

SCHOOL DISTRICT
OF
CITY OF PORT REPUBLIC

Port Republic City Board of Education
Port Republic, New Jersey

Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2022

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Introductory Section

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

March 10, 2023

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

The Annual Comprehensive Financial Report of the City of Port Republic 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:

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

1). REPORTING ENTITY AND ITS SERVICES

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

2). ECONOMIC CONDITION AND OUTLOOK

The District provides a full range of educational services appropriate to grade levels K through 8. These include regular education, as well as special education for disabled students. The District started the 2021-2022 fiscal year with an enrollment of 104 students. Although our enrollment has declined in recent years, our financial outlook continues to look good with the addition of a total of 20 choice seats through the choice program. Additionally, the District continues to take advantage of opportunities to share services and minimize costs. We are currently engaged in a LEAP study to evaluate the best programmatic and financial path for the school in difficult economic times.

3). MAJOR INITIATIVES

Student progress indicators continue to indicate that the District's educational program is an effective one, but we are striving for greater success. The District will be implementing new District and Board goal setting in 2021-2022 to develop a 5-year strategic plan for curriculum, technology, facility and finance. The LEAP study with Stockton University will also provide comprehensive information for determining the future trajectory of the District. This will provide an exciting new chapter, as we welcome new ideas and initiatives. The Board is also looking forward to a full update of the Long-Range Facility Plan and an evaluation of long-range facility needs as a part of this effort.

4). INTERNAL CONTROLS

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

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

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

5). BUDGETARY CONTROLS

In addition to internal accounting controls, the District maintains budgetary controls. The objectives of these budgetary controls are to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of School Estimate. Annual appropriated budgets are adopted for the general fund and the special revenue fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2022.

6). ACCOUNTING SYSTEM AND REPORTS

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

7). CASH MANAGEMENT

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements". The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8). RISK MANAGEMENT

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

9). OTHER INFORMATION

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

10). ACKNOWLEDGMENTS

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

Respectfully submitted,

Dennis Anderson

Dennis Anderson
Interim-Superintendent

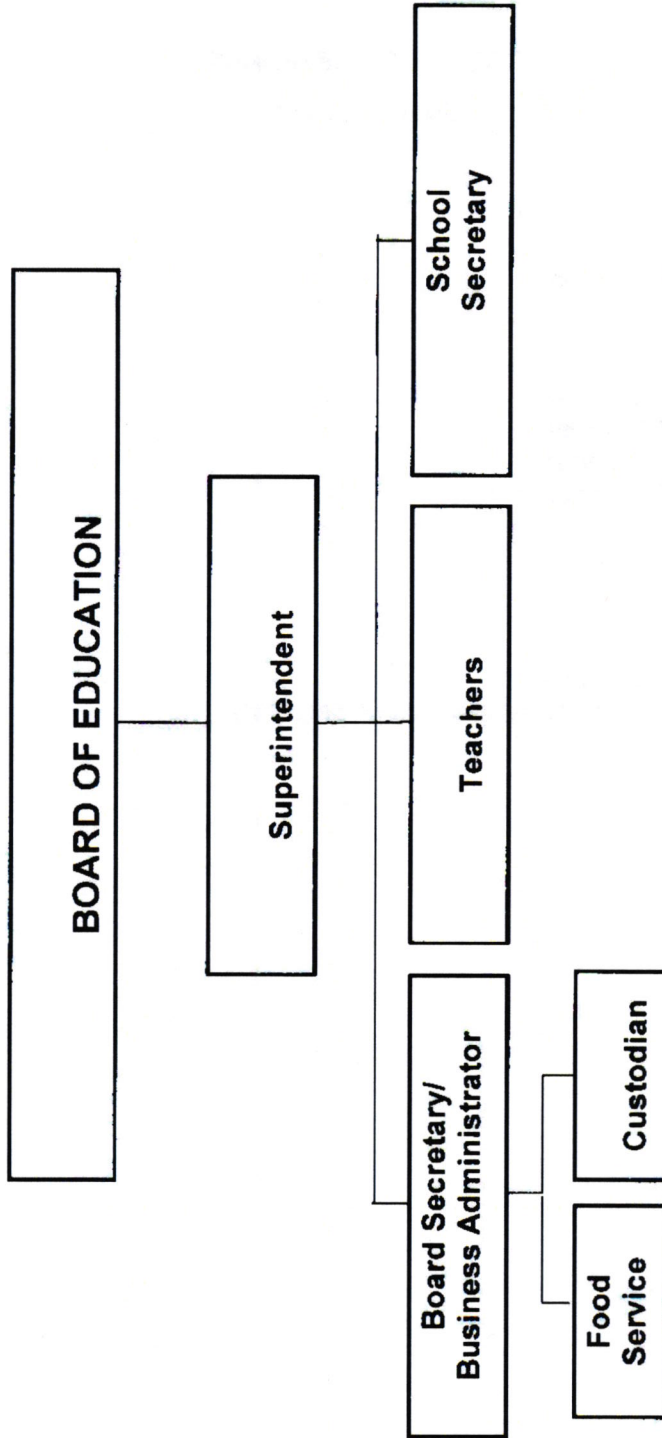
Todd D'Anna

Todd D'Anna
Business Administrator

CITY OF PORT REPUBLIC SCHOOL DISTRICT

County of Atlantic
Port Republic, New Jersey

ORGANIZATIONAL CHART



CITY OF PORT REPUBLIC BOARD OF EDUCATION

PORT REPUBLIC, NEW JERSEY

ROSTER OF OFFICIALS

June 30, 2022

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Joy Hooper, President	2027
Eric Stevenson, Vice President	2026
Kathy Cox	2025
Kevin Wessler	2024
Jill Yochim	2023

Other Officials

Dennis Anderson, Superintendent

Todd D'Anna, Board Secretary/School Business Administrator

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

Audit Firm

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

Attorney

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

Insurance Agent

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

Official Depository

OceanFirst Bank
1777 New Road
Linwood, New Jersey 08221

Financial Section

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FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

www.ford-scott.com

Independent Auditor's Report

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

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Port Republic School District, in the County of Atlantic, New Jersey, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Port Republic School District, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with 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 and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the City of Port Republic School District 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.

