

**SCHOOL DISTRICT**

**OF**

**LAKE COMO**

**LAKE COMO BOARD OF EDUCATION  
LAKE COMO, NEW JERSEY**

**ANNUAL COMPREHENSIVE FINANCIAL  
REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**OF THE**

**LAKE COMO BOARD OF EDUCATION**

**LAKE COMO, NEW JERSEY**

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

**PREPARED BY**

**LAKE COMO BOARD OF EDUCATION  
FINANCE DEPARTMENT**

**LAKE COMO SCHOOL DISTRICT**

**TABLE OF CONTENTS**

|  | <b><u>Page</u></b> |
|--|--------------------|
| <b>INTRODUCTORY SECTION</b>  |                    |
| Letter of Transmittal  | 1.                 |
| Roster of Officials  | 2.                 |
| Consultants and Advisors   | 3.                 |
| <b>FINANCIAL SECTION</b>   |                    |
| Independent Auditor's Report   | 4 to 6.            |
| <b>Required Supplementary Information – Part I</b><br>Management's Discussion and Analysis   | 7 to 12.           |
| <b><u>Basic Financial Statements</u></b>   |                    |
| A. District-wide Financial Statements:   |                    |
| A-1 Statement of Net Position  | 13.                |
| A-2 Statement of Activities  | 14.                |
| B. Fund Financial Statements:  |                    |
| Governmental Funds:  |                    |
| B-1 Balance Sheet  | 15.                |
| B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances  | 16.                |
| B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 17.                |
| Proprietary Funds:   |                    |
| B-4 Statement of Net Position  | N/A                |
| B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position  | N/A                |
| B-6 Statement of Cash Flows  | N/A                |
| Fiduciary Funds:   |                    |
| B-7 Statement of Fiduciary Net Assets  | N/A                |
| B-8 Statement of Changes in Fiduciary Net Position   | N/A                |
| Notes to Financial Statements  | 18 to 28.          |

**LAKE COMO SCHOOL DISTRICT**

**TABLE OF CONTENTS**

|   | <b><u>Page</u></b> |
|---|--------------------|
| <b>Required Supplementary Information – Part II</b>   |                    |
| C. Budgetary Comparison Schedules:  |                    |
| C-1 Budgetary Comparison Schedule – General Fund  | 29 to 32.          |
| C-1b Budgetary Comparison Schedule – General Fund<br>Education Jobs Fund                    | N/A                |
| C-2 Budgetary Comparison Schedule – Special Revenue Fund                                    | 33.                |
| Notes to the Required Supplementary Information   |                    |
| C-3 Budget to GAAP Reconciliation – Note to RSI   | 34.                |
| <b>Required Supplementary Information – Part III</b>  |                    |
| L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)                     |                    |
| L-1 Schedule of the District’s Proportionate Share of the Net Pension<br>Liability – PERS   | N/A                |
| L-2 Schedule of District Contributions – PERS   | N/A                |
| L-3 Schedule of the District’s Proportionate Share of the Net Pension<br>Liability – TPAF   | N/A                |
| M. Schedules Related to Accounting and Reporting for OPEB (GASB 75)                         |                    |
| M-1 Schedule of the District’s Proportionate Share of the Net OPEB<br>Liability             | N/A                |
| <b>Other Supplementary Information</b>  |                    |
| D. School Level Schedules:  |                    |
| D-1 Combining Balance Sheet   | N/A                |
| D-2 Blended Resource Fund – Schedule of Expenditures Allocated by<br>Resource Type – Actual | N/A                |
| D-3 Blended Resource Fund – Schedule of Blended Expenditures –<br>Budget and Actual         | N/A                |

**LAKE COMO SCHOOL DISTRICT**

**TABLE OF CONTENTS**

|   | <b><u>Page</u></b> |
|---|--------------------|
| E. Special Revenue Fund:  |                    |
| E-1 Schedule of Revenues and Expenditures – Special Revenue Fund<br>– Budgetary Basis   | 35.                |
| E-2 Preschool Education Aid - Schedule of Expenditures –<br>Budgetary Basis             | 36.                |
| E-3 Early Childhood Program Aid Schedule of Expenditures –<br>Budgetary Basis           | N/A                |
| E-4 Distance Learning Network Aid Schedule of Expenditures –<br>Budgetary Basis         | N/A                |
| E-5 Instructional Supplement Aid Schedule of Expenditures –<br>Budgetary Basis          | N/A                |
| F. Capital Projects Fund:   |                    |
| F-1 Summary Schedule of Project Revenues, Expenditures and<br>Changes in Fund Balance   | N/A                |
| F-1a Summary Schedule of Revenues, Expenditures, Project Balance,<br>And Project Status | N/A                |
| F-1b Schedule of Project Revenues and Expenditures                                      | N/A                |
| G. Proprietary Fund:  |                    |
| Enterprise Fund:  |                    |
| G-1 Combining Statement of Net Position   | N/A                |
| G-2 Combining Statement of Revenues, Expenses and Changes in<br>Fund Net Position       | N/A                |
| G-3 Combining Statement of Cash Flows   | N/A                |
| Internal Service Fund:  |                    |
| G-4 Combining Statement of Net Position   | N/A                |
| G-5 Combining Statement of Revenues, Expenses, and Changes in<br>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<br>Disbursements              | N/A                |
| H-4 Payroll Agency Fund Schedule of Receipts and Disbursements                          | N/A                |
| H-4a Summer Payroll – Schedule of Receipts and Disbursements                            | N/A                |

**LAKE COMO SCHOOL DISTRICT**

**TABLE OF CONTENTS**

|   | <b><u>Page</u></b> |
|---|--------------------|
| I. Long-Term Debt:                                  |                    |
| I-1 Schedule of Serial Bonds                        | N/A                |
| I-1a Schedule of Loans Payable                      | N/A                |
| I-2 Schedule of Obligations under Capital Leases    | N/A                |
| I-3 Debt Service Fund Budgetary Comparison Schedule | N/A                |

**STATISTICAL SECTION (Unaudited)**

**Introduction to the Statistical Section**

**Financial Trends**

|  |     |
|--|-----|
| J-1 Net Position by Component                  | 37. |
| J-2 Changes in Net Position                    | 38. |
| J-3 Fund Balances – Governmental Funds         | 39. |
| J-4 Governmental Fund Expenditures By Function | 40. |
| J-5 General Fund Other Local Revenue by Source | 41. |

**Revenue Capacity**

|   |     |
|---|-----|
| J-6 Assessed Value and Estimated Actual Value of Taxable Property | 42. |
| J-7 Direct and Overlapping Property Tax Rates                     | 43. |
| J-8 Principal Property Taxpayers*                                 | 44. |
| J-9 Property Tax Levies and Collections                           | 45. |

**Debt Capacity**

|  |     |
|--|-----|
| J-10 Ratios of Outstanding Debt by Type                  | 46. |
| J-11 Ratios of General Bonded Debt Outstanding           | 46. |
| J-12 Direct and Overlapping Governmental Activities Debt | 47. |
| J-13 Legal Debt Margin Information                       | 48. |

**Demographic and Economic Information**

|  |     |
|--|-----|
| J-14 Demographic and Economic Statistics | 49. |
| J-15 Principal Employers                 | 50. |

**Operating Information**

|   |     |
|---|-----|
| J-16 Full-time Equivalent District Employees by Function/Program      | 51. |
| J-17 Operating Statistics   | 52. |
| J-18 School Building Information                                      | 52. |
| J-19 Schedule of Required Maintenance Expenditures by School Facility | 52. |
| J-20 Insurance Schedule   | 53. |

\*Private citizens should be listed as Individual Taxpayer 1, Individual Taxpayer 2, etc.

## LAKE COMO SCHOOL DISTRICT

### TABLE OF CONTENTS

|   | <u>Page</u> |
|---|-------------|
| K-1 Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit Of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 54 & 55.    |
| K-2 Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by New Jersey OMB Circular 15-08   | 56 to 58.   |
| K-3 Schedule of Expenditures of Federal Awards, Schedule A  | 59.         |
| K-4 Schedule of Expenditures of State Financial Assistance, Schedule B  | 60.         |
| K-5 Notes to Schedules of Awards and Financial Assistance   | 61 & 62.    |
| K-6 Schedule of Findings and Questioned Costs   | 63 to 65.   |
| K-7 Summary Schedule of Prior Audit Findings  | 66.         |

## **INTRODUCTORY SECTION**





## Lake Como Board of Education

Office of the School Business Administrator/Board Secretary

C/O Belmar Board of Education

1101 Main Street

Belmar, New Jersey 07719

(732) 681-8888 ext 1025

Fax (732) 681-8709

**Mrs. Debra Russo**

*Board President*

**Michael Bardsley, CPA**

*School Business Administrator/Board Secretary*

Honorable President and  
Members of the Board of Education  
Lake Como School District  
County of Monmouth

Dear Board Members:

The comprehensive annual financial report of the Lake Como School 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 Lake Como Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds 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 Lake Como District is a non-operating District. The district sends students to various Pre-K through 12 schools for regular and special education. There were 184 students in the 2019-2020 school year and 161 students in the 2020-2021 school year.

The economy of the Borough of the Lake Como is stable. The business district consists of restaurants, professional offices and retail establishments. The population increases in the summer and decreases for the remainder of the year.

During the 2020/2021 school year, the Lake Como Board of Education consisted of a five member Board of Education. The expenses of the district are managed by strict quality control methods, to ensure compliance with applicable laws and regulations according to GAAP. Revenues and expenditures are monitored to review cost analysis on appropriations approved by the voters of the community.

Sincerely,

**Michael Bardsley**

Michael Bardsley



Business Administrator/  
Board Secretary

**LAKE COMO BOARD OF EDUCATION****LAKE COMO, NEW JERSEY****ROSTER OF OFFICIALS****JUNE 30, 2021**

| <b><u>MEMBERS OF THE BOARD OF EDUCATION</u></b>                      | <b><u>TERM EXPIRES</u></b> |
|--|----------------------------|
| Debra Russo, President   | 2022                       |
| Michele Cartaya, Vice-President                                      | 2022                       |
| Nicolas Demauro  | 2023                       |
| Dolores Ellen Higgins  | 2021                       |
| BethAnn Witte  | 2021                       |
| <b><u>Other Officials</u></b>  |                            |
| Michael Bardsley, CPA, School Business Administrator/Board Secretary |                            |

**LAKE COMO BOARD OF EDUCATION****CONSULTANTS AND ADVISORS****Audit Firm**

Robert A. Hulsart and Company  
2807 Hurley Pond Road  
P.O. Box 1409  
Wall, NJ 07719

**Attorney**

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

**Official Depository**

TD Bank  
Warren Avenue  
Spring Lake Heights, NJ 07762

**Insurers**

N.J. School Boards Association Insurance Group  
450 Veterans Drive  
Burlington, NJ 08016

CBIZ Insurance Group  
291 South Street

New Providence New Jersey 07974

## **FINANCIAL SECTION**

# Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

4.

