

**SCHOOL DISTRICT**

**OF**

**LAVALLETTE**



**LAVALLETTE BOARD OF EDUCATION  
LAVALLETTE, NEW JERSEY**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**OF THE**

**LAVALLETTE BOARD OF EDUCATION**

**LAVALLETTE, NEW JERSEY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**PREPARED BY**

**LAVALLETTE BOARD OF EDUCATION  
FINANCE DEPARTMENT**

**LAVALLETTE SCHOOL DISTRICT**

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## **INTRODUCTORY SECTION**



# LAVALLETTE BOARD OF EDUCATION

105 Brooklyn Avenue  
Lavallette, New Jersey 08735  
Fax: (732) 830-1604

Lisa J. Gleason, Ed.D.  
Superintendent  
(732) 793-7722

Patricia A. Christopher, CPA  
Business Administrator  
(732) 793-7402

February 15, 2023

Honorable President and Members  
Board of Education of the Borough of Lavallette  
105 Brooklyn Avenue  
Lavallette, NJ 08735

Dear Board Members:

The annual comprehensive financial report of the Lavallette School District (District) for the fiscal year ended June 30, 2022 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general-purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Title 2 U.S. Code of Federal regulations, Part 200, "Audits of State and Local Governments" and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payment." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: Lavallette School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Lavallette Board of Education and its single school constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 8, and has a sending-receiving relationship with the Point Pleasant Board of Education for grades 9 through 12. Classes offered are regular, vocational, and special education for disabled youngsters. The District completed the 2022 fiscal year with an enrollment of 138 students, a decrease of 6 students from June 2021. During the 2017/2018 school year, Lavallette became a

receiving district for students from Seaside Park in grades K-6. The following details the changes in the student enrollment over the last ten years:

## Average Daily Enrollment, K-8

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2021-2022	138.4	-11.5%
2020-2021	157.6	2.7%
2019-2020	153.4	5.9%
2018-2019	144.8	0.8%
2017-2018	143.6	-2.4%
2016-2017	147.1	4.5%
2015-2016	140.7	1.7%
2014-2015	138.3	1.6%
2013-2014	136.1	- 6.5%
2012-2013	145.9	-13.8 %

2. ECONOMIC CONDITIONS AND OUTLOOK: Less than one mile square, twenty-seven blocks long and four blocks wide, Lavallette is a charming, residential seashore resort community. Enjoyed by many thousands of visitors in the summertime, Lavallette has a year-round population of under 3,000 residents, approximately one-third of whom may be classified as senior citizens. Employment is largely associated with the summer tourist industry (i.e., motels, restaurants, gift shops, clothing stores, etc.), although a number of the businesses maintain year-round operations. Many of Lavallette's residents are employed either directly or indirectly in this service industry. As part of a barrier island, Lavallette is landlocked between two sections of Dover Township on the north and south, and is bordered by the Atlantic Ocean and Barnegat Bay on the east and west. Consequently, its opportunities for business and residential expansion are limited.

3. MAJOR INITIATIVES: Students continue to meet and/or exceed objectives set by the educational administration as reported to the New Jersey Department of Education. The Lavallette Elementary School continues to perform achievement scores reported for math, science, reading and writing on standardized tests. Programming during the 2021-2022 school year focused on a continuation of the Board of Education's emphasis on student learning and social emotional needs. An evidence based framework for Response to Intervention was developed and executed to support the district's priorities.

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

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

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

5. BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2022.

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

7. FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund, special revenue fund and debt service fund revenues for the fiscal year ended June 30, 2022, and the amount and percentage of increases in relation to prior year revenues. Excluded from the presentation are the State of New Jersey TPAF pension contributions on behalf of the Board of Education and the reimbursed TPAF Social Security contributions made by the Board and reimbursed by the State.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increases/(Decreases) from 2018</u>	
			<u>\$</u>	<u>%</u>
Local	\$4,369,666	771%	174,020	4.1%
State	1,123,800	19%	250,338	28.7%
Federal	<u>2770620</u>	<u>4%</u>	<u>136,172</u>	96.7%
Total	<u>\$5,770,528</u>	<u>100%</u>	<u>\$ 560,530</u>	9.7%

The local tax levy increased year-to-year \$104,143. Interest earned, tuition and miscellaneous income equaled \$367,347, an increase of \$81,463 from 2020/2021.

The schedule below presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2022, and the percentage of increase or decrease in relation to prior year amounts.

Increase/(Decrease) from 2020

<u>Expenditures</u>	<u>Amount</u>	<u>% of Total</u>	<u>\$</u>	<u>%</u>
Current:				
Instruction	\$1,789,385	31.7%	234,192	15.1%
Undistributed				
Instruction	864,232	15.3%	67,182	8.4%
Other Expend	2,637,396	46.7%	198,607	8.1%
Capital Outlay	125,025	2.2%	(131,740)	-51.3%
Debt Service				
Principal	150,000	2.7%	90,000	150.0%
Interest	<u>80,926</u>	<u>1.4%</u>	<u>68,551</u>	554.0%
Total	<u>\$5,646,964</u>	<u>100.0%</u>	<u>\$(1,524,595)</u>	10.9%

The allocation of expenditures reflects the Board's and Superintendent's objective to provide the best education possible at the least cost, a factor in maintaining the Borough of Lavallette's enviable position as one of the state's lowest school taxpaying districts. During 2020 Lavallette taxpayers were assessed the lowest general school tax for an operating school district in Ocean County. Faculty salaries increased and included expanded teacher hours for regular education and special education instruction. Capital Outlay monies were used for building maintenance equipment.

8. DEBT ADMINISTRATION: On March 8, 2005 the District sold \$1,187,000 of school bonds at a net interest rate of 4.109% for the purpose of renovations at the Lavallette Elementary School. In May 2020 the District sold \$2,200,000 of schools bonds at a net interest rate of 1.5% for the purpose of HVAC and security upgrades. At June 30, 2022 the District's outstanding debt was \$2,290,000.

9. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey where the funds are secured in accordance with the Act. The Board's cash position is adequate, with a balance of \$2,856,419 cash and temporary investments at June 30, 2022.

The school food service fund typically receives a small amount of federal funding. The food services staff is proud of the nutritious lunches served daily to the students and they have taken steps to hold down expenses in an effort to reach financial goals to limiting the financial support that the school service fund receives from the Board.

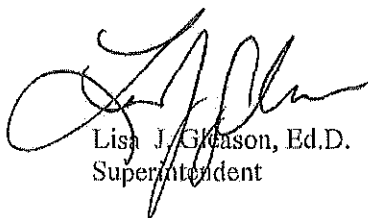
10. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, comprehensive/collision, flood, student and volunteer accident, hazard and theft insurance on property and contents, and fidelity bonds. The Board worked with the New Jersey School Boards Association Insurance Group to review insurance requirements in order to secure the most appropriate coverage at the least possible cost.

11. OTHER INFORMATION:

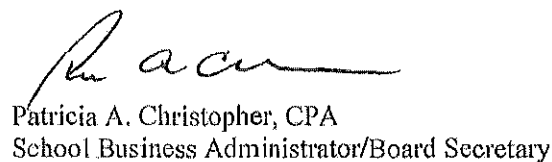
Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Robert A. Hulsart & Company, CPAs, was selected by the Board to provide this service. In addition to meeting the requirements set forth in state statutes, the audit was designed to meet the requirements of the Title 2 U.S. Code of Federal regulations, Part 200, "Audits of State and Local Governments" and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payment." The auditor's report on the general purpose financial statements and combined and individual fund statements and schedules is included in the financial section of this report. The auditor's reports specifically related to the single audit are included in the single audit section of this report.

12. ACKNOWLEDGEMENTS:

We would like to express our appreciation to the members of the Lavallette Board of Education for their continued concern in providing fiscal accountability to the taxpayers and citizens of the Borough of Lavallette, thereby contributing their full support to the development and maintenance of the District's financial operation.



Lisa J. Gleason, Ed.D.  
Superintendent



Patricia A. Christopher, CPA  
School Business Administrator/Board Secretary

## LAVALLETTE BOARD OF EDUCATION

LAVALLETTE, NEW JERSEY

## ROSTER OF OFFICIALS

JUNE 30, 2022

<u>Members of the Board of Education:</u>	<u>Term Expires:</u>
Beth D'Aloisio, President	2022
Steve Shohfi, Vice President	2024
Alison Zylinski, Board Member	2024
Michael Valeri, Board Member	2022
Jarrold Grasso, Board Member	2023
June Korzeneski, Seaside Park Representative Board Member	

## Other Officials:

Dr. Lisa J. Gleason, Superintendent

Patricia A. Christopher, CPA, School Business Administrator/Board Secretary

Joan Buczkowski, Treasurer

LAVALLETTE BOARD OF EDUCATION  
CONSULTANTS AND ADVISORS

**Audit Firm:**

**Robert A. Hulsart and Company**  
Certified Public Accountants  
2807 Hurley Pond Road  
Wall, New Jersey 07719

**Official Depository:**

**Ocean First Bank**  
Hooper Avenue  
Toms River, NJ 08735

**LAVALLETTE BOARD OF EDUCATION  
ORGANIZATION CHART  
(UNIT CONTROL)**

**BOARD OF EDUCATION**

**SUPERINTENDENT**

**School Business Administrator/  
Board Secretary**

Bookkeeper

Facilities Manager

Custodial Staff

Food Service Staff

Attendance Officer

Treasurer

**School Secretary**

**Teaching Staff:**

K-8

School Nurse

Foreign Language

Physical Education

Resource

Basic Skills

Guidance

Speech

Media Center

Music

Art

Student Resources

Paraprofessionals



## **FINANCIAL SECTION**

# Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

9.

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.

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

## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Education  
Lavallette School District  
County of Ocean  
Lavallette, New Jersey

### **Report on the Audit of the Financial Statements**

#### *Opinions*

We have audited the financial statements of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lavallette Board of Education, as of and for the year ended June 30, 2022, and the related Notes to the Financial Statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lavallette Board of Education, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section in our report. We are required to be independent of the Lavallette Board of Education, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently know information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibility for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and ***Government Auditing Standards*** will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error; a fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and ***Government Auditing Standards***, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

Accounting principles generally accepted in the United States require that the management's discussion and analysis, budgetary comparison information and pension and post-employment benefit trend information as noted in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lavallette Board of Education's basic financial statements. The combining and individual non-major fund financial statements, and the schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey OMB's Circulars 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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, and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

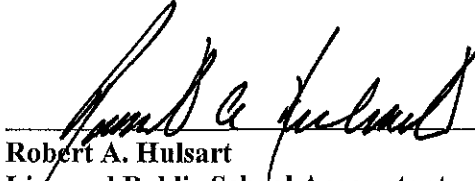
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists; we are required to describe it in our report.

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

In accordance with ***Government Auditing Standards***, we have also issued our report dated February 15, 2023, on our consideration of the District'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with ***Government Auditing Standards*** the District'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 15, 2023

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

## LAVALLETTE SCHOOL DISTRICT

### Management's Discussion and Analysis

For the Year Ended June 30, 2022

This section of the School District's Annual Comprehensive Financial Report presents our discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2022. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) District-wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to the Financial Statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

**District-wide Financial Statements.** The district-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to private sector business.

The statement of net position (A-1) presents information on all of the assets and liabilities of the District, including deferred outflow and inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities (A-2) presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

**Fund Financial Statements.** A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The district, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental, proprietary or fiduciary.

*Governmental Funds* – are used to account for essentially the same functions reported as governmental activities in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for governmental funds with similar statements. By so doing, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains three individual government funds: the general fund, special revenue fund and capital projects fund. All are considered to be major funds. The basic governmental fund financial statements can be found as Exhibits B-1 through B-3 in this report.

*Proprietary Funds* – The District maintains one proprietary fund type, an enterprise fund. The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the District is that the costs of providing the goods or services be financed through user charges. Included in the enterprise fund is the Food Service operation. The basic proprietary fund statements can be found as Exhibits B-4 through B-6.

*Fiduciary Funds* – are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the district-wide financial statement because the resources of those funds are not available to support the District's own programs. The District uses trust and agency funds to account for resources held for payroll transactions.

**Notes to the Financial Statements.** The notes provide additional information that is essential for a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found after the fund statements in this report.

## **FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2021-2022 fiscal year include the following:

- The local tax levy increased from 2020-2021 by \$91,839 to \$4,025,494 due primarily to the overall increase in the District's general fund budget.
- Total spending for all programs was \$5,646,964 general revenues (primarily local tax levy and state aid) were adequate to provide for the balance of these programs.



### District-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. The following table provides a summary of net position:

	<u>2022</u>	<u>2021</u>
Current and Other Assets	\$ 3,037,189	2,895,846
Capital Assets, Net	<u>4,176,351</u>	<u>4,372,687</u>
Total	<u>7,213,540</u>	<u>7,268,533</u>
Deferred Outflows	<u>36,654</u>	<u>73,188</u>
Deferred Inflows	<u>200,748</u>	<u>209,377</u>
Other Liabilities	99,573	81,969
Long-Term Liabilities	<u>2,588,795</u>	<u>2,860,700</u>
Total	<u>2,688,368</u>	<u>2,942,669</u>
Invest in Capital Assets, Net	1,885,350	1,902,917
Restricted	2,569,905	2,153,180
Unrestricted	<u>(94,177)</u>	<u>133,578</u>
Total Net Position	<u>\$ 4,361,078</u>	<u>4,189,675</u>

The District's investment in capital assets is shown net of any related debt used to acquire those assets.

The unrestricted net position shows a negative balance. The negative balance is attributable to the liability for compensated absences and the unfunded pension liability. These are direct liabilities with no corresponding assets, therefore creating a negative net asset.

The following table provides a summary of revenues and expenses for the District's governmental fund and business-type activities and the change in net assets from the prior year:

	<u>2022</u>	<u>2021</u>
Revenues:		
Program Revenues		
Charges for Services	\$ 326,872	273,497
Operating Grants and Contributions	312,698	178,606
General Revenues		
Property Taxes	3,991,311	3,913,050
Taxes Levied for Debt Service	34,183	20,605
Federal and State Aid	1,100,823	873,752
Miscellaneous & Investment Income	<u>40,475</u>	<u>12,387</u>
Total Revenues	<u>5,806,362</u>	<u>5,271,897</u>
Expenses:		
Instructional Services	1,737,185	1,600,240
Support Services/Undistributed Costs	3,850,598	3,663,848
Food Service	<u>47,176</u>	<u>15,722</u>
Total Expenses	<u>5,634,959</u>	<u>5,279,810</u>
Change in Net Position	<u>\$ 171,403</u>	<u>(7,913)</u>

### **General Fund Budgetary Highlights**

The difference between the original budget and the final amended budget is comprised mainly of the June 30, 2021 encumbrances, which "roll-over" into the subsequent year's budget (2021-2022) and are added to the original budget appropriations.

Throughout the year, as necessary, budget transfers are effectuated between budget accounts to re-align the 2021-2022 budget.

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

Due to the economic condition in the State of New Jersey funding from the State for the current year decreased for the previous year. Any future increases based on the enrollment formula, originally formulated to allocate state education aid amongst districts, will be minimal. Future decreases in local revenue and state education aid will place additional burden on the taxpayers of Lavallette Borough.

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

The District's financial report is designed to provide citizen groups, taxpayers, parents, students, other local officials, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Questions regarding this report can be addressed to the School Business Administrator.

