levy	\$ 1,885,328.04		1,885,328.04
Interest Earned	873.08		873.08
Miscellaneous	4,732.29		4,732.29
State sources	1,396,124.08	-	1,396,124.08
Federal sources		123,256.40	123,256.40
Local sources		5,131.93	5,131.93
Total revenues	<u>3,287,057.49</u>	<u>128,388.33</u>	<u>3,415,445.82</u>
EXPENDITURES			
Current:			
Regular instruction	657,621.85	87,412.00	745,033.85
Special education instruction	136,267.45		136,267.45
School Sponsored Activities	-		-
Support services and undistributed costs:			-
Tuition	852,638.53		852,638.53
Student & instruction related services	314,076.71	45,272.63	359,349.34
General administrative services	93,814.90		93,814.90
School administrative services	54,500.00		54,500.00
Central Services	38,523.78		38,523.78
Plant operations and maintenance	172,162.81		172,162.81
Pupil transportation	98,592.62		98,592.62
Unallocated Benefits	766,394.40		766,394.40
Capital outlay	-		-
Transfer to Charter Schools	55,725.00		55,725.00
Total expenditures	<u>3,240,318.05</u>	<u>132,684.63</u>	<u>3,373,002.68</u>
(Deficiency) of revenues over expenditures	<u>46,739.44</u>	<u>(4,296.30)</u>	<u>42,443.14</u>
OTHER FINANCING SOURCES (USES)			
Adjustment for Prior Year Accounts Payable	(8,815.95)	-	(8,815.95)
Cancellation of Interfund	-	-	-
Transfers out	-	-	-
Total other financing sources and uses	<u>(8,815.95)</u>	<u>-</u>	<u>(8,815.95)</u>
Net change in fund balances	<u>37,923.49</u>	<u>(4,296.30)</u>	<u>33,627.19</u>
Fund Balance, July 1	235,115.73	-	235,115.73
Prior Period Restatement	-	16,080.83	16,080.83
Fund Balance, July 1, Restated	<u>235,115.73</u>	<u>16,080.83</u>	<u>251,196.56</u>
Fund Balance, June 30	<u>\$ 273,039.22</u>	<u>11,784.53</u>	<u>284,823.75</u>

**City of Port Republic School District
 (A Component Unit of the City of Port Republic)
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Year Ended June 30, 2021**

Total net change in fund balances - governmental funds (from B-2) \$ 33,627.19

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

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

This is the amount by which depreciation exceeded capital outlays in the period.

	Depreciation expense	(15,517.88)	
	Capital outlays	<u>5,800.00</u>	(9,717.88)

District pension contributions - PERS	11,624.00		
Cost of benefits earned net of employee contributions	<u>8,524.00</u>		20,148.00

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net position.
 Capital lease proceeds

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

(3,288.62)

Change in net position of governmental activities 40,768.69

City of Port Republic School District
(A Component Unit of the City of Port Republic)
Statement of Net Position
Proprietary Funds
June 30, 2021

	Business-type Activities - Enterprise Funds	
	Food Service	Totals
ASSETS		
Current assets:		
Cash and cash equivalents	-	-
Accounts receivable	-	-
Prepaid expenses	-	-
Interfund receivable	-	-
Inventories	-	-
Total current assets	-	-
Noncurrent assets:		
Furniture, machinery & equipment	-	-
Less accumulated depreciation	-	-
Total noncurrent assets	-	-
Total assets	-	-
LIABILITIES		
Current liabilities:		
Interfund Payable	-	-
Unearned revenue	-	-
Total current liabilities	-	-
Non-current liabilities:		
Compensated absences payable	-	-
Total current liabilities	-	-
Total liabilities	-	-
NET POSITION		
Investment in capital assets	-	-
Unrestricted	-	-
Total net position	-	-

The accompanying notes are an integral part of these financial statements

City of Port Republic School District
(A Component Unit of the City of Port Republic)
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2021

	Business-type Activities - Enterprise Fund	
	Food Service	Total
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	\$ -	-
Daily sales - non-reimbursable programs	-	-
School Store		-
Community service activities		-
Latchkey		-
Total operating revenues	<u>-</u>	<u>-</u>
Operating expenses:		
Cost of sales - Reimbursable	-	-
Cost of sales - Non Reimbursable	-	-
Purchased Services	\$ -	-
Employee benefits		-
General supplies	-	-
	<u>-</u>	<u>-</u>
Total Operating Expenses	<u>-</u>	<u>-</u>
Operating (loss)	<u>-</u>	<u>-</u>
Nonoperating revenues (expenses):		
State sources:		
State school lunch program	-	-
Federal sources:		
National school lunch program	-	-
Food distribution program	-	-
Interest and investment revenue	-	-
Total nonoperating revenues	<u>-</u>	<u>-</u>
(Loss) before contributions & transfers	<u>-</u>	<u>-</u>
Other Financing Sources/(Uses)		
Cancellation of Interfund	-	-
Transfer in from General Fund	-	-
Change in net position	<u>-</u>	<u>-</u>
Total net position—beginning	<u>-</u>	<u>-</u>
Total net position—ending	<u>\$ -</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

City of Port Republic School District
(A Component Unit of the City of Port Republic)
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2021

	<u>Food Service</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ -	-
Payments to employees	-	-
Payments to suppliers	-	-
Net cash (used for) operating activities	<u>-</u>	<u>-</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	-	-
Federal Sources	-	-
Operating subsidies and transfers from other funds	-	-
Net cash provided by non-capital financing activities	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED ACTIVITIES		
Purchase of capital assets	-	-
Net cash (used for) capital & related financing activities	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends	-	-
Net cash provided by investing activities	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	-	-
Balances—beginning of year	-	-
Balances—end of year	<u>-</u>	<u>-</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating (loss)	<u>-</u>	<u>-</u>
Adjustments to reconcile operating (loss) to net cash provided by/ (used for) operating activities		
Depreciation expense	-	-
Federal commodities	-	-
Decrease in accounts receivable		-
Decrease in inventories	-	-
Increase in deferred revenue		-
(Decrease) in deposits payable		-
Increase in accounts payable	-	-
Total adjustments	<u>-</u>	<u>-</u>
Net cash (used for) operating activities	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

NOTES TO FINANCIAL STATEMENTS

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CITY OF PORT REPUBLIC BOARD OF EDUCATION
(A COMPONENT UNIT OF THE CITY OF PORT REPUBLIC)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements of the Board of Education (Board) of the City of Port Republic School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB). The more significant accounting policies established in GAAP and used by the District are discussed below.

A. REPORTING ENTITY:

The City of Port Republic School District is a Type I district located in the County of Atlantic, State of New Jersey. As a Type I district, the Board of Education members are appointed by the Mayor. The Board is comprised of seven members appointed to three-year terms. The purpose of the district is to educate students in grades K-8. The City of Port Republic School District had an approximate enrollment at June 30, 2021 of 105 students.

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

- the organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District has no component units but, as a Type I School District, would be considered a component unit of the City of Port Republic. The City however reports on a regulatory basis of accounting which does not recognize component units. If the City followed generally accepted accounting principles (GAAP) reporting, the Board of Education would be a component unit of the City of Port Republic.

B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS:

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's general and special revenue activities are classified as governmental activities. The District's food service, summer center stage, performing arts, and latchkey program are classified as business-type activities.

In the governmental-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position are reported in three parts-invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

CITY OF PORT REPUBLIC BOARD OF EDUCATION
(A COMPONENT UNIT OF THE CITY OF PORT REPUBLIC)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions and business-type activities (food service, community services, and latchkey). The functions are also supported by general government revenues (property taxes, tuition, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (regular instruction, vocational programs, student & instruction related services, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, tuition, interest income, etc.).

- a. The District does allocate indirect costs such as depreciation expense, compensated absences, On-behalf TPAF Pension Contributions, and Reimbursed TPAF Social Security Contributions.

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities. Fiduciary funds are not included in the government-wide statements.

C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASBS No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements. The State of New Jersey Department of Education has mandated that all New Jersey School Districts must report all governmental funds as major, regardless of the fund meeting the GASB definition of a major fund. However, the criteria are applied to proprietary funds.

The following fund types are used by the District:

1. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District.

- a. **General fund** is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. **Special revenue** funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for a specific purpose. The special revenue fund is specifically used to account for state and federal grant monies that have been allocated to the District.

Fund Balances – Governmental Funds

In the fund financial statements, governmental funds report the following classifications of fund balance.

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

CITY OF PORT REPUBLIC BOARD OF EDUCATION
(A COMPONENT UNIT OF THE CITY OF PORT REPUBLIC)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

- Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.
- Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.
- Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.
- Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

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

2. Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the District:

- a. **Enterprise funds** are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designated to recover similar costs. The District's enterprise fund consists of the following:

Food Service Fund – provides for the operation of food services in all schools within the district.

3. Fiduciary Funds:

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support District programs. The reporting focus is on net position and changes in net position and are reported using accounting principles similar to proprietary funds.

The District's fiduciary funds are presented in the fiduciary fund financial statements by type (pension, private purpose and agency). Since by definition these assets are being held for the benefit of a third party (other local governments), private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

All fund internal activity is eliminated when carried to the Government-wide statements.

CITY OF PORT REPUBLIC BOARD OF EDUCATION
(A COMPONENT UNIT OF THE CITY OF PORT REPUBLIC)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

D. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual:

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

E. FINANCIAL STATEMENT AMOUNTS

1. Cash and Cash Equivalents:

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

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

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

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

2. Investments:

Investments, including deferred compensation and pension funds, are stated at fair value, (quoted market price or the best available estimate).

CITY OF PORT REPUBLIC BOARD OF EDUCATION
(A COMPONENT UNIT OF THE CITY OF PORT REPUBLIC)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

3. Inventories:

Inventories in the general fund consist of expendable supplies held for the District's use and are carried at cost using the first-in, first-out method. Inventories in the enterprise fund are valued at cost, which approximates market, using the first-in, first-out method. As of June 30, 2021, the District did not have inventory in the general fund or the enterprise fund.

4. Capital Assets:

Capital assets purchased or acquired with an original cost of \$2,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20-50 years
Machinery and equipment	5-10 years
Improvements	10-20 years

5. Revenues:

Substantially all governmental fund revenues are accrued. Property taxes are susceptible to accrual and under New Jersey State Statutes a municipality is required to remit to its school district the entire balance of taxes in the amount certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non operating revenue. In respect to grant revenues, the provider recognizes liabilities and expenses and recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and unearned revenue by the recipient. Program revenue, including tuition revenue are reported as reductions to expenses in the statement of activities.

6. Expenditures:

Expenses are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

7. Compensated absences:

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

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as both an expenditure and fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the District-wide Financial Statements as a Governmental Activity.

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

CITY OF PORT REPUBLIC BOARD OF EDUCATION
(A COMPONENT UNIT OF THE CITY OF PORT REPUBLIC)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

8. Interfund Activity:

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related costs as reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

9. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budgets are submitted to the county office for approval and are approved by the board of school estimates. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23-2.2(g). Transfers of appropriations may be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board and under certain circumstances require approval by the Executive County Superintendent of Schools. No material budgetary appropriation transfers were presented to the Board of Education for approval during the 2021 fiscal year.

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

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

10. Encumbrances:

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

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

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

11. Tuition Receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

CITY OF PORT REPUBLIC BOARD OF EDUCATION
(A COMPONENT UNIT OF THE CITY OF PORT REPUBLIC)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

12. Tuition Payable

Tuition charges for the fiscal years 2020/21 and 2019/20 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

13. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those results.

14. Allocation of Costs

In the government-wide statement of activities, the District has allocated unallocated benefits to various programs based on the amended budget by program.

15. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' Pension and Annuity Fund (TPAF) and Public Employees Retirement System (PERS) and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the TPAF and PERS. 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.