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)  
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.  
ROBERT A. HULSART, JR., C.P.A., P.S.A.  
RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

Telecopier:  
(732) 280-8888  
e-mail:  
rah@monmouth.com

2807 Hurley Pond Road • Suite 100  
P.O. Box 1409  
Wall, New Jersey 07719-1409  
(732) 681-4990

## INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Lake Como School District, in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the 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.

### **Auditors Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Lake Como School District, in the County of Monmouth, State of New Jersey, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the years 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 Lake Como School District's basic financial statements. The combining and individual non-major fund financial statements and 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), and the schedule of state financial assistance as required by NJ OMB 15-08 and the introductory and statistical sections 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 Requirements* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the schedule of federal awards and the schedule of state financial assistance as required by NJ OMB 15-08 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and 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.

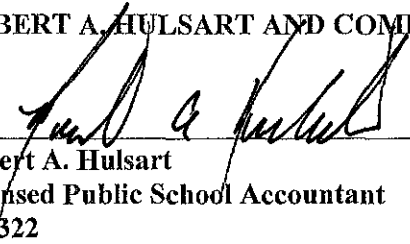
The introductory and statistical sections have not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 11, 2022 on our consideration of the Lake Como Board of Education's internal control over financial reporting and 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 Lake Como Board of Education's internal control over financial reporting and compliance.

Respectfully submitted,

**ROBERT A. HULSART AND COMPANY**



Robert A. Hulsart  
 Licensed Public School Accountant  
 No. 322  
 Robert A. Hulsart and Company  
 Wall Township, New Jersey

February 11, 2022

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



**LAKE COMO SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

The discussion and analysis of Lake Como School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; it should be read in conjunction with the Annual Comprehensive Financial Report's (ACFR) Letter of Transmittal which is found in the Introductory Section, and the School Board's financial statements found in the Financial Section and the notes thereto.

**Financial Highlights**

Key Financial highlights for the 2020-2021 fiscal year are as follows:

- General revenues accounted for \$3,278,249 in revenue or 94% percent of all revenues.
- Total assets of governmental activities decreased by \$672,061.
- The School District had \$4,157,893 in expenses. General revenues (primarily property taxes) of \$3,278,249 were adequate to provide for these programs, along with \$204,320 of grant funding.
- The General Fund had \$3,265,017 in revenues and \$3,952,547 in expenditures. The General Fund's balance decreased \$687,530 from 2020.

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

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

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

## **Using this Annual Comprehensive Financial Report (ACFR) – (Continued)**

The School Board’s auditor has provided assurance in his Independent Auditor’s Report, located immediately preceding this Management’s Discussion and Analysis, that the Basic Financial Statements are fairly stated. A user of this report should read the Independent Auditor’s Report carefully to ascertain the level of assurance being provided for each of the other parts of the Financial Section.

### **Reporting the School District as a Whole**

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

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, “How did we do financially during the 2020-2021 fiscal year?” The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year’s revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Position and the Statement of Activities, the School District has the following type of activity:

- Governmental activities – All of the School District’s programs and services are reported here including, but not limited to, support services, general administration and pupil transportation.

### **Reporting the School District’s Most Significant Funds**

#### **Fund Financial Statements**

The analysis of the School District’s major (all) funds begins on Exhibit A-1. Fund financial reports provide detailed information about the School District’s major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District’s most significant funds. The School District only has one major governmental fund - General Fund.

## Reporting the School District's Most Significant Funds - Continued

### Governmental Funds

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

### The School District as a Whole

Table 1 provides a summary of the School District's net position for the fiscal years ended 2021 and 2020.

**Table 1**  
**Net Position**

|                            | <u>2021</u>       | <u>2020</u>      |
|----------------------------|-------------------|------------------|
| <b><u>Assets</u></b>       |                   |                  |
| Current and Other Assets   | <u>\$ 663,715</u> | <u>1,335,776</u> |
| <b><u>Liabilities</u></b>  |                   |                  |
| Deferred Revenue           | <u>27,612</u>     | <u>24,349</u>    |
| <b><u>Net Position</u></b> |                   |                  |
| Restricted                 | 592,060           | 1,040,796        |
| Unrestricted               | <u>44,043</u>     | <u>270,631</u>   |
| Total Net Position         | <u>\$ 636,103</u> | <u>1,311,427</u> |

Table 2 shows the changes in net position for fiscal years ended 2021 and 2020.

**Table 2**  
**Changes in Net Position**

|                                     | <u>2021</u>         | <u>2020</u>      |
|-------------------------------------|---------------------|------------------|
| <b><u>Revenues</u></b>              |                     |                  |
| General Revenues:                   |                     |                  |
| Property Taxes                      | \$ 2,651,951        | 2,574,710        |
| Grants and Entitlements             | 819,656             | 735,973          |
| Other                               | <u>10,962</u>       | <u>6,739</u>     |
| Total Revenues                      | <u>3,482,569</u>    | <u>3,317,422</u> |
| <b><u>Program Expenses</u></b>      |                     |                  |
| Instruction:                        |                     |                  |
| General Supplies                    | 519                 |                  |
| Support Services:                   |                     |                  |
| Tuition                             | 3,899,298           | 3,422,618        |
| General Administration & Support    | 50,455              | 35,179           |
| Pupil Transportation                | 173,777             | 196,003          |
| Charter Schools                     | <u>33,844</u>       | <u>6,791</u>     |
| Total Expenses                      | <u>4,157,893</u>    | <u>3,660,591</u> |
| Increase/(Decrease) in Net Position | <u>\$ (675,324)</u> | <u>(343,169)</u> |

### **Governmental Activities**

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 76% percent of revenues for governmental activities for the Lake Como Public School District for fiscal year 2021. The District's total revenues were \$3,482,569 for the fiscal year ended June 30, 2021. State Grants accounted for another 24%.

### **The School Board' Funds**

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

### **The School Board' Funds – (Continued)**

As the School Board completed the fiscal year ended June 30, 2021, it reported a combined net position balance of \$636,103. The Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities presents the reader with a detailed explanation of the differences between the net change in fund balances and changes in activities.

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

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

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

### **Capital Assets**

At June 30, 2021, the School District had no capital assets.

### **Debt Administration**

At June 30, 2021, the School District had no outstanding debt.

### **Economic Factors and Next Year's Budget**

The Borough of Lake Como is primarily a residential community, with very few ratables. The majority of revenues needed to operate the District are derived from homeowners through property tax assessments and collections, which is voted by the residents annually.

The \$94,043 is unrestricted net position for all governmental activities represent the accumulated results of all past years' operations. It means that if the School Board had to pay off all bills today, including all of the School Board's noncurrent liabilities such as compensated absences, the School Board would have a balance of \$94,043.

At this time, the most important factor affecting the budget is the unsettled situation with State Aid. While State aid may be frozen, the District may experience growth in student population. The tax levy will be the area that will need to absorb any increase in budget obligations.

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

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

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact Mr. Michael Bardsley, School Business Administrator/Board Secretary at Lake Como Board of Education, P.O. Box 569, Lake Como, NJ 07719.

## **BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS – A**



**LAKE COMO SCHOOL DISTRICT****STATEMENT OF NET POSITION**

Exhibit A-1

**JUNE 30, 2021**

|                            | <b><u>Governmental<br/>Activities</u></b> | <b><u>Total</u></b>         |
|----------------------------|---|-----------------------------|
| <b><u>Assets</u></b>       |   |                             |
| Cash-Unrestricted          | \$ 44,043                                 | 44,043                      |
| Cash-Restricted            | 407,315                                   | 407,315                     |
| Receivables, Net           | 212,357                                   | 212,357                     |
|                            | <u>                    </u>               | <u>                    </u> |
| Total Assets               | <u>\$ 663,715</u>                         | <u>663,715</u>              |
| <b><u>Liabilities</u></b>  |   |                             |
| Deferred Revenue           | \$ 27,612                                 | 27,612                      |
|                            | <u>                    </u>               | <u>                    </u> |
| Total Liabilities          | <u>\$ 27,612</u>                          | <u>27,612</u>               |
| <b><u>Net Position</u></b> |   |                             |
| Restricted For:            |   |                             |
| Other Purposes             | \$ 542,060                                | 592,060                     |
| Unrestricted               | 94,043                                    | 94,043                      |
|                            | <u>                    </u>               | <u>                    </u> |
| Total Net Position         | <u>\$ 636,103</u>                         | <u>686,103</u>              |

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

**LAKE COMO SCHOOL DISTRICT**

Exhibit A-2

**STATEMENT OF ACTIVITIES**

**JUNE 30, 2021**

| <b><u>Functions/Programs</u></b>                | <b><u>Expenses</u></b> | <b>Program Revenues</b>         |   | <b>Net (Expense) Revenue and<br/>Changes in Net Position</b> |                                     |              |
|---|------------------------|---------------------------------|---|--|-------------------------------------|--------------|
|   |                        | <b>Charges for<br/>Services</b> | <b>Operating<br/>Grants and<br/>Contributions</b> | <b>Governmental<br/>Activities</b>                           | <b>Business-Type<br/>Activities</b> | <b>Total</b> |
| Governmental Activities:                        |                        |                                 |   |  |                                     |              |
| Regular Program-General Supplies                | \$ 519                 |                                 |   | (519)  |                                     | (519)        |
| Support Services:                               |                        |                                 |   |  |                                     |              |
| Tuition   | 3,899,298              |                                 | 204,320   | (3,694,978)  |                                     | (3,694,978)  |
| Support Services                                | 50,455                 |                                 |   | (50,455)   |                                     | (50,455)     |
| Charter School Tuition                          | 33,844                 |                                 |   | (33,844)   |                                     | (33,844)     |
| Pupil Transportation                            | 173,777                |                                 |   | (173,777)  |                                     | (173,777)    |
| Total Government Activities                     | 4,157,893              | -                               | 204,320   | (3,953,573)  | -                                   | (3,953,573)  |
| Total Primary Government                        | 4,157,893              | -                               | 204,320   | (3,953,573)  | -                                   | (3,953,573)  |
| General Revenues and Transfers                  |                        |                                 |   |  |                                     |              |
| Taxes:  |                        |                                 |   |  |                                     |              |
| Property Taxes, Levied for General Purpose, Net |                        |                                 |   | 2,651,951  |                                     | 2,651,951    |
| Miscellaneous                                   |                        |                                 |   | 10,962   |                                     | 10,962       |
| Federal and State Aid Not Restricted            |                        |                                 |   | 615,336  |                                     | 615,336      |
| Total General Revenues and Transfers            |                        |                                 |   | 3,278,249  | -                                   | 3,278,249    |
| Change in Net Position                          |                        |                                 |   | (675,324)  | -                                   | (675,324)    |
| Net Position - Beginning                        |                        |                                 |   | 1,311,427  | -                                   | 1,311,427    |
| Net Position - Ending                           |                        |                                 |   | \$ 636,103   | -                                   | 636,103      |