## **BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS – A**

**STATEMENT OF NET POSITION**

**Exhibit A-1**

**JUNE 30, 2022**

	<b><u>Governmental Activities</u></b>	<b><u>Business-Type Activities</u></b>	<b><u>Total</u></b>
<b><u>Assets</u></b>			
Cash and Cash Equivalents	\$ 256,325	1,410	257,735
Receivables, Net	175,856	539	176,395
Prepaid Expense	3,500		3,500
Inventory		776	776
Restricted Assets:			
Cash and Cash Equivalents	1,234,872		1,234,872
Capital Reserve Account - Cash	1,363,911		1,363,911
Right to Use Asset - Financing Lease	20,772		20,772
Capital Assets, Net	4,175,350	1,001	4,176,351
Total Assets	<u>7,230,586</u>	<u>3,726</u>	<u>7,234,312</u>
<b><u>Deferred Outflow of Resources</u></b>			
Contribution to Pension Plan	<u>36,654</u>		<u>36,654</u>
<b><u>Deferred Inflow of Resources</u></b>			
Pension Deferrals	<u>200,748</u>		<u>200,748</u>
<b><u>Liabilities</u></b>			
Accounts Payable and Accrued Interest	60,373	32,604	92,977
Deferred Revenue	6,596		6,596
Noncurrent Liabilities:			
Due Within One Year	203,481		203,481
Due Beyond One Year	2,385,314		2,385,314
Total Liabilities	<u>2,655,764</u>	<u>32,604</u>	<u>2,688,368</u>
<b><u>Net Position</u></b>			
Invested in Capital Assets, Net of Related Debt	1,885,350		1,885,350
Restricted For:			
Other Purposes	2,598,783	(28,878)	2,569,905
Unrestricted	<u>(73,405)</u>		<u>(73,405)</u>
Total Net Position	<u>\$ 4,410,728</u>	<u>(28,878)</u>	<u>4,381,850</u>

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

**LAVALLETTE SCHOOL DISTRICT**

Exhibit A-2

Sheet 1 of 2

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2022**

	Program Revenues		Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b><u>Functions/Programs</u></b>						
Governmental Activities:						
Instruction:						
Regular	\$ 1,081,224			1,081,224		1,081,224
Special Education	544,517		206,602	337,915		337,915
Other Instruction	111,444			111,444		111,444
Support Services:						
Tuition	864,232	303,697		560,535		560,535
Student & Instruction Related Services	473,658		93,437	380,221		380,221
School Administrative Services	226,185			226,185		226,185
Plant Operations and Maintenance	379,549			379,549		379,549
Pupil Transportation	127,892			127,892		127,892
Unallocated Benefits	1,344,075			1,344,075		1,344,075
Interest on Long-Term Debt	69,563			69,563		69,563
Unallocated Amortization	10,386			10,386		10,386
Depreciation	365,444			365,444		365,444
Total Government Activities	<u>5,598,169</u>	<u>303,697</u>	<u>300,039</u>	<u>4,994,433</u>	<u>-</u>	<u>4,994,433</u>
Business-Type Activities:						
Food Service	47,176	23,175	12,659	-	11,342	11,342
Total Business-Type Activities	<u>47,176</u>	<u>23,175</u>	<u>12,659</u>	<u>-</u>	<u>11,342</u>	<u>11,342</u>
Total Primary Government	<u>5,645,345</u>	<u>326,872</u>	<u>312,698</u>	<u>4,994,433</u>	<u>11,342</u>	<u>5,005,775</u>

LAVALLETTE SCHOOL DISTRICT

Exhibit A-2

Sheet 2 of 2

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2022

	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purpose, Net				3,991,311		3,991,311
Taxes Levied for Debt Service				34,183		34,183
Federal and State Aid Not Restricted				1,100,823		1,100,823
Investment Earnings				904		904
Miscellaneous				39,571		39,571
Transfer to Food Service				(10,000)	10,000	-
Total General Revenues, Special Items, Extraordinary Items and Transfers				<u>5,156,792</u>	<u>10,000</u>	<u>5,166,792</u>
Change in Net Position				162,359	(1,342)	161,017
Net Position - Beginning				<u>4,248,369</u>	<u>(27,536)</u>	<u>4,220,833</u>
Net Position - Ending				<u>\$ 4,410,728</u>	<u>(28,878)</u>	<u>4,381,850</u>

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

**FUND FINANCIAL STATEMENTS – B**



BALANCE SHEETGOVERNMENTAL FUNDSJUNE 30, 2022

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b><u>Assets</u></b>				
Cash and Cash Equivalents	\$2,489,005	25,805	340,298	2,855,108
Accounts Receivable	75,394	100,462		175,856
Interfund Receivable	93,866			93,866
Prepaid Expense	3,500			3,500
Total Assets	<u>\$2,661,765</u>	<u>126,267</u>	<u>340,298</u>	<u>3,128,330</u>
<b><u>Liabilities and Fund Balance</u></b>				
Liabilities:				
Deferred Revenue	\$ -	6,596		6,596
Payroll Deductions and Withholdings Payable	38,017			38,017
Interfund Payable		93,866		93,866
Total Liabilities	<u>38,017</u>	<u>100,462</u>	<u>-</u>	<u>138,479</u>
Fund Balance:				
Committed To:				
Designated for Subsequent Years Expenditures -				
Excess Surplus	163,473			163,473
Maintenance Reserve	652,798			652,798
Capital Reserve	1,363,911			1,363,911
Unemployment Compensation	52,498			52,498
Student Activities		25,805		25,805
Assigned To:				
Other Purposes	156,036			156,036
Unassigned:				
Debt Service			340,298	340,298
General Fund	235,032			235,032
Total Fund Balances	<u>2,623,748</u>	<u>25,805</u>	<u>340,298</u>	<u>2,989,851</u>
Total Liabilities and Fund Balance	<u>\$2,661,765</u>	<u>126,267</u>	<u>340,298</u>	

Amounts reported for governmental activities in the Statement of Net Position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$8,102,952 and the accumulated depreciation is \$3,927,602.

4,175,350

Right to Use Assets - Financing Lease

20,772

Accrued Interest

(22,356)

Deferred outflow of resources - contributions to the pension plan

36,654

Deferred inflow of resources - acquisition of assets applicable to future reporting periods

(200,748)

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

(2,588,795)

Net position of governmental activities

\$ 4,410,728

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

**LAVALLETTE SCHOOL DISTRICT**

Exhibit B-2

Sheet 1 of 2

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

**GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2022**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b><u>Revenues</u></b>					
Local Sources:					
Local Tax Levy	\$ 3,991,311			34,183	4,025,494
Tuition Charges	303,697				303,697
Interest Earned on Capital Reserve Funds	904				904
Miscellaneous - Unrestricted	15,968				15,968
Miscellaneous - Restricted	126	23,477			23,603
Total Local Sources	<u>4,312,006</u>	<u>23,477</u>	-	<u>34,183</u>	<u>4,369,666</u>
State Sources	1,069,057			54,743	1,123,800
Federal Sources	-	277,062			277,062
Total Revenues	<u>5,381,063</u>	<u>300,539</u>	-	<u>88,926</u>	<u>5,770,528</u>
<b><u>Expenditures</u></b>					
Current:					
Regular Instruction	1,133,424				1,133,424
Special Education Instruction	337,915	206,602			544,517
Other Instruction	111,444				111,444
Support Services and Undistributed Costs:					
Tuition	864,232				864,232
Student and Instruction Related Services	380,221	93,437			473,658
General and School Administration	226,185				226,185
Plant Operations and Maintenance	379,549				379,549
Pupil Transportation	127,892				127,892
Unallocated Benefits	1,430,112				1,430,112
Capital Outlay	100,494		24,531		125,025
Debt Service:					
Principal				150,000	150,000
Interest and Other Charges				80,926	80,926
Total Expenditures	<u>5,091,468</u>	<u>300,039</u>	<u>24,531</u>	<u>230,926</u>	<u>5,646,964</u>

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

**LAVALLETTE SCHOOL DISTRICT**

Exhibit B-2

Sheet 2 of 2

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

**GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2022**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>289,595</u>	<u>500</u>	<u>(24,531)</u>	<u>(142,000)</u>	<u>123,564</u>
Other Financing Sources (Uses):					
Transfer To Food Service	<u>(10,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,000)</u>
Total Other Financing Sources (Uses)	<u>(10,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,000)</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	<u>279,595</u>	<u>500</u>	<u>(24,531)</u>	<u>(142,000)</u>	<u>113,564</u>
Net Change in Fund Balances	279,595	500	(24,531)	(142,000)	113,564
Fund Balance - July 1	<u>2,344,153</u>	<u>25,305</u>	<u>24,531</u>	<u>482,298</u>	<u>2,876,287</u>
Fund Balance - June 30	<u>\$ 2,623,748</u>	<u>25,805</u>	<u>-</u>	<u>340,298</u>	<u>2,989,851</u>

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

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$ 113,564
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:	
Capital Outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.	
Capital Outlays	169,262
Depreciation	<u>(365,444)</u>
	(196,182)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.	150,000
Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.	7,963
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid).	18,458
Amortization of Right to Use Leased Assets	(10,386)
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position	(36,534)
Pension related deferrals	8,629
Changes in net pension liability	95,484
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due.	<u>11,363</u>
Change in Net Position of Governmental Activities	<u>\$ 162,359</u>

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

**LAVALLETTE SCHOOL DISTRICT****STATEMENT OF NET POSITION**

Exhibit B-4

**PROPRIETARY FUNDS****JUNE 30, 2022**

	<b>Business Type Activities Enterprise Fund</b>
<b><u>Assets</u></b>	
Current Assets:	
Cash and Cash Equivalents	\$ 1,410
Accounts Receivable:	
State	51
Federal	488
Inventories	776
Total Current Assets	<u>2,725</u>
Noncurrent Assets:	
Furniture Machinery and Equipment	19,709
Less: Accumulated Depreciation	<u>(18,708)</u>
Total Noncurrent Assets	<u>1,001</u>
Total Assets	<u><u>\$ 3,726</u></u>
<b><u>Liabilities</u></b>	
Accounts Payable	<u>\$ 32,604</u>
Total Liabilities	<u><u>\$ 32,604</u></u>
<b><u>Net Position</u></b>	
Unrestricted	<u>\$ (28,878)</u>
Total Net Position	<u><u>\$ (28,878)</u></u>

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

STATEMENT OF REVENUES, EXPENSES AND CHANGES

IN NET POSITION

PROPRIETARY FUNDS

JUNE 30, 2022

	<b>Business Type Activities Enterprise Funds</b>
	<hr/>
Operating Revenues:	
Changes for Services:	
Daily Sales-Reimbursable Programs	\$ 23,175
Total Operating Revenue	<hr/> 23,175 <hr/>
 Operating Expenses:	
Cost of Sales-Reimbursable Programs	16,686
Depreciation	154
Salaries	10,000
Management Fee	19,000
Miscellaneous	1,336
Total Operating Expenses	<hr/> 47,176 <hr/>
 Operating Income (Loss)	 (24,001)
 Non-Operating Revenues (Expenses):	
State Sources:	
State School Lunch Program	744
State School Lunch Program - Extra Subsidy	31
Federal Sources:	
National School Lunch PB Program	430
National School Lunch Program	6,082
Emergency Operational Costs Program	1,113
PEBT	1,242
Food Distribution Program	3,006
Interest Revenue	11
Board Subsidy	10,000
Total Non-Operating Revenues (Expenses)	<hr/> 22,659 <hr/>
 Change in Net Position	 (1,342)
 Total Net Position Beginning	 <hr/> (27,536) <hr/>
 Total Net Position Ending	 <hr/> \$ (28,878) <hr/>

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

LAVALLETTE SCHOOL DISTRICTSTATEMENT OF CASH FLOWS

Exhibit B-6

PROPRIETARY FUNDSJUNE 30, 2022

	<b>Business Type Activities Enterprise Funds</b>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 23,175
Payments to Suppliers & Employees	(43,689)
Net Cash Used by Operating Activities	<u>(20,514)</u>
Cash Flows from Noncapital Financing Activities:	
State Sources	775
Federal Sources	8,867
Board Subsidy	10,000
Net Cash Provided by Noncapital Financing Activities	<u>19,642</u>
Cash Flows from Investing Activities:	
Interest Revenue	11
Net Cash Provided by Investing Activities	<u>11</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(861)
Balances Beginning of Year	<u>2,271</u>
Balances End of Year	<u>\$ 1,410</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (24,001)
Adjustments to Reconcile Operating Loss to Cash Provided (Used) by Operating Activities:	
Depreciation	154
Federal Commodities Consumed	3,006
Change in Assets and Liabilities:	
(Increase)/Decrease in Accounts Receivable	(240)
Increase/(Decrease) in Accounts Payables	(126)
(Increase)/Decrease in Inventories	693
Net Cash Used by Operating Activities	<u>\$ (20,514)</u>

-

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

**NOTES TO FINANCIAL STATEMENTS**



**BOARD OF EDUCATION**  
**LAVALLETTE SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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

The financial statements of the Board of Education (Board) of the Lavallette 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 Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

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

**B. 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**

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.

Unemployment Compensation Trust Fund: The trust fund is used to account for assets held under the terms of a formal trust agreement. The District reimburses the costs of unemployment benefits paid by the New Jersey Department of Labor.

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.

**E. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the County office and are voted upon at the annual school election on the third Tuesday in April. 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). All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2022 were not significant.

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.

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

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

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

**F. Encumbrances:**

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

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

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

**G. 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.

**H. 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, 2022.

**NOTE 1: Summary of Significant Accounting Policies (Continued)****I. Capital Assets and Depreciation**

The District's property, buildings and improvements, equipment, vehicles, furniture and fixtures with useful lives of five years or more are stated at historical or estimated historical cost and are reported in the government-wide financial statements. Proprietary Fund capital assets are reported in its respective fund.

The costs of normal maintenance and repairs that do not add to the asset value or materially extend the useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts. Estimated useful lives, in years, for depreciable assets are as follows:

Buildings and Improvements	20 – 50
Equipment and Vehicles	5 – 20
Furniture and Fixtures	5 – 20

Capital asset activity for the year ended June 30, 2022 was as follows:

	<b>Balance</b> <b>July 1, 2021</b>	<b>Additions</b>	<b>Adj.</b>	<b>Retirements</b>	<b>Balance</b> <b>June 30, 2022</b>
Depreciable Assets:					
Buildings & Sites	\$ 7,453,099	82,025			7,535,124
Equipment	<u>703,215</u>	<u>87,237</u>		<u>(222,624)</u>	<u>567,828</u>
Total	<u>8,156,314</u>	<u>169,262</u>		<u>(222,624)</u>	<u>8,102,952</u>
Less: Accumulated Depreciation:					
Buildings & Sites	(3,531,376)	(332,770)			(3,864,146)
Equipment	<u>(253,406)</u>	<u>(32,674)</u>	_____	<u>222,624</u>	<u>(63,456)</u>
Total Accumulated Depreciation	<u>(3,784,782)</u>	<u>(365,444)</u>	_____	<u>222,624</u>	<u>(3,927,602)</u>
Net Depreciable Assets	<u>4,371,532</u>	<u>(196,182)</u>	_____	_____	<u>4,175,350</u>
Governmental Activities					
Capital Assets, Net	<u>\$ 4,371,532</u>	<u>(196,182)</u>	=====	=====	<u>4,175,350</u>
Business Type Activities:					
Equipment	\$ 19,709				19,709
Less: Accumulated Depreciation:					
Equipment	<u>(18,554)</u>	<u>(154)</u>	_____	_____	<u>(18,708)</u>
Net Depreciable Assets	<u>\$ 1,155</u>	<u>(154)</u>	=====	=====	<u>1,001</u>

Depreciation expense was charged to governmental functions as follows:

Unallocated	<u>\$ 365,444</u>
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**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**J. Compensated Absences**

District employees are permitted, within certain limitations, to accrue vacation and sick leave in varying amounts under the Districts personnel policies and may be paid at a later date according to contractual agreements.

The liability for vested compensated absences of the governmental fund types is recorded in the government-wide financial statements as a non-current liability. Governmental funds report only matured compensated absences payable to currently terminating employees and are included in wages and benefits payable.

**K. Deferred Revenue**

Deferred 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. The general fund reserve for restricted purposes includes net assets relating to capital reserve (See Note 10).

**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, 2022, cash and cash equivalents and investments of the District consisted of the following:

	<b><u>Cash and Cash Equivalents</u></b>
Checking, Money Market Accounts	<u>\$ 2,856,419</u>

During the period ended June 30, 2022, the District did not hold any investments. The carrying amount of the District's cash and cash equivalents at June 30, 2022 was \$2,856,419 and the bank balance was \$3,133,262. Of the bank balance, \$250,000 was covered by federal depository insurance and \$2,883,262 was covered by a collateral pool maintained by the banks as required by New Jersey statutes.

**Credit Risk Categories**

All bank deposits and investments as of the balance sheet date are classified as to credit risk by the following two categories described below:

FDIC	\$ 250,000
GUPDA	2,883,262

As of June 30, 2022, the District did not hold any long-term investments.

**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.

**NOTE 3: General Long-Term Debt**

During the fiscal year ended June 30, 2022, the following changes occurred in liabilities reported in the general long-term debt account group:

	<b><u>Balance June 30, 2021</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b><u>Balance June 30, 2022</u></b>	<b><u>Long-Term Portion</u></b>	<b><u>2022-23 Payment</u></b>
Pension Liability	\$ 320,960		(95,484)	225,476	225,476	
Capital Leases	28,615		(7,963)	20,652	12,171	8,481
Compensated Absences Payable	71,125		(18,458)	52,667	52,667	
Bonds Payable	<u>2,440,000</u>		<u>(150,000)</u>	<u>2,290,000</u>	<u>2,095,000</u>	<u>195,000</u>
	<u>\$ 2,860,700</u>		<u>(271,905)</u>	<u>2,588,795</u>	<u>2,385,314</u>	<u>203,481</u>

**NOTE 3: General Long-Term Debt (Continued)****A. Bonds Payable**

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are of general obligation bonds, and the interest rates vary from 4.00% to 4.20% for the 2005 issue and the interest rates vary from 1.00% to 2.25% for the 2020 issue.

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

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 195,000	49,655	244,655
2024	200,000	45,170	245,170
2025	205,000	39,895	244,895
2026	150,000	34,475	184,475
2027	155,000	31,475	186,475
2028-2032	845,000	109,275	954,275
2033-2035	<u>540,000</u>	<u>23,400</u>	<u>563,400</u>
	<u>\$ 2,290,000</u>	<u>333,345</u>	<u>2,623,345</u>

**B. Capital Leases Payable:**

On September 9, 2019, the District entered into a lease payment for a copier MPC6503 for five years from 11/28/2019 maturing 10/28/2024 with a balance of \$10,491 at June 30, 2022. A \$5,000 down payment was made at lease inception.