Responsibility 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 misstatements, 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 City of Port Republic School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities 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 GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey 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 an error, as 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, we:

- exercise professional judgement 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 the 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 entity'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 judgement there are conditions or events considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charge 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.

Other Matters

Required Supplementary Information

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

Supplementary Information

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

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises of the introductory and statistical sections and have not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2023 on our consideration of the City of Port Republic School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Port Republic School District's internal control over financial reporting and compliance.

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

Nancy Sbrolla

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

March 10, 2023

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Required Supplemental Information
Part I

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Port Republic School District's ("District") annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2022. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statement.

FINANCIAL HIGHLIGHTS

- The net position of the District increased \$32,632.59 as a result of an increase in property taxes levied.
- The State of New Jersey reimbursed the District \$71,094.02 during the fiscal year ended June 30, 2022 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. Also, the State of New Jersey paid \$489,609.00 on behalf of the District for TPAF Pension Contributions. These amounts, which are not budgeted, are included as both a revenue and appropriation in the financial statements.
- As required by New Jersey State Statutes, the unreserved fund balance of the general fund is limited to 2% of the total general fund expenditures. Any excess is required to be designated as Reserved Fund Balance – Excess Surplus and included in the next year's budget as budgeted fund balance. As of June 30, 2022 the District had \$67,216.59 in excess surplus, of which \$0.00 has been appropriated and included as anticipated revenue in the 2023 fiscal year budget.
- During the fiscal year ended June 30, 2022, the District's revenues were \$19,114.81 lower than total expenditures. This can be attributed to an increase in expenses for the district compared to last year. During the prior fiscal year, revenues were higher than expenditures by \$33,627.19.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

Government-wide Statements

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

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

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

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

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

Fund Financial Statements

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

The District has three kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement that explains the relationship (or differences) between them.
- *Proprietary funds* – Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information. In fact, the District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.
- *Fiduciary funds* – The District is the trustee, or *fiduciary*, for its employees' unemployment compensation plan. It is also responsible for other assets that - because of a trust arrangement – can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position. The District's governmental activities net position increased between fiscal years 2022 and 2021 as a result of an increase in property taxes levied. The financial condition of the District, excluding depreciation expense, increased slightly during the 2022 fiscal year.

	<u>Governmental Activities</u>		<u>Business-type</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current and other assets	\$ 317,648.16	308,956.51			317,648.16	308,956.51
Capital assets	136,537.32	125,746.43			136,537.32	125,746.43
Deferred Outflows	13,340.00	25,163.00				25,163.00
Total assets	467,525.48	459,865.94	-	-	454,185.48	459,865.94
Long-term liabilities	190,379.00	232,502.51	-	-	190,379.00	232,502.51
Other liabilities	142,843.22	125,692.76	-	-	142,843.22	125,692.76
Total liabilities	333,222.22	358,195.27	-	-	333,222.22	358,195.27
Net position						
Invested in Capital Assets	136,537.32	125,746.43			136,537.32	125,746.43
Restricted	86,318.57	188,200.01	-	-	86,318.57	188,200.01
Unrestricted	(88,552.63)	(212,275.77)	-	-	(88,552.63)	(212,275.77)
Total net position	\$ 134,303.26	101,670.67	-	-	134,303.26	101,670.67

As required by New Jersey Statutes, the unrestricted net position of the District is not permitted to exceed 4% of total general fund expenditures, after reductions for On-behalf TPAF pension and social security and assets acquired under capital leases. Any excess must be appropriated as budgeted fund balance in the subsequent years' budget. As of June 30, 2022, the District did have \$67,216.59 in excess fund balance, of which \$0.00 has been appropriated and included as anticipated revenue in the 2023 fiscal year budget.

Changes in net position. The total revenue of the District increased \$677,148.28 due to an increase in property taxes levied and an increase in operating grants.

Approximately 36.55% of the District's revenue comes from the State of New Jersey in the form of unrestricted state aid. The City of Port Republic levies property taxes on properties located in the City. This tax is remitted to the District on a monthly basis. The District expenses are primarily related to instruction, administration, and plant operations.

	2022		2021	
	2022 Amount	Percentage	2021 Amount	Percentage
Property taxes	\$ 1,951,497.00	47.79%	1,885,328.04	55.34%
Unrestricted Federal and State aid	1,492,713.02	36.55%	1,396,124.08	40.98%
Miscellaneous and special items	3,179.30	0.08%	(3,210.58)	-0.09%
Operating grants and contributions	636,388.83	15.58%	128,388.33	3.77%
Totals	\$ 4,083,778.15	100.00%	3,406,629.87	100.00%

Governmental & Business-Type Activities

The following schedule summarizes the governmental and business-type activities of the District during the 2022 and 2021 fiscal years.