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

**FUND FINANCIAL STATEMENTS – B**

**LAKE COMO SCHOOL DISTRICT****Exhibit B-1****BALANCE SHEET****GOVERNMENTAL FUNDS****JUNE 30, 2021**

|  | <b><u>General<br/>Fund</u></b> | <b><u>Special<br/>Revenue</u></b> | <b><u>Total<br/>Governmental<br/>Funds</u></b> |
|--|--------------------------------|-----------------------------------|--|
| <b><u>Assets</u></b>                         |                                |                                   |  |
| Cash and Cash Equivalents-Unrestricted       | \$ 44,043                      |                                   | 44,043   |
| Cash and Cash Equivalents-Restricted         | 379,703                        | 27,612                            | 407,315  |
| Receivables from Other Governments           | 212,357                        |                                   | 212,357  |
|  | <u>636,103</u>                 | <u>27,612</u>                     | <u>663,715</u>                                 |
| Total Assets                                 | <u>\$ 636,103</u>              | <u>27,612</u>                     | <u>663,715</u>                                 |
| <b><u>Liabilities and Fund Balance</u></b>   |                                |                                   |  |
| Liabilities:                                 |                                |                                   |  |
| Deferred Revenue                             | \$ -                           | 27,612                            | 27,612   |
| Fund Balances:                               |                                |                                   |  |
| Restricted To:                               |                                |                                   |  |
| Emergency Reserve                            | 250,000                        |                                   | 250,000  |
| Assigned Balances:                           |                                |                                   |  |
| Withdrawal From Tuition Reserve              | 39,014                         |                                   | 39,014   |
| Designated for Subsequent Years Expenditures | 253,046                        |                                   | 253,046  |
| Unassigned:                                  |                                |                                   |  |
| General Fund                                 | 94,043                         |                                   | 94,043   |
| Total Fund Balances                          | <u>636,103</u>                 | <u>-</u>                          | <u>636,103</u>                                 |
| Total Liabilities and Fund Balances          | <u>\$ 636,103</u>              | <u>27,612</u>                     |  |
| Net Position of Governmental Activities      |                                |                                   | <u>\$ 636,103</u>                              |

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

LAKE COMO SCHOOL DISTRICT

Exhibit B-2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCESGOVERNMENTAL FUNDSJUNE 30, 2021

|   | <u>General<br/>Fund</u> | <u>Special<br/>Revenue<br/>Fund</u> | <u>Governmental<br/>Funds</u> |
|---|-------------------------|-------------------------------------|-------------------------------|
| Revenues:   |                         |                                     |                               |
| Local Sources:  |                         |                                     |                               |
| Local Tax Levy  | \$ 2,651,951            |                                     | 2,651,951                     |
| Miscellaneous   | 10,962                  |                                     | 10,962                        |
| Total Local Sources                                       | <u>2,662,913</u>        | -                                   | <u>2,662,913</u>              |
| Federal Sources   |                         | 13,232                              | 13,232                        |
| State Sources   | 602,104                 | 204,320                             | 806,424                       |
| Total Revenues  | <u>3,265,017</u>        | <u>217,552</u>                      | <u>3,482,569</u>              |
| Expenditures:   |                         |                                     |                               |
| Support Services and Undistributed Costs:                 |                         |                                     |                               |
| Regular General Supplies                                  | 519                     |                                     | 519                           |
| Tuition   | 3,707,184               | 192,114                             | 3,899,298                     |
| Support Services  | 37,223                  | 13,232                              | 50,455                        |
| Pupil Transportation                                      | 173,777                 |                                     | 173,777                       |
| Charter School Tuition                                    | 33,844                  |                                     | 33,844                        |
| Total Expenditures  | <u>3,952,547</u>        | <u>205,346</u>                      | <u>4,157,893</u>              |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(687,530)</u>        | <u>12,206</u>                       | <u>(675,324)</u>              |
| Net Change in Fund Balances                               | (687,530)               | 12,206                              | (675,324)                     |
| Fund Balance - July 1                                     | <u>1,323,633</u>        | <u>(12,206)</u>                     | <u>1,311,427</u>              |
| Fund Balance - June 30                                    | <u>\$ 636,103</u>       | <u>-</u>                            | <u>636,103</u>                |

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

**LAKE COMO SCHOOL DISTRICT**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**

**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**

**Exhibit B-3**

**TO THE STATEMENT OF ACTIVITIES**

**JUNE 30, 2021**

|   |                            |
|---|----------------------------|
| Total Net Change in Fund Balances - Governmental Funds (From B-2) | <u>\$ (675,324)</u>        |
| Change in Net Position of Governmental Activities                 | <u><u>\$ (675,324)</u></u> |

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

## **NOTES TO FINANCIAL STATEMENTS**

**LAKE COMO SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2021**

**NOTE 1: Summary of Significant Accounting Policies**

The financial statements of the Board of Education (Board) of the Lake Como 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. The more significant of the Board's accounting policies are described below.

**A. Reporting Entity:**

The Lake Como School District is a Type II district located in the County of Monmouth, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of five members elected to three-year terms. The purpose of the district is to educate students in grades K-12. The Lake Como School District had an approximate enrollment at June 30, 2021 of zero students.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Government 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

**B. Government-Wide and Fund Financial Statements**

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

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



**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**B. Government-Wide and Fund Financial Statements (Continued)**

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

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

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Proprietary and fiduciary fund financial statements also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. County tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met. The Unemployment Trust Fund recognizes employer and employee contributions in the period in which contributions are due.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to apply current liabilities. The District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for long-term pension and compensated absences, which are reported as expenditures in the year due.

Major revenue sources susceptible to accrual includes Intergovernmental revenues, and the county tax levy. In general, other revenues are recognized when cash is received.

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for food sales and for services provided to other governmental entities. Principles operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

**D. Fund Accounting:**

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. Each fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

**Governmental Fund Types**

General Fund: The general fund is the general operating fund of the District and is used to account for all expendable financial resources except those required to be accounted for in another fund.

Special Revenue Fund: The District accounts for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are legally restricted to expenditures for specified purposes in the special revenue funds.

Capital Projects Fund: The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

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

**Proprietary Fund Type**

Enterprise Fund: To account for operations that are financed and operated in a manner similar to private business enterprises, in which the intent of the District is that the costs of providing goods or services to the District on a continuing basis be financed or recovered primarily through user charges.

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**D. Fund Accounting (Continued):**

**Fiduciary Fund Types**

Agency Funds (Payroll and Student Activities Fund): Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

Trust and Agency Funds: The trust and agency funds are used to account for assets held by the District on behalf of outside parties, including other governments, or on behalf of other funds within the District.

Expendable Trust Fund: An expendable trust fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable trust funds account for assets where both the principal and interest may be spent. Expendable trust funds include Unemployment Compensation Insurance.

**E. Basis of Accounting:**

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

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

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recorded in the accounting period in which they are earned and expenses are recorded at the time liabilities are incurred.

**NOTE 1: Summary of Significant Accounting Policies (Continued)****F. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. Budgets are prepared using the modified accrual basis of accounting; the legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2021 were insignificant.

The Public School Education Act of 1975 limits the annual increase of any district's net current expense budget. The Commissioner of Education certifies the allowable amount for each district but may grant a higher level of increase if he determines that the sums so provided would be insufficient to meet the identified goals and needs of the district or that an anticipated enrollment increase requires additional funds.

The Commissioner must also review every proposed local school district budget for the next school year. He examines every item of appropriations for current expenses and budgeted capital outlay to determine their adequacy in relation to the identified needs and goals of the district. If, in his view, they are insufficient, the Commissioner must order remedial action. If necessary, he is authorized to order changes in the local district budget.

Once a budget is approved, it can be amended by transfers or additional appropriation of fund balances by approval of a majority of the members of the Board. Amendments are presented to the Board at their regular meetings. Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end as dictated by law. Individual transfers were not material in relation to the original appropriations. All uncommitted budget appropriations lapse at year-end.

**G. Encumbrances:**

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

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

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

**H. Short-Term Interfund Receivables/Payables:**

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

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**I. Inventories and Prepaid Expenses**

Inventories and prepaid expenses, which benefit future periods, are recorded as an expenditure during the year of purchase. The value of inventories remaining at the end of the fiscal year is not included on the balance sheet.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2021.

**J. Capital Assets and Depreciation**

Lake Como is a sending District only and has no fixed assets of June 30, 2021.

**K. Unearned Revenue**

Unearned revenue in the special revenue funds represent cash which has been received but not yet earned. See Note 1(F) regarding the special revenue fund.

**L. Fund Equity**

The governmental fund financial statements report reserved fund balance for amounts not available for appropriation or legally restricted for specified purposes.

**M. Net Position**

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

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

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

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

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

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**Fund Balance**

The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

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

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

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

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

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

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

**NOTE 2: Cash and Cash Equivalents and Investments**

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

Investments are stated at cost, which approximates market. The District classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

**Deposits**

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

**Investments**

New Jersey statutes permit the District to purchase the following types of securities:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or any United States Bank for cooperatives which have a maturity date not greater than twelve months from the date of purchase.
- c. Bonds or other obligations of the school district.

**NOTE 2: Cash and Cash Equivalents and Investments (Continued)****Investments (Continued)**

As of June 30, 2021, the District's deposits and investments are summarized as follows:

|       |                   |
|-------|-------------------|
| FDIC  | \$ 250,000        |
| GUPDA | <u>686,382</u>    |
|       | <u>\$ 936,382</u> |

**Custodial Credit Risk – Deposits**

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The District does not have a formal policy for custodial credit risk.

The District had no uninsured deposits.

As of June 30, 2021, cash and cash equivalents and investments of the District consisted of the following:

**Cash and Cash  
Equivalents  
\$ 513,009**

During the period ended June 30, 2021 the District did not hold any investments. The carrying amount of the District's cash and cash equivalents at June 30, 2021 was \$513,009 and the bank balance was \$936,382. Of the bank balance, \$250,000 was covered by federal depository insurance and \$686,382 was covered by a collateral pool maintained by the banks as required by New Jersey statutes.

**NOTE 3: Pension Plans**

The District is involved in a shared services agreement with the Belmar Board of Education. The District has no employees and therefore has no pension obligations.

**NOTE 4: Contingent Liabilities**

It is the opinion of the Board that there is no litigation threatened or pending that would materially affect the financial position of the School District.