On September 9, 2019, the District entered into a lease payment for a copier IMC2000 for five years from 11/28/2019 maturing 10/28/2024 with a balance of \$3,792 at June 30, 2022.

On September 9, 2019, the District entered into a lease payment for a copier IMC4500 for five years from 11/28/2019 maturing 10/28/2024 with a balance of \$6,369 at June 30, 2022. A \$5,000 down payment was made at lease inception.

**NOTE 3: General Long-Term Debt (Continued)****Schedule of Capital Leases**

<b><u>2019 Lease (MPC6503)</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2022-2023	\$ 4,308	540	4,848
2023-2024	4,588	259	4,847
2024-2025	<u>1,595</u>	<u>21</u>	<u>1,616</u>
	<u>\$ 10,491</u>	<u>820</u>	<u>11,311</u>
<b><u>2019 Lease (IMC2000)</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2022-2023	\$ 1,557	195	1,752
2023-2024	1,658	94	1,752
2024-2025	<u>577</u>	<u>8</u>	<u>585</u>
	<u>\$ 3,792</u>	<u>297</u>	<u>4,089</u>
<b><u>2019 Lease (IMC4500)</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2022-2023	\$ 2,615	328	2,943
2023-2024	2,786	157	2,943
2024-2025	<u>968</u>	<u>13</u>	<u>981</u>
	<u>\$ 6,369</u>	<u>498</u>	<u>6,867</u>

**NOTE 4: Pension Plans**

**Description of Plans** – All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teacher's Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

**NOTE 4: Pension Plans (Continued)**

**Teachers' Pension and Annuity Fund (TPAF)** – The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

**Public Employees' Retirement System (PERS)** – The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

**Vesting and Benefit Provisions** – The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provide for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provision of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contribution. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

**Significant Legislation** - During the year ended June 30, 1997, legislation was enacted Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997), changed the asset valuation method from market related value to full-market value. This legislation also contains a provision to reduce the employee contribution rate by ½ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Districts' normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits, accordingly, the pension costs for TPAF and PERS were reduced.

**NOTE 4: Pension Plans (Continued)**

**Funding Policy** – The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

Legislation enacted during 1993 provides early retirement incentives for certain members of TPAF and PERS who met certain age and service requirements and who applied for retirement between certain dates in the 1994 fiscal year. The early retirement incentives included: (a) an additional five years of service credit for employees at least age 50 with a minimum of 25 years of service; (b) free health benefits for employees at least 60 years old with at least 20 years of service; and (c) an additional \$500 per month for two years for employees at least age 60 with 10 years but less than 20 years of service. The Board will assume the increased cost for the early retirement as it affects their districts.

During the year ended June 30, 2022, the State of New Jersey contributed \$764,929 to the TPAF for post-retirement medical benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$125,402 during the year ended June 30, 2022 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditure in accordance with GASB 24.

**Three-Year Trend Information for PERS**

<b><u>Year</u></b> <b><u>Funding</u></b>	<b><u>Annual</u></b> <b><u>Pension</u></b> <b><u>Cost (APC)</u></b>	<b><u>Percentage</u></b> <b><u>of APC</u></b> <b><u>Contributed</u></b>	<b><u>Net</u></b> <b><u>Pension</u></b> <b><u>Obligation</u></b>
6/30/22	\$ 46,176	100%	0
6/30/21	31,494	100%	0
6/30/20	31,041	100%	0

**Three-Year Trend Information for TPAF (Paid On-Behalf of the District)**

<b><u>Year</u></b> <b><u>Funding</u></b>	<b><u>Annual</u></b> <b><u>Pension</u></b> <b><u>Cost (APC)</u></b>	<b><u>Percentage</u></b> <b><u>of APC</u></b> <b><u>Contributed</u></b>	<b><u>Net</u></b> <b><u>Pension</u></b> <b><u>Obligation</u></b>
6/30/22	\$ 764,929	100%	0
6/30/21	576,443	100%	0
6/30/20	493,368	100%	0

**NOTE 4: Pension Plans (Continued)****Public Employees' Retirement System (PERS)****Plan Description**

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division).

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

The following represents the membership tiers for PERS:

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

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

**Basis of Presentation**

The schedule of employer allocations and the schedule of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**NOTE 4: Pension Plans (Continued)****Allocation Methodology and Reconciliation to Financial Statements**

GASB Statement No. 68, *Accounting and Financial Reporting for Pension*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented in the schedule of employer allocations and applied to amounts presented in the schedule of pension amounts by employer based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2020 through June 30, 2021. Employer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of pension amounts by employer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedule of pension amount by employer. The allocation percentages for each group of June 30, 2021 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2021.

A special funding situation exists for certain Local employers of the Public Employees' Retirement System. The State of New Jersey, as a nonemployer, is required to pay the additional costs incurred by Local employers under Chapter 366, P.L. 2001. This legislation established the Prosecutors Part of the PERS which provides enhanced retirement benefits for Prosecutors enrolled in the PERS. The State is liable for the increased pension costs to a County that resulted from the enrollment of Prosecutors in the Prosecutors Part. The June 30, 2021 State special funding situation net pension liability amount of \$126.3 million is the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The State special funding situation pension expense of \$11.1 million, for the fiscal year ending June 30, 2021, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2021. The pension expense is deemed to be a State administrative expense due to the special funding situation.

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2021, the State's pension contribution was less than the actuarial determined amount.



**NOTE 4: Pension Plans (Continued)**

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

For the year ended June 30, 2022, the District recognized pension expense of \$22,290. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference Between Expected and Actual Experience	\$ 3,556	1,614
Changes of Assumptions	1,174	80,271
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	9,634	59,396
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions		59,467
District Contributions Subsequent to the Measurement Date	<u>22,290</u>	<u>          </u>
Total	<u>\$ 36,654</u>	<u>200,748</u>

\$22,290 reported as deferred outflows of resources related to pensions resulting from school district, project contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2022, the plan measurement date is June 30, 2021) will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending June 30,</b>	
2022	\$ (52,532)
2023	(37,521)
2024	(25,583)
2025	(19,231)
2026	<u>7</u>
	<u>\$ (134,860)</u>

**NOTE 4: Pension Plans (Continued)****Additional Information**

Collective balances at December 31, 2021 and 2020 are as follows:

	<u>Dec. 31, 2021</u>	<u>Dec. 31, 2020</u>
Collective Deferred Outflows of Resources	\$ 36,654	73,188
Collective Deferred Inflows of Resources	200,748	209,377
Collective Net Pension Liability	225,476	320,960
District's Proportion	.00188%	.00195%

**Components of Net Pension Liability**

The components of the collective net pension liability of the participating employers as of June 30, 2021 were as follows:

	<u>2021</u>		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 28,950,516,944	40,359,568,055	69,310,084,999
Plan Fiduciary Net Position	<u>7,321,019,459</u>	<u>28,386,785,177</u>	<u>35,707,804,636</u>
Net Pension Liability	<u>\$ 21,629,497,485</u>	<u>11,972,782,878</u>	<u>33,602,280,363</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	25.29%	70.33%	42.90%

The collective total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00% - 6.00% Based on years of service
Thereafter	3.00% - 7.00% Based on years of service
Investment Rate of Return	7.00%

**NOTE 4: Pension Plans (Continued)**

Pre-retirement mortality rates were based on the Pub-2010 General Below-Medial Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

**NOTE 4: Pension Plans (Continued)****Discount Rate**

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

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

	<u>2021</u>		
	<u>At 1% Decrease (6.00%)</u>	<u>At Current Discount Rate (7.00%)</u>	<u>At 1% Increase (8.00%)</u>
School District's Proportionate Share Of the Net Pension Liability	<u>\$ 307,053</u>	<u>225,476</u>	<u>156,247</u>

**Teachers Pensions and Annuity Fund (TPAF)****Plan Description**

The State of New Jersey, Teacher's Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contribution, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division).

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

**NOTE 4: Pension Plans (Continued)**

The following represents the membership tiers for TPAF:

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

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

**Basis of Presentation**

The Schedule of employers and nonemployer allocations and the schedule of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of TPAF and the State as an employer/nonemployer entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of TPAF or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of TPAF to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**Allocation Methodology**

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense. The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocation and applied to, presented in the schedule of pension amount by employer and nonemployer are based on the ratio of the State's actual contributions made as an employer and nonemployer adjusted for unpaid early retirement incentives to total contributions to TPAF during the year ended June 30, 2021. Employer and nonemployer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences.

**NOTE 4: Pension Plans (Continued)**

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. State legislation had modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2021, State's pension contribution was less than the actuarial determined amount.

**Special Funding Situation**

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

**Components of Net Pension Liability**

The components of the net pension liability of the State as of June 30, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Total Pension Liability	\$ 74,699,133,697	87,522,678,686
Plan Fiduciary Net Position	<u>26,533,142,515</u>	<u>21,529,179,998</u>
Net Pension Liability	<u>\$ 48,165,991,182</u>	<u>65,993,498,688</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	35.52%	24.60%

**State Proportionate Share of Net Pension Liability Attributable to District**

	<u>2021</u>	<u>2020</u>
District's Liability	<u>\$ 7,119,822</u>	<u>10,608,133</u>
District's Proportion	.01478%	.01607%

**NOTE 4: Pension Plans (Continued)**

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

**NOTE 4: Pension Plans (Continued)****Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.



**NOTE 4: Pension Plans (Continued)****Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability of the State as of June 30, 2021 calculated using the discount rate as disclosed above as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<b>2021</b>		
	<b>At 1% Decrease (6.00%)</b>	<b>At Current Discount Rate (7.00%)</b>	<b>At 1% Increase (8.00%)</b>
School District's Proportionate Share Of the Net Pension Liability	\$ 0	0	0
State of New Jersey's Proportionate Share Of the District's Net Pension Liability	<u>8,423,939</u>	<u>7,119,822</u>	<u>6,024,446</u>
	<u>\$ 8,423,939</u>	<u>7,119,822</u>	<u>6,024,446</u>

**NOTE 5: Post-Retirement Benefits****General Information about the OPEB Plan****Plan description and benefits provided**

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

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

**NOTE 5: Post-Retirement Benefits (Continued)**

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

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

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

**Total Nonemployer OPEB Liability**

The total nonemployer OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 20, 2020, with was rolled forward to June 30, 2021. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Total Nonemployer OPEB Liability    \$60,007,650,970

Inflation rate    2.50%

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:			
Through 2026	1.55 – 4.45% based on service years	2.00% - 6.00% based on service years	3.25% - 15.25% based on service years
Thereafter	2.75 – 5.65% based on service years	3.00% - 7.00% based on service years	Not applicable

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabled retirees. Future disabled retirees was based on the Pub-2010 “Safety” (PFRS), “General” (PERS), and “Teachers” (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018, and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, respectively.

**NOTE 5: Post-Retirement Benefits (Continued)*****(a) Health Care Trend Assumptions***

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

***(b) Discount Rate***

The discount rate for June 30, 2021 was 2.16%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the State of New Jersey's proportionate share of the total Non-Employer OPEB Liability associated with the School District:

	<b>Total OPEB Liability</b>
Balances at June 30, 2020	\$ 8,769,751
Changes for the Year:	
Service Cost	373,262
Interest	197,116
Change of Benefit	(8,088)
Difference Between Expected and Actual Experience	(1,590,700)
Changes in Assumptions or Other Inputs	7,497
Benefit Payments	(155,272)
Member Contributions	<u>5,039</u>
Balance at June 30, 2021	<u>\$ 7,598,605</u>

There were no changes in benefit terms between the June 30, 2020 measurement date and the June 30, 2021 measurement date.

Changes of assumptions and other inputs reflect a change in the discount rate from 2.21% percent in 2020 to 2.16% percent in 2021.

**NOTE 5: Post-Retirement Benefits (Continued)**

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the State for school board retirees, as well as what the State's total OPEB liability for school board would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	<b>1% Decrease <u>(1.16%)</u></b>	<b>Discount Rate <u>(2.16%)</u></b>	<b>1% Increase <u>(3.16%)</u></b>
State of New Jersey's Proportionate Share Of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 9,101,936</u>	<u>7,598,605</u>	<u>6,414,822</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the State, as well as what the State's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
State of New Jersey's Proportionate Share Of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 6,151,095</u>	<u>7,598,605</u>	<u>9,542,503</u>

OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.

For the year ended June 30, 2021, the Board of Education recognized OPEB expense of \$450,287 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

In accordance with GASBS No. 75, the Lavallette Board of Education proportionate share of school retirees OPEB is zero; there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows or resources. At June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference Between Expected and Actual Experience	\$ 1,145,456	2,280,476
Changes in Proportion	556,653	192,132
Changes of Assumptions or Other Inputs	<u>1,289,007</u>	<u>815,260</u>
Total	<u>\$ 2,991,116</u>	<u>3,287,868</u>

**NOTE 5: Post-Retirement Benefits (Continued)**

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

Year Ended June 30:	
2023	\$ (34,912)
2024	(34,912)
2025	(34,912)
2026	(34,912)
2027	(34,912)
Thereafter	<u>(122,192)</u>
	<u>\$ (296,752)</u>

**NOTE 6: Compensated Absences**

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

The liability for vested compensated absences of the governmental fund types is recorded in the general long-term debt account group (or current and long-term liabilities). The current portion of the compensated absences balance of the governmental funds is not considered material to the applicable funds total liabilities, and therefore is not shown separately from the long-term liability balance of compensated absences.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2022 no liability existed for compensated absences in the Food Service Fund.

**NOTE 7: Capital Reserve Account**

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

Fund placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A. 19:60-2*. Pursuant to *N.J.A.C. 6:23A-5.1(d) 7*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Beginning Balance, July 1, 2021	\$ 1,213,501
Increased by:	
Interest Earnings	410
Increase by Board resolution June 30, 2022	<u>150,000</u>
	<u>150,410</u>
Ending Balance, June 30, 2022	<u>\$ 1,363,911</u>

**NOTE 8: Contingent Liabilities**

It is the opinion of the school board officials 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 9: Deferred Compensation**

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

Vanguard Group  
AXA Equitable  
Valic

**NOTE 10: Equity Balance**

At June 30, 2022, the General Fund equity balance is as follows:

Excess Surplus – Designated for Subsequent Year’s Expenditures	\$ 163,473
Maintenance Reserve	652,798
Capital Reserve	1,363,911
Unemployment Compensation	52,498
Reserved for Encumbrances	156,036
Unrestricted	<u>252,226</u>
	<u>\$ 2,640,942</u>

Reserved for encumbrances represents outstanding purchase orders which will be rolled into the 2022-2023 budget and expended therefrom.

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. Designated for subsequent year’s represents the amount appropriated in the 2022-2023 budget.

**4% Calculation of Excess Surplus**

2021-22 Total General Fund Expenditures Per the ACFR	\$ 5,095,223
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>(884,086)</u>
Adjusted 2021-22 General Fund Expenditures	<u>\$ 4,211,137</u>
4% of Adjusted 2021-22 General Fund Expenditures	<u>\$ 168,445</u>
Enter Greater of Above or \$250,000	\$ 250,000
Increased by Allowable Adjustment	<u>2,226</u>
Maximum Unassigned Fund Balance	<u>\$ 252,226</u>

**Section 2**

Total General Fund – Fund Balance @ 6-30-22	\$ 2,640,942
Decreased by:	
Reserve for Encumbrances	(156,036)
Reserve for Unemployment	(52,498)
Designated for Subsequent Year’s Expenditures	(163,473)
Other Reserves	<u>(2,016,709)</u>
Total Unassigned Fund Balance	<u>\$ 252,226</u>
Restricted Fund Balance – Excess Surplus	<u>\$ 0</u>

**NOTE 10: Equity Balance (Continued)****Section 3**

Excess Surplus – Current Year	\$
Reserved Fund Balance – Excess Surplus – Designated for Subsequent Expenditures	<u>163,473</u>
Total Excess Surplus	<u>\$ 163,473</u>

**Detail of Allowable Adjustments**

Non-Public Transportation Aid	\$ 1,740
Extraordinary Aid	<u>486</u>
	<u>\$ 2,226</u>

**Detail of Other Restricted Fund Balance**

Maintenance Reserve	\$ 652,798
Capital Reserve	<u>1,363,911</u>
Total Other Restricted Fund Balance	<u>\$ 2,016,709</u>

**NOTE 11: Risk Management**

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

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

**New Jersey Unemployment Compensation Insurance** – The District elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District’s expendable trust fund for the current and previous three years:

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>	<u>Reimbursed</u>	<u>Balance</u>
2021-2022	\$ 126			52,498
2020-2021	78			52,372
2019-2020	163	944	61	52,294



**NOTE 12: Interfund Receivables and Payables**

Transfers between governmental and business-type activities on the governmental-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as transfers. Interfund transfers are reported as other financing sources/uses in governmental funds after non-operating revenues/expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

There were interfunds as of June 30, 2022 as follows:

	<u>From</u>	<u>To</u>
General Fund	\$	93,866
Special Revenue Fund	<u>93,866</u>	<u>          </u>
	<u>\$ 93,866</u>	<u>93,866</u>

These interfund loans are due to the Special Revenue Fund awaiting State and Federal reimbursements. Once received, the interfunds will be eliminated, which is expected to be within one year.