	Governmental Activities		Business-type Activities		Totals	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues						
Program revenue						
Federal and state grants	636,388.83	128,388.33			636,388.83	128,388.33
General revenues						
Property taxes	1,951,497.00	1,885,328.04	-	-	1,951,497.00	1,885,328.04
State aid entitlements	1,492,713.02	1,396,124.08	-	-	1,492,713.02	1,396,124.08
Miscellaneous	3,179.30	5,605.37			3,179.30	5,605.37
Total revenues	4,083,778.15	3,415,445.82	-	-	4,083,778.15	3,415,445.82
Expenses						
Instruction:						
Regular	1,680,146.32	1,160,411.51			1,680,146.32	1,160,411.51
Special Education	330,186.76	213,301.27			330,186.76	213,301.27
School Sponsored Activities	3,250.00	-			3,250.00	-
Support services:						
Tuition	790,361.71	852,638.53			790,361.71	852,638.53
Student & instruction	670,455.92	562,494.35			670,455.92	562,494.35
School admin services	86,576.68	85,309.59			86,576.68	85,309.59
General admin services	123,894.35	134,105.33			123,894.35	134,105.33
Plant operations/maint	158,586.12	172,162.81			158,586.12	172,162.81
Pupil transportation	109,660.25	98,592.62			109,660.25	98,592.62
Central services	42,724.45	31,120.17			42,724.45	31,120.17
Transfer to Charter School	54,851.00	55,725.00			54,851.00	55,725.00
Capital outlay	452.00	-			452.00	-
Business-type activities					-	-
Total expenses	4,051,145.56	3,365,861.18	-	-	4,051,145.56	3,365,861.18
Excess (Deficiency) before items	32,632.59	49,584.64	-	-	32,632.59	49,585
Special items					-	-
Transfers		(8,815.95)			-	(8,815.95)
Change in net position	\$ 32,632.59	40,768.69	-	-	32,632.59	40,768.69
Net position – beginning	101,670.67	60,901.98	-	-	101,670.67	60,901.98
Net position – ending	134,303.26	101,670.67	-	-	134,303.26	101,670.67

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As of the year end, the governmental funds reported a combined fund balance of \$265,708.94 which is \$19,114.81 lower than the beginning of the year. In addition to the analysis discussed at Financial Highlights and Financial Analysis of the District as a Whole, this decrease is due to an increase in tuition and transportation costs. Also, the District continues to monitor spending on an ongoing basis to ensure actual expenditures stay within the budget.

General Fund Budgetary Highlights

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

After adjusting total revenue reported on Exhibit C-1 for the Reimbursed TPAF Social Security Contribution and On-behalf Contributions, which are not budgeted, the District's actual revenue was over the budget by \$17,998.30. This is a result of realizing additional revenue allocated by the State of New Jersey for Special Education Extraordinary Aid and Non-Public Transportation aid. Again, after adjusting for the Reimbursed TPAF Social Security Contribution and On-behalf Contributions, actual expenditures were below the budgeted appropriations by \$132,781.48. This is the result of good controls over spending throughout the year. Audit exhibit C-1 does not include current year depreciation expense.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

During the 2022 fiscal year, the District invested in several additional capital assets. The increase in capital assets is due to these additional assets purchased during the year.

	Governmental Activities		Total	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Buildings and Improvements	129,871.11	123,121.39	129,871.11	123,121.39
Equipment	6,666.21	2,625.04	6,666.21	2,625.04
Total	<u>\$ 136,537.32</u>	<u>125,746.43</u>	<u>136,537.32</u>	<u>125,746.43</u>

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

Long-term Debt

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

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DISTRICT-WIDE FINANCIAL STATEMENTS

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City of Port Republic School District
(A Component Unit of the City of Port Republic)
Statement of Net Position
June 30, 2022

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 197,077.31	-	197,077.31
Other accounts receivable	32,800.00	-	32,800.00
Receivables from other governments	87,770.85	-	87,770.85
Interfund receivables	-	-	-
Inventory	-	-	-
Capital assets not being depreciated			
Land	-	-	-
Depreciable assets, net of accumulated depreciation	136,537.32	-	136,537.32
Total assets	<u>454,185.48</u>	<u>-</u>	<u>454,185.48</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	13,340.00	-	13,340.00
Loss on Refunding Bonds	-	-	-
Total Deferred Outflows of Resources	<u>13,340.00</u>	<u>-</u>	<u>13,340.00</u>
LIABILITIES			
Accounts Payable	31,499.19		31,499.19
Payroll Deductions Payable	20,440.03		20,440.03
Due to Employees	-	-	-
Deferred Revenue	-		-
Noncurrent liabilities:			
Due beyond one year	60,000.00	-	60,000.00
Net pension liability	130,379.00	-	130,379.00
Total liabilities	<u>242,318.22</u>	<u>-</u>	<u>242,318.22</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	90,904.00	-	90,904.00
Total Deferred Inflows of Resources	<u>90,904.00</u>	<u>-</u>	<u>90,904.00</u>
NET POSITION			
Net investment in capital assets	136,537.32	-	136,537.32
Restricted for:			
Capital projects	623.63	-	623.63
Other purposes	85,694.94	-	85,694.94
Unrestricted net position/(deficit)	<u>(88,552.63)</u>	<u>-</u>	<u>(88,552.63)</u>
Total net position	<u>\$ 134,303.26</u>	<u>-</u>	<u>134,303.26</u>