Negligence and other types of liability suits of which the Board is aware appear to be within the stated policy limits and would be deferred by the respective carriers.



**NOTE 5: Equity Balance**

At June 30, 2021 the General Fund equity balance was as follows:

|  |                   |
|--|-------------------|
| Emergency Reserve                            | \$ 250,000        |
| Withdrawal From Tuition Reserve              | 39,014            |
| Designated For Subsequent Years Expenditures | 253,046           |
| Unrestricted                                 | <u>155,694</u>    |
|  | <u>\$ 697,754</u> |

Reserved excess surplus represents a calculation under N.J.S.A. 18A: 7F-7, which identifies an amount of surplus under the statute, which must be restricted for use in the next succeeding budget.

**4% Calculation of Excess Surplus**

|  |                     |
|--|---------------------|
| 2020-2021 Total General Fund Expenditures Per the ACFR | <u>\$ 3,952,547</u> |
| Adjusted 2020-2021 General Fund Expenditures           | <u>\$ 3,952,547</u> |
| 4% of Adjusted 2020-2021 General Fund Expenditures     | <u>\$ 79,051</u>    |
| Enter Greater of Above or \$250,000                    | \$ 250,000          |
| Increased by Allowable Adjustments                     | <u>110,706</u>      |
| Maximum Unreserved/Undesignated Fund Balance           | <u>\$ 360,706</u>   |

**Section 2**

|  |                  |
|--|------------------|
| Total General Fund – Fund Balance @ June 30, 2021              | \$ 697,754       |
| Decreased By:  |                  |
| Other Reserves   | (250,000)        |
| Designated for Subsequent Years Expenditures – Tuition Reserve | (39,014)         |
| Designated for Subsequent Years Expenditures – BOE             | <u>(253,046)</u> |

|  |                   |
|--|-------------------|
| Total Unreserved/Undesignated Fund Balance | <u>\$ 155,694</u> |
| Reserved Fund Balance – Excess Surplus     | <u>\$ 0</u>       |

**Section 3**

|  |             |
|--|-------------|
| Excess Surplus – Current Year  | \$ 0        |
| Reserved Fund Balance - Designated for Subsequent Years Expenditures | <u>0</u>    |
|  | <u>\$ 0</u> |

**NOTE 5: Equity Balance (Continued)****Detail of Allowable Adjustments**

|                           |                   |
|---------------------------|-------------------|
| Non-Public Transportation | \$ 778            |
| Extraordinary Aid         | <u>109,928</u>    |
|                           | <u>\$ 110,706</u> |

**Detail of Reserved Fund Balance**

|                   |                   |
|-------------------|-------------------|
| Tuition Reserve   | \$ 0              |
| Emergency Reserve | <u>250,000</u>    |
|                   | <u>\$ 250,000</u> |

Unrestricted is surplus not previously committed or reserved for any other purpose.

**NOTE 6: COVID-19**

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, was first detected in China and has since spread to other countries, including the United States, and to each state within the United States, including New Jersey, has been declared a Public Health Emergency of International Concern by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The outbreak of COVID-19 across the United States has caused the federal government to declare a national state of emergency. The State has likewise declared a state of emergency. While the potential impact on the State cannot be predicted at this time, the continued spread of the outbreak could have a material adverse effect on the finances of the State and the Board of Education (collectively, the "Affected Entities").

The degree of any such impact to the Affected Entities' respective operations and finances, is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the Affected Entities and their respective economies.

**NOTE 7: Subsequent Events**

Subsequent events have been evaluated through February 11, 2022, which is the date the financial statements were available to be issued. No additional subsequent event disclosures are required.

**REQUIRED SUPPLEMENTARY INFORMATION  
PART II**

**BUDGETARY COMPARISON SCHEDULES – C**

**LAKE COMO SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**

**Exhibit C-1**  
**Sheet 1 of 4**

**GENERAL FUND**

**JUNE 30, 2021**

|                               | <b><u>Original<br/>Budget</u></b> | <b><u>Budget<br/>Transfers</u></b> | <b><u>Final<br/>Budget</u></b> | <b><u>Actual</u></b> | <b><u>Variance<br/>Final<br/>to Actual</u></b> |
|-------------------------------|-----------------------------------|------------------------------------|--------------------------------|----------------------|--|
| Revenues:                     |                                   |                                    |                                |                      |  |
| Local Sources:                |                                   |                                    |                                |                      |  |
| Local Tax Levy                | \$ 2,651,951                      |                                    | 2,651,951                      | 2,651,951            | -  |
| Miscellaneous                 | 2,000                             |                                    | 2,000                          | 10,962               | 8,962  |
|                               | <u>2,653,951</u>                  |                                    | <u>2,653,951</u>               | <u>2,662,913</u>     | <u>8,962</u>                                   |
| State Sources:                |                                   |                                    |                                |                      |  |
| Transportation Aid            | 78,805                            |                                    | 78,805                         | 78,805               | -  |
| Equalization Aid              | 168,669                           |                                    | 168,669                        | 168,669              | -  |
| Special Education Aid         | 132,338                           |                                    | 132,338                        | 132,338              | -  |
| Security Aid                  | 47,816                            |                                    | 47,816                         | 47,816               | -  |
| Adjustment Aid                | 33,386                            |                                    | 33,386                         | 33,386               | -  |
| Extraordinary Aid             | 40,000                            |                                    | 40,000                         | 149,928              | 109,928  |
| Non Public Transportation Aid |                                   |                                    |                                | 778                  | 778  |
| Total State Sources           | <u>501,014</u>                    | <u>-</u>                           | <u>501,014</u>                 | <u>611,720</u>       | <u>110,706</u>                                 |
| Total Revenues                | <u>3,154,965</u>                  | <u>-</u>                           | <u>3,154,965</u>               | <u>3,274,633</u>     | <u>119,668</u>                                 |

**LAKE COMO SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**

**Exhibit C-1**  
**Sheet 2 of 4**

**GENERAL FUND**

**JUNE 30, 2021**

|   | <b><u>Original<br/>Budget</u></b> | <b><u>Budget<br/>Transfers</u></b> | <b><u>Final<br/>Budget</u></b> | <b><u>Actual</u></b>     | <b><u>Variance<br/>Final<br/>to Actual</u></b> |
|---|-----------------------------------|------------------------------------|--------------------------------|--------------------------|--|
| Expenditures:                                   |                                   |                                    |                                |                          |  |
| Current Expense:                                |                                   |                                    |                                |                          |  |
| Regular Programs-Instructions:                  |                                   |                                    |                                |                          |  |
| General Supplies                                | <u>                    </u>       | <u>          520</u>               | <u>          520</u>           | <u>          519</u>     | <u>              1</u>                         |
| Undistributed Expenditures:                     |                                   |                                    |                                |                          |  |
| Instruction:                                    |                                   |                                    |                                |                          |  |
| Tuition to Other LEA - Regular                  | 2,697,433                         | (20,030)                           | 2,677,403                      | 2,677,122                | 281  |
| Tuition to Other LEA - Special                  | 631,486                           | (138,871)                          | 492,615                        | 487,981                  | 4,634  |
| Tuition - County Vocational School:             |                                   |                                    |                                |                          |  |
| Regular   | 69,750                            | (15,650)                           | 54,100                         | 54,000                   | 100  |
| Special   | 263,798                           | 208,068                            | 471,866                        | 448,209                  | 23,657   |
| Tuition - Private School For Disabled           | 39,872                            | <u>                    </u>        | <u>          39,872</u>        | <u>          39,872</u>  | <u>              -</u>                         |
| Total Undistributed Expenditures - Instruction  | <u>3,702,339</u>                  | <u>          33,517</u>            | <u>3,735,856</u>               | <u>3,707,184</u>         | <u>          28,672</u>                        |
| Support Services-Speech                         |                                   |                                    |                                |                          |  |
| Purchased Professional Educational Services     | <u>          5,308</u>            | <u>          (4,510)</u>           | <u>              798</u>       | <u>              798</u> | <u>              -</u>                         |
| Support Services - General Administration:      |                                   |                                    |                                |                          |  |
| Audit Fees                                      | 4,500                             | (400)                              | 4,100                          | 3,700                    | 400  |
| Purchased Technical Services                    | 10,000                            | 1,239                              | 11,239                         | 11,238                   | 1  |
| Total Support Services - General Administration | <u>          14,500</u>           | <u>              839</u>           | <u>          15,339</u>        | <u>          14,938</u>  | <u>              401</u>                       |

**LAKE COMO SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**

**Exhibit C-1**  
**Sheet 3 of 4**

**GENERAL FUND**

**JUNE 30, 2021**

|   | <b><u>Original<br/>Budget</u></b> | <b><u>Budget<br/>Transfers</u></b> | <b><u>Final<br/>Budget</u></b> | <b><u>Actual</u></b> | <b><u>Variance<br/>Final<br/>to Actual</u></b> |
|---|-----------------------------------|------------------------------------|--------------------------------|----------------------|--|
| Support Services - Central Services:                                |                                   |                                    |                                |                      |  |
| Purchased Professional Services                                     | 18,000                            |                                    | 18,000                         | 18,000               | -  |
| Purchased Technical Services  | 2,600                             | 1,957                              | 4,557                          | 3,487                | 1,070  |
| Total Support Services - Central Services                           | <u>20,600</u>                     | <u>1,957</u>                       | <u>22,557</u>                  | <u>21,487</u>        | <u>1,070</u>                                   |
| Student Transportation Services:                                    |                                   |                                    |                                |                      |  |
| Contracted Services - Regular Students - ESCs                       | 60,000                            | 30,172                             | 90,172                         | 67,680               | 22,492   |
| Contracted Services - Special Education - ESCs                      | 100,000                           | 12,661                             | 112,661                        | 102,370              | 10,291   |
| Contracted Services - Aid in Lieu                                   |                                   | 1,000                              | 1,000                          | 1,000                | -  |
| Contracted Services (Between Home and<br>School) - Joint Agreements | 4,000                             | (1,000)                            | 3,000                          | 2,727                | 273  |
| Total Student Transportation Services                               | <u>164,000</u>                    | <u>42,833</u>                      | <u>206,833</u>                 | <u>173,777</u>       | <u>33,056</u>                                  |
| Charter School Tuition  |                                   | 33,844                             | 33,844                         | 33,844               | -  |
| Total Expenditures  | <u>3,906,747</u>                  | <u>109,000</u>                     | <u>4,015,747</u>               | <u>3,952,547</u>     | <u>63,200</u>                                  |
| Excess (Deficiency) of Revenues Over<br>(Under) Expenditures        | (751,782)                         | (109,000)                          | (860,782)                      | (677,914)            | 182,868  |
| Fund Balance July 1   | <u>1,375,668</u>                  |                                    | <u>1,375,668</u>               | <u>1,375,668</u>     |  |
| Fund Balance June 30  | <u>\$ 623,886</u>                 | <u>(109,000)</u>                   | <u>514,886</u>                 | <u>697,754</u>       | <u>182,868</u>                                 |