**NOTE 13: Right to Use Leased Assets**

The District has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability, plus any lease payments made prior to the lease term less any lease incentives. The right to use leased assets are amortized on a straight line basis of terms of the related leases.

	<u>Activity of the Year Ended June 30, 2022</u>			
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Right to Use Leased Assets:				
Copiers	\$ 51,930	<u>          </u>	<u>          </u>	51,930
Total Right to Use Leased Assets	<u>51,930</u>	<u>          </u>	<u>          </u>	51,930
Accumulated Amortization:				
Copiers	<u>(20,772)</u>	<u>(10,386)</u>	<u>          </u>	<u>(31,158)</u>
Total Accumulated Amortization	<u>(20,772)</u>	<u>(10,386)</u>	<u>          </u>	<u>(31,158)</u>
Right to Use Leased Assets, Net	<u>\$ 31,158</u>	<u>(10,386)</u>	<u>          </u>	<u>20,772</u>

**NOTE 14: Prior Period Adjustment – Restatement of Net Position**

Net position as of July 1, 2021 has been restated as follows for the implementation of GASB Statement 87 – Lease as follows:

Net Position as Previously Reported – June 30, 2021	\$ 4,217,211
Prior Period Adjustment:	
Implementation of GASB 87	<u>31,158</u>
Net Position as Restated – July 1, 2021	<u>\$ 4,248,369</u>

**NOTE 15: Subsequent Events**

Subsequent events have been evaluated through February 15, 2023, 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**

**LAVALLETTE SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**

Exhibit C-1  
Sheet 1 of 10

**GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 3,991,311		3,991,311	3,991,311	-
Tuition From Individuals	175,000		175,000	158,257	(16,743)
Tuition From Other LEA's	108,206		108,206	145,440	37,234
Interest Earned Capital Reserve Fund	410		410	904	494
Interest Earned Maintenance Reserve Fund	120		120	120	-
Interest Earned Emergency Reserve Fund			-		-
Unrestricted Miscellaneous Revenue	18,000		18,000	15,848	(2,152)
Other Restricted Miscellaneous Revenues			-	126	126
Total Local Sources	<u>4,293,047</u>	<u>-</u>	<u>4,293,047</u>	<u>4,312,006</u>	<u>18,959</u>
State Sources:					
Special Education Aid	100,190		100,190	100,190	-
Security Aid	15,724		15,724	15,724	-
Transportation Aid	56,079		56,079	56,079	-
Extraordinary Aid	5,000		5,000	5,486	486
Non-Public Transportation Aid			-	1,740	1,740
On-Behalf T.P.A.F Pension Contributions - Post Retirement Medical (Non-Budgeted)			-	144,828	144,828
On-Behalf T.P.A.F Pension Contributions - Normal Cost (Non-Budgeted)			-	611,253	611,253
On-Behalf T.P.A.F Non-Contributory Insurance			-	8,624	8,624
On-Behalf T.P.A.F Pension Contributions - Long-Term Disability			-	224	224
TPAF Social Security (Reimbursed - Non-Budgeted)			-	125,402	125,402
Total State Sources	<u>176,993</u>	<u>-</u>	<u>176,993</u>	<u>1,069,550</u>	<u>892,557</u>
Total Revenues	<u>4,470,040</u>	<u>-</u>	<u>4,470,040</u>	<u>5,381,556</u>	<u>911,516</u>

**LAVALLETTE SCHOOL DISTRICT**

Exhibit C-1  
Sheet 2 of 10

**BUDGETARY COMPARISON SCHEDULE**

**GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<u>Expenditures:</u>					
Current Expense:					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	87,955	7,004	94,959	94,958	1
Grades 1-5 - Salaries of Teachers	548,807	(5,939)	542,868	542,868	-
Grades 6-8 - Salaries of Teachers	303,968	19,868	323,836	323,836	-
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	43,812	12,842	56,654	56,654	-
Purchased Professional-Educational Services	500	(304)	196	196	-
Instruction General Supplies	72,000	(892)	71,108	58,128	12,980
Textbooks	15,000	(6,595)	8,405	345	8,060
Other Objects	18,000	(2,755)	15,245	15,245	-
Home Instruction	43,950	(2,756)	41,194	41,194	-
Total Regular Programs - Instruction	<u>1,133,992</u>	<u>20,473</u>	<u>1,154,465</u>	<u>1,133,424</u>	<u>21,041</u>
Special Education - Instruction:					
Resource Room/Resource Center:					
Salaries of Teachers	251,399	85,419	336,818	336,818	-
Purchased Educational Services	2,500		2,500	932	1,568
Textbooks	150		150		150
General Supplies	500		500	165	335
Total Resource Room/Resource Center	<u>254,549</u>	<u>85,419</u>	<u>339,968</u>	<u>337,915</u>	<u>2,053</u>
Total Special Education - Instruction	<u>254,549</u>	<u>85,419</u>	<u>339,968</u>	<u>337,915</u>	<u>2,053</u>

**LAVALLETTE SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**

Exhibit C-1  
Sheet 3 of 10

**GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	45,981	(17,740)	28,241	16,593	11,648
General Supplies	150	150	300	255	45
Total Basic Skills/Remedial - Instruction	<u>46,131</u>	<u>(17,590)</u>	<u>28,541</u>	<u>16,848</u>	<u>11,693</u>
School Sponsored Co-Curricular Activities - Instruction:					
Salaries	26,050	3,741	29,791	28,541	1,250
School Sponsored Athletics - Instruction					
Salaries	40,000	105	40,105	40,038	67
Purchased Services (300-500 Series)	4,500	(449)	4,051	4,051	-
Supplies and Materials	6,500	3,783	10,283	10,283	-
Other Objects	1,750	(485)	1,265	1,265	-
Total School Sponsored Athletics - Instruction	<u>52,750</u>	<u>2,954</u>	<u>55,704</u>	<u>55,637</u>	<u>67</u>
Community Services Program/Operations - Instruction:					
Salaries	12,307	(3,544)	8,763	7,075	1,688
General Supplies	500	200	700	699	1
Other Objects	500	2,144	2,644	2,644	-
Total Community Services	<u>13,307</u>	<u>(1,200)</u>	<u>12,107</u>	<u>10,418</u>	<u>1,689</u>
Total Instruction	<u>1,526,779</u>	<u>93,797</u>	<u>1,620,576</u>	<u>1,582,783</u>	<u>37,793</u>
Undistributed Expenditures-Instruction:					
Tuition to Other LEAs Within the State - Regular	742,045		742,045	742,045	-
Tuition to Other LEAs Within the State - Special	8,492	80,330	88,822	58,822	30,000
Tuition to County Vocational - Regular	2,500		2,500		2,500
Tuition to Private Schools for the Disabled - Within State	125,394	(62,028)	63,366	63,365	1
Total Undistributed Expenditures-Instruction	<u>878,431</u>	<u>18,302</u>	<u>896,733</u>	<u>864,232</u>	<u>32,501</u>

**LAVALLETTE SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**

Exhibit C-1  
Sheet 4 of 10

**GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Attendance and Social Work - Undistributed Services:					
Salaries	5,928	30	5,958	5,958	-
Purchased Professional Services	1,500	570	2,070	2,070	-
<b>Total Attendance and Social Work - Undistributed Services</b>	<b>7,428</b>	<b>600</b>	<b>8,028</b>	<b>8,028</b>	<b>-</b>
Health Services - Undistributed Expenditures:					
Salaries	85,280		85,280	85,280	-
Purchased Professional and Technical Services	5,500	(2,100)	3,400	1,475	1,925
Other Purchased Services (400-500 Series)	450	(400)	50	30	20
Supplies and Materials	500	2,308	2,808	2,774	34
<b>Total Health Services</b>	<b>91,730</b>	<b>(192)</b>	<b>91,538</b>	<b>89,559</b>	<b>1,979</b>
Other Support Services - Students - Related Services:					
Purchased Professional-Educational Services	55,000	1,400	56,400	52,218	4,182
<b>Total Other Support Services - Students - Related Services</b>	<b>55,000</b>	<b>1,400</b>	<b>56,400</b>	<b>52,218</b>	<b>4,182</b>
Other Support Services - Students - Regular:					
Salaries-Guidance	66,238	(9,370)	56,868	37,019	19,849
Salaries of Secretarial and Clerical Assistants	8,870	67	8,937	8,937	-
Other Purchased Professional and Technical Services	500	4,421	4,921	4,921	-
Supplies and Materials	500	221	721	721	-
<b>Total Other Support Services - Students - Regular</b>	<b>76,108</b>	<b>(4,661)</b>	<b>71,447</b>	<b>51,598</b>	<b>19,849</b>
Other Support Services - Students - Special:					
Salaries of Other Professional Staff	20,396	(200)	20,196	4,571	15,625
Salaries of Secretarial and Clerical Assistants	9,364		9,364	8,826	538
Purchased Professional Educational Services	18,359	(6,592)	11,767	6,149	5,618
Other Purchased Professional and Technical Services	500		500		500
<b>Total Other Support Services - Students - Special</b>	<b>48,619</b>	<b>(6,792)</b>	<b>41,827</b>	<b>19,546</b>	<b>22,281</b>



**LAVALLETTE SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**

Exhibit C-1  
Sheet 5 of 10

**GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b><u>Original Budget</u></b>	<b><u>Budget Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
<b>Improvement of Instructional Services:</b>					
Salaries of Supervisors	6,986	6,984	13,970	13,964	6
Supervision Support	9,864	(613)	9,251	9,251	-
Other Objects		2,100	2,100		2,100
<b>Total Improvement of Instructional Services</b>	<b><u>16,850</u></b>	<b><u>8,471</u></b>	<b><u>25,321</u></b>	<b><u>23,215</u></b>	<b><u>2,106</u></b>
<b>Educational Media Services/School Library:</b>					
Salaries	2,329	(2,086)	243	-	243
Salaries of Technology Coordinators	17,885	(1,335)	16,550	16,550	-
Purchased Professional and Technical Services	20,000	11,206	31,206	31,175	31
Other Purchased Services (400-500 Series)	30,000	(2,714)	27,286	25,935	1,351
Supplies and Materials	2,500	1,053	3,553	3,079	474
Other Objects	4,000	(125)	3,875	3,708	167
<b>Total Educational Media Services/School Library</b>	<b><u>76,714</u></b>	<b><u>5,999</u></b>	<b><u>82,713</u></b>	<b><u>80,447</u></b>	<b><u>2,266</u></b>
<b>Instructional Staff Training Services:</b>					
Salaries of Supervisors of Instruction	13,972	1,310	15,282	15,282	-
Salaries of Secretarial and Clerical Assistants	11,194	966	12,160	12,160	-
Tuition Reimbursement		17,203	17,203	15,067	2,136
Purchased Professional and Technical Services	23,134	(16,845)	6,289	4,492	1,797
Other Purchased Services (400-500 Series)	8,000	(3,454)	4,546	4,122	424
Supplies and Materials	150	807	957	957	-
Other Objects	1,500	2,030	3,530	3,530	-
<b>Total Instructional Staff Training Services</b>	<b><u>57,950</u></b>	<b><u>2,017</u></b>	<b><u>59,967</u></b>	<b><u>55,610</u></b>	<b><u>4,357</u></b>

LAVALLETTE SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Support Services - General Administration:					
Salaries	40,548	(2,024)	38,524	38,524	-
Legal Services	2,116	11,709	13,825	8,470	5,355
Audit Fees	10,000	(2,000)	8,000	8,000	-
Purchased Technical Services	400	(200)	200	200	-
Communications/Telephone	2,500	1,737	4,237	4,237	-
Other Purchased Services (400-500 Series)	2,500	110	2,610	2,303	307
Supplies and Materials	500	147	647	647	-
Membership Dues and Fees	3,750	(1,434)	2,316	2,316	-
Judgments Against the School District		2,475	2,475	-	2,475
Other Objects	1,500	(1,500)	-	-	-
Total Support Services - General Administration	<u>63,814</u>	<u>9,020</u>	<u>72,834</u>	<u>64,697</u>	<u>8,137</u>
Support Services - School Administration:					
Salaries of Principal/Assistant Principals	44,847	(2,923)	41,924	41,824	100
Supplies and Materials	150	200	350	350	-
Other Objects	2,000	(1,922)	78	78	-
Total Support Services - School Administration	<u>46,997</u>	<u>(4,645)</u>	<u>42,352</u>	<u>42,252</u>	<u>100</u>
Central Services:					
Salaries	107,130	(4,518)	102,612	102,612	-
Purchased Technical Services	50	(50)	-	-	-
Other Purchased Services	6,000	(281)	5,719	5,719	-
Supplies and Materials	500	211	711	711	-
Interest on Lease Purchase Agreements	50		50		50
Miscellaneous Expenditures	250	(250)	-	-	-
Total Central Services	<u>113,980</u>	<u>(4,888)</u>	<u>109,092</u>	<u>109,042</u>	<u>50</u>

**LAVALLETTE SCHOOL DISTRICT**

Exhibit C-1  
Sheet 7 of 10

**BUDGETARY COMPARISON SCHEDULE**

**GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Administration Information Technical:					
Purchased Technical Services	<u>13,000</u>	<u>(2,805)</u>	<u>10,195</u>	<u>10,194</u>	<u>1</u>
Required Maintenance for School Facilities:					
Cleaning, Repair and Maintenance Services	<u>72,000</u>	<u>(8,260)</u>	<u>63,740</u>	<u>56,736</u>	<u>7,004</u>
General Supplies	<u>4,500</u>	<u>6,873</u>	<u>11,373</u>	<u>10,568</u>	<u>805</u>
Total Required Maintenance for School Facilities	<u>76,500</u>	<u>(1,387)</u>	<u>75,113</u>	<u>67,304</u>	<u>7,809</u>
Other Operations & Maintenance of Plant:					
Salaries	<u>78,473</u>	<u>(3,805)</u>	<u>74,668</u>	<u>64,347</u>	<u>10,321</u>
Salaries of Non-Instructional Aides	<u>17,439</u>	<u>3,192</u>	<u>20,631</u>	<u>19,738</u>	<u>893</u>
Purchased Professional and Technical Services	<u>25,000</u>	<u>(14,260)</u>	<u>10,740</u>	<u>1,501</u>	<u>9,239</u>
Cleaning, Repair and Maintenance Services	<u>15,000</u>	<u>(4,569)</u>	<u>10,431</u>	<u>7,375</u>	<u>3,056</u>
Other Purchased Property Services	<u>5,500</u>	<u>(2,254)</u>	<u>3,246</u>	<u>3,246</u>	<u>-</u>
Insurance	<u>46,000</u>	<u>243</u>	<u>46,243</u>	<u>46,243</u>	<u>-</u>
Miscellaneous Purchased Services	<u>80</u>	<u>35</u>	<u>115</u>	<u>100</u>	<u>15</u>
General Supplies	<u>4,500</u>	<u>2,025</u>	<u>6,525</u>	<u>6,096</u>	<u>429</u>
Energy ( Heat & Electricity)	<u>16,000</u>	<u>38,203</u>	<u>54,203</u>	<u>54,203</u>	<u>-</u>
Energy (Natural Gas)	<u>3,800</u>	<u>519</u>	<u>4,319</u>	<u>4,119</u>	<u>200</u>
Total Other Operations & Maintenance of Plant	<u>211,792</u>	<u>19,329</u>	<u>231,121</u>	<u>206,968</u>	<u>24,153</u>
Care and Upkeep of Grounds					
Salaries	<u>9,119</u>	<u>1,009</u>	<u>10,128</u>	<u>10,081</u>	<u>47</u>
Cleaning, Repair and Maintenance Services	<u>6,000</u>	<u>(983)</u>	<u>5,017</u>	<u>3,557</u>	<u>1,460</u>
Purchased Professional and Technical Services	<u>530</u>	<u>910</u>	<u>1,440</u>	<u>1,440</u>	<u>-</u>
Supplies	<u>250</u>	<u>(108)</u>	<u>142</u>	<u>142</u>	<u>-</u>
Total Upkeep and Care of Grounds	<u>15,899</u>	<u>828</u>	<u>16,727</u>	<u>15,220</u>	<u>1,507</u>