The accompanying notes are an integral part of these financial statements

**City of Port Republic School District
(A Component Unit of the City of Port Republic)
Statement of Activities
For the Year Ended June 30, 2022**

Functions/Programs	Expenses	Indirect Expense Allocation	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities
Governmental activities:						
Instruction:						
Regular	\$ 1,162,102.78	518,043.54	-	428,541.05	(1,251,605.27)	(1,251,605.27)
Special education	228,379.48	101,807.28		52,058.85	(278,127.91)	(278,127.91)
School Sponsored Activities	3,250.00				(3,250.00)	(3,250.00)
Other special instruction					-	-
Support services:						
Tuition	790,361.71				(790,361.71)	(790,361.71)
Student & instruction related services	462,048.65	208,407.27		149,007.28	(521,448.64)	(521,448.64)
School administrative services	49,623.36	36,953.32		2,789.61	(83,787.07)	(83,787.07)
General and business administrative services	71,012.82	52,881.55		3,992.04	(119,902.31)	(119,902.31)
Central Services	42,724.45				(42,724.45)	(42,724.45)
Plant operations and maintenance	158,586.12				(158,586.12)	(158,586.12)
Pupil transportation	109,660.25				(109,660.25)	(109,660.25)
Unallocated benefits	918,092.94	(918,092.94)			-	-
Capital outlay	452.00				(452.00)	(452.00)
Transfer to Charter School	54,851.00				(54,851.00)	(54,851.00)
Total governmental activities	<u>4,051,145.56</u>	<u>-</u>	<u>-</u>	<u>636,388.83</u>	<u>(3,414,756.73)</u>	<u>(3,414,756.73)</u>
Business-type activities:						
Food Service	-	-	-	-	-	-
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total government	<u>4,051,145.56</u>	<u>-</u>	<u>-</u>	<u>636,388.83</u>	<u>(3,414,756.73)</u>	<u>(3,414,756.73)</u>
General revenues:						
Taxes:						
Property taxes, levied for general purposes, net					1,951,497.00	1,951,497.00
Federal and State aid not restricted					1,492,713.02	1,492,713.02
Investment Earnings					398.30	398.30
Miscellaneous Income					2,781.00	2,781.00
Special item:						
Adjustment of Prior Year Payables					-	-
Total general revenues and transfers						
Change in Net Position					3,447,389.32	3,447,389.32
Net Position - beginning balance					32,632.59	32,632.59
Net Position - ending balance					101,670.67	101,670.67
Net Position - ending balance					134,303.26	134,303.26
					\$	\$

The accompanying notes are an integral part of these financial statements

FUND FINANCIAL STATEMENTS

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

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

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City of Port Republic School District
(A Component Unit of the City of Port Republic)
Balance Sheet
Governmental Funds
June 30, 2022

	General Fund	Special Revenue Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 122,154.54	74,922.77	197,077.31
Other accounts receivable	32,800.00		32,800.00
Interfund accounts receivable	78,520.97		78,520.97
Receivables from other governments	54,522.49	33,248.36	87,770.85
Total assets	287,998.00	108,171.13	396,169.13
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	12,785.19	18,714.00	31,499.19
Other Current Liabilities			-
Payroll Deductions and Withholdings Payable	20,440.03		20,440.03
Due to Employees			-
Interfund accounts payable		78,520.97	78,520.97
Unearned revenue	-		-
Total liabilities	33,225.22	97,234.97	130,460.19
Fund Balances:			
Restricted for:			
Excess surplus	67,216.59		67,216.59
Excess surplus -- designated for			
Subsequent year's expenditures	-		-
Capital Reserve	623.63		623.63
Student Activities		10,936.16	10,936.16
Assigned to:			
Designated for subsequent year's expenditures:			
Unreserved fund balance	-		-
Encumbrances	6,918.56		6,918.56
Unreserved, reported in:			
General fund	180,014.00		180,014.00
Total Fund balances	254,772.78	10,936.16	265,708.94
Total liabilities and fund balances	287,998.00	108,171.13	
Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			136,537.32
Pension Liabilities Net of Deferred Outflows & Inflows			(207,943.00)
Some liabilities, such as compensated absences and capital leases, are not due and payable in the current period and therefore are not reported in the funds.			
Compensated Absences			(60,000.00)
Total net position of governmental activities			134,303.26

City of Port Republic School District
(A Component Unit of the City of Port Republic)
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2022

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
REVENUES			
Local tax levy	\$ 1,951,497.00		1,951,497.00
Interest Earned	398.30		398.30
Miscellaneous	2,781.00		2,781.00
State sources	1,492,713.02	2,294.00	1,495,007.02
Federal sources		196,333.36	196,333.36
Local sources		9,746.47	9,746.47
Total revenues	<u>3,447,389.32</u>	<u>208,373.83</u>	<u>3,655,763.15</u>
EXPENDITURES			
Current:			
Regular instruction	724,277.01	163,641.00	887,918.01
Special education instruction	174,495.98		174,495.98
School Sponsored Activities	3,250.00		3,250.00
Support services and undistributed costs			-
Tuition	790,361.71		790,361.71
Student & instruction related services:	313,919.40	43,287.20	357,206.60
General administrative service	90,638.07		90,638.07
School administrative service:	63,337.38		63,337.38
Central Services	42,724.45		42,724.45
Plant operations and maintenance	163,224.31		163,224.31
Pupil transportation	109,660.25		109,660.25
Unallocated Benefits	918,092.94		918,092.94
Capital outlay	16,823.26	2,294.00	19,117.26
Transfer to Charter Schools	54,851.00		54,851.00
Total expenditures	<u>3,465,655.76</u>	<u>209,222.20</u>	<u>3,674,877.96</u>
(Deficiency) of revenues over expenditures	<u>(18,266.44)</u>	<u>(848.37)</u>	<u>(19,114.81)</u>
OTHER FINANCING SOURCES (USES)			
Adjustment for Prior Year Accounts Payable	-	-	-
Cancellation of Interfund	-	-	-
Transfers out	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(18,266.44)</u>	<u>(848.37)</u>	<u>(19,114.81)</u>
Fund Balance, July 1	<u>273,039.22</u>	<u>11,784.53</u>	<u>284,823.75</u>
Fund Balance, June 30	<u>\$ 254,772.78</u>	<u>10,936.16</u>	<u>265,708.94</u>