F. RECENT ACCOUNTING PRONOUNCEMENTS

In May 2019, the Governmental Accounting Standards Board (GASB) issued Statement No. 91, "Conduit Debt Obligations". This statement is effective for fiscal periods beginning after December 31, 2022, will not have any effect on the District's financial reporting.

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 93, "Replacement of Interbank Offered Rates". This statement, which is effective for fiscal periods beginning after December 31, 2022, and all reporting periods thereafter, will not have any effect on the District's financial reporting.

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements". This statement, which is effective for fiscal years beginning after December 31, 2023, and all reporting periods thereafter, will not have any effect on the District's financial reporting.

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 96, "Subscription Based Information Technology Arrangements". This statement, which is effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter, will not have any effect on the District's financial reporting.

In June 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32". This statement, which is effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter, will not have any effect on the District's financial reporting.

CITY OF PORT REPUBLIC BOARD OF EDUCATION
(A COMPONENT UNIT OF THE CITY OF PORT REPUBLIC)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

In October 2021, the Governmental Accounting Standards Board (GASB) issued Statement No. 98, "The Annual Comprehensive Financial Report". This statement, which is effective for fiscal years ending after December 15, 2021, will have an effect on the District's financial statements.

NOTE 2. INVESTMENTS

As of June 30, 2021, the District had no investments.

Interest Rate Risk. The District 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. However, New Jersey Statutes 18A:20-37 limits the length of time for most investments to 397 days.

Credit Risk. New Jersey Statutes 18A:20-37 limits District investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America or of the District or the local units in which the District is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk. The District places no limit on the amount the District may invest in any one issuer.

NOTE 3. CASH

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 District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the new Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2021, \$0 of the District's bank balance of \$449,440.52 was exposed to custodial credit risk.

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CITY OF PORT REPUBLIC BOARD OF EDUCATION
(A COMPONENT UNIT OF THE CITY OF PORT REPUBLIC)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4. FIXED ASSETS

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

	Balance at 6/30/20	Additions	Disposals/ Adjustments	Balance at 6/30/21
Governmental Activities:				
Buildings and improvements	2,154,100.18	5,800.00	1.00	2,159,901.18
Machinery and equipment	143,085.84			143,085.84
Total at historical cost	<u>2,297,186.02</u>	<u>5,800.00</u>	<u>1.00</u>	<u>2,302,987.02</u>
Less: accumulated depreciation				
Buildings and improvements	(2,023,571.54)	(13,208.25)		(2,036,779.79)
Machinery and equipment	(138,151.17)	(2,309.63)		(140,460.80)
Total accumulated depreciation	<u>(2,161,722.71)</u>	<u>(15,517.88)</u>	<u>-</u>	<u>(2,177,240.59)</u>
Total capital assets being depreciated net of accumulated depreciation	<u>135,463.31</u>	<u>(9,717.88)</u>	<u>1.00</u>	<u>125,746.43</u>
Governmental activities capital assets, net	<u><u>135,463.31</u></u>	<u><u>(9,717.88)</u></u>	<u><u>1.00</u></u>	<u><u>125,746.43</u></u>
Business-type activities				
Equipment	4,570.00			4,570.00
Less: accumulated depreciation equipment	<u>(4,570.00)</u>			<u>(4,570.00)</u>
Business-type activities capital assets, net of depreciation	<u><u>\$ -</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

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CITY OF PORT REPUBLIC BOARD OF EDUCATION
(A COMPONENT UNIT OF THE CITY OF PORT REPUBLIC)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Depreciation expense charged to governmental functions is as follows:

Regular instruction	\$	8,323.71
Special education		1,522.41
Student & instruction related services		4,014.74
School administrative expenses		608.89
General and business administration		1,048.12
		\$ 15,517.88

NOTE 5. GENERAL LONG-TERM DEBT

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

	Balance June 30, 2020	Issued	Retired	Balance June 30, 2021	Amounts Due Within One Year
Compensated Absences Payable	55,935.89	20,889.78	17,601.16	59,224.51	-
Net Pension Liability	189,779.00		16,501.00	173,278.00	-
	\$ 245,714.89	20,889.78	34,102.16	232,502.51	-

Bonds Payable – The City of Port Republic School District is a Type I School District. In the State of New Jersey, all Type I school debt is borne by the municipality rather than the school district.

NOTE 6. PENSION PLANS

Description of Plans

All required employees of the District are covered by either the Public Employees' Retirement System or the Teacher's Pension and Annuity Fund cost-sharing multiple-employer defined benefit pension plans which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or the reports can be accessed on the internet at <http://www.state.nj.us/treasury/pensions/financial-rpts-home.shtml>.

CITY OF PORT REPUBLIC BOARD OF EDUCATION
(A COMPONENT UNIT OF THE CITY OF PORT REPUBLIC)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Teachers' Pension and Annuity Fund

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

Public Employees' Retirement System

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

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement program (DCRP) was established as of July 1, 2008 under the provisions of Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008 (NJSA 43:15C-1 et seq). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by NJSA 43:15C-1 et seq.

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 7.50% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

The School District's contributions to TPAF for the years ending June 30, 2021, 2020, and 2019 were \$346,000.00, \$240,268.00, and \$246,817.00, respectively, and paid by the State of New Jersey on behalf of the board, equal to the required contributions for each year. The School District's contributions to PERS for the years ending June 30, 2021, 2020, and 2019 were \$11,624.00, \$10,310.00, and \$10,314.00, respectively, equal to the required contributions for each year.

The Board's total payroll for the year ended June 30, 2021 was \$1,182,069.55; covered payroll was \$979,384.00, for TPAF; and \$83,480.00 for PERS.

CITY OF PORT REPUBLIC BOARD OF EDUCATION
(A COMPONENT UNIT OF THE CITY OF PORT REPUBLIC)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Significant Legislation

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Teacher's Pension and Annuity Fund (TPAF) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS and TPAF hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the systems is increased from age 63 to 65 for Tier 5 members.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years. For fiscal year 2013, the member contribution rates increased in October 2012. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, and employer contributions to the retirement systems.

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS and TPAF from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS and TPAF to $\frac{1}{60}$ th from $\frac{1}{55}$ th, and it provided that new members of PERS and TPAF have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS and TPAF will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. The law also requires the State to make its full pension contribution, defined as $\frac{1}{7}$ th of the required amount, beginning in fiscal years 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS and TPAF with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

CITY OF PORT REPUBLIC BOARD OF EDUCATION
(A COMPONENT UNIT OF THE CITY OF PORT REPUBLIC)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7. PUBLIC EMPLOYEES' RETIREMENT FUND (PERS)

At June 30, 2021, the District reported a liability of \$173,278.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the District's proportion was .00106257180%, which was an increase of 0.89% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$8,524.00. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 3,155.00	613.00
Changes of assumptions	5,621.00	72,553.00
Net difference between projected and actual earnings on pension plan investments	5,923.00	
Changes in proportion and differences between District contributions and proportionate share of contributions	10,464.00	28,394.00
District contributions subsequent to the measurement date	<u>11,624.00</u>	
Total	<u>\$ 36,787.00</u>	<u>\$ 101,560.00</u>

\$11,624.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (June 30, 2020) will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30,</u>	
2021	\$ (28,057.00)
2022	(26,134.00)
2023	(15,010.00)
2024	(6,011.00)
2025	<u>(1,185.00)</u>
Total	<u>\$ (76,397.00)</u>

Actuarial Assumptions

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

CITY OF PORT REPUBLIC BOARD OF EDUCATION
(A COMPONENT UNIT OF THE CITY OF PORT REPUBLIC)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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%

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

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

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

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

CITY OF PORT REPUBLIC BOARD OF EDUCATION
(A COMPONENT UNIT OF THE CITY OF PORT REPUBLIC)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 206,373.62	\$ 173,278.00	\$ 145,231.57

Pension plan fiduciary net position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

Additional Information

Collective balances of the local group at June 30, 2020 are as follows:

Deferred outflows of resources	\$	3,933,096,777.00
Deferred inflows of resources		13,351,735,209.00
Net pension liability		38,659,583,951.00

Collective pension expense for the Local Group for the measurement period ended June 30, 2020 is \$1,302,897,532.00.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at June 30, 2020, 2019, 2018, 2017, 2016, 2015, and 2014 is 5.16, 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years, respectively.

NOTE 8. TEACHERS' PENSION AND ANNUITY FUND (TPAF)

At June 30, 2021, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

CITY OF PORT REPUBLIC BOARD OF EDUCATION
(A COMPONENT UNIT OF THE CITY OF PORT REPUBLIC)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

District's proportionate share of the net pension liability	\$	-
State's proportionate share of the net position liability associated with the District		5,162,982.00
Total	\$	5,162,982.00

The net pension liability was measured as of June 30, 2019 and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2020, the District's proportion was 0.00%, which was no change from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$321,056.00 and revenue of \$321,056.00 for support provided by the State.

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

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

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

Long-Term Expected Rate of Return

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

CITY OF PORT REPUBLIC BOARD OF EDUCATION
(A COMPONENT UNIT OF THE CITY OF PORT REPUBLIC)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2020 are summarized in the following table:

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

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

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.

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

	1% Decrease (4.40%)	Current Discount Rate (5.40%)	1% Increase (6.40%)
District's proportionate share of the net pension liability	\$ -	-	-

Pension plan fiduciary net position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued TPAF financial report.

CITY OF PORT REPUBLIC BOARD OF EDUCATION
(A COMPONENT UNIT OF THE CITY OF PORT REPUBLIC)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Additional Information

Collective balances of the local group at June 30, 2020 are as follows:

Deferred outflows of resources	\$	9,626,548,228
Deferred inflows of resources		14,591,988,841
Net pension liability		65,993,498,688

Collective pension expense for the plan for the measurement period ended June 30, 2019 is \$4,103,756,770.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at June 30, 2020, 2019, 2018, 2017, 2016, 2015, and 2014 is 7.99, 8.04, 8.29, 8.30, 8.30, 8.30, and 8.5 years, respectively.

NOTE 9. OTHER POST-RETIREMENT BENEFITS

General Information about the OPEB Plan

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 year of service or on a disability retirement. Under the provision of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of 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. In Fiscal Year 2020, the State paid PRM benefits for 143,053 State and local retirees.

The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2020, the State contributed \$1.578 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The State's "pay-as-you-go" contributions have decreased from Fiscal Year 2019 amounts. Reductions are attributable to various cost savings initiatives implemented by the State, including new Medicare Advantage contracts. The State has appropriated \$1.775 billion in Fiscal Year 2021 as the State's contribution to fund pay-as-you-go PRM costs.

In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2020 total State OPEB liability to provide these benefits is \$65.5 billion, a decrease of \$10.5 billion or 13.8 percent from the \$76 billion liability recorded in Fiscal Year 2019.

Additional information on Pensions and OPEB can be accessed at state.nj.us/treasury/pensions/financial-reports.shtml.

CITY OF PORT REPUBLIC BOARD OF EDUCATION
(A COMPONENT UNIT OF THE CITY OF PORT REPUBLIC)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Total OPEB Liability

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education/board of trustees. Note that actual numbers will be published in the NJ State CAFR on the Office of Management and Budget webpage: <https://www.nj.gov/treasury/omb/cafr.shtml>.

Actuarial assumptions and other imputes:

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

Inflation rate – 2.50%

Salary Increases –

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

Mortality Rates –

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-20.

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

Health Care Trend Assumptions –

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend 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%.