**LAVALLETTE SCHOOL DISTRICT**

**BUDGETARY COMPARISON SCHEDULE**

**GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b><u>Original Budget</u></b>	<b><u>Budget Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Undistributed Expenditures - Security					
Salaries	57,481	29,732	87,213	83,935	3,278
Purchased Professional and Technical Services	45,000	(43,450)	1,550	1,550	-
Other Purchased Services	3,900	(991)	2,909	2,909	-
General Supplies	200	2,207	2,407	1,663	744
Total Undistributed Expenditures - Security	<u>106,581</u>	<u>(12,502)</u>	<u>94,079</u>	<u>90,057</u>	<u>4,022</u>
Student Transportation Services:					
Salaries for Pupil Transportation (Between Home and School) Regular	2,807	2,393	5,200	5,200	-
Salaries for Pupil Transportation (Between Home and School) Special Education	1,000		1,000	1,000	-
Contr. Serv. (Other Than Between Home & School)-Vendors	15,000	(4,800)	10,200	6,485	3,715
Contr. Serv. (Between Home & School) - Jointures	73,825	17,445	91,270	85,705	5,565
Contr. Serv. (Special Education) - Jointures	5,000		5,000		5,000
Contr. Serv. (Special Education) - Vendors	2,500	(2,500)	-		-
Contr. Serv. (Special Education) - ESC's and CTSA's	51,000	(16,190)	34,810	13,859	20,951
Aid in Lieu of Transportation - Non-Public School	8,000	6,153	14,153	13,788	365
Other Purchased Services		1,855	1,855	1,855	-
Total Student Transportation Services	<u>159,132</u>	<u>4,356</u>	<u>163,488</u>	<u>127,892</u>	<u>35,596</u>
Unallocated Benefits:					
Social Security Contributions	40,000	5,643	45,643	36,213	9,430
Other Retirement Contributions - PERS	39,000	63,230	102,230	46,176	56,054
Workmen's Compensation	24,000	(80)	23,920	23,043	877
Health Benefits	540,000	(174,007)	365,993	341,662	24,331
Other Employee Benefits	56,500	38,290	94,790	92,687	2,103
Total Unallocated Benefits	<u>699,500</u>	<u>(66,924)</u>	<u>632,576</u>	<u>539,781</u>	<u>92,795</u>

**LAVALLETTE SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**

Exhibit C-1  
Sheet 9 of 10

**GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
On-Behalf T.P.A.F Pension Contributions - Post Retirement Medical (Non-Budgeted)			-	144,828	(144,828)
On-Behalf T.P.A.F Pension Contributions - Normal Cost (Non-Budgeted)			-	611,253	(611,253)
On-Behalf T.P.A.F Non-Contributory Insurance			-	8,624	(8,624)
On-Behalf T.P.A.F Pension Contributions - Long-Term Disability			-	224	(224)
Reimbursed TPAF Social Security Contributions )Non-Budgeted)			-	125,402	(125,402)
Total On-Behalf Contributions	-	-	-	890,331	(890,331)
Total Undistributed Expenditures	2,816,025	(34,474)	2,781,551	3,408,191	(626,640)
Total Current Expense	4,342,804	59,323	4,402,127	4,990,974	(588,847)
Capital Outlay:					
Equipment:					
Instructional Equipment	35,000	36,650	71,650	59,448	12,202
Required Maintenance School Facilities	86,405	(8,683)	77,722	24,846	52,876
Equipment Care of Grounds	35,000	(16,000)	19,000	16,147	2,853
Facilities Acquisition and Construction Services:					
Other Objects - SDA Assessment	53		53	53	-
Total Capital Outlay	156,458	11,967	168,425	100,494	67,931
Total Expenditures	4,499,262	71,290	4,570,552	5,091,468	(520,916)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(29,222)	(71,290)	(100,512)	290,088	390,600

**LAVALLETTE SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**

Exhibit C-1  
Sheet 10 of 10

**GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Original Budget</b>	<b>Budget Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
Other Financing Sources/(Uses):					
Transfer to Food Service Fund	(10,000)		(10,000)	(10,000)	-
Total Other Financing Sources/(Uses)	(10,000)	-	(10,000)	(10,000)	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Sources (Uses)	(39,222)	(71,290)	(110,512)	280,088	390,600
Fund Balance, July 1	2,360,854		2,360,854	2,360,854	
Fund Balance, June 30	\$ 2,321,632	(71,290)	2,250,342	2,640,942	390,600
Recapitulation:					
Assigned To:					
Reserve for Encumbrances				\$ 156,036	
Unemployment Compensation				52,498	
Committed To:					
Maintenance Reserve				652,798	
Capital Reserve				1,363,911	
Designated for Subsequent Year's Expenditures - Excess Surplus				163,473	
Unassigned Fund Balance				252,226	
				2,640,942	
Reconciliation to Governmental Funds Statement (GAAP):					
Final State Audit Payments Not Recognized On GAAP Basis				(17,194)	
Fund Balance Per Governmental Funds (GAAP)				\$ 2,623,748	

**LAVALLETTE SCHOOL DISTRICT**

Exhibit C-2  
Sheet 1 of 2

**BUDGETARY COMPARISON SCHEDULE**

**SPECIAL REVENUE FUND**

**JUNE 30, 2022**

	<b><u>Original Budget</u></b>	<b><u>Budget Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Revenues:					
Local Sources	\$ 10,000	13,477	23,477	23,477	-
State Sources		3,346	3,346	3,346	-
Federal Sources:					
Title I, Part A	52,747		52,747	52,747	-
Title IIA, Part A	8,253		8,253	8,253	-
Title IV, Part A	10,000		10,000	10,000	-
IDEA Part B, Basic	42,974		42,974	42,974	-
IDEA Part B, Preschool	1,147		1,147	1,147	-
ARP IDEA Basic		5,980	5,980	5,980	-
ARP IDEA Preschool		610	610	610	-
CRRSA ESSER II	100,000	122,764	222,764	69,056	153,708
CRRSA Accelerated Learning	25,000		25,000	24,714	286
CRRSA Mental Health	45,000	(570)	44,430	44,430	-
ARP ESSER		295,216	295,216	13,376	281,840
ARP Accelerated Learning		50,000	50,000	2,363	47,637
ARP Mental Health		45,000	45,000	3,436	41,564
ARP Summer		40,000	40,000	1,226	38,774
ARP Beyond School		40,000	40,000		40,000
<b>Total Federal Sources</b>	<b>285,121</b>	<b>599,000</b>	<b>884,121</b>	<b>280,312</b>	<b>603,809</b>
<b>Total Revenues</b>	<b>295,121</b>	<b>615,823</b>	<b>910,944</b>	<b>307,135</b>	<b>603,809</b>
Expenditures:					
Instruction:					
Salaries of Teachers	217,646	134,062	351,708	135,035	216,673
Purchased Professional Services		6,590	6,590	6,590	-
Other Purchased Services	39,592	4,529	44,121	44,121	-
General Supplies		34,008	34,008	11,025	22,983
Other Objects		28,239	28,239	13,081	15,158
<b>Total Instruction</b>	<b>257,238</b>	<b>207,428</b>	<b>464,666</b>	<b>209,852</b>	<b>254,814</b>

**LAVALLETTE SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**

Exhibit C-2  
Sheet 2 of 2

**SPECIAL REVENUE FUND**

**JUNE 30, 2022**

	<b><u>Original Budget</u></b>	<b><u>Budget Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Support Services:					
Other Salaries for Instruction		69,200	69,200	16,200	53,000
Employee Benefits		147,510	147,510	35,204	112,306
Purchased Professional Services	6,490	69,411	75,901	7,676	68,225
Other Purchased Services		13,027	13,027	9,083	3,944
General Supplies		10,985	10,985	2,136	8,849
Other Objects		6,895	6,895	6,895	-
Student Activities	10,000	9,589	19,589	19,589	-
Total Support Services	<u>16,490</u>	<u>326,617</u>	<u>343,107</u>	<u>96,783</u>	<u>246,324</u>
Total Expenditures	<u>273,728</u>	<u>534,045</u>	<u>807,773</u>	<u>306,635</u>	<u>501,138</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>21,393</u>	<u>81,778</u>	<u>103,171</u>	<u>500</u>	<u>102,671</u>
Fund Balance, July 1				<u>25,305</u>	
Fund Balance, June 30				<u>\$ 25,805</u>	
Recapitulation:					
Restricted:					
Student Activities				<u>\$ 25,805</u>	
Total Fund Balance				<u>\$ 25,805</u>	



**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

LAVALLETTE SCHOOL DISTRICTREQUIRED SUPPLEMENTARY INFORMATION

Exhibit C-3

BUDGET-TO-GAAP RECONCILIATIONNOTE TO RSIFOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b><u>Sources/Inflows of Resources</u></b>		
Actual Amounts (Budgetary Basis) "Revenues" from the Budgetary Comparison Schedule	\$ 5,381,556	307,135
Difference - Budget to GAAP: Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized.		(6,596)
State aid recognized for GAAP statements in the current year previously recognized for budgetary purposes.	16,701	
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>(17,194)</u>	
Total Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 5,381,063</u>	<u>300,539</u>
<b><u>Uses/Outflows of Resources</u></b>		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 5,091,468	306,635
Differences - Budget to GAAP: Encumbrances for supplies and equipment ordered but not received are reported in the year the supplies are received for financial reporting purposes.		<u>(6,596)</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 5,091,468</u>	<u>300,039</u>

**REQUIRED SUPPLEMENTARY INFORMATION – PART III**

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

**LAVALLETTE SCHOOL DISTRICT**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE**

**NET PENSION LIABILITY - PERS**

**Exhibit L-1**

**LAST NINE FISCAL YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability	0.00188%	0.00195%	0.00213%	0.00205%	0.00236%	0.00268%	0.00247%	0.00265%	0.00298%
District's Proportionate Share of the Net Pension Liability	<u>\$ 225,476</u>	<u>320,960</u>	<u>387,339</u>	<u>403,518</u>	<u>550,253</u>	<u>793,273</u>	<u>555,082</u>	<u>496,715</u>	<u>570,078</u>
District's Covered-Employee Payroll	\$ 138,667	139,487	155,118	152,732	143,921	164,345	172,126	170,571	179,369
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	61.50%	43.46%	40.05%	37.85%	26.16%	20.72%	31.01%	34.34%	31.46%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	42.90%	42.90%	42.04%	40.45%	36.78%	31.02%	38.21%	42.74%	40.71%

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

**LAVALLETTE SCHOOL DISTRICT**

**SCHEDULE OF DISTRICT CONTRIBUTIONS - PERS**

**Exhibit L-2**

**LAST NINE FISCAL YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 31,494	31,041	27,576	25,774	23,850	23,850	22,888	27,069	18,197
Contributions in Relation to the Contractually Required Contribution	31,494	31,041	27,576	25,774	23,850	23,850	22,888	27,069	18,197
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's Covered-Employee Payroll	\$ 138,667	139,487	155,118	152,732	143,921	164,345	172,126	170,571	179,369
Contributions as a Percentage of Covered-Employee Payroll	22.71%	22.25%	17.78%	16.88%	16.57%	14.51%	13.30%	15.87%	10.15%

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

**LAVALLETTE SCHOOL DISTRICT**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE**

**NET PENSION LIABILITY - TPAF**

**Exhibit L-3**

**LAST NINE FISCAL YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
District's Proportionate Share of the Net Pension Liability	\$ -	-	-	-	-	-	-	-	-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>7,119,822</u>	<u>10,608,133</u>	<u>9,705,687</u>	<u>9,654,836</u>	<u>9,342,457</u>	<u>11,787,560</u>	<u>9,380,978</u>	<u>7,756,905</u>	<u>7,696,473</u>
Total	<u>\$ 7,119,822</u>	<u>10,608,133</u>	<u>9,705,687</u>	<u>9,654,836</u>	<u>9,342,457</u>	<u>11,787,560</u>	<u>9,380,978</u>	<u>7,756,905</u>	<u>7,696,473</u>
District's Covered-Employee Payroll	\$ 1,601,346	1,661,922	1,607,123	1,728,100	1,630,999	1,596,604	1,447,121	1,466,800	1,445,916
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	22.49%	15.67%	16.56%	17.90%	17.46%	13.54%	15.43%	18.91%	18.79%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	32.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

**LAVALLETTE SCHOOL DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF THE SCHOOL DISTRICT'S CONTRIBUTIONS**  
**TEACHER'S PENSION AND ANNUITY FUND (TPAF)**  
**LAST TEN FISCAL YEARS**

L-4

This schedule is not applicable.

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

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



**LAVALLETTE SCHOOL DISTRICT**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PART III**

L-5

**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Public Employee's Retirement System (PERS)**

*Changes in Benefit Terms* – None

*Changes in Assumptions* – The discount rate remained at 7.00% as of June 30, 2020, and as of June 30, 2021, in accordance with Paragraph 44 of GASB Statement No. 67.

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

*Changes in Benefit Terms* – None

*Changes in Assumption* – The discount rate changed from 5.40% as of June 30, 2020, to 7.00% as of June 30, 2021, in accordance with Paragraph 44 of GASB Statement No. 67.

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

**LAVALLETTE SCHOOL DISTRICT**

**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS**

Exhibit M-1

**LAST SIX FISCAL YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's Proportionate Share of OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's Proportionate of the Net OPEB Liability	\$ -	-	-	-	-	-
<b><u>State's OPEB Liability Attributable to the District</u></b>						
Service Cost	\$ 373,262	211,613	204,555	237,052	283,931	*
Interest	197,116	177,515	215,763	234,936	201,170	*
Change of Benefit Terms	(8,088)					*
Benefit Payments	(155,272)	(152,674)	(151,447)	(145,557)	(148,123)	*
Member Contributions	5,039	4,628	4,489	5,031	5,454	*
Difference between Expected and Actual Experience	(1,590,700)	1,993,120	(856,795)	(658,348)		*
Change of Assumptions	7,497	1,601,932	73,561	(624,668)	(792,875)	*
Net Change in Total OPEB Liability	<u>(1,171,146)</u>	<u>3,836,134</u>	<u>(509,874)</u>	<u>(951,554)</u>	<u>(450,443)</u>	*
Total Attributable OPEB Liability - Beginning	<u>8,769,751</u>	<u>4,933,617</u>	<u>5,443,491</u>	<u>6,395,045</u>	<u>6,845,488</u>	*
Total Attributable OPEB Liability - Ending	<u>\$ 7,598,605</u>	<u>8,769,751</u>	<u>4,933,617</u>	<u>5,443,491</u>	<u>6,395,045</u>	<u>6,845,488</u>
District's Covered Payroll	\$ 1,740,013	1,801,409	1,762,241	1,870,030	1,774,920	1,760,949
District's Contribution	None	None	None	None	None	None
District's Proportionate Share of OPEB Liability as a Percentage of its Covered-Employee Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of OPEB Liability as a Percentage of its Covered-Employee Payroll	436.70%	486.83%	279.96%	291.09%	360.30%	388.74%

\* - Information not available

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

Note: This schedule is required by GASB 75 to show information for a 10 year period. However, information is only currently available for six years. Additional years will be presented as they become available.

**LAVALLETTE SCHOOL DISTRICT****NOTES TO REQUIRED SUPPLEMENTARY INFORMATION****FOR THE FISCAL YEAR ENDED JUNE 30, 2022****Exhibit M-2**Change of Benefit Terms

Refer to Note 5 - Notes to Financial Statements.

Difference Between Expected and Actual Experience

The change in the liability from June 30, 2020 to June 30, 2021 is due to changes in the census, claims and premiums experience.

Changes of Assumptions

The Discount Rate changed from 2.21% as of June 30, 2020 to 2.16% as of June 30, 2021.