**LAKE COMO SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**

Exhibit C-1  
Sheet 4 of 4

**GENERAL FUND**

**JUNE 30, 2021**

|  | <b><u>Original<br/>Budget</u></b> | <b><u>Budget<br/>Transfers</u></b> | <b><u>Final<br/>Budget</u></b> | <b><u>Actual</u></b> | <b><u>Variance<br/>Final<br/>to Actual</u></b> |
|--|-----------------------------------|------------------------------------|--------------------------------|----------------------|--|
| Recapitulation:                                      |                                   |                                    |                                |                      |  |
| Emergency Reserve                                    |                                   |                                    |                                | \$ 250,000           |  |
| Assigned Balances:                                   |                                   |                                    |                                |                      |  |
| Withdrawal From Tuition Reserve                      |                                   |                                    |                                | 39,014               |  |
| Designated for Subsequent Years Expenditures         |                                   |                                    |                                | 253,046              |  |
| Unassigned Fund Balance                              |                                   |                                    |                                | <u>155,694</u>       |  |
|  |                                   |                                    |                                | 697,754              |  |
| Reconciliation To Government Fund Statements (GAAP): |                                   |                                    |                                |                      |  |
| Last State Aid Payment Not Recognized on GAAP Basis  |                                   |                                    |                                | <u>(61,651)</u>      |  |
| Fund Balance Government Funds (GAAP)                 |                                   |                                    |                                | <u>\$ 636,103</u>    |  |



LAKE COMO SCHOOL DISTRICT

Exhibit C-2

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

JUNE 30, 2021

|                         | <u>Original<br/>Budget</u> | <u>Budget<br/>Transfers</u> | <u>Final<br/>Budget</u> | <u>Actual</u>  | <u>Variance<br/>Final to<br/>Actual</u> |
|-------------------------|----------------------------|-----------------------------|-------------------------|----------------|---|
| Revenues:               |                            |                             |                         |                |   |
| State Sources:          | \$ 219,726                 |                             | 219,726                 | 192,114        | 27,612                                  |
| Preschool Education Aid | <u>219,726</u>             |                             | <u>219,726</u>          | <u>192,114</u> | <u>27,612</u>                           |
| Federal Sources:        |                            |                             |                         |                |   |
| Cornoavirus Relief Fund | <u>13,232</u>              |                             | <u>13,232</u>           | <u>13,232</u>  | <u>-</u>                                |
| Total Federal Sources   | <u>13,232</u>              | <u>-</u>                    | <u>13,232</u>           | <u>13,232</u>  | <u>-</u>                                |
| Total Revenues          | <u>\$ 232,958</u>          | <u>-</u>                    | <u>232,958</u>          | <u>205,346</u> | <u>27,612</u>                           |
| Expenditures:           |                            |                             |                         |                |   |
| Instruction:            |                            |                             |                         |                |   |
| Tuition                 | \$ 219,726                 |                             | 219,726                 | 192,114        | 27,612                                  |
| Total Instruction       | <u>219,726</u>             | <u>-</u>                    | <u>219,726</u>          | <u>192,114</u> | <u>27,612</u>                           |
| Support Services:       |                            |                             |                         |                |   |
| Supplies and Materials  | <u>13,232</u>              |                             | <u>13,232</u>           | <u>13,232</u>  | <u>-</u>                                |
| Total Support Services  | <u>13,232</u>              | <u>-</u>                    | <u>13,232</u>           | <u>13,232</u>  | <u>-</u>                                |
| Total Expenditures      | <u>\$ 232,958</u>          | <u>-</u>                    | <u>232,958</u>          | <u>205,346</u> | <u>27,612</u>                           |

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

LAKE COMO SCHOOL DISTRICTREQUIRED SUPPLEMENTARY INFORMATION

Exhibit C-3

BUDGET-TO-GAAP RECONCILIATIONNOTE TO RSIFOR THE FISCAL YEAR ENDED JUNE 30, 2021

|   | <u>General<br/>Fund</u> | <u>Special<br/>Revenue<br/>Fund</u> |
|---|-------------------------|-------------------------------------|
| <b><u>Sources/Inflows of Resources</u></b>  |                         |                                     |
| Actual amounts (budgetary) "revenues" from the budgetary comparison schedules   | \$ 3,274,633            | 205,436                             |
| Difference - budget to GAAP:  |                         |                                     |
| State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes            | 52,035                  | 12,206                              |
| State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.            | <u>(61,651)</u>         | <u>                    </u>         |
| Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.      | <u>\$ 3,265,017</u>     | <u>217,642</u>                      |
| <b><u>Uses/Outflows of Resources</u></b>  |                         |                                     |
| Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule                                      | <u>\$ 3,952,547</u>     | <u>205,436</u>                      |
| Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds. | <u>\$ 3,952,547</u>     | <u>205,436</u>                      |

**REQUIRED SUPPLEMENTARY INFORMATION – PART III**

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING  
FOR PENSIONS (GASB 68) – L**

N/A

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING  
FOR OPEB (GASB 75) – M**

N/A

**OTHER SUPPLEMENTARY INFORMATION**

**SCHOOL LEVEL SCHEDULES – D**

N/A



**SPECIAL REVENUE FUND – E**

**LAKE COMO SCHOOL DISTRICT****SPECIAL REVENUE FUND**

Exhibit E-1

**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS****FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

|                        | <b>Preschool<br/>Education<br/>Aid</b> | <b>Coronavirus<br/>Relief Funds<br/>Aid</b> | <b>Total<br/>June 30, 2021</b> |
|------------------------|--|---|--------------------------------|
| Revenues:              |  |   |                                |
| State Sources          | \$ 192,114                             |   | 192,114                        |
| Federal Sources        |  | 13,232                                      | 13,232                         |
| Total Revenues         | <u>\$ 192,114</u>                      | <u>13,232</u>                               | <u>205,346</u>                 |
| Expenditures:          |  |   |                                |
| Instruction:           |  |   |                                |
| Tuition                | \$ 192,114                             | -   | 192,114                        |
| Total Instruction      | <u>192,114</u>                         | <u>-</u>                                    | <u>192,114</u>                 |
| Support Services:      |  |   |                                |
| Supplies and Materials |  | 13,232                                      | 13,232                         |
| Total Support Services |  | <u>13,232</u>                               | <u>13,232</u>                  |
| Total Expenditures     | <u>\$ 192,114</u>                      | <u>13,232</u>                               | <u>205,346</u>                 |

LAKE COMO SCHOOL DISTRICTSPECIAL REVENUE FUND

Exhibit E-2

PRESCHOOL EDUCATION AIDSCHEDULE OF EXPENDITURES - BUDGETARY BASISFOR THE FISCAL YEAR ENDED JUNE 30, 2021

|   | <u>Budgeted</u>   | <u>Actual</u>  | <u>Favorable<br/>(Unfavorable)</u> |
|---|-------------------|----------------|------------------------------------|
| Expenditures:   |                   |                |                                    |
| Instruction:  |                   |                |                                    |
| Tuition   | \$ 219,726        | 192,114        | 27,612                             |
| Total Expenditures  | <u>\$ 219,726</u> | <u>192,114</u> | <u>27,612</u>                      |
| <br><b><u>Calculation of Budget and Carryover</u></b>                                 |                   |                |                                    |
| Total Revised 2020-2021 Budget Preschool Education Aid                                |                   |                | \$ 195,377                         |
| Add: Actual PEA Carryover (June 30, 2020)   |                   |                | <u>24,349</u>                      |
| Total Preschool Education Aid Available for 2020-2021 Budget                          |                   |                | 219,726                            |
| Less: Budgeted 2020-2021 Preschool Education Aid                                      |                   |                | <u>219,726</u>                     |
| Available and Unbudgeted Preschool Education Aid as of June 30, 2021                  |                   |                | <u>\$ -</u>                        |
| 2020-2021 Preschool Education Aid Carryover Budgeted for Preschool Programs 2021-2022 |                   |                | <u>\$ 27,612</u>                   |

**CAPITAL PROJECTS FUND – F**

N/A

**PROPRIETARY FUNDS – G**

N/A

**FIDUCIARY FUND – H**

N/A

**LONG-TERM DEBT – I**

**N/A**

**STATISTICAL SECTION**

**(Unaudited)**



**LAKE COMO BOARD OF EDUCATION**

J-1

**NET POSITION BY COMPONENT**

**LAST TEN FISCAL YEARS**

**UNAUDITED**

|                               | <u>2021</u>       | <u>2020</u>      | <u>2019</u>      | <u>2018</u>      | <u>2017</u>      | <u>2016</u>      | <u>2015</u>    | <u>2014</u>    | <u>2013</u>    | <u>2012</u>   |
|-------------------------------|-------------------|------------------|------------------|------------------|------------------|------------------|----------------|----------------|----------------|---------------|
| Governmental Activities:      |                   |                  |                  |                  |                  |                  |                |                |                |               |
| Restricted                    | \$ 542,060        | 1,040,796        | 1,425,559        | 1,793,296        | 1,559,442        | 1,121,091        | 549,230        | 315,581        | 15,581         | 63,954        |
| Unrestricted                  | 94,043            | 270,631          | 229,037          | 222,625          | 222,739          | 223,762          | 219,670        | 201,633        | 215,324        | (11,086)      |
| Total Governmental Activities | <u>\$ 636,103</u> | <u>1,311,427</u> | <u>1,654,596</u> | <u>2,015,921</u> | <u>1,782,181</u> | <u>1,344,853</u> | <u>768,900</u> | <u>517,214</u> | <u>230,905</u> | <u>52,868</u> |