**City of Port Republic School District
 (A Component Unit of the City of Port Republic)
 Reconciliation of the Statement of Revenues, Expenditures
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Year Ended June 30, 2022**

Total net change in fund balances - governmental funds (from B-2)	\$		(19,114.81)
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expenses. This is the amount by which depreciation exceeded capital outlays in the period</p>			
		Depreciation expense	(15,679.18)
		Capital outlays	26,471.07
			10,791.89
District pension contributions - PERS			12,889.00
Cost of benefits earned net of employee contributions			28,842.00
			41,731.00
<p>Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net position. Capital lease proceeds</p> <p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+)</p>			
			(775.49)
Change in net position of governmental activities:			32,632.59

CITY OF PORT REPUBLIC BOARD OF EDUCATION
(A COMPONENT UNIT OF THE CITY OF PORT REPUBLIC)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. REPORTING ENTITY:

The City of Port Republic School District is a Type I district located in the County of Atlantic, State of New Jersey. As a Type I district, the Board of Education members are appointed by the Mayor. The Board is comprised of seven members appointed to three-year terms. The purpose of the district is to educate students in grades K-8. The City of Port Republic School District had an approximate enrollment at June 30, 2022 of 111 students.

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

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

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

B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS:

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

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

CITY OF PORT REPUBLIC BOARD OF EDUCATION
(A COMPONENT UNIT OF THE CITY OF PORT REPUBLIC)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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

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

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

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

C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS

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

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

The following fund types are used by the District:

1. Governmental Funds:

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

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

Fund Balances – Governmental Funds

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

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

CITY OF PORT REPUBLIC BOARD OF EDUCATION
(A COMPONENT UNIT OF THE CITY OF PORT REPUBLIC)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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

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

2. Proprietary Funds:

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

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

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

3. Fiduciary Funds:

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

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

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

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D. BASIS OF ACCOUNTING

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

1. Accrual:

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

2. Modified Accrual:

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

E. FINANCIAL STATEMENT AMOUNTS

1. Cash and Cash Equivalents:

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

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

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

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

2. Investments:

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

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3. Inventories:

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

4. Capital Assets:

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

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

5. Revenues:

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

6. Expenditures:

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

7. Compensated absences:

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

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

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

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8. Interfund Activity:

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

9. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budgets are submitted to the county office for approval and are approved by the board of school estimates. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23-2.2(g). Transfers of appropriations may be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board and under certain circumstances require approval by the Executive County Superintendent of Schools. The following are the major transfers made during the year.

	<u>To</u>	<u>From</u>
Regular Programs - Instruction		
Salaries of Teachers - Grades 1-5	30,450.00	
Resource Room/Resource Center		
Other Purchased Services	27,606.00	
Undistributed Expenditures - Instruction		
Tuition to Other LEAs within the State - Special		99,264.00
Unallocated Benefits		
Health Benefits		78,392.70

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

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

10. Encumbrances:

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

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

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

11. Tuition Receivable

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

12. Tuition Payable

Tuition charges for the fiscal years 2021/22 and 2020/21 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

13. Use of Estimates

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

14. Allocation of Costs

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

15. Pensions

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

F. RECENT ACCOUNTING PRONOUNCEMENTS

In June 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 89, "Accounting for Interest Cost Incurred Before the End of a Construction Period". This statement, which is effective for fiscal periods beginning after December 31, 2021, will not have any effect on the District's financial reporting.

In May 2019, the Governmental Accounting Standards Board (GASB) issued Statement No. 91, "Conduit Debt Obligations". This statement is effective for fiscal periods beginning after December 31, 2021, will not have any effect on the District's financial reporting.

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 93, "Replacement of Interbank Offered Rates". This statement, which is effective for fiscal periods beginning after December 31, 2021, and all reporting periods thereafter, will not have any effect on the District's financial reporting.

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements". This statement, which is

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effective for fiscal years beginning after December 31, 2023, and all reporting periods thereafter, will not have any effect on the District's financial reporting.

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

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

In April 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 99, "Omnibus 2022". This statement, which is effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter, may have an effect on the District's financial reporting.

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 100, "Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62". This statement, which is effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter, may have an effect on the District's financial reporting.

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 101, "Compensated Absences". This statement, which is effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter, may have an effect on the District's financial reporting.

NOTE 2. INVESTMENTS

As of June 30, 2022, the District had no investments.

Interest Rate Risk. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A:20-37 limits the length of time for most investments to 397 days.