CITY OF PORT REPUBLIC BOARD OF EDUCATION
(A COMPONENT UNIT OF THE CITY OF PORT REPUBLIC)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Discount Rate –

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

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

Balance at 6/30/19	\$ 41,729,081,045.00
Changes for the year:	
Service cost	1,790,973,822.00
Interest	1,503,341,357.00
Differences between Expected & Actual Experiences	11,544,750,637.00
Changes in assumptions or other inputs	12,386,549,981.00
Contributions: Member	35,781,384.00
Benefit payments	<u>(1,180,515,618.00)</u>
Net changes	<u>26,080,881,563.00</u>
Balance at 6/30/20	<u>\$ 67,809,962,608.00</u>

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

The following presents the total OPEB liability as of June 20, 2020, respectively, calculated using a discount rate as disclosed above as well as what the total nonemployer OPEB would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB Liability (School Retirees)	81,748,410,002.00	67,809,962,608.00	56,911,439,160.00

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

The following presents the total OPEB liability as of June 30, 2020c calculated using the healthcare trend rate as disclosed above as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	54,738,488,540.00	67,809,962,608.00	83,375,182,975.00

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

For the year ended June 30, 2021, the board of education recognized OPEB expense of \$200,129.00 determined by the State as the total OPEB liability for benefits provided through a defined OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75 and in which there is a special funding situation.

CITY OF PORT REPUBLIC BOARD OF EDUCATION
(A COMPONENT UNIT OF THE CITY OF PORT REPUBLIC)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 10,295,318,750.00	(9,170,703,615.00)
Changes of assumptions	11,534,251,250.00	(7,737,500,827.00)
Total	<u>\$ 21,829,570,000.00</u>	<u>\$ (16,908,204,442.00)</u>

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

<u>Year ended June 30,</u>		
2021	\$	43,440,417.00
2022		43,440,417.00
2023		43,440,417.00
2024		43,440,417.00
2025		43,440,417.00
Thereafter		<u>4,704,163,473.00</u>
Total	\$	<u>4,921,365,558.00</u>

(Contributions made after June 30, 9are reported as deferred outflow of resources but are not amortized in the expense.)

Detailed information about the plan's fiduciary net position is available in the separately issued OPEB financial report.

NOTE 10. COMPENSATED ABSENCES

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policies. Upon termination, employees are paid for accrued vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after fifteen years of service.

In the district-wide Statement of Net Position, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due in more than one year.

CITY OF PORT REPUBLIC BOARD OF EDUCATION
(A COMPONENT UNIT OF THE CITY OF PORT REPUBLIC)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees.

NOTE 11. DEFERRED COMPENSATION

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

NOTE 12. RISK MANAGEMENT

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

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability and surety bonds. During the fiscal year ended June 30, 2021 the District did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

NOTE 13. INTERFUND RECEIVABLES AND PAYABLES

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

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 78,520.97	
Special Revenue Fund		78,520.97
Total	<u>\$ 78,520.97</u>	<u>78,520.97</u>

Interfunds are created as a result of timing differences between cash requirements in various funds and the receipt of cash from funding agencies, and to subsidize operating revenue in food service. It is anticipated that all interfunds will be liquidated during the fiscal year.

NOTE 14. ECONOMIC DEPENDENCY

The District is heavily reliant on local property taxation through the City of Port Republic to fund the District's operations. Property taxes and state aid funded 96% of the District 2020-2021 governmental operations.

NOTE 15. CAPITAL RESERVE FUND

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

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve fund by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

CITY OF PORT REPUBLIC BOARD OF EDUCATION
(A COMPONENT UNIT OF THE CITY OF PORT REPUBLIC)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 16. FUND BALANCE APPROPRIATED

General Fund (Exhibit B-1) - Of the \$366,976.22 General Fund fund balance at June 30, 2021, \$7,789.22 is reserved for encumbrances; \$0.00 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$0.00 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2021); \$167,389.00 has been appropriated and also included as anticipated revenue for the year ending June 30, 2021; \$618.63 has been reserved in the Capital Reserve Account; and \$191,179.37 is unreserved and undesignated.

NOTE 17. CALCULATION OF EXCESS SURPLUS

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2021 is \$0.00, of which \$0.00 has been included in the 2021-22 budget. The excess fund balance at June 30, 2021 was \$0.00.

NOTE 18. LITIGATION

From time to time, the District is a defendant in legal proceedings relating to its operations as a school district. In the best judgment of the District's management, the outcome of any legal proceedings will not have any adverse affect on the accompanying financial statements.

NOTE 19. RESTATEMENT OF PRIOR YEAR BALANCES

Net position has been restated as required by the implementation of GASB 84.

Special Revenue

Beginning net position as previously reported at June 30, 2020	\$	-
Implementation GASB 84 - Restated of Prior Year Balances Required Student Activities	\$	16,080.83
		<hr/>
Total:	\$	<u>16,080.83</u>
Special Revenue Fund Net position as restated, July 1, 2020	\$	<u>16,080.83</u>

NOTE 20. SUBSEQUENT EVENTS

The District has evaluated subsequent events through March 11, 2022, the date which the financial statements were available to be issued and no items were noted for disclosure or adjustment.

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Required Supplemental Information
Part II

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BUDGETARY COMPARISON SCHEDULES

The budgetary comparison schedules consist of the comparison of anticipated revenues and budgeted expenditures to actual results for the general and special revenues funds.

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**City of Port Republic Board of Education
(A Component Unit of the City of Port Republic)
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,885,328.00		1,885,328.00	1,885,328.04	0.04
Interest			-	873.08	873.08
Miscellaneous	3,000.00		3,000.00	4,732.29	1,732.29
Total - Local Sources	1,888,328.00	-	1,888,328.00	1,890,933.41	2,605.41
State Sources:					
Equalization Aid	259,429.00		259,429.00	259,429.00	-
Categorical Special Education Aid	85,872.00		85,872.00	85,872.00	-
Categorical Security Aid	12,745.00		12,745.00	12,745.00	-
Adjustment Aid	308,598.00		308,598.00	308,598.00	-
Categorical Transportation Aid	47,977.00		47,977.00	47,977.00	-
School Choice	224,740.00		224,740.00	224,740.00	-
Special Education Extraordinary Aid			-		-
Other State Aid			-		-
Extraordinary Aid	20,700.00		20,700.00	24,912.00	4,212.00
Non-Public Transportation Aid			-	5,820.00	5,820.00
On-behalf TPAF Pension Contribution				263,275.00	263,275.00
On-behalf TPAF Post-Retirement Medical Contribution				82,506.00	82,506.00
On-behalf TPAF Long-Term Disability Insurance Contribution				219.00	219.00
Reimbursed TPAF Social Security Contributions (non-budgeted)				71,965.08	71,965.08
Total - State Sources	960,061.00	-	960,061.00	1,388,058.08	427,997.08
Total Revenues	2,848,389.00	-	2,848,389.00	3,278,991.49	430,602.49

**City of Port Republic Board of Education
(A Component Unit of the City of Port Republic)
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarten	58,132.00	-	58,132.00	57,977.00	155.00
Grades 1-5	325,967.00	13,500.00	339,467.00	338,818.06	648.94
Grades 6-8	312,582.00	(21,000.00)	291,582.00	227,804.65	63,777.35
Regular Programs - Undistributed Instruction:					
Purchased Technical Services	9,439.00	1,000.00	10,439.00	9,990.05	448.95
Other Purchased Services	9,036.00	20.00	9,056.00	3,027.11	6,028.89
General Supplies	26,000.00	(4,020.00)	21,980.00	20,004.98	1,975.02
Textbooks		-			-
Total Regular Programs - Instruction	<u>741,156.00</u>	<u>(10,500.00)</u>	<u>730,656.00</u>	<u>657,621.85</u>	<u>73,034.15</u>
Resource Room/Resource Center					
Salaries of Teachers	171,606.00	(3,800.00)	167,806.00	136,213.45	31,592.55
General Supplies	600.00	-	600.00	54.00	546.00
Total Resource Room/Resource Center	<u>172,206.00</u>	<u>(3,800.00)</u>	<u>168,406.00</u>	<u>136,267.45</u>	<u>32,138.55</u>
Total Special Education - Instruction	<u>172,206.00</u>	<u>(3,800.00)</u>	<u>168,406.00</u>	<u>136,267.45</u>	<u>32,138.55</u>
School Sponsored Cocurricular Activities - Instruction:					
Salaries	2,700.00	-	2,700.00	-	2,700.00
Total School Sponsored Cocurricular Activities - Instruction	<u>2,700.00</u>	<u>-</u>	<u>2,700.00</u>	<u>-</u>	<u>2,700.00</u>
Total Instruction	<u>916,062.00</u>	<u>(14,300.00)</u>	<u>901,762.00</u>	<u>793,889.30</u>	<u>107,872.70</u>

**City of Port Republic Board of Education
(A Component Unit of the City of Port Republic)
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs within the State - Regular	576,286.00	-	576,286.00	576,286.00	-
Tuition to Other LEAs within the State - Special	293,564.00	(35,090.99)	258,473.01	258,386.53	86.48
Tuition to County Voc. School District - Regular	17,966.00	-	17,966.00	17,966.00	-
Tuition - State Facilities	3,987.20	-	3,987.20	-	3,987.20
Tuition - Other	-	-	-	-	-
Total Undistributed Expenditures - Instruction	891,803.20	(35,090.99)	856,712.21	852,638.53	4,073.68
Undistributed Expenditures - Health Services:					
Salaries	67,586.00	2,500.00	70,086.00	69,646.00	440.00
Other Purchased Services	1,700.00	-	1,700.00	1,700.00	-
Supplies and Materials	800.00	2,500.00	3,300.00	3,016.22	283.78
Total Undistributed Expenditures - Health Services	70,086.00	5,000.00	75,086.00	74,362.22	723.78
Undistributed Expenditures - Speech-Occupational-Physical Therapy and Related Services					
Salaries	33,539.00	(1,000.00)	32,539.00	32,218.30	320.70
Supplies and Materials	500.00	-	500.00	100.76	399.24
Total Undistributed Expenditures - Speech-Occupational-Physical Therapy and Related Services	34,039.00	(1,000.00)	33,039.00	32,319.06	719.94
Undistributed Expenditures - Child Study Teams					
Purchased Professional - Educational Services	23,375.00	(1,300.00)	22,075.00	22,028.10	46.90
Supplies and Materials	-	-	-	-	-
Total Undistributed Services - Child Study Teams	23,375.00	(1,300.00)	22,075.00	22,028.10	46.90
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisor of Instruction	10,000.00	(1,200.00)	8,800.00	8,103.03	696.97
Salaries of Secretaries and Clerical Staff	84,666.00	-	84,666.00	84,581.04	84.96
Supplies and Materials	300.00	-	300.00	-	300.00
Other Objects	-	-	-	-	-
Total Undistributed Expenditures - Improv. of Instr. Services	94,966.00	(1,200.00)	93,766.00	92,684.07	1,081.93
Undistributed Expenditures - Educational Media Services - School Library					
Salaries	61,540.00	1,850.00	63,390.00	63,342.00	48.00
Purchased Professional and Technical Services	35,333.00	(2,500.00)	32,833.00	26,096.18	6,736.82
Supplies and Materials	4,000.00	2,500.00	6,500.00	3,245.08	3,254.92
Total Undistributed Expenditures - Educational Media Services - School Library	100,873.00	1,850.00	102,723.00	92,683.26	10,039.74