**LAKE COMO BOARD OF EDUCATION**

**CHANGES IN NET POSITION**

**LAST TEN FISCAL YEARS**

J-2

**UNAUDITED**

|                                 | <u>2021</u>         | <u>2020</u>      | <u>2019</u>      | <u>2018</u>      | <u>2017</u>      | <u>2016</u>      | <u>2015</u>      | <u>2014</u>      | <u>2013</u>      | <u>2012</u>      |
|---------------------------------|---------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Expenses:                       |                     |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Governmental Activities         | <u>\$3,953,573</u>  | <u>3,542,157</u> | <u>3,489,100</u> | <u>3,113,793</u> | <u>2,869,702</u> | <u>3,069,088</u> | <u>3,388,828</u> | <u>3,364,949</u> | <u>3,404,625</u> | <u>3,441,115</u> |
| Net (Expense):                  |                     |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Governmental Activities         | <u>3,953,573</u>    | <u>3,542,157</u> | <u>3,489,100</u> | <u>3,113,793</u> | <u>2,869,702</u> | <u>3,069,088</u> | <u>3,388,828</u> | <u>3,364,949</u> | <u>3,404,625</u> | <u>3,441,115</u> |
| General Revenues and Other      |                     |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Changes in Net Position:        |                     |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Governmental Activities         | <u>3,278,249</u>    | <u>3,198,988</u> | <u>3,185,180</u> | <u>3,347,533</u> | <u>3,307,030</u> | <u>3,645,041</u> | <u>3,640,514</u> | <u>3,651,258</u> | <u>3,582,662</u> | <u>3,482,978</u> |
| Other Financing Sources (Uses): |                     |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Prior Year Audit Adjustment     | <u>-</u>            | <u>-</u>         | <u>(57,405)</u>  |                  |                  |                  |                  |                  |                  |                  |
| Change in Net Position:         |                     |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Governmental Activities         | <u>\$ (675,324)</u> | <u>(343,169)</u> | <u>(361,325)</u> | <u>233,740</u>   | <u>437,328</u>   | <u>575,953</u>   | <u>251,686</u>   | <u>286,309</u>   | <u>178,037</u>   | <u>41,863</u>    |

**LAKE COMO BOARD OF EDUCATION**  
**FUND BALANCES, GOVERNMENT FUNDS**

J-3

**LAST TEN FISCAL YEARS**

**UNAUDITED**

|                    | <u>2021</u>       | <u>2020</u>      | <u>2019</u>      | <u>2018</u>      | <u>2017</u>      | <u>2016</u>      | <u>2015</u>    | <u>2014</u>    | <u>2013</u>    | <u>2012</u>     |
|--------------------|-------------------|------------------|------------------|------------------|------------------|------------------|----------------|----------------|----------------|-----------------|
| General Fund:      |                   |                  |                  |                  |                  |                  |                |                |                |                 |
| Reserved           | \$ 542,060        | 1,043,485        | 1,425,559        | 1,793,296        | 1,559,442        | 1,121,091        | 542,230        | 315,581        | 15,581         | 63,954          |
| Unreserved         | <u>94,043</u>     | <u>282,837</u>   | <u>229,037</u>   | <u>222,625</u>   | <u>222,739</u>   | <u>223,762</u>   | <u>291,670</u> | <u>201,633</u> | <u>215,324</u> | <u>(11,086)</u> |
| Total General Fund | <u>\$ 636,103</u> | <u>1,326,322</u> | <u>1,654,596</u> | <u>2,015,921</u> | <u>1,782,181</u> | <u>1,344,853</u> | <u>833,900</u> | <u>517,214</u> | <u>230,905</u> | <u>52,868</u>   |

LAKE COMO BOARD OF EDUCATION

GOVERNMENTAL FUND EXPENDITURES BY FUNCTION

LAST TEN FISCAL YEARS

J-4

UNAUDITED

|   | <u>2021</u>         | <u>2020</u>      | <u>2019</u>      | <u>2018</u>      | <u>2017</u>      | <u>2016</u>      | <u>2015</u>      | <u>2014</u>      | <u>2013</u>      | <u>2012</u>      |
|---|---------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b><u>Revenues:</u></b>                 |                     |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Tax Levy                                | \$ 2,651,951        | 2,574,710        | 2,574,710        | 2,674,710        | 2,686,162        | 3,022,000        | 3,022,000        | 3,022,000        | 2,962,779        | 2,904,685        |
| Other Local Revenue                     | 10,962              | 6,739            | 10,708           | 61,429           | 933              | 507              |                  |                  |                  | 2,677            |
| Federal Aid                             | 13,232              |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| State Aid                               | 806,424             | 735,973          | 639,473          | 610,221          | 619,935          | 622,534          | 618,892          | 629,258          | 618,072          | 598,217          |
| Total Revenues                          | <u>3,482,569</u>    | <u>3,317,422</u> | <u>3,224,891</u> | <u>3,346,360</u> | <u>3,307,030</u> | <u>3,645,041</u> | <u>3,640,892</u> | <u>3,651,258</u> | <u>3,580,851</u> | <u>3,505,579</u> |
| <b><u>Expenditures:</u></b>             |                     |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Undistributed:                          |                     |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Instruction                             | 3,899,817           | 3,422,618        | 3,246,043        | 2,889,034        | 2,697,179        | 2,890,398        | 3,210,174        | 3,175,480        | 3,140,687        | 3,193,505        |
| Students Support: - Special             |                     |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Support Services - General Adm./Central | 50,455              | 35,179           | 34,256           | 38,984           | 35,557           | 29,565           | 26,195           | 24,529           | 24,853           | 25,784           |
| Student Transportation                  | 173,777             | 196,003          | 241,888          | 166,270          | 136,966          | 137,877          | 152,459          | 161,762          | 151,807          | 188,707          |
| Education Jobs                          |                     |                  |                  |                  |                  |                  |                  |                  |                  | 22,601           |
| Reimbursed TPAF Pension                 |                     |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Reimbursed TPAF Social Security         |                     |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Total Undistributed                     | <u>4,124,049</u>    | <u>3,653,800</u> | <u>3,522,187</u> | <u>3,094,288</u> | <u>2,869,702</u> | <u>3,057,840</u> | <u>3,388,828</u> | <u>3,361,771</u> | <u>3,317,347</u> | <u>3,430,597</u> |
| Special Schools:                        |                     |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Transfer to Charter Schools             | 33,844              | 6,791            | 6,624            | 19,505           |                  | 11,248           |                  | 3,178            | 87,278           | 33,119           |
| Total Special Schools                   | <u>33,844</u>       | <u>6,791</u>     | <u>6,624</u>     | <u>19,505</u>    | <u>-</u>         | <u>11,248</u>    | <u>-</u>         | <u>3,178</u>     | <u>87,278</u>    | <u>33,119</u>    |
| Total Governmental Fund Expenditures    | <u>4,157,893</u>    | <u>3,660,591</u> | <u>3,528,811</u> | <u>3,113,793</u> | <u>2,869,702</u> | <u>3,069,088</u> | <u>3,388,828</u> | <u>3,364,949</u> | <u>3,404,625</u> | <u>3,463,716</u> |
| Adjustment                              |                     |                  | (57,405)         | -                | -                | -                | -                | -                | 1,811            |                  |
| Net Change in Fund Balance              | \$ <u>(675,324)</u> | <u>(343,169)</u> | <u>(361,325)</u> | <u>232,567</u>   | <u>437,328</u>   | <u>575,953</u>   | <u>252,064</u>   | <u>286,309</u>   | <u>178,037</u>   | <u>41,863</u>    |

GENERAL FUND OTHER LOCAL REVENUE BY SOURCE

J-5

LAST TEN FISCAL YEARS

UNAUDITED

| <u>Year Ended</u> | <u>Interest</u> | <u>Miscellaneous</u> | <u>Total</u> |
|-------------------|-----------------|----------------------|--------------|
| 2012              | \$ 27           | 2,650                | 2,677        |
| 2013              | -               | -                    | -            |
| 2014              | -               | -                    | -            |
| 2015              | -               | -                    | -            |
| 2016              | -               | 507                  | 507          |
| 2017              | -               | 933                  | 933          |
| 2018              | -               | 4,024                | 4,024        |
| 2019              |                 | 10,708               | 10,708       |
| 2020              |                 | 6,739                | 6,739        |
| 2021              |                 | 10,962               | 10,962       |

**LAKE COMO BOARD OF EDUCATION**

J-6

**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**

**LAST TEN FISCAL YEARS**

**UNAUDITED**

| <b><u>Year Ended<br/>December 31,</u></b> | <b><u>Net Assessed<br/>Valuations</u></b> | <b><u>Estimated<br/>Full Cash<br/>Valuations</u></b> | <b><u>Percentage of<br/>Net Assessed to<br/>Estimated Full<br/>Cash Valuations</u></b> |
|---|---|--|--|
| 2012                                      | 382,057,020                               | 390,132,768  | 97.93%   |
| 2013                                      | 381,940,321                               | 374,671,690  | 101.94%  |
| 2014                                      | 387,201,400                               | 365,008,861  | 106.08%  |
| 2015                                      | 371,082,600                               | 352,438,598  | 105.29%  |
| 2016                                      | 373,533,800                               | 388,288,773  | 96.20%   |
| 2017                                      | 387,875,000                               | 405,684,552  | 95.61%   |
| 2018                                      | 411,408,600                               | 401,609,332  | 102.44%  |
| 2019                                      | 432,261,800                               | 418,574,417  | 103.27%  |
| 2020                                      | 450,682,200                               | 432,392,018  | 104.23%  |
| 2021                                      | 499,638,100                               | 457,484,755  | 109.21%  |

Source: Monmouth County

**LAKE COMO BOARD OF EDUCATION**

**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**

J-7

**LAST TEN FISCAL YEARS**

**UNAUDITED**

| <b><u>Assessment<br/>Year</u></b> | <b><u>School District</u></b> | <b><u>Municipal</u></b> | <b><u>County</u></b> | <b><u>Total</u></b> |
|-----------------------------------|-------------------------------|-------------------------|----------------------|---------------------|
| 2012                              | 0.761                         | 0.571                   | 0.290                | 1.622               |
| 2013                              | 0.773                         | 0.589                   | 0.307                | 1.669               |
| 2014                              | 0.781                         | 0.623                   | 0.296                | 1.700               |
| 2015                              | 0.815                         | 0.715                   | 0.295                | 1.825               |
| 2016                              | 0.719                         | 0.731                   | 0.314                | 1.764               |
| 2017                              | 0.690                         | 0.699                   | 0.308                | 1.697               |
| 2018                              | 0.625                         | 0.640                   | 0.292                | 1.557               |
| 2019                              | 0.596                         | 0.587                   | 0.279                | 1.462               |
| 2020                              | 0.588                         | 0.563                   | 0.275                | 1.426               |
| 2021                              | 0.628                         | 0.563                   | 0.256                | 1.447               |

Source: Municipal Tax Assessor

LAKE COMO BOARD OF EDUCATION

J-8

SCHEDULE OF PRINCIPAL TAXPAYERS

FOR THE YEAR ENDED DECEMBER 31, 2020

UNAUDITED

| <u>Taxpayer</u>            | <u>Assessed<br/>Valuation<br/>2020</u> | <u>As a % of<br/>District's Net<br/>Assessed Valuation</u> |
|----------------------------|--|--|
| B & M Estates LLC          | \$ 3,780,000                           | 0.97%  |
| Hyde Associates            | 3,300,700                              | 0.85%  |
| Zeros Enterprise           | 2,243,500                              | 0.58%  |
| Sentential Publishing Inc. | 1,824,000                              | 0.47%  |
| Dynamic Real Estate        | 1,520,200                              | 0.39%  |
| MBA Lake Como Holdings     | 1,287,700                              | 0.33%  |
| Taxpayer #1                | 1,174,500                              | 0.30%  |
| Taxpayer #2                | 1,166,600                              | 0.30%  |
| Taxpayer #3                | 1,164,600                              | 0.30%  |
| Payday Realty              | 1,124,800                              | 0.29%  |
|                            | <u>\$ 18,586,600</u>                   | <u>4.77%</u>   |

Source: Municipal Tax Assessor.