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

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

NOTE 3. CASH

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the new Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2022, \$0 of the District's bank balance of \$442,270.46 was exposed to custodial credit risk.

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NOTE 4. FIXED ASSETS

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

	Balance at 6/30/21	Additions	Disposals/ Adjustments	Balance at 6/30/22
Governmental Activities:				
Buildings and improvements	2,159,901.18	21,008.45		2,180,909.63
Machinery and equipment	143,085.84	5,461.62		148,547.46
Total at historical cost	<u>2,302,987.02</u>	<u>26,470.07</u>	-	<u>2,329,457.09</u>
Less: accumulated depreciation				
Buildings and improvements	(2,036,779.79)	(14,258.73)		(2,051,038.52)
Machinery and equipment	(140,460.80)	(1,420.45)		(141,881.25)
Total accumulated depreciation	<u>(2,177,240.59)</u>	<u>(15,679.18)</u>	-	<u>(2,192,919.77)</u>
Total capital assets being depreciated net of accumulated depreciation	<u>125,746.43</u>	<u>10,790.89</u>	-	<u>136,537.32</u>
Governmental activities capital assets, net	<u>125,746.43</u>	<u>10,790.89</u>	-	<u>136,537.32</u>
Business-type activities				
Equipment	4,570.00			4,570.00
Less: accumulated depreciation equipment	(4,570.00)			(4,570.00)
Business-type activities capital assets, net of depreciation	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

Depreciation expense charged to governmental functions is as follows:

Regular instruction	\$ 8,847.14
Special education	1,738.66
Student & instruction related services	3,559.18
School administrative expenses	631.09
General and business administration	903.11
	<u>\$ 15,679.18</u>

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NOTE 5. GENERAL LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2022 was as follows:

	Balance June 30, 2021	Issued	Retired	Balance June 30, 2022	Amounts Due Within One Year
Compensated Absences Payable	59,224.51	21,405.64	20,630.15	60,000.00	-
Net Pension Liability	173,278.00		42,899.00	130,379.00	-
Total Governmental Activities	<u>\$ 232,502.51</u>	<u>21,405.64</u>	<u>63,529.15</u>	<u>190,379.00</u>	<u>-</u>

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

NOTE 6. PENSION PLANS

Description of Plans

All required employees of the District are covered by either the Public Employees' Retirement System or the Teacher's Pension and Annuity Fund cost-sharing multiple-employer defined benefit pension plans which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or the reports can be accessed on the internet at :<https://www.nj.gov/treasury/omb/publications/21fr/NJFRFY2021Complete.pdf>

Teachers' Pension and Annuity Fund

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

Public Employees' Retirement System

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

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Defined Contribution Retirement Program (DCRP)

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

Funding Policy

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

The School District's contributions to TPAF for the years ending June 30, 2022, 2021, and 2020 were \$489,609.00, \$346,000.00, and \$240,268.00, respectively, and paid by the State of New Jersey on behalf of the board, equal to the required contributions for each year. The School District's contributions to PERS for the years ending June 30, 2022, 2021, and 2020 were \$12,889.00, \$11,624.00, and \$10,310.00, respectively, equal to the required contributions for each year.

The Board's total payroll for the year ended June 30, 2022 was \$1,258,241.59; covered payroll was \$949,208.00, for TPAF; and \$114,089.00 for PERS.

Significant Legislation

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

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

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

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

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

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

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

NOTE 7. PUBLIC EMPLOYEES' RETIREMENT FUND (PERS)

In 2012, the Governmental Accounting Standards Board issued GASB statement 68. This statement is effective for fiscal years beginning after June 15, 2014. This statement changes the method of reporting the District's pension liabilities. However, due to the fact that the District reports on the regulatory basis of accounting, no financial statement impact will be recognized.

The following represents the District's pension liabilities as June 30, 2021:

Public Employees' Retirement System

The District has a liability of \$130,379 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 that was rolled forward to June 30, 2021. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the District's proportion would be 0.00110057390%, which would be an increase of 3.58% from its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the District would have recognized pension expense of \$28,842. At December 31, 2021, the District would report deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

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	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected & actual experience	\$ 2,056.00	933.00
Changes of assumptions	679.00	46,416.00
Changes in proportion	10,605.00	9,210.00
Net difference between projected and actual earnings on pension plan investments		34,345.00
Total	<u>\$ 13,340.00</u>	<u>90,904.00</u>

Amounts that would be reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows:

<u>Year ended June 30,</u>		
2022	\$	(30,220)
2023		(21,577)
2024		(14,712)
2025		(11,059)
2026		4
Total	<u>\$</u>	<u>(77,564)</u>

Actuarial Assumptions

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 assumptions, applied to all periods in the measurement:

Inflation rate		
Price		2.75%
Wage		3.25%
Salary increases:		
Through 2026		2.00% – 6.00% (based on years of service)
Thereafter		3.00% - 7.00% (based on years of service)
Investment rate of return:		7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disable 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

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with future improvement from the base year of 2010 on 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 real 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 Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
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 made based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for 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 District's proportionate share of the net pension liability to changes in the discount rate.

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

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	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 155,281	130,379	109,276

Pension plan fiduciary net position.

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

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

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

District's proportionate share of the net pension liability	\$	-
State's proportionate share of the net position liability associated with the District		4,272,864.00
Total	\$	4,272,864.00

The net pension liability was measured as of June 30, 2021 and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2021, the District's proportion was 0.00%, which was no change from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized pension expense of \$100,542 and revenue of \$100,542 for support provided by the State.