**City of Port Republic Board of Education
(A Component Unit of the City of Port Republic)
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Instructional Staff Training Services					
Purchased Professional - Educational Services	1,000.00	(200.00)	800.00	-	800.00
Other Purchased Services (400-500 Series)	250.00	-	250.00	-	250.00
Total Undistributed Expenditures - Instructional Staff Training Services	1,250.00	(200.00)	1,050.00	-	1,050.00
Undistributed Expenditures - Support Services - Gen. Admin.:					
Salaries	54,500.00	2,600.00	57,100.00	56,984.82	115.18
Legal Services	10,718.97	400.00	11,118.97	9,843.30	1,275.67
Audit Fees	9,500.00	-	9,500.00	9,500.00	-
Architect/Engineer Services	420.00	-	420.00	-	420.00
Other Purchased Professional Services	2,195.00	(855.60)	1,339.40	1,273.00	66.40
Communications/Telephone	7,242.00	5,550.00	12,792.00	11,783.18	1,008.82
Board of Education Other Purchased Services	3,500.00	855.60	4,355.60	4,355.60	-
Misc Purchased Services (400-500)	250.00	-	250.00	75.00	175.00
General Supplies	550.00	(550.00)	-	-	-
BOE Membership Dues/Fees	-	-	-	-	-
Miscellaneous Expenditures	-	-	-	-	-
Total Undistributed Expenditures - Support Services - Gen. Admin.	88,875.97	8,000.00	96,875.97	93,814.90	3,061.07
Undistributed Expenditures - Support Serv. - School Admin.:					
Salaries of Principals/Assistant Principals	54,500.00	4,000.00	58,500.00	54,500.00	4,000.00
Salaries of Secretarial and Clerical Assistants	-	-	-	-	-
Total Undistributed Expenditures - Support Serv. - School Admin.	54,500.00	4,000.00	58,500.00	54,500.00	4,000.00
Undistributed Expenditures - Central Services					
Purchased Professional Services	38,000.00	-	38,000.00	38,000.00	-
Misc. Purchased Services	250.00	-	250.00	157.00	93.00
Supplies and Materials	250.00	200.00	450.00	366.78	83.22
Miscellaneous Expenditures	-	-	-	-	-
Total Undistributed Expenditures - Central Services	38,500.00	200.00	38,700.00	38,523.78	176.22
Undistributed Expenditures - Required Maintenance for School Facilities					
Salaries	29,063.00	4,450.00	33,513.00	33,229.07	283.93
Cleaning Repairs and Maintenance Services	29,303.00	14,250.00	43,553.00	43,283.70	269.30
General Supplies	3,300.00	5,000.00	8,300.00	6,471.90	1,828.10
Other Objects	250.00	(250.00)	-	-	-
Total Undistributed Expenditures - Required Maintenance for School Facilities	61,916.00	23,450.00	85,366.00	82,984.67	2,381.33

**City of Port Republic Board of Education
(A Component Unit of the City of Port Republic)
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Custodial Services					
Salaries	17,875.00	800.00	18,675.00	18,652.13	22.87
Cleaning, Repair and Maintenance Services	3,278.05	(400.00)	2,878.05	2,343.27	534.78
Insurance	20,331.00	(350.00)	19,981.00	19,940.79	40.21
General Supplies	8,800.00	5,100.00	13,900.00	13,496.43	403.57
Energy (Oil)	5,000.00	(900.00)	4,100.00	4,006.17	93.83
Energy (Electricity)	25,000.00	5,750.00	30,750.00	30,739.35	10.65
Total Undistributed Expenditures - Custodial Services	80,284.05	10,000.00	90,284.05	89,178.14	1,105.91
Undistributed Expenditures - Care and Upkeep of Grounds					
Cleaning, Repair, and Maintenance Services	1,000.00	(1,000.00)	-	-	-
Total Undistributed Expenditures - Care and Upkeep of Grounds	1,000.00	(1,000.00)	-	-	-
Total Undistributed Expen - Oper & Main of Plant Serv	143,200.05	32,450.00	175,650.05	172,162.81	3,487.24
Undistributed Expenditures - Student Transportation Services:					
Contracted Services - Aid in Lieu of Payments Non Public	8,334.00	(2,599.00)	5,735.00	5,501.00	234.00
Contracted Services - (Between Home and School) - Vendor	66,537.50	2,599.00	69,136.50	69,052.49	84.01
Contracted Services (Special Ed Students) - Joint Agreements	16,350.34	8,000.00	24,350.34	24,039.13	311.21
Total Undistributed Expenditures - Student Transportation Serv.	91,221.84	8,000.00	99,221.84	98,592.62	629.22
Unallocated Benefits:					
Social Security Contributions	20,000.00	-	20,000.00	16,549.16	3,450.84
Other Retirement Contributions - PERS	10,500.00	4,624.00	15,124.00	11,881.86	3,242.14
Unemployment Compensation	6,500.00	-	6,500.00	4,043.39	2,456.61
Workmen's Compensation	21,000.00	(650.00)	20,350.00	18,648.94	1,701.06
Health Benefits	339,351.00	(20,144.01)	319,206.99	293,905.97	25,301.02
Tuition Reimbursements	7,980.00	(4,524.00)	3,456.00	3,400.00	56.00
Other Employee Benefits	-	-	-	-	-
Total Unallocated Benefits	405,331.00	(20,694.01)	384,636.99	348,429.32	36,207.67
On-behalf TPAF Pension Contribution					
On-behalf TPAF Post-Retirement Medical Contribution					
On-behalf TPAF Long-Term Disability Insurance Contribution					
Reimbursed TPAF Social Security Contributions (non-budgeted)					
Total On-behalf Contributions	-	-	-	417,965.08	(417,965.08)
Total Undistributed Expenditures	2,038,021.06	15.00	2,038,036.06	2,390,703.75	(352,667.69)
Total Current Expense	2,954,083.06	(14,285.00)	2,939,798.06	3,184,593.05	(244,794.99)
Transfers to Charter Schools	41,440.00	14,285.00	55,725.00	55,725.00	-
Total Expenditures	2,995,523.06	-	2,995,523.06	3,240,318.05	(244,794.99)

City of Port Republic Board of Education
(A Component Unit of the City of Port Republic)
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Excess (Deficiency) of Revenues Over (Under) Expenditures	(147,134.06)	-	(147,134.06)	38,673.44	185,807.50
Other Financing Sources (Uses):					
Operating Transfers Out:					
Adjustment for Prior Year Accounts Payable				(8,815.95)	(8,815.95)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(147,134.06)	-	(147,134.06)	29,857.49	176,991.55
Fund Balances, July 1	337,118.73	-	337,118.73	337,118.73	-
Fund Balances, June 30	\$ 189,984.67	-	189,984.67	366,976.22	176,991.55
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Reserve for Excess Surplus				-	
Excess Surplus-Designated for Subsequent Year's Expenditures				-	
Capital Reserve				618.63	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures				167,389.00	
Reserve for Encumbrances				7,789.22	
Unassigned Fund Balance				191,179.37	
				366,976.22	
Reconciliation to Governmental Funds Statements (GAAP)					
Last State Aid Payment Not Recognized on GAAP Basis				(93,937.00)	
Fund Balance per Governmental Funds (GAAP)				273,039.22	

City of Port Republic School District
(A Component Unit of the City of Port Republic)
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Transfers/Adjustments	Final Budget	Actual	Variance Under/(Over) Final to Actual
REVENUES:					
Local Sources:					
Revenue from Local Sources	\$ 2,000.00	-	2,000.00	5,131.93	3,131.93
Total - Local Sources	2,000.00	-	2,000.00	5,131.93	3,131.93
Federal Sources:					
Title I	21,146.00	13,899.70	35,045.70	35,045.70	-
Title II	4,854.00	-	4,854.00	4,854.00	-
Title IV	10,000.00	-	10,000.00	10,000.00	-
I.D.E.A., Part B	31,167.00	-	31,167.00	31,167.00	-
I.D.E.A., Preschool	1,486.00	-	1,486.00	1,486.00	-
CARES Act	16,225.00	886.00	17,111.00	17,111.00	-
Coronavirus Relief Fund	4,493.00	-	4,493.00	4,493.00	-
Other	11,548.00	-	11,548.00	11,544.00	(4.00)
Total - Federal Sources	100,919.00	14,785.70	115,704.70	115,700.70	(4.00)
Total Revenues	102,919.00	14,785.70	117,704.70	120,832.63	3,127.93
EXPENDITURES:					
Instruction					
Salaries of Teachers	26,652.00	-	26,652.00	26,648.00	4.00
Other Purchased Services (400-500 series)	1,486.00	-	1,486.00	1,486.00	-
Tuition	47,382.00	886.00	48,278.00	48,278.00	-
General Supplies	11,000.00	-	11,000.00	11,000.00	-
Other Objects	-	-	-	-	-
Total instruction	86,530.00	886.00	87,416.00	87,412.00	4.00
Support Services					
Salaries	1,400.00	-	1,400.00	1,400.00	-
Personal Services - Employee Benefits	6,149.00	13,899.70	20,048.70	20,048.70	-
Purchased Professional and Technical Services	1,000.00	-	1,000.00	1,000.00	-
Other Purchased Services	3,347.00	-	3,347.00	3,347.00	-
Supplies and Materials	4,493.00	-	4,493.00	4,493.00	-
Student Activities	-	-	-	7,428.23	(7,428.23)
Total support services	16,389.00	13,899.70	30,288.70	37,716.93	(7,428.23)
Total Expenditures	102,919.00	14,785.70	117,704.70	125,128.93	(7,424.23)
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ (4,296.30)	\$ (4,296.30)
Fund Balance, July 1					
Prior Period Restatement				16,080.83	
Fund Balance, July 1 (Restated)				16,080.83	
Fund Balance, June 30				\$ 11,784.53	
Recapitulation:					
Restricted:					
Student Activities				\$ 11,455.17	
Total Fund Balance				\$ 11,455.17	

City of Port Republic School District
(A Component Unit of the City of Port Republic)
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information
For the Fiscal Year Ended June 30, 2021

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

		General Fund	Special Revenue
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	C-1; C-2	\$ 3,278,991.49	120,832.63
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized			
Prior Year			13,899.70
Current Year			(6,344.00)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.			
		102,003.00	
State aid payments recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.			
		(93,937.00)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	B-2	3,287,057.49	128,388.33
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	C-1; C-2	3,240,318.05	125,128.93
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes			
Prior Year			13,899.70
Current Year			(6,344.00)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	B-2	\$ 3,240,318.05	132,684.63

Required Supplemental Information
Part III

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CITY OF PORT REPUBLIC SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employee Retirement System
Last Eight Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.0010625718%	0.0010532479%	0.0010369196%	0.0010204900%	0.0015026131%	0.0012687678%	0.0011899772%	0.0016115898%
District's proportion of the net pension liability (asset)	\$ 173,278.00	189,779.00	204,164.00	237,535.00	445,031.00	284,813.00	222,769.00	308,007.00
District's covered payroll	\$ 83,480.00	80,156.00	76,888.00	71,216.00	Not available	Not available	Not available	Not available
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	207.57%	236.76%	265.53%	333.54%				
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%

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: This schedule is required by GASB 68 to be show information for a 10 year period. However, information is only currently available for eight years. Additional years will be presented as they become available.

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Schedule of District Contributions
Public Employee Retirement System
Last Eight Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 11,624.00	10,310.00	10,314.00	9,453.00	13,349.00	10,908.00	9,810.00	12,687.00
Contributions in relation to the contractually required contribution	\$ 11,624.00	10,310.00	10,314.00	9,453.00	13,349.00	10,908.00	9,810.00	12,687.00
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-
District's covered-employee payroll	\$ 83,480.00	80,156.00	76,888.00	71,216.00	Not available	Not available	Not available	Not available
Contributions as a percentage of covered-employee payroll	13.92%	12.86%	13.41%	13.27%				

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: This schedule is required by GASB 68 to be show information for a 10 year period. However, information is only currently available for eight years. Additional years will be presented as they become available.