LAKE COMO BOARD OF EDUCATION

MUNICIPAL PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN YEARS

J-9

UNAUDITED

| <u>Year Ended<br/>December 31,</u> | <u>Total<br/>Tax Levy</u> | <u>Current<br/>Tax<br/>Collections</u> | <u>Percent of<br/>Tax Levy<br/>Collected</u> |
|------------------------------------|---------------------------|--|--|
| 2010                               | \$ 6,242,010              | 6,151,995                              | 98%  |
| 2011                               | 6,400,456                 | 6,163,821                              | 96%  |
| 2012                               | 6,319,205                 | 6,193,408                              | 98%  |
| 2013                               | 6,488,906                 | 6,447,811                              | 99%  |
| 2014                               | 6,599,693                 | 6,418,210                              | 97%  |
| 2015                               | 6,786,858                 | 6,669,852                              | 98%  |
| 2016                               | 6,634,308                 | 6,543,368                              | 99%  |
| 2017                               | 6,611,330                 | 6,545,311                              | 99%  |
| 2018                               | 6,445,600                 | 6,314,022                              | 98%  |
| 2019                               | 6,349,707                 | 6,249,246                              | 98%  |

Source: Municipal Tax Collector.

**LAKE COMO BOARD OF EDUCATION**  
**RATIO OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
**UNAUDITED**

J-10

Not Applicable - Lake Como has not issued any debt during the last ten fiscal years.

**LAKE COMO BOARD OF EDUCATION**  
**RATIO OF NET GENERAL BONDED DEBT**  
**TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA**  
**LAST TEN FISCAL YEARS**  
**UNAUDITED**

J-11

Not Applicable - Lake Como has not issued any debt during the last ten fiscal years.

COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT

J-12

LAST TEN FISCAL YEARS

UNAUDITED

Not Applicable - Lake Como Board of Education has not issued any debt during the last ten fiscal years.

**LAKE COMO BOARD OF EDUCATION**

**J-13**

**COMPUTATION OF LEGAL MARGIN**

**LAST TEN FISCAL YEARS**

**UNAUDITED**

| <u>Year</u>                                     | <u>Equalized<br/>Balance</u> |
|---|------------------------------|
| 2019  | \$ 432,261,800               |
| 2020  | 450,682,200                  |
| 2021  | <u>499,638,100</u>           |
|   | <u>\$ 1,382,582,100</u>      |
| Average Equalized Valuation of Taxable Property | \$ 460,860,700.00            |
| School Borrowing Margin (4% of \$)              | \$ 18,434,428                |
| Net Bonded School Debt as of June 30, 2021      | <u>-</u>                     |
| School Borrowing Margin Available               | <u>\$ 18,434,428</u>         |

**LAKE COMO BOARD OF EDUCATION**

J-14

**DEMOGRAPHIC STATISTICS**

**LAST TEN YEARS**

**UNAUDITED**

| <b><u>Year Ended<br/>December 31</u></b> | <b><u>School District<br/>Population **</u></b> | <b><u>Personal<br/>Income</u></b> | <b><u>Per Capita<br/>Income*</u></b> | <b><u>Unemployment<br/>Rate</u></b> |
|--|---|-----------------------------------|--------------------------------------|-------------------------------------|
| 2011                                     | 1,760   | 105,380,000                       | 59,875                               | 9.3%                                |
| 2012                                     | 1,738   | 107,750,786                       | 61,997                               | 12.0%                               |
| 2013                                     | 1,726   | 108,567,126                       | 62,901                               | 13.7%                               |
| 2014                                     | 1,714   | 113,156,566                       | 66,019                               | 6.4%                                |
| 2015                                     | 1,726   | 119,801,660                       | 69,410                               | 5.8%                                |
| 2016                                     | 1,711   | 123,616,328                       | 72,248                               | 5.8%                                |
| 2017                                     | 1,706   | 129,512,696                       | 75,916                               | 5.0%                                |
| 2018                                     | 1,694   | 134,623,874                       | 79,471                               | 4.1%                                |
| 2019                                     | 1,740   | 143,638,740                       | 82,551                               | 7.7%                                |
| 2020                                     | 1,742   | 166,470,746                       | 95,563                               | 6.3%                                |

\* County-Wide Statistic

\*\* As of July 1

Source: State of New Jersey.

LAKE COMO BOARD OF EDUCATION

PRINCIPAL EMPLOYERS

CURRENT YEAR AND TEN YEARS AGO

J-15

2021

DATA NOT AVAILABLE

2012

DATA NOT AVAILABLE

**LAKE COMO BOARD OF EDUCATION**  
**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**  
**UNAUDITED**

J-16

| <u>Function/Program</u>                | <u>2012*</u> | <u>2013*</u> | <u>2014*</u> | <u>2015*</u> | <u>2016*</u> | <u>2017*</u> | <u>2018*</u> | <u>2019*</u> | <u>2020*</u> | <u>2021*</u> |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Instruction                            |              |              |              |              |              |              |              |              |              |              |
| Regular                                | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Special Education                      | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Other Special Education                | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Vocational                             | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Other Instruction                      | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Nonpublic school programs              | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Adult/continuing education programs    | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Support Services                       |              |              |              |              |              |              |              |              |              |              |
| Student & instruction related services | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| General administration                 | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| School administrative services         | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Other administrative services          | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Central Services                       | 0.00         | 0.00         | 0.00         | 0.00         | 0.00         | 0.00         | 0.00         | 0.00         | 0.00         | 0.00         |
| Administrative Information Technology  | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Plant operations & maintenance         | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Pupil transportation                   | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Other support services                 | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Special Schools                        | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Food Service                           | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Child Care                             | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Total                                  | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |

\* - Lake Como entered into a shared services agreement with the Belmar School District

Source: District Personnel Records

**LAKE COMO BOARD OF EDUCATION**  
**OPERATING STATISTICS**  
**LAST TEN FISCAL YEARS**  
**PUPIL/TEACHER RATIO**  
**UNAUDITED**

J-17

Not Applicable - Lake Como is a non-operating District

**LAKE COMO BOARD OF EDUCATION**  
**BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**  
**UNAUDITED**

J-18

Not Applicable - Lake Como does not own a building

**LAKE COMO BOARD OF EDUCATION**  
**SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES**  
**LAST TEN FISCAL YEARS**  
**UNAUDITED**

J-19

Not Applicable - Lake Como does not own a building



LAKE COMO BOARD OF EDUCATION

INSURANCE SCHEDULE

J-20

JUNE 30, 2020

UNAUDITED

|   | <u>Coverage</u>    | <u>Deductible</u> |
|---|--------------------|-------------------|
| Comprehensive General Liability - Hartford Insurance Co.<br>Insurance Group<br>B.I. and P.D.      | \$ 500,000         | 5,000             |
| Comprehensive Automobile Liability - Hartford Insurance Co..<br>Insurance Group<br>Non Owned Auto | 500,000            | -0-               |
| Automobile Medical Payments   | 10,000             | -0-               |
| Worker's Compensation - N.J. School Boards<br>Agreement Limit                                     | 100,000<br>500,000 |                   |
| Board Secretary/Business Administrator - Surety Bond - N.J.<br>N.J. School Boards Assoc.          | 150,000            | -0-               |
| Board of Education Members Liability  | 1,000,000          |                   |

Source: District Records.

# Robert A. Hulsart and Company

54.

CERTIFIED PUBLIC ACCOUNTANTS

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)  
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.  
ROBERT A. HULSART, JR., C.P.A., P.S.A.

Telecopier:  
(732) 280-8888

e-mail:  
rah@monmouth.com

2807 Hurley Pond Road • Suite 100  
P.O. Box 1409  
Wall, New Jersey 07719-1409  
(732) 681-4990

RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

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

K-1

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lake Como Board of Education, County of Monmouth, State of New Jersey as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Lake Como Board of Education, County of Monmouth, State of New Jersey's basic financial statements, and have issued our report thereon dated February 11, 2022.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Lake Como Board of Education, County of Monmouth, State of New Jersey's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions of the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lake Como Board of Education, County of Monmouth, State of New Jersey's internal control. Accordingly, we do not express an opinion on the effectiveness of the Lake Como Board of Education, County of Monmouth, State of New Jersey's internal control.

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

Our consideration of internal control was for the limited purposes 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 Lake Como Board of Education, County of Monmouth, State of New Jersey's financial statements are free from material misstatement, we performed tests of it 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*.

### **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.

Respectfully submitted,

**ROBERT A. HULSART AND COMPANY**

*Robert A. Hulsart*

**Licensed Public School Accountant  
No. 322  
Robert A. Hulsart and Company  
Wall Township, New Jersey**

February 11, 2022

*Robert A. Hulsart and Company*  
CERTIFIED PUBLIC ACCOUNTANTS

56.

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)  
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.  
ROBERT A. HULSART, JR., C.P.A., P.S.A.  
RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

Telecopier:  
(732) 280-8888  
e-mail:  
rah@monmouth.com

2807 Hurley Pond Road • Suite 100  
P.O. Box 1409  
Wall, New Jersey 07719-1409  
(732) 681-4990

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

K-2

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

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

We have audited the Board of Education of the Lake Como School District, County of Monmouth, State of New Jersey's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Board of Education of the Lake Como School District, County of Monmouth, State of New Jersey's major state programs for the year ended June 30, 2021. The Board of Education of the Lake Como School District, County of Monmouth, State of New Jersey's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

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

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Board of Education of the Lake Como School District, County of Monmouth, State of New Jersey's compliance.

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

In our opinion, the Board of Education of the Lake Como School District, County of Monmouth, State of New Jersey's, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2021.