**OTHER SUPPLEMENTARY INFORMATION**

**SCHOOL LEVEL SCHEDULES – D**

**N/A**

**SPECIAL REVENUE FUND – E**

LAVALLETTE SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES

Exhibit E-1  
Sheet 1 of 2

BUDGETARY BASIS

FOR FISCAL YEAR ENDED JUNE 30, 2022

	<u>Local Grants</u>	<u>IDEA Preschool</u>	<u>IDEA Basic</u>	<u>NCLB</u>		<u>Title IV</u>	<u>ARP IDEA Preschool</u>	<u>ARP IDEA Basic</u>
				<u>Title I</u>	<u>Title II A</u>			
Revenues:								
Federal Sources	\$ -	1,147	42,974	52,747	8,253	10,000	610	5,980
State Sources								
Local Sources	3,926							
Total Revenues	<u>3,926</u>	<u>1,147</u>	<u>42,974</u>	<u>52,747</u>	<u>8,253</u>	<u>10,000</u>	<u>610</u>	<u>5,980</u>
Expenditures:								
Instruction:								
Salaries of Teachers				36,000		6,500		
Purchased Professional Services							610	5,980
Other Purchased Services		1,147	42,974					
General Supplies	3,926					575		
Other Objects								
Total Instruction	<u>3,926</u>	<u>1,147</u>	<u>42,974</u>	<u>36,000</u>	<u>-</u>	<u>7,075</u>	<u>610</u>	<u>5,980</u>
Support Services:								
Salaries				16,200				
Employee Benefits						2,925		
Purchased Professional Services								
Other Purchased Services					8,253			
General Supplies				547				
Other Objects								
Student Activities								
Total Support Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,747</u>	<u>8,253</u>	<u>2,925</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>3,926</u>	<u>1,147</u>	<u>42,974</u>	<u>52,747</u>	<u>8,253</u>	<u>10,000</u>	<u>610</u>	<u>5,980</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, July 1								
Fund Balance, June 30	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>



LAVALLETTE SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES

Exhibit E-1  
Sheet 2 of 2

BUDGETARY BASIS

FOR FISCAL YEAR ENDED JUNE 30, 2022

	<u>CRRSA ESSER II</u>	<u>CRRSA Accelerated Learning</u>	<u>CRRSA Mental Health</u>	<u>ARP ESSER</u>	<u>ARP Accelerated Learning</u>	<u>ARP Mental Health</u>	<u>ARP Summer</u>	<u>SDA Emergent</u>	<u>Student Activities</u>	<u>Total</u>
Revenues:										
Federal Sources	69,056	24,714	44,430	13,376	2,363	3,436	1,226			280,312
State Sources								3,346		3,346
Local Sources									19,551	23,477
Total Revenues	<u>69,056</u>	<u>24,714</u>	<u>44,430</u>	<u>13,376</u>	<u>2,363</u>	<u>3,436</u>	<u>1,226</u>	<u>3,346</u>	<u>19,551</u>	<u>307,135</u>
Expenditures:										
Instruction:										
Salaries of Teachers	41,030	17,500	32,930		1,075					135,035
Purchased Professional Services										6,590
Other Purchased Services										44,121
General Supplies	1,615	214	1,173	2,358	88		1,076			11,025
Other Objects	10,685			2,246			150			13,081
Total Instruction	<u>53,330</u>	<u>17,714</u>	<u>34,103</u>	<u>4,604</u>	<u>1,163</u>	<u>-</u>	<u>1,226</u>	<u>-</u>	<u>-</u>	<u>209,852</u>
Support Services:										
Salaries										16,200
Employee Benefits	14,952	7,000	10,327							35,204
Purchased Professional Services				3,339	1,200	3,137				7,676
Other Purchased Services	774			56						9,083
General Supplies				1,589						2,136
Other Objects				3,250		299		3,346		6,895
Student Activities				538					19,051	19,589
Total Support Services	<u>15,726</u>	<u>7,000</u>	<u>10,327</u>	<u>8,772</u>	<u>1,200</u>	<u>3,436</u>	<u>-</u>	<u>3,346</u>	<u>19,051</u>	<u>96,783</u>
Total Expenditures	<u>69,056</u>	<u>24,714</u>	<u>44,430</u>	<u>13,376</u>	<u>2,363</u>	<u>3,436</u>	<u>1,226</u>	<u>3,346</u>	<u>19,051</u>	<u>306,635</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500</u>	<u>500</u>
Fund Balance, July 1									25,305	25,305
Fund Balance, June 30	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,805</u>	<u>25,805</u>

**CAPITAL PROJECTS FUND – F**

LAVALLETTE SCHOOL DISTRICTCAPITAL PROJECTS FUND

Exhibit F-1

SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGESIN FUND BALANCE - BUDGETARY BASISFOR THE YEAR ENDED JUNE 30, 2022

Expenditures:	
Supplies and Materials	\$ 24,531
Total Expenditures	<u>24,531</u>
Excess of Revenues Over Expenditures and Other Financing Sources/(Uses)	(24,531)
Fund Balance Beginning	<u>24,531</u>
Fund Balance Ending	<u>\$ -</u>

LAVALLETTE SCHOOL DISTRICT

Exhibit F-1a

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISWINDOW AND DOOR REPLACEMENT TO ELEMENTARY SCHOOLFROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b><u>Revenues and Other Financing Sources</u></b>				
Bond Proceeds	\$ 1,900,000		1,900,000	1,900,000
Transfer from Capital Reserve	181,000		181,000	181,000
Total Revenues	<u>2,081,000</u>	<u>-</u>	<u>2,081,000</u>	<u>2,081,000</u>
<b><u>Expenditures and Other Financing Uses</u></b>				
Other Purchased Professional and Technical Services	194,891		194,891	194,891
Supplies and Materials	1,861,578	24,531	1,886,109	1,886,109
Total Expenditures	<u>2,056,469</u>	<u>24,531</u>	<u>2,081,000</u>	<u>2,081,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 24,531</u>	<u>(24,531)</u>	<u>-</u>	<u>-</u>
<b><u>Additional Project Information</u></b>				
Project Number		2550-050-04-2000		
Grant Date		NA		
Original Authorized Cost		\$2,081,000		
Additional Authorized Cost		-		
Revised Authorized Cost		2,081,000		
Percentage Increase Over Original Authorized Cost		0%		
Percentage Completion		100%		
Original Target Completion Date		06/30/2021		
Revised Target Completion Date		06/30/2022		

**PROPRIETARY FUNDS – G**

**N/A**

**FIDUCIARY FUND – H**

**N/A**

**LONG-TERM DEBT – I**

**LAVALLETTE SCHOOL DISTRICT**  
**GENERAL LONG-TERM DEBT GROUP**

Exhibit I-1

**STATEMENT OF SERIAL BONDS**

**JUNE 30, 2022**

<b><u>Issue</u></b>	<b><u>Date of Issue</u></b>	<b><u>Amount of Issue</u></b>	<b><u>Annual Maturities</u></b>		<b><u>Interest Rate</u></b>	<b><u>Balance July 1, 2021</u></b>	<b><u>Retired</u></b>	<b><u>Balance June 30, 2022</u></b>
			<b><u>Date</u></b>	<b><u>Amount</u></b>				
Various School Projects	3/8/2005	\$ 1,187,000	2/1/2023	\$ 60,000	4.10%	\$ 240,000	60,000	180,000
			2/1/2024	60,000	4.13%			
			2/1/2025	60,000	4.20%			
Various School Projects	5/14/2020	2,200,000	1/15/2023	135,000	1.50%	2,200,000	90,000	2,110,000
			1/15/2024	140,000	2.00%			
			1/15/2025	145,000	2.00%			
			1/15/2026	150,000	2.00%			
			1/15/2027-28	155,000	2.00%			
			1/15/2029	165,000	2.00%			
			1/15/2030	170,000	2.00%			
			1/15/2031	175,000	2.00%			
			1/15/2032-35	180,000	2.00%-2/50%			
						<b><u>\$ 2,440,000</u></b>	<b><u>150,000</u></b>	<b><u>2,290,000</u></b>



**LAVALLETTE SCHOOL DISTRICT**

**LONG-TERM DEBT**

**Exhibit I-2**

**SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES**

**JUNE 30, 2022**

<b><u>Series</u></b>	<b><u>Interest Rate</u></b>	<b><u>Amount of Original Issue</u></b>	<b><u>Amount Outstanding June 30, 2021</u></b>	<b><u>Retired</u></b>	<b><u>Amount Outstanding June 30, 2022</u></b>
Copier 2019 (MPC6503)*	5%	\$ 20,736	\$ 14,536	4,045	10,491
Copier 2019 (IMC2000)	5%	7,495	5,254	1,462	3,792
Copier 2019 (IMC4500)*	5%	12,589	8,825	2,456	6,369
			<u>\$ 28,615</u>	<u>7,963</u>	<u>20,652</u>

\* \$5,000 Down Payment.

LAVALLETTE SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

Exhibit I-3

DEBT SERVICE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 34,183		34,183	34,183	-
Debt Service Aid	54,743		54,743	54,743	
Total Revenues	<u>88,926</u>	<u>-</u>	<u>88,926</u>	<u>88,926</u>	<u>-</u>
Expenditures:					
Regular Debt Service:					
Interest	80,926		80,926	80,926	-
Redemption of Principal	150,000		150,000	150,000	
Total Expenditures	<u>230,926</u>	<u>-</u>	<u>230,926</u>	<u>230,926</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(142,000)	-	(142,000)	(142,000)	-
Fund Balance July 1	<u>482,298</u>		<u>482,298</u>	<u>482,298</u>	
Fund Balance June 30	<u>\$ 340,298</u>	<u>-</u>	<u>340,298</u>	<u>340,298</u>	<u>-</u>

**STATISTICAL SECTION**

**(Unaudited)**

**Lavallette Borough Board of Education**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

J-1

	2013	2014	2015	Fiscal Year Ending June 30,		2017	2018	2020	2021	2022
				2016	2015					
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 3,784,319	\$ 3,000,708	\$ 2,848,956	\$ 2,101,303	\$ 2,101,303	\$ 2,609,477	\$ 2,493,347	\$ 1,944,157	\$ 2,171,532	\$ 1,885,350
Restricted	1,134,419	1,367,088	1,747,978	1,863,693	1,863,693	1,409,750	1,375,684	2,154,416	2,103,344	2,569,905
Unrestricted	116,261	240,675	(343,195)	168,976	168,976	(37,758)	(115,421)	(95,827)	(1,930,723)	(94,177)
<b>Total governmental activities net assets</b>	<u>\$ 5,035,099</u>	<u>\$ 4,608,471</u>	<u>\$ 4,253,739</u>	<u>\$ 4,133,972</u>	<u>\$ 4,133,972</u>	<u>\$ 3,981,469</u>	<u>\$ 3,753,610</u>	<u>\$ 4,150,178</u>	<u>\$ 2,344,153</u>	<u>\$ 4,361,078</u>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,309	\$ 1,155	\$ 1,001
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	(39,464)	(36,404)	(36,334)	(36,658)	(36,658)	(33,989)	(35,033)	(32,917)	(28,691)	(29,879)
<b>Total business-type activities net assets</b>	<u>\$ (39,464)</u>	<u>\$ (36,404)</u>	<u>\$ (36,334)</u>	<u>\$ (36,658)</u>	<u>\$ (36,658)</u>	<u>\$ (33,989)</u>	<u>\$ (35,033)</u>	<u>\$ (31,608)</u>	<u>\$ (27,536)</u>	<u>\$ (28,878)</u>
<b>District-wide</b>										
Invested in capital assets, net of related debt	\$ 3,784,319	\$ 3,000,708	\$ 2,848,956	\$ 2,101,303	\$ 2,101,303	\$ 2,609,477	\$ 2,493,347	\$ 2,091,589	\$ 2,172,687	\$ 1,886,351
Restricted	1,134,419	1,367,088	1,747,978	1,863,693	1,863,693	1,409,750	1,375,684	2,154,416	2,103,344	2,569,905
Unrestricted	76,897	204,271	(379,529)	132,318	132,318	(71,747)	(150,454)	(127,435)	(1,959,414)	(124,056)
<b>Total district net assets</b>	<u>\$ 4,995,635</u>	<u>\$ 4,572,067</u>	<u>\$ 4,217,405</u>	<u>\$ 4,097,314</u>	<u>\$ 4,097,314</u>	<u>\$ 3,947,480</u>	<u>\$ 3,718,577</u>	<u>\$ 4,118,570</u>	<u>\$ 2,316,617</u>	<u>\$ 4,332,200</u>

Source: ACFR Schedule A-1

Lavallette Borough Board of Education  
 Changes in Net Position, Last Ten Fiscal Years  
 (accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Expenses</b>										
<b>Governmental activities</b>										
Instruction										
Regular	\$ 1,074,466	\$ 1,062,388	\$ 1,087,849	\$ 1,164,551	\$ 1,149,861	\$ 1,090,657	\$ 1,163,622	\$ 1,091,663	\$ 1,165,679	\$ 1,081,224
Special education	339,087	279,505	214,237	196,617	274,042	330,241	240,521	260,322	291,520	544,517
Other instruction	64,116	105,816	182,149	157,486	137,177	116,929	106,397	95,243	192,588	111,444
Support Services:										
Tuition	957,271	992,209	719,961	819,542	820,617	1,019,650	783,402	866,059	797,050	864,232
Student & instruction related services	342,312	343,973	335,164	389,586	470,114	425,157	421,416	382,359	412,512	473,658
School administrative services	257,968	248,824	221,413	200,769	179,834	224,236	205,753	201,900	199,897	226,185
Plant operations and maintenance	206,994	271,779	263,967	244,431	322,360	313,052	307,557	237,456	367,136	379,549
Pupil transportation	71,294	86,935	134,997	175,888	130,045	203,128	153,649	159,160	106,546	127,892
Unallocated benefits	776,099	785,193	812,176	887,936	959,821	1,068,966	1,206,756	1,172,351	1,242,734	1,344,075
Interest on long-term debt	28,666	21,505	26,282	23,650	22,215	18,730	16,270	14,835	12,375	69,563
Depreciation	330,257	335,868	352,890	242,544	244,121	208,850	211,273	203,178	356,105	365,444
Total governmental activities expenses	<u>4,448,530</u>	<u>4,533,975</u>	<u>4,351,085</u>	<u>4,503,000</u>	<u>4,710,207</u>	<u>5,019,596</u>	<u>4,816,616</u>	<u>4,684,526</u>	<u>5,144,142</u>	<u>5,587,783</u>
<b>Business-type activities:</b>										
Food service	65,685	41,601	45,292	42,947	41,346	42,539	68,793	33,592	15,671	47,176
Total business-type activities expense	<u>65,685</u>	<u>41,601</u>	<u>45,292</u>	<u>42,947</u>	<u>42,947</u>	<u>42,539</u>	<u>68,793</u>	<u>33,592</u>	<u>15,671</u>	<u>47,176</u>
Total district expenses	<u>\$ 4,514,215</u>	<u>\$ 4,575,576</u>	<u>\$ 4,396,377</u>	<u>\$ 4,545,947</u>	<u>\$ 4,545,947</u>	<u>\$ 5,062,135</u>	<u>\$ 4,885,409</u>	<u>\$ 4,718,118</u>	<u>\$ 5,159,813</u>	<u>\$ 5,634,959</u>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
Charges for services:										
Instruction (tuition)	\$ 148,727	\$ 155,490	\$ 193,281	\$ 173,243	\$ 285,591	\$ 356,957	\$ 269,829	\$ 296,554	\$ 268,779	\$ 303,697
Student & instruction related services										
Business and other support services										
Operating grants and contributions	133,792	105,945	73,553	86,702	86,702	85,279	107,166	114,613	147,038	300,039
Total governmental activities program revenues	<u>282,519</u>	<u>261,435</u>	<u>266,834</u>	<u>259,945</u>	<u>259,945</u>	<u>442,236</u>	<u>376,995</u>	<u>411,167</u>	<u>415,817</u>	<u>603,736</u>
<b>Business-type activities:</b>										
Charges for services:										
Food service	7,599	18,562	27,334	22,284	22,863	22,760	26,725	16,673	4,711	23,175
Operating grants and contributions	35,820	13,160	11,528	10,334	11,147	8,725	7,447	8,838	4,801	12,659
Total business-type activities program revenues	<u>43,419</u>	<u>31,722</u>	<u>38,862</u>	<u>32,618</u>	<u>24,010</u>	<u>31,485</u>	<u>34,172</u>	<u>25,511</u>	<u>9,512</u>	<u>35,834</u>
Total district program revenues	<u>\$ 325,938</u>	<u>\$ 293,157</u>	<u>\$ 305,696</u>	<u>\$ 292,563</u>	<u>\$ 283,955</u>	<u>\$ 473,721</u>	<u>\$ 411,167</u>	<u>\$ 436,678</u>	<u>\$ 425,329</u>	<u>\$ 639,570</u>
<b>Net (Expense)/Revenue</b>										
<b>Governmental activities</b>	\$ (4,166,011)	\$ (4,272,540)	\$ (4,084,251)	\$ (4,243,055)	\$ (4,337,914)	\$ (4,577,360)	\$ (4,439,621)	\$ (4,273,359)	\$ (4,728,325)	\$ (4,984,047)
<b>Business-type activities</b>	(22,266)	(9,879)	(6,430)	(10,329)	(9,235)	(11,405)	(27,448)	1,919	4,801	(11,342)
<b>Total district-wide net expense</b>	<u>\$ (4,188,277)</u>	<u>\$ (4,282,419)</u>	<u>\$ (4,090,681)</u>	<u>\$ (4,253,384)</u>	<u>\$ (4,253,384)</u>	<u>\$ (4,588,765)</u>	<u>\$ (4,467,069)</u>	<u>\$ (4,271,440)</u>	<u>\$ (4,723,524)</u>	<u>\$ (4,995,389)</u>
<b>General Revenues and Other Changes in Net Assets</b>										
<b>Governmental activities:</b>										
Property taxes levied for general purposes, net	\$ 3,572,526	\$ 3,580,976	\$ 3,600,931	\$ 3,462,572	\$ 3,503,823	\$ 3,573,899	\$ 3,761,102	\$ 3,836,324	\$ 3,913,050	\$ 3,991,311
Taxes levied for debt service	123,664	119,762	115,860	84,675	82,215	79,775	29,782	23,065	20,855	34,183
Unrestricted grants and contributions	532,075	554,992	521,611	562,421	684,451	688,345	768,186	895,525	873,462	1,100,823
Investment earnings	458	1,868	2,247	2,547	2,780	4,568	1,348	1,014	640	904
Miscellaneous income	11,944	45,452	32,852	20,556	40,337	54,039	17,088	14,368	31,006	39,571
Transfers	(24,450)	(12,900)	(6,500)	(9,483)	(10,000)	(44,068)	(7,000)	(10,000)	(10,000)	(10,000)
Total governmental activities	<u>4,216,217</u>	<u>4,290,150</u>	<u>4,267,001</u>	<u>4,123,288</u>	<u>4,303,606</u>	<u>4,356,558</u>	<u>4,570,506</u>	<u>4,760,296</u>	<u>4,829,013</u>	<u>5,156,792</u>
<b>Business-type activities:</b>										
Investment earnings	16	9		5	6	10	13	-	6	
Miscellaneous income										
Cancel payable										
Transfers	24,450	12,900	6,500	10,000	10,000	10,000	7,000	10,000	10,000	10,000