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers' Pension and Annuity Fund
Last Eight Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate of the net pension liability (asset)	\$ -	-	-	-	-	-	-	-
State's proportionate share of the net pension liability (asset) associated with the District	\$ 5,162,982.00	5,185,687.00	5,210,838.00	5,719,812.00	6,981,293.00	6,112,606.00	4,872,537.00	5,524,613.00
Total	\$ 5,162,982.00	5,185,687.00	5,210,838.00	5,719,812.00	6,981,293.00	6,112,606.00	4,872,537.00	5,524,613.00
District's covered payroll	\$ 979,384.00	1,065,484.00	982,496.00	862,463.00	807,805.00	854,698.95	854,659.61	909,870.07
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: This schedule is required by GASB 68 to be show information for a 10 year period.

However, information is only currently available for eight years. Additional years will be presented as they become available.

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net OPEB Liability
Public Employee Retirement System and Teachers' Pension and Annuity Fund
Last Five Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's proportion of the net OPEB liability (asset)	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate of the net OPEB liability (asset)	\$ -	-	-	-	-
State's proportionate share of the net OPEB liability (asset) associated with the District	<u>\$ 8,010,202.00</u>	<u>5,100,010.00</u>	<u>6,274,660.00</u>	<u>7,234,347.00</u>	<u>7,872,828.00</u>
Total	<u>\$ 8,010,202.00</u>	<u>5,100,010.00</u>	<u>6,274,660.00</u>	<u>7,234,347.00</u>	<u>7,872,828.00</u>
District's covered payroll	1,062,864.00	1,145,640.00	1,059,384.00	933,679.00	not available
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%
State's proportionate share of OPEB associated with the District:					
Service Cost	134,170.00				
Interest Cost	180,850.00				
Differences between Expected & Actual	1,267,207.00				
Changes in Assumptopns	1,463,189.00				
Member Contributions	4,227.00				
Benefit Payments	(139,451.00)				
Change in Total Opeb Liability	<u>2,910,192.00</u>				
State's proportionate share of the net OPEB liability (asset) associated with the District - Beginning Balance	<u>5,100,010.00</u>				
Ending Balance	<u>\$ 8,010,202.00</u>				
State's proportionate share of the net OPEB liability associated with the District - as a percentage of its covered-employee payroll	753.64%				

Source: GASB 75 report on State of New Jersey State Health Benefits Program; District records

Note: This schedule is required by GASB 75 to be show information for a 10 year period.

However, information is only currently available for five years.

Additional years will be presented as they become available.

Other Supplementary Information

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SPECIAL REVENUE FUND

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

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**CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Special Revenue Fund
Combining Schedule of Revenue and Expenditures
Budgetary Basis
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Every Student Succeeds Act (E.S.S.A.)										
	Title I Part A	Teacher & Principals Training Title II - Part A	Drug Free Schools Title IV	I.D.E.A. Part - B Basic	I.D.E.A. Part - B Preschool	REAP Grant	Education Stabilization Fund CARES Act	Coronavirus Relief Fund	Safety Grant	Student Activities	Total
REVENUES:											
Federal Sources	\$ 35,045.70	4,854.00	10,000.00	31,167.00	1,486.00	11,544.00	17,111.00	4,493.00			115,700.70
State Sources									2,000.00	3,131.93	5,131.93
Local Sources									2,000.00	3,131.93	120,832.63
Total revenues	35,045.70	4,854.00	10,000.00	31,167.00	1,486.00	11,544.00	17,111.00	4,493.00	2,000.00	3,131.93	120,832.63
EXPENDITURES											
Instruction:											
Salaries of teachers	15,104.00				11,544.00						26,648.00
Other salaries for instruction											-
Purchased prof. and technical services					1,486.00						1,486.00
Other purchased services				9,000.00					2,000.00		48,278.00
Tuition											11,000.00
General supplies											-
Total instruction	15,104.00	-	9,000.00	31,167.00	1,486.00	11,544.00	17,111.00	-	2,000.00	-	87,412.00
Support services:											
Salaries		1,400.00									1,400.00
Personal services- employee benefits	19,941.70	107.00									20,048.70
Purchased professional & technical services			1,000.00								1,000.00
Other Purchased Services		3,347.00									3,347.00
Supplies and materials								4,493.00			4,493.00
Student Activities										7,428.23	7,428.23
Total support services	19,941.70	4,854.00	1,000.00	-	-	-	-	4,493.00	-	7,428.23	37,716.93
Facilities acquisition and const. serv.:											
Instructional equipment											-
Total facilities acquisition and construction services	-	-	-	-	-	-	-	-	-	-	-
Transfer to Charter Schools											
Total expenditures	35,045.70	4,854.00	10,000.00	31,167.00	1,486.00	11,544.00	17,111.00	4,493.00	2,000.00	7,428.23	125,128.93
Excess (Deficiency) of Revenues Over (Under) Expenditures											(4,296.30)
Fund Balance, July 1											16,080.83
Prior Period Adjustment											
Fund Balance, July 1 (Restated)	-	-	-	-	-	-	-	-	-	16,080.83	16,080.83
Fund Balance, June 30											11,784.53

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PROPRIETARY FUNDS

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

Food Service Fund - This fund provides for the operation of food services in all schools within the district.

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CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Enterprise Funds
Combining Schedule of Net Position
June 30, 2021

G-1

	Food Service	2021	2020
ASSETS:			
Current assets:			
Cash and cash equivalents	\$	-	-
Interfund Accounts Receivable		-	
Accounts Receivable:			
State		-	-
Federal		-	-
Other		-	-
Inventories		-	
Total Current Assets	-	-	-
Fixed Assets:			
Equipment		-	-
Accumulated depreciation		-	-
Total Fixed Assets	-	-	-
Total assets	-	-	-
LIABILITIES AND NET POSITION:			
Current liabilities:			
Accounts payable	-	-	
Interfund payable		-	-
Deferred revenue	-	-	
Total current liabilities	-	-	-
Total liabilities	-	-	-
Net Position			
Invested in capital assets, net of related debt	-	-	
Unrestricted net position	-	-	-
Total net position	-	-	-
Total liabilities and net position	\$ -	-	-

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Enterprise Funds
Combining Schedule of Revenues, Expenses
and Changes in Fund Net Position
For the Fiscal Year ended June 30, 2021

G-2

	Food Service	2021	2020
OPERATING REVENUES:			
Local Sources:			
Daily Sales - Reimbursable Programs	\$	-	
Daily Sales - Non-Reimbursable Programs		-	
		-	
Total Operating Revenues		-	-
OPERATING EXPENSES:			
Salaries		-	
Employee benefits	-	-	
Supplies and materials		-	
Cost of sales - Reimbursable		-	
Cost of sales - Non Reimbursable		-	
Purchased Services		-	15,000.00
Vehicle expense		-	
Other Objects		-	
Depreciation	-	-	
		-	
Total operating expenses		-	15,000.00
Operating income (loss)		-	(15,000.00)
Nonoperating revenues:			
State sources			
State school lunch program		-	
Federal sources			
Nutrition reimbursements		-	
USDA commodities		-	
Interest Revenues		-	
		-	
Total nonoperating revenues		-	-
Net income (loss) before operating transfers		-	(15,000.00)
Other Financing Sources/(Uses)			
Cancellation of interfund		-	-
Transfer in from General Fund	-	-	15,000.00
Net Income (Loss)		-	-
Unrestricted net position, July 1		-	-
Unrestricted net position/(deficit) June 30	\$	-	-

City of Port Republic School District
(A Component Unit of the City of Port Republic)
Combining Schedule of Cash Flows
Enterprise Funds
For the Fiscal Year Ended June 30, 2021

	<u>Food Service</u>	<u>Total Enterprise</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ -	-
Payments to employees	-	-
Payments to suppliers	-	-
Net cash provided by/(used for) operating activities	<u>-</u>	<u>-</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	-	-
Federal Sources	-	-
Operating subsidies and transfers from other funds	-	-
Net cash provided by non-capital financing activities	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets	-	-
Net cash (used) by capital & related financing activities	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interfund loans received	-	-
Interest and dividends	-	-
Net cash provided by investing activities	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	-	-
Balances—beginning of year	-	-
Balances—end of year	<u>-</u>	<u>-</u>
Reconciliation of operating income (loss) to net cash provided		
(used) by operating activities:		
Operating income/(loss)	-	-
Adjustments to reconcile operating (loss) to net cash provided by/(used for) operating activities		
Depreciation expense	-	-
Federal commodities	-	-
Decrease in accounts receivable		-
Decrease in inventories	-	-
Increase in deferred revenue		-
(Decrease) in deposits payable		-
Increase in accounts payable	-	-
Increase in compensated absences payable	-	-
Total adjustments	<u>-</u>	<u>-</u>
Net cash provided by/(used for) operating activities	<u>\$ -</u>	<u>-</u>

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Statistical Section

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CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Net Position by Component,
Last Ten Fiscal Years
Unaudited

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Invested in capital assets	\$ 314,944.85	288,401.93	261,859.01	235,316.09	211,831.91	189,140.89	168,790.64	150,200.39	135,463.31	125,746.43
Restricted	258,658.84	304,967.62	176,838.97	183,872.34	218,066.53	168,278.74	195,918.81	120,424.35	148,361.32	188,200.01
Unrestricted	162,032.00	157,514.00	153,795.00	134,110.75	(148,676.96)	(179,564.00)	(185,538.63)	(185,569.81)	(239,003.48)	(212,275.77)
Total governmental activities net position	735,635.69	750,883.55	592,492.98 *	553,299.18	281,221.48	177,855.63	179,170.82	85,054.93	44,821.15	101,670.67
Business-type activities										
Invested in capital assets	6,896.07	6,067.16	3,860.30	1,610.30	(639.70)	(3,790.78)	-	-	-	-
Unrestricted	6,896.07	6,067.16	3,860.30	1,610.30	(639.70)	(3,790.78)	-	-	-	-
Total business-type activities net position										
District-wide										
Invested in capital assets	314,944.85	288,401.93	261,859.01	235,316.09	211,831.91	189,140.89	168,790.64	150,200.39	135,463.31	125,746.43
Restricted	258,658.84	304,967.62	176,838.97	183,872.34	218,066.53	168,278.74	195,918.81	120,424.35	148,361.32	188,200.01
Unrestricted	168,928.07	163,581.16	157,655.30	135,721.05	(149,316.66)	(183,354.78)	(185,538.63)	(185,569.81)	(239,003.48)	(212,275.77)
Total district net position	742,531.76	756,950.71	596,353.28	554,909.48	280,581.78	174,064.85	179,170.82	85,054.93	44,821.15	101,670.67

* Net position was restated as of June 30, 2014 as required by implementation of GASB 68.