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

Management of the Board of Education of the Lake Como School District, County of Monmouth, State of New Jersey's 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 Board of Education of the Lake Como School District, County of Monmouth, State of New Jersey's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the U.S. Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board of Education of the Lake Como School District, County of Monmouth, State of New Jersey'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 a material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purposes 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 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

**ROBERT A. HULSART AND COMPANY**

*Robert A. Hulsart*

**Licensed Public School Accountant  
No. 322  
Robert A. Hulsart and Company  
Wall Township, New Jersey**

February 11, 2022

LAKE COMO SCHOOL DISTRICT

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

| Federal Grantor/<br>Pass-Through Grantor/<br>Program Title  | Federal<br>C.F.D.A.<br>Number | Federal<br>Fain<br>Number | Grant or<br>State<br>Project<br>Number | Grant Period |            | Program<br>or Award<br>Amount | Balance<br>June 30, 2020 | Carryover<br>(Walkover)<br>Amount | Cash<br>Received | Budgetary<br>Expenditures | Repayment<br>of Prior Years<br>Balances<br>Adjustments | Balance at June 30, 2021 |                     |                   |  |
|---|-------------------------------|---------------------------|--|--------------|------------|-------------------------------|--------------------------|-----------------------------------|------------------|---------------------------|--|--------------------------|---------------------|-------------------|--|
|   |                               |                           |  | From         | To         |                               |                          |                                   |                  |                           |  | (Accounts<br>Receivable) | Deferred<br>Revenue | Due to<br>Grantor |  |
|   |                               |                           |  |              |            |                               |                          |                                   |                  |                           |  |                          |                     |                   |  |
| U.S. Department of Education:<br>Passed Through State Department<br>of Education:<br>Special Revenue Fund:<br>Coronavirus Relief Fund | 21.019                        | STL0040                   | NA                                     | 09/20/2020   | 12/01/2020 | \$ 13,232                     | \$ -                     |                                   | 13,232           | (13,232)                  |  |                          |                     |                   |  |
| <b>Total Federal Financial Assistance</b>   |                               |                           |  |              |            |                               | \$ -                     |                                   | 13,232           | (13,232)                  |  |                          |                     |                   |  |

See accompanying notes to Schedules of Expenditures of Federal Awards and State Financial Assistance.

**LAKE COMO SCHOOL DISTRICT**

**SCHEDULE OF EXPENDITURES OF STATE AWARDS**

Schedule B  
K-4

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

| State<br>Grantor/Program<br>State Department of<br>Education          | Grant or State<br>Project Number | Program<br>or Award<br>Amount | Grant Period |            | Balance at June 30, 2020 |                   |                                   | Cash<br>Received | Budgetary<br>Expenditures | Adjustment<br>Repayment of<br>Prior Years<br>Balances | Balance at June 30, 2021 |                     |                   | MEMO                    |                                     |                |
|---|----------------------------------|-------------------------------|--------------|------------|--------------------------|-------------------|-----------------------------------|------------------|---------------------------|---|--------------------------|---------------------|-------------------|-------------------------|-------------------------------------|----------------|
|   |                                  |                               | From         | To         | Deferred<br>Revenue      | Due To<br>Grantor | Carryover<br>(Walkover)<br>Amount |                  |                           |   | Accounts<br>Receivable   | Deferred<br>Revenue | Due to<br>Grantor | Budgetary<br>Receivable | Total<br>Cumulative<br>Expenditures |                |
|   |                                  |                               |              |            | Accts. Receivable        |                   |                                   |                  |                           |   |                          |                     |                   |                         |                                     |                |
| Transportation Aid  | 21-495-034-5120-014              | \$ 78,805                     | 07/01/2020   | 06/30/2021 | \$ -                     |                   |                                   | 68,263           | (78,805)                  |   |                          |                     | (10,542)          | 78,805                  |                                     |                |
| Special Education Aid   | 21-495-034-5120-089              | 132,338                       | 07/01/2020   | 06/30/2021 |                          |                   |                                   | 114,644          | (132,338)                 |   |                          |                     | (17,694)          | 132,338                 |                                     |                |
| Security Aid  | 21-495-034-5120-084              | 47,816                        | 07/01/2020   | 06/30/2021 |                          |                   |                                   | 41,404           | (47,816)                  |   |                          |                     | (6,412)           | 47,816                  |                                     |                |
| Adjustment Aid  | 21-495-034-5120-085              | 33,386                        | 07/01/2020   | 06/30/2021 |                          |                   |                                   | 28,947           | (33,386)                  |   |                          |                     | (4,439)           | 33,386                  |                                     |                |
| Equalization Aid  | 21-495-034-5120-078              | 168,669                       | 07/01/2020   | 06/30/2021 |                          |                   |                                   | 146,105          | (168,669)                 |   |                          |                     | (22,564)          | 168,669                 |                                     |                |
| Non Public Transportation   | 20-495-034-5120-014              | 396                           | 07/01/2019   | 06/30/2020 | (396)                    |                   |                                   | 396              |                           |   |                          |                     |                   |                         |                                     |                |
| Non Public Transportation   | 21-495-034-5120-014              | 778                           | 07/01/2020   | 06/30/2021 |                          |                   |                                   |                  | (778)                     |   | (778)                    |                     |                   | 778                     |                                     |                |
| Extraordinary Aid   | 21-495-034-5120-044              | 149,928                       | 07/01/2020   | 06/30/2021 |                          |                   |                                   |                  | (149,928)                 |   | (149,928)                |                     |                   | 149,928                 |                                     |                |
| Extraordinary Aid   | 20-495-034-5120-044              | 84,476                        | 07/01/2019   | 06/30/2020 |                          |                   |                                   | 84,476           |                           |   |                          |                     |                   |                         |                                     |                |
|   |                                  |                               |              |            | <u>(84,476)</u>          |                   |                                   | <u>84,476</u>    |                           |   |                          |                     |                   |                         |                                     |                |
|   |                                  |                               |              |            | <u>(84,872)</u>          |                   |                                   | <u>484,235</u>   | <u>(611,720)</u>          |   | <u>(150,706)</u>         |                     |                   | <u>(61,651)</u>         | <u>611,720</u>                      |                |
| Preschool Education Aid   | 20-495-034-5120-086              | 195,377                       | 07/01/2020   | 06/30/2021 |                          |                   |                                   | 195,377          | (192,114)                 |   |                          |                     |                   | 192,114                 |                                     |                |
| Total State Financial Assistance                                      |                                  |                               |              |            | <u>\$ (60,523)</u>       |                   |                                   | <u>679,612</u>   | <u>(803,834)</u>          |   | <u>(150,706)</u>         |                     | <u>27,612</u>     |                         | <u>(61,651)</u>                     | <u>803,834</u> |
| Less On Behalf IPAF Pension System Contributions                      |                                  |                               |              |            |                          |                   |                                   |                  |                           |   |                          |                     |                   |                         |                                     |                |
| Total for State Financial Assistance -<br>Major Program Determination |                                  |                               |              |            |                          |                   |                                   |                  | <u>\$ (803,834)</u>       |   |                          |                     |                   |                         |                                     |                |

See accompanying Notes to Financial Statements.



**BOARD OF EDUCATION**

K-5

**LAKE COMO SCHOOL DISTRICT****NOTES TO 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, Lake Como School District. The Board of Education is defined in Note 1 to the Board's general-purpose 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 program recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in the Note 1 to the Board's general-purpose financial statements.

**NOTE 3: Relationship to General Purpose Financial Statements**

The general-purpose 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 last state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(9,616) for the general fund and (\$12,206) for the special revenue fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's general-purpose financial statements on a GAAP basis as presented below:

**NOTE 3: Relationship to General Purpose Financial Statements (Continued)**

|   | <u>General Fund</u> | <u>Special Revenue</u> |
|---|---------------------|------------------------|
| <b><u>State Assistance</u></b>  |                     |                        |
| Actual Amounts (Budgetary) "Revenues" from the Schedule of Expenditures of State Financial Assistance   | \$ 611,720          | 192,114                |
| The Last State Aid Payment is Recognized as Revenue for Budgetary Purposes, and Differs from GAAP Which does not Recognize This Revenue Until the Subsequent Year When the State Recognizes the Related Expense (GASB 33) | <u>(9,616)</u>      | <u>12,206</u>          |
| Total State Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances   | <u>\$ 602,104</u>   | <u>204,320</u>         |
| <b><u>Federal Assistance</u></b>  |                     |                        |
| Actual Amounts (Budgetary) "Revenues" from the Schedule of Expenditures of Federal Awards   | N/A                 | 13,232                 |

**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.

**LAKE COMO SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

K-6

*Part 1 - Summary of Auditor's Results*

|  | <b>Description</b>                   |
|--|--------------------------------------|
| <b><u>Financial Statement Section</u></b>  | <b>Unmodified</b>                    |
| Type of auditor's report issued:   |                                      |
| Internal control over financial reporting:   |                                      |
| 1) Material weakness(es) identified?   | _____ Yes <u>  x  </u> No            |
| 2) Reportable condition(s) identified that are not considered to be material weaknesses? | _____ Yes <u>  x  </u> None Reported |
| Noncompliance material to general purpose financial statements noted?                    | _____ Yes <u>  x  </u> No            |

**Federal Awards**

NOT APPLICABLE

**State Awards**

|   |                                      |
|---|--------------------------------------|
| Dollar threshold used to distinguish between type A and type B programs:                                    | _____ \$750,000 _____                |
| Auditee qualified as low-risk auditee?  | <u>  x  </u> Yes    _____ No         |
| Type of auditor's report issued on compliance for major programs:   | _____ Unmodified _____               |
| Internal Control over major programs:   |                                      |
| (1) Material Weakness(es) identified?   | _____ Yes <u>  x  </u> No            |
| (2) Reportable condition(s) identified that are not considered to material weaknesses?                      | _____ Yes <u>  x  </u> None Reported |
| Any audit findings disclosed that are required to be reported in accordance with N.J. OMB's Circular 15-08? | _____ Yes <u>  x  </u> No            |

Identification of major programs:

| <b><u>GMIS Number(s)</u></b> | <b><u>Name of State Program</u></b>    |
|------------------------------|--|
| 21-495-034-5120-089          | Special Education Aid - Public Cluster |
| 21-495-034-5120-084          | Security Aid - Public Cluster          |
| 21-495-034-5120-078          | Equalization Aid - Public Cluster      |
| 21-495-034-5120-085          | Adjustment Aid - Public Cluster        |
| _____                        | _____                                  |

**LAKE COMO SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

K-6

*Part II - Schedule of Financial Statement Findings*

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

Finding: None

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause: N/A

Recommendation: N/A

Management's Response: N/A

**LAKE COMO SCHOOL DISTRICT****SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

K-6

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021*****Part III - Schedule of Federal Awards and State Financial Assistance  
Findings and Questioned Costs***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. Code of Federal Regulations Part 200 and New Jersey OMB's Circular 15-08, as amended.

**Current Year Federal Awards**

Not Applicable

**Current Year State Awards**

Finding: None

Information on the State Program: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause: N/A

Recommendation: N/A

Management's response: N/A

LAKE COMO SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

K-7

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Prior Audit Findings:

None