Lavallette Borough Board of Education  
 Changes in Net Position, Last Ten Fiscal Years  
 (accrual basis of accounting)

J-2

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total business-type activities	24,466	12,909	6,500	10,005	10,005	10,010	7,013	10,000	10,006	10,000
Total district-wide	\$ 4,240,683	\$ 4,303,059	\$ 4,273,501	\$ 4,133,293	\$ 4,133,293	\$ 4,366,568	\$ 4,577,519	\$ 4,770,296	\$ 4,839,019	\$ 5,166,792
<b>Change in Net Assets</b>										
Governmental activities	\$ 50,206	\$ 17,610	\$ 182,750	\$ (119,767)	\$ (43,543)	\$ (227,859)	\$ 130,885	\$ 265,683	\$ 105,489	\$ 172,745
Business-type activities	2,200	3,030	70	(324)	771	(1,044)	1,506	1,919	3,847	(1,342)
Total district	\$ 52,406	\$ 20,640	\$ 182,820	\$ (120,091)	\$ (42,772)	\$ (228,903)	\$ 132,391	\$ 267,602	\$ 109,336	\$ 171,403

Source: ACFR Schedule A-2 Does not include restatement for pension

**Lavallette Borough Board of Education**  
**Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

J-3

Fiscal Year Ending June 30,

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>General Fund</b>										
Reserved	\$ 767,218	\$ 999,887	\$ 1,452,488	\$ 1,417,085	\$ 1,417,085	\$ 1,375,684	\$ 1,355,844	\$ 1,677,809	\$ 2,050,972	\$ 2,388,716
Unreserved	257,992	240,675	242,448	254,611	254,611	239,295	242,511	240,030	257,510	235,032
<b>Total general fund</b>	<b>\$ 1,025,210</b>	<b>\$ 1,240,562</b>	<b>\$ 1,694,936</b>	<b>\$ 1,671,696</b>	<b>\$ 1,671,696</b>	<b>\$ 1,614,979</b>	<b>\$ 1,598,355</b>	<b>\$ 1,917,839</b>	<b>\$ 2,308,482</b>	<b>\$ 2,623,748</b>
<b>All Other Governmental Funds</b>										
Reserved	\$ 367,201	\$ 367,201	\$ 367,201	\$ 367,201	\$ 367,201	\$ 47,513		\$ 205,193	\$ -	\$ 25,805
Unreserved, reported in:										
Special revenue fund	-	-	-	-	-	-				
Capital projects fund	-	-	-	-	-	-	200,000	32,307	24,531	-
Debt service fund	-	-	-	-	-	285,100	285,350	533,818	482,298	340,298
<b>Total all other governmental funds</b>	<b>\$ 367,201</b>	<b>\$ 367,201</b>	<b>\$ 367,201</b>	<b>\$ 367,201</b>	<b>\$ 367,201</b>	<b>\$ 332,613</b>	<b>\$ 485,350</b>	<b>\$ 771,318</b>	<b>\$ 506,829</b>	<b>\$ 366,103</b>

Source: ACFR Schedule B-1

Lavallette Borough Board of Education  
 Changes in Fund Balances, Governmental Funds,  
 Last Three Fiscal Years

J-4

	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>Revenues</b>			
Tax levy	\$ 3,859,389	\$ 3,933,655	\$ 4,025,494
Tuition charges	289,923	268,779	303,697
Interest earnings	1,014	640	904
Miscellaneous	14,368	31,006	39,571
State sources	796,217	873,462	1,123,800
Federal sources	99,308	147,068	277,062
Total revenue	<u>5,060,219</u>	<u>5,254,610</u>	<u>5,770,528</u>
<b>Expenditures</b>			
<b>Instruction</b>			
Regular instruction	1,091,663	1,165,679	1,133,424
Special education instruction	297,929	291,520	544,517
Other instruction	95,243	192,588	111,444
<b>Support Services:</b>			
Tuition	866,059	797,050	864,232
Student & instruction related services	445,235	412,512	473,658
Support services School Administration	201,900	199,897	226,185
Plant operations and maintenance	286,675	367,136	379,549
Pupil Transportation	159,160	106,546	127,892
Unallocated employee benefits	1,172,360	1,242,734	1,430,112
Capital outlay	1,953,708	288,751	125,025
<b>Debt service:</b>			
Principal	60,000	60,000	150,000
Interest and other charges	14,835	12,375	80,926
Total expenditures	<u>6,644,767</u>	<u>5,136,788</u>	<u>5,646,964</u>
Excess (Deficiency) of revenues over (under) expenditures	(1,584,548)	117,822	123,564
<b>Other Financing sources (uses)</b>			
Bond proceeds	2,200,000		
Transfers in		41,986	
Transfers out	(10,000)	(51,986)	(10,000)
Total other financing sources (uses)	<u>2,190,000</u>	<u>(10,000)</u>	<u>(10,000)</u>
Net change in fund balances	<u>\$ 605,452</u>	<u>\$ 107,822</u>	<u>\$ 113,564</u>
Debt service as a percentage of noncapital expenditures	1.6%	1.5%	4.4%

Source: ACFR Schedule B-2



LAVALLETTE BOROUGH SCHOOL DISTRICT  
 GENERAL FUND OTHER LOCAL REVENUE BY SOURCE  
 LAST TEN FISCAL YEARS  
 UNAUDITED

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Misc.	Total
2013	458	148,727	49,238	\$ 198,423
2014	1,868	155,490	75,681	\$ 233,039
2015	2,247	193,231	32,077	\$ 227,555
2016	2,547	173,243	22,318	\$ 198,108
2017	2,780	285,591	40,337	\$ 328,708
2018	4,568	308,682	98,805	\$ 412,055
2019	1,348	269,829	19,158	\$ 290,335
2020	1,014	289,923	14,368	\$ 305,305
2021	390	268,779	11,670	\$ 280,839
2022	904	303,697	39,571	\$ 344,172

Lavallette Borough Board of Education  
 Assessed Value and Actual Value of Taxable Property,  
 Last Ten Fiscal Years

J-6

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
2013	18,391,000	1,779,166,450			37,562,360		4,204,600	1,839,324,410	40,634,200		1,879,958,610	0.201	2,130,254,413
2014	21,925,500	1,777,897,250			37,956,060		4,843,100	1,842,621,910	40,629,200		1,883,251,110	0.202	2,076,248,298
2015	19,257,200	1,790,789,750			37,959,760		4,843,100	1,852,849,810	40,629,200		1,893,479,010	0.191	2,008,291,578
2016	35,699,700	1,789,981,650			37,439,960		4,843,100	1,834,268,410	39,557,100		1,873,825,510	0.192	2,059,847,514
2017	33,675,800	1,798,905,774			37,497,160		4,843,100	1,874,921,634	39,557,100		1,914,478,734	0.195	2,163,791,174
2018	37,751,000	1,818,255,074			37,765,460		4,843,100	1,864,638,734	40,070,700		1,904,709,434	0.199	2,145,867,686
2019	46,057,500	1,826,796,724			37,728,060		4,843,100	1,915,425,384	38,850,400		1,954,275,784	0.201	2,182,583,426
2020	30,493,500	2,293,130,900			49,432,600		2,443,100	2,375,500,100	67,125,000		2,442,625,100	0.166	2,354,632,279
2021	36,646,500	2,291,445,500			49,432,600		1,839,700	2,379,364,300	68,505,000		2,447,869,300	0.169	2,415,918,473
2022	37,464,100	2,303,523,700			49,432,600		1,839,700	2,392,260,100	67,140,400		2,459,400,500	0.173	2,691,372,834

Sources: Ocean County Abstract of Ratables

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

**Lavallette Borough Board of Education  
Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years**

J-7

(rate per \$100 of assessed value)

Fiscal Year Ended June 30,	Lavallette Borough Board of Education			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Lavallette Borough	Ocean County	
2013	0.195	0.007	0.201	0.267	0.453	0.921
2014	0.195	0.006	0.201	0.272	0.460	0.933
2015	0.187	0.004	0.191	0.286	0.452	0.929
2016	0.188	0.004	0.192	0.296	0.372	0.860
2017	0.191	0.004	0.195	0.306	0.480	0.981
2018	0.195	0.004	0.199	0.306	0.466	0.971
2019	0.200	0.001	0.201	0.311	0.467	0.979
2020	0.165	0.001	0.166	0.262	0.400	0.828
2021	0.168	0.001	0.169	0.255	0.402	0.826
2022	0.165	0.007	0.173	0.255	0.426	0.854

Source: District Records and Ocean County Abstract of Ratables

**Note:**

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

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

Lavallette Borough Board of Education  
Principal Property Tax Payers,  
Current & Thirteen years ago

J-8

Taxpayer	2021			2008		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
LITTLE GIANT, LLC	5801400	1	0.24%			
CONTE, SALVATORE & ALLISON	5476500	2	0.23%			
CHIAPPETTA, GINO & LAURA MORONE	4482900	3	0.19%			
LAVALLETTA YACHT CLUB	4244600	4	0.18%			
ZORZI, KENNETH & CHRISTINE	4163200	5	0.17%			
ROWLANDS, JEHAN	3877700	6	0.16%			
DONATO, MICHELE	3796000	7	0.16%			
MELA COURT LLC	3615200	8	0.15%			
FRITSCH, ARTHUR e JR & GAIL ANN	3594600	9	0.15%			
GIANT REALTY LLC	3580300	10	0.15%			
MINKS, HERBERT A&GEORGIANA T				5,808,900	1	0.25%
LITTLE GIANT, LLC				4,635,700	2	0.19%
LAVALLETTA YACHT CLUB				3,484,900	3	0.18%
MELLA COURT, LLC % TROPEANO				3,371,400	4	0.17%
VANDERBEEK, JEFFREY				3,209,100	5	0.17%
GIANT REALTY LLC				3,121,900	6	0.17%
DINALLO, DONALD N				3,115,100	7	0.17%
DONATO, MICHELE				3,094,400	8	0.16%
SUSINNO, BARBARA FAMILY TRUST				3,053,500	9	0.15%
LOUISE-C INC				2,852,400	10	0.15%
Total	<u>\$ 42,632,400</u>		<u>1.78%</u>	<u>\$ 35,747,300</u>		<u>1.84%</u>
Total Net Assessment	<u>\$ 2,379,364,300</u>			<u>\$ 1,938,685,334</u>		

Source: District ACFR, Municipal Tax Assessor, Ocean County Abstract of Ratables

**Lavallette Borough Board of Education  
Property Tax Levies and Collections,  
Last Ten Fiscal Years  
Unaudited**

J-9

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2013	3,700,738	3,700,738	100.00%	
2014	3,716,791	3,716,791	100.00%	
2015	3,547,247	3,547,247	100.00%	
2016	3,586,038	3,586,038	100.00%	
2017	3,653,674	3,653,674	100.00%	
2018	3,790,884	3,790,884	100.00%	
2019	3,859,389	3,859,389	100.00%	
2020	3,933,655	3,933,655	100.00%	
2021	4,025,494	4,025,494	100.00%	
2022	4,129,637	4,129,637	100.00%	

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

**Lavellette Borough Board of Education  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years**

**Exhibit J-10  
GASB D-1**

Fiscal Year Ended June 30,	Governmental Activities			Business- Type Activities		Total District
	General Obligation Bonds	Certificate s of Participati on	Capital Leases	Bond Anticipati on Notes (BANs)	Capital Leases	
2013	800,000	-	11,012	-	-	811,012
2014	700,000	-	3,920	-	-	703,920
2015	600,000	-	31,243	-	-	631,243
2016	540,000	-	24,121	-	-	564,121
2017	480,000	-	17,022	-	-	497,022
2018	420,000	-	9,457	-	-	429,457
2019	360,000	-	1,394	-	-	361,394
2020	2,500,000	-	12,752	-	-	2,512,752
2021	2,440,000	-	26,868	-	-	2,466,868
2022	2,290,000	-	20,652	-	-	2,310,652

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

\* Source-Ocean County Department of Planning

Lavallette Borough Board of Education  
 Ratios of Net General Bonded Debt Outstanding  
 Last Ten Fiscal Years

Exhibit J-11  
 GASB D-2  
 NJ J-6 modified

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions			
2013	800,000		800,000	0.04%	\$ 300.19
2014	700,000		700,000	0.04%	\$ 262.66
2015	600,000		600,000	0.03%	\$ 225.14
2016	540,000		540,000	0.03%	\$ 298.84
2017	480,000		480,000	0.03%	\$ 262.01
2018	420,000		420,000	0.02%	\$ 229.26
2019	360,000		360,000	0.02%	\$ 196.51
2020	2,500,000		2,500,000	0.10%	\$ 1,364.63
2021	2,440,000		2,440,000	0.10%	\$ 1,331.88
2022	2,290,000		2,290,000	0.09%	\$ 1,207.81

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

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

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

\* Data unavailable

Lavallette Borough Board of Education  
 Ratios of Overlapping Governmental Activities Debt  
 As of June 30, 2022

<b>Exhibit J-12</b> GASB D-3 NJ J-8 modified
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<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes Lavallette Borough	6,362,492	100.00%	\$ 6,362,492
 Lavallette Borough School District Direct Debt			<u>2,290,000</u>
 Total direct and overlapping debt			<u>\$ 8,652,492</u>

Sources: Lavallette Borough Finance Officer

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

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



Legal Debt Margin Calculation for Fiscal Year 2022

	Equalized valuation basis	
	2022	2,691,372,834
	2021	2,415,918,473
	2020 #	2,354,632,279
	[A]	<u>\$ 7,461,923,586</u>
Average equalized valuation of taxable property	[A/3]	\$ 2,487,307,862
Debt limit (3 % of average equalization)	[B]	74,619,236 <sup>a</sup>
Net bonded school debt	[C]	<u>2,290,000</u>
Legal debt margin	[B-C]	<u>\$ 72,329,236</u>

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	\$ 67,023,803	64,760,056	62,147,943	62,147,943	61,043,252	63,695,064	62,639,346	64,547,757	67,248,265	74,619,236
Total net debt applicable to limit	<u>800,000</u>	<u>700,000</u>	<u>600,000</u>	<u>540,000</u>	<u>480,000</u>	<u>420,000</u>	<u>360,000</u>	<u>2,500,000</u>	<u>2,440,000</u>	<u>2,290,000</u>
Legal debt margin	<u>\$ 66,223,803</u>	<u>\$ 64,060,056</u>	<u>\$ 61,547,943</u>	<u>\$ 61,607,943</u>	<u>\$ 60,563,252</u>	<u>\$ 63,275,064</u>	<u>\$ 62,279,346</u>	<u>\$ 62,047,757</u>	<u>\$ 72,179,236</u>	<u>\$ 72,329,236</u>
Total net debt applicable to the limit as a percentage of debt limit	1.19%	1.08%	0.97%	0.87%	0.79%	0.66%	0.57%	3.87%	3.27%	3.07%

Source: Abstract of Ratables and District Records ACFR Schedule J-7

<sup>a</sup> Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts

**Lavallette Borough Board of Education  
Demographic and Economic Statistics  
Last Ten Years**

**Exhibit J-14**  
**GASB E-1**  
**NJ J-10 modified**

<u>Year</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>State of NJ Unemployment Rate</u>
2012	1,868	\$ 43,169	n/a
2013	1,845	\$ 43,553	n/a
2014	1,796	\$ 45,197	n/a
2015	1,803	\$ 47,267	n/a
2016	1,828	\$ 48,826	n/a
2017	1,840	\$ 50,356	n/a
2018	1,852	\$ 51,725	n/a
2019	1,867	\$ 53,517	n/a
2020	1,903	\$ 57,344	n/a
2021	1,821	n/a	5.5%

**Source: Borough of Lavallette**

n/a - Information not available

**Lavallette Borough Board of Education  
Principal Employers,  
Current Year**

**J-15  
GASB E-2**

Borough of Lavallette

Lavallette Board of Education

Crab's Claw Inn

Diane Turton Realtors

Remax Realtors

Crossroads Realtors

Birchler Realtors

Schlosser Real Estate

B & B Department Store

Rite Aid

Lenny's/Iceberg

Source: Borough of Lavallette

Lavallette Borough Board of Education  
 Full-time Equivalent District Employees by Function/Program,  
 Last Ten Fiscal Years

J-16  
 GASB F-1

<u>Function/Program</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>	<u>2022</u>
Instruction										
Regular	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	14.0	14.0
Special education	6.1	6.1	6.1	6.1	6.1	6.1	6	6	4.5	4.5
Support Services:										
Student & instruction related services	6.1	6.1	6.1	6.1	6.1	6.1	6.2	6.2	4.8	4.8
General administrative services	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.5	1.5
School administrative services	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.3	1.3
Business administrative services	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.2	1.2
Plant operations and maintenance	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	2	2
Food Service	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Total	<u>31.0</u>	<u>31.0</u>	<u>31.0</u>	<u>31.0</u>	<u>31.0</u>	<u>31.0</u>	<u>31.0</u>	<u>31.0</u>	<u>29.7</u>	<u>29.7</u>

Source: District Personnel Records

Lavallette Borough Board of Education  
 Operating Statistics  
 Last Ten Fiscal Years

J-17

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures<sup>a</sup></u>	<u>Teaching Staff</u>	<u>Pupil/Teacher Ratio</u>	<u>Average Daily Enrollment (ADE) b</u>	<u>Average Daily Attendance (ADA) b</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2013	146	4,143,378	19	1:7.8	145.9	136.3	-12.161%	93.42%
2014	137	4,336,222	19	1:7.2	136.1	129.0	-6.717%	94.81%
2015	138	4,079,461	19	1:7.2	138.2	131.2	1.572%	94.91%
2016	141	4,268,720	19	1:7.4	141.3	133.2	2.214%	94.27%
2017	149	4,236,664	19	1:7.8	147.3	139.9	4.246%	94.98%
2018	144	4,663,243	19	1:7.5	141.3	136.0	-4.073%	96.25%
2019	149	4,439,621	19	1:7.8	144.8	138.4	5.260%	95.62%
2020	158	4,439,621	19	1:8.2	153.4	147.7	5.940%	96.25%
2021	157	4,649,825	19	1:8.2	157.6	151.3	2.700%	96.00%
2022	139	5,152,776	19	1:8.2	139.5	130.4	-11.500%	93.48%

Sources: District records, School Register Summary and Schedules J-12, J-14

**Lavallette Borough Board of Education  
School Building Information  
Last Ten Fiscal Years**

**J-18**

<b><u>District Building</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>
Lavallette Elementary School (1985/6, 1982)										
Square Feet	20900	20900	20900	20900	20900	20900	20900	20900	20900	20900
Capacity (students)	217	217	217	217	217	217	217	217	217	217
Enrollment	146	137	138	140.7	149.1	143.9	149	158	157	138

**Source:** District records, ASSA

Note: Years of original construction and major addition are shown in parentheses. Increases in square footage and capacity are the result of and additions. Enrollment is based on the annual October district count.