Source: CAFR Schedule A-1

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Changes in Net Position, Last Ten Fiscal Years
Unaudited

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities										
Instruction										
Regular	1,070,194.88	1,090,607.89	1,046,189.13	1,124,884.69	1,495,277.41	1,645,235.66	1,430,217.81	1,275,147.29	1,250,476.46	1,160,411.51
Special education	183,403.22	155,295.56	152,046.30	120,943.71	113,610.74	204,909.93	313,524.40	311,941.44	296,978.10	213,301.27
School Sponsored Activities	2,816.00	1,290.00	3,800.00	-	700.00	1,900.00	-	-	2,700.00	-
Other special education	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	576,816.13	561,578.30	831,665.87	837,324.02	868,372.40	863,918.00	754,087.74	954,715.92	875,998.82	852,638.53
Student & instruction related services	424,345.96	400,224.81	479,265.06	436,995.07	430,463.39	471,418.48	581,610.84	474,334.46	473,550.82	562,494.35
General administrative services	216,036.88	210,937.03	126,747.23	126,275.76	109,110.84	135,361.75	70,067.40	71,679.15	67,686.85	85,309.59
School administrative services	3,816.69	3,539.34	44,985.21	81,289.31	71,922.56	69,819.56	116,217.36	113,885.71	116,142.69	134,105.33
Central Services	9,077.64	46,581.68	45,372.21	21,137.02	45,050.00	46,846.00	56,992.50	39,745.42	40,228.29	31,120.17
Plant operations and maintenance	172,309.04	146,792.07	108,495.11	138,606.83	160,252.46	143,201.78	290,177.98	203,353.70	137,332.96	172,162.81
Pupil transportation	107,718.59	101,912.49	88,118.54	56,047.34	72,177.41	86,454.12	74,593.98	76,502.31	64,785.44	98,592.62
Transfer to Charter School	-	-	-	-	-	-	-	-	-	55,725.00
Unallocated Depreciation	-	26,542.92	26,542.92	26,542.92	23,484.17	22,691.02	-	-	-	-
Unallocated Depreciation	-	2,745,302.09	2,953,227.58	2,970,050.67	3,391,421.38	3,691,757.30	3,687,490.01	3,521,305.40	3,325,880.43	3,365,861.18
Total governmental activities expenses	2,766,535.13	2,745,302.09	2,953,227.58	2,970,050.67	3,391,421.38	3,691,757.30	3,687,490.01	3,521,305.40	3,325,880.43	3,365,861.18
Business-type activities:										
Food Service	21,994.69	15,106.67	2,250.00	2,250.00	2,250.00	17,000.00	15,000.00	15,000.00	15,000.00	-
Total business-type activities expense	21,994.69	15,106.67	2,250.00	2,250.00	2,250.00	17,000.00	15,000.00	15,000.00	15,000.00	-
Total district expenses	2,788,529.82	2,760,408.76	2,955,477.58	2,972,300.67	3,393,671.38	3,708,757.30	3,702,490.01	3,536,305.40	3,340,880.43	3,365,861.18
Program Revenues										
Governmental activities:										
Charges for service										
Operating grants and contributions	385,971.12	393,406.19	381,950.50	404,126.48	798,325.47	873,066.59	623,025.52	290,583.63	112,365.31	128,388.33
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	385,971.12	393,406.19	381,950.50	404,126.48	798,325.47	873,066.59	623,025.52	290,583.63	112,365.31	128,388.33
Business-type activities:										
Charges for services	19,326.71	11,354.76	18.60	-	-	-	-	-	-	-
Operating grants and contributions	4,363.28	2,864.24	-	-	-	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	23,689.99	14,219.00	18.60	-	-	-	-	-	-	-
Total district program revenues	409,661.11	407,625.19	381,969.10	404,126.48	798,325.47	873,066.59	623,025.52	290,583.63	112,365.31	128,388.33

CITY OF PORT REPUBLIC SCHOOL DISTRICT
Changes in Net Position, Last Ten Fiscal Years
Unaudited

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net (Expense)/Revenue										
Governmental activities	(2,380,564.01)	(2,351,895.90)	(2,571,277.08)	(2,565,924.19)	(2,593,095.91)	(2,818,690.71)	(3,064,464.49)	(3,280,721.77)	(3,213,515.12)	(3,237,472.85)
Business-type activities	1,695.30	(887.67)	(2,231.40)	(2,250.00)	(2,250.00)	(17,000.00)	(15,000.00)	(15,000.00)	(15,000.00)	-
Total district-wide net expense	<u>(2,378,868.71)</u>	<u>(2,352,783.57)</u>	<u>(2,573,508.48)</u>	<u>(2,568,174.19)</u>	<u>(2,595,345.91)</u>	<u>(2,835,690.71)</u>	<u>(3,079,464.49)</u>	<u>(3,275,721.77)</u>	<u>(3,228,515.12)</u>	<u>(3,237,472.85)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	1,494,257.00	1,513,583.00	1,546,591.00	1,666,762.00	1,705,464.00	1,705,464.00	1,736,210.00	1,793,295.00	1,828,694.00	1,885,328.04
Unrestricted grants and contributions	815,446.99	832,866.99	863,180.01	851,346.04	905,690.00	1,022,545.00	1,352,956.00	1,394,861.98	1,386,901.55	1,396,124.08
Tuition Received	10,299.12	3.30	1,459.50	4,025.11	1,144.78	1,164.79	-	-	1,083.82	873.08
Investment earnings	12,684.29	20,868.47	1,656.00	4,597.23	5,850.43	-	2,284.50	3,982.90	9,291.97	4,732.29
Miscellaneous income							(10,670.82)	-	-	-
Other sources/uses							(15,000.00)	(15,000.00)	(15,000.00)	(8,815.95)
Transfers										
Total governmental activities	<u>2,332,689.40</u>	<u>2,367,143.76</u>	<u>2,412,886.51</u>	<u>2,526,730.38</u>	<u>2,618,149.21</u>	<u>2,715,324.87</u>	<u>3,065,779.68</u>	<u>3,177,159.88</u>	<u>3,210,971.34</u>	<u>3,278,241.54</u>
Business-type activities:										
Investment earnings	185.15	58.76	24.57	-	-	13,848.92	-	-	-	-
Other sources/uses							3,790.78	-	-	-
Transfers							15,000.00	15,000.00	15,000.00	-
Total business-type activities	<u>185.15</u>	<u>58.76</u>	<u>24.57</u>	<u>-</u>	<u>-</u>	<u>13,848.92</u>	<u>18,790.78</u>	<u>15,000.00</u>	<u>15,000.00</u>	<u>-</u>
Total district-wide	<u>2,332,874.55</u>	<u>2,367,202.52</u>	<u>2,412,911.08</u>	<u>2,526,730.38</u>	<u>2,618,149.21</u>	<u>2,729,173.79</u>	<u>3,084,570.46</u>	<u>3,192,159.88</u>	<u>3,225,971.34</u>	<u>3,278,241.54</u>
Change in Net Position										
Governmental activities	(47,874.61)	15,247.86	(158,390.57)	(39,193.81)	25,053.30	(103,365.84)	1,315.19	(83,561.89)	(2,543.78)	40,768.69
Business-type activities	1,880.45	(828.91)	(2,206.83)	(2,250.00)	(2,250.00)	(3,151.08)	3,790.78	-	-	-
Total district	<u>(45,994.16)</u>	<u>14,418.95</u>	<u>(160,597.40)</u>	<u>(41,443.81)</u>	<u>22,803.30</u>	<u>(106,516.92)</u>	<u>5,105.97</u>	<u>(83,561.89)</u>	<u>(2,543.78)</u>	<u>40,768.69</u>

Source: CAFR Schedule A-2

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
Unaudited

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Restricted	\$ 258,658.84	298,877.13	163,778.37	149,871.84	218,066.53	168,278.74	149,133.85	618.63	38,493.29	618.63
Assigned		6,090.49	13,060.60	17,000.25			46,171.33	175,178.22	109,254.40	175,178.22
Unassigned	162,032.00	157,514.00	153,795.00	151,111.00	146,370.04	143,103.00	149,718.00	97,242.37	87,368.04	97,242.37
Reserved										
Unreserved										
Total general fund	420,690.84	462,481.62	330,633.97	317,983.09	364,436.57	311,381.74	345,023.18	273,039.22	235,115.73	273,039.22
All Other Governmental Funds										
Restricted										11,784.53
Assigned										-
Unreserved, reported in:										
Special revenue fund							11,784.53	-	-	-
Total all other governmental funds	\$ -	-	-	-	-	-	11,784.53	-	-	11,784.53

Source: CAFR Schedule B-1

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
Unaudited

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Tax levy	\$ 1,494,257.00	1,513,583.00	1,546,591.00	1,686,762.00	1,705,464.00	1,705,464.00	1,736,210.00	1,793,295.00	1,828,694.00	1,885,328.04
Tuition charges	-	-	-	-	-	-	-	-	-	-
Interest earnings	10,299.12	3.30	1,459.50	4,025.11	1,144.78	1,164.79	-	873.08	1,083.82	873.08
Miscellaneous	12,684.29	20,688.47	2,387.04	4,597.23	5,850.43	2,000.00	2,284.50	6,458.03	11,291.97	9,864.22
State sources	1,103,705.30	1,166,093.18	1,178,955.06	1,187,866.52	1,257,514.47	1,312,701.38	1,352,956.00	1,394,881.98	1,386,901.55	1,396,124.08
Federal sources	97,714.81	60,182.00	65,404.41	67,606.00	73,181.00	56,363.21	84,523.53	78,151.50	90,630.30	123,256.40
Total revenue	2,718,660.52	2,760,549.95	2,794,797.01	2,930,856.86	3,043,154.68	3,077,693.38	3,175,974.03	3,273,659.59	3,318,601.64	3,415,445.82
Expenditures										
Instruction										
Regular instruction	803,945.61	766,609.43	738,503.45	810,018.55	812,420.34	801,647.77	805,216.65	797,720.83	820,178.40	745,033.85
Special education instruction	137,775.11	109,160.26	107,329.27	87,090.39	82,193.39	146,575.45	176,515.12	195,147.80	195,053.07	136,267.45
School Sponsored Activities	2,816.00	1,290.00	3,800.00	-	700.00	1,900.00	-	-	2,700.00	-
Other instruction	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	576,816.13	561,578.30	831,665.87	837,324.02	868,372.40	863,918.00	754,087.74	954,715.92	875,998.82	852,638.53
Student & instruction related services	318,774.72	281,325.78	338,312.54	314,678.79	311,425.18	337,213.40	330,693.64	296,739.43	311,024.76	359,349.34
General administrative services	162,290.05	148,271.73	89,470.69	90,929.95	80,445.57	77,069.45	77,238.13	81,863.06	91,018.24	93,814.90
School Administrative services	2,867.15	2,487.87	31,755.00	58,535.64	52,033.45	49,943.08	46,566.84	51,524.24	53,044.56	54,500.00
Central Services	9,077.64	46,581.68	45,372.21	21,137.02	45,050.00	46,846.00	56,992.50	39,745.42	40,228.29	38,523.78
Plant operations and maintenance	172,309.04	146,792.07	108,495.11	138,606.83	160,252.46	143,201.78	194,695.41	147,559.92	137,332.96	172,162.81
Pupil transportation	107,718.59	101,912.49	88,118.54	56,047.34	72,177.41	86,454.12	74,593.98	76,502.31	64,785.44	98,592.62
Other Support Services	-	-	-	-	-	-	-	-	-	-
Unallocated employee benefits	472,145.09	552,749.56	543,861.98	529,139.21	511,631.00	562,130.24	600,061.76	684,121.04	702,765.79	766,394.40
Capital outlay	102,363.80	-	-	-	-	-	-	-	3,281.30	-
Charter Schools	-	-	-	-	-	-	-	-	37,690.00	-
Total expenditures	2,868,898.93	2,718,759.17	2,926,684.66	2,943,507.74	2,996,701.20	3,116,899.29	3,116,661.77	3,336,193.97	3,335,101.63	3,373,002.68
Excess (Deficiency) of revenues over (under) expenditures	\$ (150,238.41)	41,790.78	(131,887.65)	(12,650.88)	46,453.48	(39,205.91)	59,312.26	(62,534.38)	(16,499.99)	42,443.14
Other Financing sources (uses)										
Cancellation of Prior Receivables	-	-	-	-	-	(6,880.04)	-	-	-	-
Adjustment for Prior Year Accounts Payable	-	-	-	(13,848.92)	-	(13,848.92)	(3,790.78)	-	-	(8,815.95)
Cancellation of Interfund	-	-	-	(13,848.92)	-	(13,848.92)	(15,000.00)	(15,000.00)	(15,000.00)	-
Transfers out	-	-	-	(13,848.92)	-	(13,848.92)	(25,670.82)	(15,000.00)	(15,000.00)	(8,815.95)
Total other financing sources (uses)	-	-	-	(26,499.80)	46,453.48	(53,054.83)	33,641.44	(77,534.38)	(31,499.99)	33,627.19
Net change in fund balances	\$ (150,238.41)	41,790.78	(131,887.65)	(26,499.80)	46,453.48	(53,054.83)	33,641.44	(77,534.38)	(31,499.99)	33,627.19
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: CAFR Schedule B-2