Actuarial assumptions. The total pension liability in the June 30, 2021 actuarial valuation 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 assumptions, applied to all period included 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

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on the Pub-2010 Teachers Above-Medan 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.

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. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return.</u>
US Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets 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%	7.68%
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 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 in determining the total pension liability.

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.0% as well as what the District's proportionate share of the net pension liability would be if it were

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calculated using a discount rate that is 1-percentage point lower (6.0%) or 1-percentage point higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
District's proportionate share of the net pension liability	\$ -	-	-

Pension plan fiduciary net position.

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

Additional Information

Collective balances of the local group at June 30, 2021 are as follows:

Deferred outflows of resources	\$	6,373,530,834
Deferred inflows of resources		27,363,797,906
Net pension liability		48,165,991,182

Collective pension expense for the plan for the measurement period ended June 30, 2020 is \$1,133,366,912.

NOTE 9. OTHER POST-RETIREMENT BENEFITS

General Information about the OPEB Plan

The State Health Benefit State Retired Employees Plan (State Retired OPEB Plan) is a single-employer defined benefit OPEB plan with a special funding situation. The State Retired OPEB Plan 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. The State Retired OPEB Plan covers the State, State colleges and universities, the Palisades Interstate Park Commission, and the New Jersey Building Authority (referred to collectively as "the employers") for which the State is legally obligated to pay for benefits. The State Retired OPEB Plan is treated as a cost-sharing multiple employer plan with a special funding situation for allocating the total OPEB liability and related OPEB amounts since each employer mentioned above is required to issue stand-alone financial statements. The State Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of the employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

In accordance with N.J.S.A. 52:14-17.32, the State is required to pay the premiums or periodic charges for health benefits of State employees who retire with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Judicial Retirement System (JRS), the Public Employees' Retirement System (PERS), the Police and Firemen's Retirement System (PFRS), and the Alternate Benefit Program (ABP). In addition, N.J.S.A. 54:14-17.26 provides that for purposes of the State Retired OPEB Plan, and employee of Rutgers, the State University of New Jersey, and New Jersey Institute of Technology shall be deemed an employee of the State. Further, P.L. 1966, c.302, addresses the other State colleges and universities, whereas while these institutions were provided autonomy from the State, their employees retained

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any and all rights to health benefits within the State Retired OPEB Plan and are therefore classified as State employees.

The State Health Benefit Local Education Retired Employees Plan (Local Education Retired OPEB Plan) is a multiple-employer defined benefit OPEB plan with a special funding situation. The Local Education Retired OPEB Plan 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. The Local Education Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of local education employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

The employer contributions for the participating local education employers are legally required to be funded by the State in accordance with N.J.S.A. 52:14-17.32f. According to this law, 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: TPAF, PERS, PFRS, or ABP.

Pursuant to P.L. 2011, c.78, future retirees eligible for postemployment medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree’s annual retirement benefit and level of coverage.

The state is legally required to pay for the OPEB benefit coverage for the participating local education employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. The State, as a nonemployer contributing entity, reported a Fiscal Year 2021 total OPEB liability of \$67,809,962,608 for this special funding situation.

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

Total OPEB Liability

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA’s proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State’s level and is not specific to the board of education/board of trustees. Note that actual numbers will be published in the NJ State ACFR on the Office of Management and Budget webpage: <https://www.nj.gov/treasury/omb/publications/21fr/NJFRFY2021Complete.pdf>

Actuarial assumptions and other imputes:

The total OPEB liability in the June 30, 2021 actuarial valuation reported by the State in the State’s most recently issued ACFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation rate – 2.50%

Salary Increases –

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	TPAF/ABP	PERS	PFRS
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	Applied to all future years

Mortality Rates –

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-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-2021 “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 period July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018, and July 1, 2013 – June 30, 2018 for TPAF, PERS, and PFRS, respectively.

Health Care Trend Assumptions –

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.7% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.5% after 11 years. For HMO the trend is initially .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 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

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.

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

Balance at 6/30/21 (Based on 6/30/2020 measurement date)	\$ 67,809,962,608.00
Changes for the year:	
Service cost	3,217,184,264.00
Interest	1,556,661,679.00
Changes in Benefit Terms	(63,870,842.00)
Differences between Expected & Actual Experiences	(11,385,071,658.00)
Changes in assumptions or other inputs	59,202,105.00
Contributions: Member	39,796,196.00
Benefit payments	<u>(1,226,213,382.00)</u>
Net changes	<u>(7,802,311,638.00)</u>
Balance at 6/30/21 (Based on 6/30/2021 measurement date)	<u>\$ 60,007,650,970.00</u>

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

The following presents the total OPEB liability as of June 20, 2021, respectively, calculated using a discount rate as disclosed above as well as what the total nonemployer OPEB would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease █ (1.16%)	Discount Rate █ (2.16%)	1% Increase █ (3.16%)
Total OPEB Liability (School Retirees)	71,879,745,555.00	60,007,650,970.00	50,659,089,138.00

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

The following presents the total OPEB liability as of June 30, 2021 calculated using the healthcare trend rate as disclosed above as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	48,576,388,417.00	60,007,650,970.00	75,358,991,782.00

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

For the year ended June 30, 2021, the board of education recognized OPEB expense of \$69,307 determined by the State as the total OPEB liability for benefits provided through a defined OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75 and in which there is a special funding situation.