LAVALLETTE BOROUGH SCHOOL DISTRICT  
 GENERAL FUND  
 SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
 LAST FIVE YEARS CALCULATIONS  
 UNAUDITED

J-19

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

Gross Building Area 30,645  
 Required annual maintenance \$8,764

School Facilities	2018	2019	2020	2021	2022
Lavallette Elementary	\$ 8,764	\$ 8,764	\$ 8,764	\$ 8,764	\$ 8,764
Total School Facilities	<u>\$ 8,764</u>	<u>\$ 8,764</u>	<u>\$ 8,764</u>	<u>\$ 8,764</u>	<u>\$ 8,764</u>

Source: Schedule M-1

J-20

## LAVALLETTE SCHOOL DISTRICT

## Insurance Schedule

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - NJSBAIG		
Property - Blanket Building and Contents	\$8,149,744	\$1,000
Comprehensive General Liability	\$11,000,000	
Commercial Auto Liability	\$11,000,000	
Boiler and Machinery	\$100,000,000	\$ 1,000/PD
Crime: Faithful Performance	\$25,000	500
Commercial Umbrella Liability - NJSBAIG	\$11,000,000	\$10,000
Flood Insurance-Selective Insurance Company		
Building	\$500,000	\$10,000
Contents	\$500,000	\$10,000
Workers' Compensation Policy – NJSBAIG	\$3,000,000	
Supplemental Worker's Compensation –Life Insurance Co of NA	up tp \$2,500 per week	
School Leaders' Errors and Omissions - NJSBAIG	\$10,000,000	\$ 5,000/claim
Student and Athletic Accident Insurance – Peoples Benefit Life	\$1,000,000	
Bond - Public Official (Treasurer of School Monies) - NJSBAIG	\$155,380	\$1,000
Bond- Public Official (Board Secretary) - NJSBAIG	\$155,380	\$1,000



**SINGLE AUDIT SECTION**

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.

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

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER**  
**FINANCIAL REPORTING AND REPORTING 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  
Lavallette School District  
County of Ocean  
Lavallette, 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 Lavallette Board of Education, County of Ocean, State of New Jersey as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Lavallette Board of Education, County of Ocean, State of New Jersey's basic financial statements, and have issued our report thereon dated February 15, 2023.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Lavallette Board of Education, County of Ocean, 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 Lavallette Board of Education, County of Ocean, State of New Jersey's internal control. Accordingly, we do not express an opinion on the effectiveness of the Lavallette Board of Education, County of Ocean, and 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 Lavallette Board of Education, County of Ocean, 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 15, 2023

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.  
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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;**  
**REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE**  
**OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**REQUIRED BY UNIFORM ADMINISTRATIVE AWARDS (UNIFORM GUIDANCE), AND**  
**NEW JERSEY OMB'S CIRCULAR 15-08**

K-2

Honorable President and Members  
of the Board of Education  
Lavallette School District  
County of Ocean  
Lavallette, New Jersey

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

**Opinion on Each Major Federal & State Program**

We have audited the Lavallette Board of Education's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Lavallette Board of Education's major federal and state programs for the year ended June 30, 2022. The Lavallette Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Lavallette Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2022.

**Basis for Opinion on Each Major Federal and State Program**

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and NJ OMB 15-08. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Lavallette Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Lavallette Board of Education's compliance with the requirements referred to above.

### **Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to its Federal and State programs.

### **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above have occurred, whether due to fraud or error, and express an opinion on the Lavallette Board of Education's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and NJ OMB 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Lavallette Board of Education's compliance with the requirements of each major federal or state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Lavallette Board of Education's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Lavallette Board of Education's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJ OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Lavallette Board of Education's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance or NJ OMB 15-08.

## Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purposes described in the Auditor's Responsibilities for the Audit of Compliance 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and NJ OMB 15-08. 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 15, 2023

**LAVALLETTE SCHOOL DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL ASSISTANCE**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Schedule A  
K-3

<u>Federal Grantor/Pass- Through Grantor/Program Title</u> <u>U.S. Department of Education</u> <u>Passed-Through State Department</u> <u>of Education</u>	Federal C.F.D.A. Number	Federal Fain Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2021		Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years Balances	Balance at June 30, 2022				
					From	To	Deferred Revenue (Accounts Receivable)	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Due to Grantor		
Special Revenue Fund: I.D.E.A.:																	
Basic	84.027	H027A210100	N/A	\$ 42,974	07/01/2021	09/30/2022	\$ -			42,974	(42,974)						
Preschool	84.173	H173A210114	N/A	1,147	07/01/2021	09/30/2022				1,147	(1,147)						
ARP Basic	84.027X	H027X210100	N/A	5,980	07/01/2021	09/30/2023				5,980	(5,980)						
ARP Preschool	84.173X	H173X210114	N/A	510	07/01/2021	09/30/2023				510	(510)						
No Child Left Behind:																	
Title I	84.010A	S010A210030	N/A	52,747	07/01/2021	09/30/2022				52,747	(52,747)						
Title IIA	84.367	S367A210029	N/A	8,253	07/01/2021	09/30/2022				8,253	(8,253)						
Title IV	84.424	S424A210031	N/A	10,000	07/01/2021	09/30/2022				10,000	(10,000)						
CRRSA ESSER II	84.425D	S425D210027	N/A	123,050	03/13/2020	09/30/2023				10,981	(69,056)		(58,075)				
CRRSA Accelerated Learning	84.425D	S425D210027	N/A	25,000	03/13/2020	09/30/2023				24,714	(24,714)						
CRRSA Mental Health	84.425D	S425D210027	N/A	45,000	03/13/2020	09/30/2023				44,430	(44,430)						
ARP ESSER	84.425U	S425U210027	N/A	295,216	03/13/2020	09/30/2024					(13,376)			(13,376)			
ARP Summer	84.425U	S425U210027	N/A	40,000	03/13/2020	09/30/2024					(1,226)			(1,226)			
ARP Accelerated Learning	84.425U	S425U210027	N/A	50,000	03/13/2020	09/30/2024					(2,363)			(2,363)			
ARP Mental Health	84.425U	S425U210027	N/A	45,000	03/13/2020	09/30/2024					(3,436)			(3,436)			
ESSER	84.425D	S425D200027	N/A	201,357	03/13/2020	09/30/2023		(9,163)		9,163							
CRF	20.019	SLT0040	N/A	6,618	07/01/2020	06/30/2021		(2,235)		2,235							
Total Special Revenue								(11,398)	-	-	213,134	(280,212)	-	(78,476)	-	-	-
<u>U.S. Department of Agriculture</u> <u>Passed Through State Department</u> <u>of Education</u>																	
National School Lunch Program	10.555	201NJ304N1099	N/A	2,876	07/01/2020	06/30/2021		(202)		202							
School Lunch Program - HHFKA	10.555	201NJ304N1099	N/A	136	07/01/2020	06/30/2021		(21)		21							
National School Lunch Program	10.555	211NJ304N1099	N/A	6,082	07/01/2021	06/30/2022				5,623	(6,082)		(459)				
School Lunch Program - HHFKA	10.555	211NJ304N1099	N/A	430	07/01/2021	06/30/2022				401	(430)		(29)				
Emergency Operational Costs	10.555	202121H170341	NA	1,113	07/01/2021	06/30/2022				1,113	(1,113)						
PEBT	10.542	2022225900941	N/A	1,242	07/01/2021	06/30/2022				1,242	(1,242)						
Food Distribution Program	10.55	211NJ304N1099	N/A	3,006	07/01/2021	06/30/2022				3,006	(3,006)						
Total Enterprise Fund								(223)	-	-	11,608	(11,873)	-	(488)	-	-	-
Total Federal Financial Assistance								\$ (11,621)	-	-	224,742	(292,085)	-	(78,964)	-	-	-

See accompanying Notes to Schedules of Financial Assistance.

**LAVALLETTE SCHOOL DISTRICT**

**SCHEDULE OF STATE FINANCIAL ASSISTANCE**

**FOR FISCAL YEAR ENDED JUNE 30, 2022**

Schedule B  
K-4

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Deferred Revenue (Accounts Receivable)	Due to Grantor	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years Balances	Balance at June 30, 2022			MEMO		
			From	To							(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Total Expenditures	
<b>General Fund:</b>																
Special Education Aid	22-495-034-5120-089	\$ 100,190	07/01/2021	06/30/2022	\$ -			90,175	(100,190)					(10,015)	100,190	
Security Aid	22-495-034-5120-084	15,724	07/01/2021	06/30/2022				14,152	(15,724)					(1,572)	15,724	
Transportation Aid	22-495-034-5120-014	56,079	07/01/2021	06/30/2022				50,472	(56,079)					(5,607)	56,079	
Extraordinary Aid	21-495-034-5120-044	10,770	07/01/2020	06/30/2021	(10,770)			10,770								
Extraordinary Aid	22-495-034-5120-044	5,486	07/01/2021	06/30/2022					(5,486)			(5,486)			5,486	
Non-Public Transportation Aid	22-495-034-5120-014	1,740	07/01/2021	06/30/2022					(1,740)			(1,740)			1,740	
Non-Public Transportation Aid	21-495-034-5120-014	1,740	07/01/2020	06/30/2021	(1,740)			1,740								
On-Behalf T.P.A.F. Pension Contributions - Post Retirement Medical (non-budgeted)	22-495-034-5094-001	144,828	07/01/2021	06/30/2022				144,828	(144,828)						144,828	
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)	22-495-034-5094-002	611,253	07/01/2021	06/30/2022				611,253	(611,253)						611,253	
On-Behalf T.P.A.F. Non-Contributory Insu	22-495-034-5094-004	8,624	07/01/2021	06/30/2022				8,624	(8,624)						8,624	
On-Behalf T.P.A.F. Pension Contributions - Long Term Disability	22-495-034-5094-004	224	07/01/2021	06/30/2022				224	(224)						224	
Reimbursed TPAF Social Security	22-495-034-5095-003	125,402	07/01/2021	06/30/2022				118,977	(125,402)			(6,425)			125,402	
<b>Total General Fund</b>					<u>(12,510)</u>	<u>-</u>	<u>-</u>	<u>1,051,215</u>	<u>(1,069,530)</u>	<u>-</u>	<u>-</u>	<u>(13,651)</u>	<u>-</u>	<u>-</u>	<u>(17,194)</u>	<u>1,069,530</u>
<b>Special Revenue Fund:</b>																
SDA Emergent	NA	3,346	07/01/2021	06/30/2022				3,346	(3,346)							3,346
<b>State Department of Agriculture</b>																
<b>Enterprise Fund:</b>																
School Lunch Program (State Share)	2-100-010-3360-023	744	07/01/2021	06/30/2022				693	(744)			(51)			744	
School Lunch Program (State Share)	21-100-010-3360-023	366	07/01/2020	06/30/2021	(76)			107	(31)						31	
					<u>(76)</u>	<u>-</u>	<u>-</u>	<u>800</u>	<u>(775)</u>	<u>-</u>	<u>-</u>	<u>(51)</u>	<u>-</u>	<u>-</u>	<u>775</u>	
<b>Total State Financial Assistance</b>					<u>\$ (12,586)</u>	<u>-</u>	<u>-</u>	<u>1,055,361</u>	<u>(1,073,671)</u>	<u>-</u>	<u>-</u>	<u>(13,702)</u>	<u>-</u>	<u>-</u>	<u>(17,194)</u>	<u>1,073,671</u>
On-Behalf T.P.A.F. Pension Contributions - Post Retirement Medical (non-budgeted)									(144,828)							
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)									(611,253)							
On-Behalf T.P.A.F. Non-Contributory Insurance									(8,624)							
On-Behalf T.P.A.F. Pension Contributions - Long Term Disability									(224)							
Less On Behalf TPAF Pension System Contributions									(764,929)							
<b>Total for State Financial Assistance - Major Program Determination</b>								<u>\$ (308,742)</u>								

See accompanying Notes to Schedules of Financial Assistance.



**BOARD OF EDUCATION**

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**LAVALLETTE SCHOOL DISTRICT****NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE****JUNE 30, 2022****NOTE 1: General**

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

**NOTE 2: Basis of Accounting**

The accompanying schedules of financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. Programs recorded in the food service fund include the National School Lunch Program and the U.S.D.A Commodities Program. These bases of accounting are described in the Note 1(C) 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 P.L. 2003, c.97.(A3521). For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service</u>	<u>Total</u>
<b><u>State Assistance</u></b>				
Actual Amounts (Budgetary) “Revenues” from the Schedule of Expenditures of State Financial Assistance	\$ 1,069,550	3,346	775	1,073,671
Difference -- Budget to “GAAP” Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures and the Related Revenue is Recognized		(3,346)		(3,346)
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)	(493)	—	—	(493)
Total State Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	<u>\$ 1,069,057</u>	<u>—0</u>	<u>775</u>	<u>1,069,832</u>

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

	<u>Special Revenue Fund</u>	<u>Food Service</u>	<u>Total</u>
<b><u>Federal Assistance</u></b>			
Actual Amounts (Budgetary) “Revenues” from the Schedule of Expenditures of Federal Awards	\$ 280,212	11,873	292,085
Difference – Budget to “GAAP” Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and the Related Revenue is Recognized	<u>(3,250)</u>	_____	<u>(3,250)</u>
Total Federal Revenue as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances	<u>\$ 276,962</u>	<u>11,873</u>	<u>288,835</u>

**NOTE 4: Relationship to Federal and State Financial Reports**

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

**NOTE 5: Other**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer’s share of social security contributions for TPAF members for the year ended June 30, 2022.

**LAVALLETTE SCHOOL DISTRICT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

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**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

*Part I - Summary of Auditor's Results*

**Financial Statement Section**

	<b>Description</b>
(A) Type of auditor's report issued on financial statements	Unmodified
 (B) Internal control over financial reporting:	
1) Material weakness(es) identified?	_____ Yes <u>    x    </u> No
2) Significant deficiencies identified that are not considered to be material weaknesses?	_____ Yes <u>    x    </u> None Reported
Noncompliance material to basic financial statements noted?	_____ Yes <u>    x    </u> No

**Federal Awards**

NOT APPLICABLE

**State Awards Section**

(a) Dollar threshold used to determine Type A programs:	\$750,000
(b) Auditee qualified as low-risk auditee?	<u>    x    </u> Yes    _____ No
(c) Type of auditor's report on compliance for major programs:	Unmodified
 (d) Internal control over compliance:	
(1) Material weakness(es) identified?	_____ Yes <u>    x    </u> No
(2) Were reportable condition(s) identified that were not considered to material weaknesses?	_____ Yes <u>    x    </u> No
(e) 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

**GMIS Number(s)**

22-495-034-5120-089  
22-495-034-5120-084  
22-100-034-5095-003

**Name of State Program**

Special Education Aid - Public Cluster  
Security Aid - Public Cluster  
Reimbursed TPAF Social Security Aid

**LAVALLETTESCHOOL DISTRICT****SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

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**FOR THE FISCAL YEAR ENDED JUNE 30, 2022*****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*.

There are none.

**LAVALLETTE SCHOOL DISTRICT****SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

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**FOR THE FISCAL YEAR ENDED JUNE 30, 2022*****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

**State Awards**

Finding: None

State program information: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Recommendation: N/A

Management's response: N/A

**LAVALLETTE SCHOOL DISTRICT****SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

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**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

This section identifies the status of prior year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations Part 200 and New Jersey OMB's Circular 15-08.

**Status of Prior Year Findings**

There were none.