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
General Fund Other Local Revenue by Source
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Interest on Investments	Misc.	Total
2012	\$ 10,299.12	12,684.29	22,983.41
2013	3.30	20,688.47	20,691.77
2014	1,459.50	2,387.04	3,846.54
2015	4,025.11	4,597.23	8,622.34
2016	1,144.78	5,850.43	6,995.21
2017	1,164.79	2,000.00	3,164.79
2018	-	2,284.50	2,284.50
2019	1,393.46	3,338.83	4,732.29
2020	1,083.82	8,208.15	9,291.97
2021	873.08	4,732.29	5,605.37

Source: District Records

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Residential			Farm Reg.	Qfarm	Commercial	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
	2012	22,288,400	55,262,000					77,550,400	-		77,550,400	1.944
2013	22,234,300	55,156,100					77,390,400	-		77,390,400	1.991	135,160,910
2014	22,256,500	54,886,900					77,143,400	-		77,143,400	2.153	129,211,464
2015	22,301,900	55,554,500					77,856,400	-		77,856,400	2.182	133,547,778
2016	22,326,500	55,803,300					78,129,800	-		78,129,800	2.182	131,145,641
2017 *	35,251,900	78,604,100					113,866,000	-		113,866,000	1.525	119,027,605
2018	35,243,400	79,953,600					115,197,000	-		115,197,000	1.558	122,866,596
2019	35,119,100	80,405,000					115,524,100	-		115,524,100	1.583	121,651,619
2020	35,025,700	80,138,500					115,164,200	-		115,164,200	1.637	115,141,900
2021	34,946,500	80,859,900					115,806,400	-		115,806,400	1.686	115,784,100

Source: District records Tax list summary & Municipal Tax Assessor

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

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

b Tax rates are per \$100

* Revaluation completed

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Direct and Overlapping Property Tax Rates
Rate per \$100 of Assessed Value
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	City of Port Republic Board of Education			City of Port Republic			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	City of Port Republic	Local Municipal Open Space ^c	Atlantic County	
2012	1.944	-	1.944	0.658	0.019	0.680	3.301
2013	1.991	-	1.991	0.653	0.020	0.817	3.481
2014	2.153	-	2.153	0.653	0.020	0.796	3.622
2015	2.182	-	2.182	0.650	0.021	0.852	3.705
2016	2.182	-	2.182	0.650	0.020	0.865	3.717
2017 *	1.525	-	1.525	0.509	0.020	0.582	2.636
2018	1.558	-	1.558	0.510	0.020	0.592	2.680
2019	1.583	-	1.583	0.509	0.019	0.570	2.681
2020	1.637	-	1.637	0.510	0.020	0.607	2.774
2021	1.686	-	1.686	0.505	0.019	0.632	2.842

Source: District Records and Municipal Tax Collector

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy, when added to other components of the district's net budget, may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

- a** The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.
- b** Rates for debt service are based on each year's requirements.
- *** Revaluation completed

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Principal Property Tax Payers,
Current Year and Nine Years Ago
Unaudited

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Taxpayer #1	1,251,300	1	1.08%	Information not available		
Taxpayer #2	1,041,800	2	0.90%			
Blueberry RVP, LLC	865,400	3	0.75%			
Taxpayer #3	745,700	4	0.64%			
Taxpayer #4	702,300	5	0.61%			
Taxpayer #5	702,100	6	0.61%			
Taxpayer #6	644,000	7	0.56%			
Recreation Prop B&D Equity PTG	612,000	8	0.53%			
Taxpayer #7	611,500	9	0.53%			
Taxpayer #8	608,800	10	0.53%			
Total	7,784,900		6.72%	-		0.00%

Total Assessed Value 115,806,400

Source: District CAFR & Municipal Tax Assessor
 District Total Taxable Value

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
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	1,494,257.00	1,494,257.00	100%	-
2013	1,513,583.00	1,513,583.00	100%	-
2014	1,546,591.00	1,546,591.00	100%	-
2015	1,666,762.00	1,666,762.00	100%	-
2016	1,705,464.00	1,705,464.00	100%	-
2017	1,705,464.00	1,705,464.00	100%	-
2018	1,736,210.00	1,736,210.00	100%	-
2019	1,793,295.00	1,793,295.00	100%	-
2020	1,828,694.00	1,828,694.00	100%	-
2021	1,885,328.04	1,885,328.04	100%	-

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

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

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2012	-	-	-	-	-	-	0.00%	-	
2013	-	-	-	-	-	-	0.00%	-	
2014	-	-	-	-	-	-	0.00%	-	
2015	-	-	-	-	-	-	0.00%	-	
2016	-	-	-	-	-	-	0.00%	-	
2017	-	-	-	-	-	-	0.00%	-	
2018	-	-	-	-	-	-	0.00%	-	
2019	-	-	-	-	-	-	0.00%	-	
2020	-	-	-	-	-	-	0.00%	-	
2021	-	-	-	-	-	-	0.00%	-	

Source: District CAFR Schedules I-1 and City's Annual Debt Statement

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

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2012	-	-	-	0.00%	-
2013	-	-	-	0.00%	-
2014	-	-	-	0.00%	-
2015	-	-	-	0.00%	-
2016	-	-	-	0.00%	-
2017	-	-	-	0.00%	-
2018	-	-	-	0.00%	-
2019	-	-	-	0.00%	-
2020	-	-	-	0.00%	-
2021	-	-	-	0.00%	-

Note: The City of Port Republic School District is a Type I District. As a result, debt related to the District is an obligation of the City of Port Republic.

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

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

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2021
Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
City of Port Republic	\$ 131,249.00	100.00%	131,249.00
Atlantic County	168,081,327.05	0.41%	680,734.60
Other debt			
None			
			811,983.60
Subtotal, overlapping debt			
City of Port Republic School District debt	-	100.00%	-
Total direct and overlapping debt			\$ 811,983.60

Sources: City of Port Republic Finance Officer and Atlantic County Finance Office

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Port Republic. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

The City of Port Republic School District is a Type I District. As a result, debt related to the District is an obligation of the City of Port Republic.

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

CITY OF PORT REPUBLIC SCHOOL DISTRICT
 (A Component Unit of the City of Port Republic)
 Legal Debt Margin Information,
 Last Ten Fiscal Years
Unaudited

Legal Debt Margin Calculation for Fiscal Year 2021

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	4,332,970.00	4,180,305.00	4,038,120.00	4,038,120.00	3,912,402.00	3,856,195.00	3,750,777.57	3,657,358.77	3,732,921.96	3,864,252.61
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	4,332,970.00	4,180,305.00	4,038,120.00	4,038,120.00	3,912,402.00	3,856,195.00	3,750,777.57	3,657,358.77	3,732,921.96	3,864,252.61
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

	2020	2019	2018
Equalized valuation basis	134,370,288.00	130,984,123.00	121,070,850.00
Average equalized valuation of taxable property	128,808,420.33		
Debt limit (3% of average) equalization value)	3,864,252.61		
Net bonded school debt	-		
Legal debt margin	3,864,252.61		

Source: Abstract of Rates and District Records CAFR Schedule J-10

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2012	1,114	42,672	38,305	8.00%
2013	1,113	44,206	39,718	9.10%
2014	1,111	44,943	40,453	8.30%
2015	1,105	45,137	40,848	8.30%
2016	1,095	45,930	41,945	8.30%
2017	1,084	46,584	42,974	7.50%
2018	1,080	47,794	44,254	7.00%
2019	1,058	49,257	46,557	5.70%
2020	1,052	51,199	48,668	4.90%
2021	1,051	53,213	50,631	13.10%

Source:

a Population information provided by the NJ Dept of Labor and Workforce Development

b Personal income is calculated by multiplying per capita income by the population

c Per Capita Income US Department of Commerce, Bureau of Economic Analysis,
November 2014

d Unemployment data provided by the NJ Dept of Labor and Workforce Development

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Principal Employers,
Current Year and Nine Years Ago
Unaudited

Employer	2021			2012		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
		1	0.00%			0.00%
		2	0.00%			0.00%
		3	0.00%			0.00%
		4	0.00%			0.00%
		5	0.00%			0.00%
		6	0.00%			0.00%
		7	0.00%			0.00%
		8	0.00%			0.00%
		9	0.00%			0.00%
		10	0.00%			0.00%
	-		0.00%			-

Source: City of Port Republic Chief Financial Officer

The City does not maintain the above statistical data

GASB requires this table to present the principal taxpayers for the current year and nine years ago, however information from 2001 was not available.

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years
Unaudited

<u>Function/Program</u>	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Instruction										
Regular	13.00	13.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Special education	2.00	2.00	2.00	2.00	0.50	0.50	1.50	1.50	1.50	1.50
Other special education	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00
Support Services:										
Student Related	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
General Administrative	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
School Administrative	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Business Administrative			0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Plant operations and maintenance	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Other	1.00									
Total	22.00	22.00	20.50	20.50	19.00	19.00	21.00	21.00	21.00	21.00

GASB requires this table to present the full-time equivalent district employees by function/program for the current year and the previous nine years.

Source: District Personnel Records

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Operating Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year	Pupil/Teacher Ratio											
	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Elementary School	Intermediate School	Middle School	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2012	164	2,766,535	16,869	6.99%	16				118	110	0.85%	93.22%
2013	168	2,718,759	16,183	-4.07%	16			119	112	0.85%	94.12%	
2014	176	2,926,685	16,629	2.75%	15			127	119	6.72%	93.70%	
2015	185	2,943,507	15,911	-4.32%	15			126	119	-0.79%	94.44%	
2016	175	2,991,770	17,096	7.45%	14			120	116	-4.76%	96.67%	
2017	170	3,116,899	18,335	7.25%	14			119	114	-0.83%	95.80%	
2018	162	3,032,138	18,717	2.08%	16			115	110	-3.36%	95.65%	
2019	159	3,245,013	20,409	9.04%	16			not available	not available	not available	not available	
2020	150	3,204,781	21,365	4.69%	16			not available	not available	not available	not available	
2021	150	3,184,593	21,231	-0.63%	16			not available	not available	not available	not available	

Sources: District records, ASSA and Schedules J-12, J-14

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1

b Teaching staff includes only full-time equivalents of certificated staff.

c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
School Building Information
Last Ten Fiscal Years
Unaudited

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
District Building										
Port Republic Elementary School										
Square Feet	18,518	18,518	18,518	18,518	18,518	18,518	18,518	18,518	18,518	18,518
Capacity (students)	173	173	173	173	173	173	173	173	173	173
Enrollment	118	119	127	126	120	119	117	159	150	150

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

Source: District records, ASSA

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
General Fund
Schedule of Required Maintenance for School Facilities
Last Ten Years
Unaudited

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

School Facilities	Project #	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
School Facilities											
Port Republic School	N/A	90,052.00	77,533.00	45,372.00	67,555.00	78,351.00	68,161.00	111,020.59	63,852.88	55,551.13	82,984.67
Grand Total		90,052.00	77,533.00	45,372.00	67,555.00	78,351.00	68,161.00	111,020.59	63,852.88	55,551.13	82,984.67

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Insurance Schedule
June 30, 2021
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
NJ School Board Association Insurance Group		
School Package Policy		
Property		
Blanket Buildings & Contents	3,728,000	1,000.00
Comprehensive General Liability		
Each Occurrence	6,000,000	
General Aggregate	6,000,000	
Computer Hardware and Software	300,000	1,000.00
Employee Dishonesty	100,000	
Forgery & Alleration	25,000	
Computer Fraud	100,000	
Non-Owned and Hired Automobile Liability	6,000,000	
New Jersey School Boards Association		
School Leaders Errors & Omissions		
Coverage A (Each Policy Period)	6,000,000	5,000.00
Coverage B (Each Claim)	100,000	5,000.00
Workers Compensation		
Each Accident	2,000,000	
Chubb Insurance Company		
Supplemental Workers' Compensation		
Maximum Weekly Disability Limit	1,400	
Markel Insurance Company		
Student Accident	1,000,000	
Selective Insurance Company		
Surety Bonds		
Board Secretary/Business Administrator	75,000	

Source: District Records.

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Single Audit Section

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FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

www.ford-scott.com

Report on Internal Control over Financial Reporting and on Compliance and Other
Matter Based on and Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards*

The Honorable President and
Members of the Board of Education
City of Port Republic School District
County of Atlantic
Port Republic, New Jersey

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 as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Port Republic School District, as of and for the year ended June 30, 2021 related notes to the financial statements, which collectively comprise the City of Port Republic School District's basic financial statements, and have issued our report thereon dated March 11, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Port Republic School District's control over financial reporting (internal control) to determine the 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 City of Port Republic School District's internal control. Accordingly, we do not express an opinion on the effectiveness of District's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Very truly yours,

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Nancy Sbrolla
Nancy Sbrolla
Certified Public Accountant
Licensed Public School Accountant
No. 2426

March 11, 2022



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

www.ford-scott.com

Report on Compliance with Requirements Applicable to Each Major Program and on
Internal Control Over Compliance with U.S. OMB Uniform Guidance and
New Jersey OMB Circular Letter 15-08

Honorable President and
Members of the Board of Education
City of Port Republic School District
County of Atlantic, New Jersey

Report on Compliance for Each Major State Program

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

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Port Republic School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in New Jersey 15-08 *State Aid/Grant Compliance Supplement*. Those standards and Circulars require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the City of Port Republic School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

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

Report on Internal Control Over Compliance

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

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

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

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

Very truly yours,

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Nancy Sbrolla
Nancy Sbrolla
Certified Public Accountant
Licensed Public School Accountant
No. 2426

March 11, 2022

CITY OF PORT REPUBLIC SCHOOL DISTRICT
 (A Component Unit of the City of Port Republic)
 Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Grant Period	Program or Award Amount	Balance at June 30, 2020	Carryover Amount	Cash Received	Budgetary Expenditures			(MEMO) Passed Through to Sub-Recipients	Adjustments	Balance at June 30, 2021		
									Pass Through	Direct	Total			(Accounts Receivable)	Unearned Revenue	Due to Grantor
U.S. Department of Education																
Passed-through State Department of Education:																
Special Revenue Fund:																
Every Child Succeeds Act (E.S.S.A.)																
84.010	S010A000030		NCLB21	7/1/20 - 9/30/21	21,146.00	(53,370.00)	-	8,045.00	(21,146.00)	(21,146.00)	-	-	(13,101.00)	-	-	-
84.010	S010A190030		NCLB20	7/1/19 - 6/30/20	53,370.00	(53,370.00)	-	53,370.00	-	-	-	-	-	-	-	-
84.387A	S397A000029		NCLB21	7/1/20 - 9/30/21	4,854.00	-	-	4,854.00	(4,854.00)	(4,854.00)	-	-	(531.00)	-	-	-
84.424	S424A000031		NCLB21	7/1/20 - 9/30/21	10,000.00	(63,370.00)	-	7,163.80	(18,900.00)	(18,900.00)	-	-	(4,736.20)	-	-	-
										(68,000.00)	-	-	(18,362.00)	-	-	-
84.027	H027A00100		FT05	7/1/20 - 9/30/21	31,167.00	-	-	31,167.00	(31,167.00)	(31,167.00)	-	-	-	-	-	-
84.173	H173A200114		FT05	7/1/20 - 9/30/21	1,486.00	-	-	1,486.00	(1,486.00)	(1,486.00)	-	-	-	-	-	-
84.388B	S388B000030		NA	7/1/20 - 6/30/21	11,544.00	(11,253.00)	-	11,544.00	(11,544.00)	(11,544.00)	-	-	-	-	-	-
84.388B	S388B000030		NA	7/1/19 - 6/30/20	1,253.00	(1,253.00)	-	11,253.00	-	-	-	-	-	-	-	-
84.463D	S425D000027		NA	3/15/20 - 9/30/22	17,111.00	-	-	17,111.00	(17,111.00)	(17,111.00)	-	-	-	-	-	-
U.S. Department of the Treasury																
Passed-through State Department of Education:																
Coronavirus Relief Fund																
21.019	8LT0007		NA	3/17/20 - 12/30/20	4,493.00	-	-	4,493.00	(4,493.00)	(4,493.00)	-	-	-	-	-	-
						(11,253.00)	-	77,954.00	(65,801.00)	(65,801.00)	-	-	-	-	-	-
						(64,623.00)	-	148,072.00	(101,801.00)	(101,801.00)	-	-	(18,362.00)	-	-	-
						\$ (64,623.00)	-	148,072.00	(101,801.00)	(101,801.00)	-	-	(18,362.00)	-	-	-
Total Special Revenue Fund																
Total Federal Financial Awards																

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

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/ Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2020			Balance at June 30, 2021			MEMO			
				Deferred Revenue/ (Accounts Receivable)	Due to Grantor	Carryover Amount	Cash Received	Budgetary Expenditures	(Accounts Receivable)		Unearned Revenue	Due to Grantor	Budgetary Receivable
State Department of Education													
General Fund:													
Categorical Special Education Aid	21-495-034-5120-089	7/1/20-6/30/21	86,872.00				86,872.00	(86,872.00)				86,872.00	
Equalization Aid	21-495-034-5120-078	7/1/20-6/30/21	259,429.00				259,429.00	(259,429.00)				259,429.00	
Categorical Security Aid	21-495-034-5120-084	7/1/20-6/30/21	12,745.00				12,745.00	(12,745.00)				12,745.00	
Adjustment Aid	21-495-034-5120-085	7/1/20-6/30/21	308,598.00				308,598.00	(308,598.00)				308,598.00	
Categorical Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	47,977.00				47,977.00	(47,977.00)				47,977.00	
School Choice	21-495-034-5120-068	7/1/20-6/30/21	224,740.00				224,740.00	(224,740.00)				224,740.00	
Reimbursed Non Public Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	5,820.00					(5,820.00)				5,820.00	
Extraordinary Aid	21-495-034-5120-044	7/1/19-6/30/21	24,494.00					(24,494.00)				24,494.00	
Extraordinary Aid	20-495-034-5120-044	7/1/19-6/30/20	4,590.00	(4,172.00)			4,590.00	(418.00)				4,590.00	
On-behalf TPAF Pension Contribution	21-495-034-5094-002	7/1/20-6/30/21	263,275.00				263,275.00	(263,275.00)				263,275.00	
On-behalf TPAF Post-Retirement Medical Contribution	21-495-034-5094-001	7/1/20-6/30/21	82,506.00				82,506.00	(82,506.00)				82,506.00	
On-behalf TPAF Long-Term Disability Insurance Contribution	21-495-034-5094-004	7/1/20-6/30/21	219.00				219.00	(219.00)				219.00	
Reimbursed TPAF Social Security Contributions	20-495-034-5094-003	7/1/19-6/30/20	77,306.55	(7,636.38)			7,636.38					77,306.55	
Reimbursed TPAF Social Security Contributions	21-495-034-5094-003	7/1/20-6/30/21	71,965.08				64,859.78	(71,965.08)				71,965.08	
Total General Fund				<u>(11,808.38)</u>	<u>-</u>	<u>-</u>	<u>1,362,447.16</u>	<u>(1,388,056.08)</u>	<u>(37,419.30)</u>	<u>-</u>	<u>-</u>	<u>83,937.00</u>	<u>1,469,536.63</u>
Total State Financial Assistance				<u>(11,808.38)</u>	<u>-</u>	<u>-</u>	<u>1,362,447.16</u>	<u>(1,388,056.08)</u>	<u>(37,419.30)</u>	<u>-</u>	<u>-</u>	<u>83,937.00</u>	<u>1,469,536.63</u>
On-behalf TPAF Pension Contribution							(263,275.00)	263,275.00					
On-behalf TPAF Post-Retirement Medical Contribution							(82,506.00)	82,506.00					
On-behalf TPAF Long-Term Disability Insurance Contribution							(219.00)	219.00					
Total State Financial Assistance				<u>(11,808.38)</u>	<u>-</u>	<u>-</u>	<u>1,016,447.16</u>	<u>(1,042,056.08)</u>	<u>(37,419.30)</u>	<u>-</u>	<u>-</u>	<u>83,937.00</u>	<u>1,469,536.63</u>

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A COMPONENT UNIT OF THE CITY OF PORT REPUBLIC)
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2021

NOTE 1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, City of Port Republic School District. The Board of Education is defined in Note 1(A) to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations* and NJ OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10% de minimis indirect cost rate.

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

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

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

See the following schedule and Note 1(D) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general, special revenue and food service funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A COMPONENT UNIT OF THE CITY OF PORT REPUBLIC)
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2021

	<u>General fund</u>	<u>Total</u>
State Assistance:		
Actual amounts (budgetary) “revenues” from the Schedule of Expenditures of State Financial Assistance	\$ 1,388,058.08	1,388,058.08
Difference – budget to “GAAP”		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	102,003.00	102,003.00
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(93,937.00)	(93,937.00)
Total State revenue as reported on the statement of revenues, expenditures and changes in fund balances	<u>\$ 1,396,124.08</u>	<u>1,396,124.08</u>

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A COMPONENT UNIT OF THE CITY OF PORT REPUBLIC)
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2021

	<u>Special Revenue Fund</u>	<u>Total</u>
Federal Assistance:		
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of Federal Awards	\$ 115,700.70	115,700.70
Difference - budget to "GAAP" Grant accounting budgetary basis differs from "GAAP" in that encumbrances are recognized as expenditures, and the related revenue is recognized.	7,555.70	7,555.70
	<hr/>	<hr/>
Total Federal revenue as reported on the statement of revenue, expenditures, and changes in fund balance	<u>\$ 123,256.40</u>	<u>123,256.40</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively. The amounts reported as TPAF Pension Contributions represents the amount paid by the State on behalf of the district for the year ended June 30, 2021. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2021.

**CITY OF PORT REPUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Part I -- Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued:		Unmodified		
Internal control over financial reporting:				
1) Material weakness(es) identified?	_____	yes	_____ X _____	no
2) Significant deficiency(ies) identified	_____	yes	_____ X _____	no
Noncompliance material to financial statements noted?	_____	yes	_____ X _____	no

Federal Awards Section

Not Applicable

Internal Control over major programs:				
1) Material weakness(es) identified?	_____	yes	_____	no
2) Significant deficiency(ies) identified	_____	yes	_____	no
Type of auditor's report on compliance for major programs	_____			
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Uniform Guidance	_____	yes	_____	no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Dollar threshold used to distinguish between Type A and Type B programs: _____

Auditee qualified as low-risk auditee? _____ yes _____ no _____ n/a

**CITY OF PORT REPUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Part I -- Summary of Auditor's Results

State Awards Section

Internal Control over major programs:

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

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

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

_____ Unmodified _____

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular 15-08?

_____ yes X no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
21-495-034-5120-078	Equalization Aid
21-495-034-5120-089	Special Education Categorical Aid
21-495-034-5120-084	Security Aid
21-495-034-5120-085	Adjustment Aid
21-495-034-5120-068	School Choice

Dollar threshold used to distinguish between Type A and Type B programs:

_____ \$750,000 _____

Auditee qualified as low-risk auditee?

 X yes _____ no _____

**CITY OF PORT REPUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Part 2 -- Schedule of Financial Statement Findings

None

Part 3 – Federal Awards and State Financial Assistance Findings and Questioned Costs

None

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

STATUS OF PRIOR YEAR FINDINGS

None