In accordance with GASB 75, the board of education's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2021, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employees' OPEB from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,045,886,863.00	(18,009,362,976.00)
Changes of assumptions	10,179,536,966.00	(6,438,261,807.00)
Total	<u>\$ 19,225,423,829.00</u>	<u>\$ (24,447,624,783.00)</u>

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

Year ended June 30,	
2022	\$ (1,182,303,041.00)
2023	(1,182,303,041.00)
2024	(1,182,303,041.00)
2025	(1,182,303,041.00)
2026	(840,601,200.00)
Thereafter	<u>347,612,410.00</u>
Total	<u>\$ (5,222,200,954.00)</u>

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

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

NOTE 10. COMPENSATED ABSENCES

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

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

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

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

NOTE 11. DEFERRED COMPENSATION

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

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JUNE 30, 2022

NOTE 12. RISK MANAGEMENT

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

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability and surety bonds. During the fiscal year ended June 30, 2022 the District did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

NOTE 13. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2022:

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

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

NOTE 14. ECONOMIC DEPENDENCY

The District is heavily reliant on local property taxation through the City of Port Republic to fund the District's operations. Property taxes and state aid funded 99% of the District 2021-2022 governmental operations.

NOTE 15. CAPITAL RESERVE FUND

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

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

NOTE 16. FUND BALANCE APPROPRIATED

General Fund (Exhibit B-1) - Of the \$342,577.78 General Fund fund balance at June 30, 2022, \$6,918.56 is reserved for encumbrances; \$67,216.59 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$0.00 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2022); \$0 has been appropriated and also included as anticipated revenue for the year ending June 30, 2022; \$623.63 has been reserved in the Capital Reserve Account; and \$267,819.00 is unreserved and undesignated.

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NOTE 17. CALCULATION OF EXCESS SURPLUS

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2022 is \$67,216.59, of which \$0.00 has been included in the 2022-23 budget. The excess fund balance at June 30, 2022 was \$67,216.59.

NOTE 18. LITIGATION

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

NOTE 19. SUBSEQUENT EVENTS

The District has evaluated subsequent events through March 10, 2023, the date which the financial statements were available to be issued and no items were noted for disclosure or adjustment.

Required Supplemental Information
Part II

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BUDGETARY COMPARISON SCHEDULES

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

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**City of Port Republic Board of Education
(A Component Unit of the City of Port Republic)
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2022**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,951,497.00		1,951,497.00	1,951,497.00	-
Interest			-	398.30	398.30
Miscellaneous	3,000.00		3,000.00	2,781.00	(219.00)
Total - Local Sources	<u>1,954,497.00</u>	<u>-</u>	<u>1,954,497.00</u>	<u>1,954,676.30</u>	<u>179.30</u>
State Sources:					
Equalization Aid	259,429.00		259,429.00	259,429.00	-
Categorical Special Education Aid	85,872.00		85,872.00	85,872.00	-
Categorical Security Aid	12,745.00		12,745.00	12,745.00	-
Adjustment Aid	236,096.00		236,096.00	236,096.00	-
Categorical Transportation Aid	47,977.00		47,977.00	47,977.00	-
School Choice	235,940.00		235,940.00	235,940.00	-
Special Education Extraordinary Aid	10,000.00		10,000.00	22,803.00	12,803.00
Non-Public Transportation Aid			-	5,016.00	5,016.00
Securing Our Children's Future Bond Act (Alyssa's Law)		20,000.00	20,000.00	20,000.00	-
On-behalf TPAF Pension Contribution				396,710.00	396,710.00
On-behalf TPAF Post-Retirement Medical Contribution				92,688.00	92,688.00
On-behalf TPAF Long-Term Disability Insurance Contribution				211.00	211.00
Reimbursed TPAF Social Security Contributions (non-budgeted)				71,094.02	71,094.02
Total - State Sources	<u>888,059.00</u>	<u>20,000.00</u>	<u>908,059.00</u>	<u>1,486,581.02</u>	<u>578,522.02</u>
Total Revenues	<u>2,842,556.00</u>	<u>20,000.00</u>	<u>2,862,556.00</u>	<u>3,441,257.32</u>	<u>578,701.32</u>

**City of Port Republic Board of Education
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Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2022**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarten	60,274.00	100.00	60,374.00	60,349.46	24.54
Grades 1-5	341,059.00	30,450.00	371,509.00	370,233.51	1,275.49
Grades 6-8	234,475.00	20,500.00	254,975.00	251,357.91	3,617.09
Regular Programs - Undistributed Instruction:	16,049.00	(1,000.00)	15,049.00	14,325.80	723.20
Purchased Technical Services	15,058.72	(8,000.00)	7,058.72	-	7,058.72
Other Purchased Services	23,500.00	8,500.00	32,000.00	28,010.33	3,989.67
General Supplies					
Textbooks					
Total Regular Programs - Instruction	690,415.72	50,550.00	740,965.72	724,277.01	16,688.71
Resource Room/Resource Center					
Salaries of Teachers	150,718.00	(16,100.00)	134,618.00	119,387.95	15,230.05
Other Salaries for Instruction	25,760.00	18,240.00	44,000.00	38,075.60	5,924.40
Other Purchased Services	633.50	27,606.00	27,606.00	16,904.93	10,701.07
General Supplies		(506.00)	127.50	127.50	-
Total Resource Room/Resource Center	177,111.50	29,240.00	206,351.50	174,495.98	31,855.52
Total Special Education - Instruction	177,111.50	29,240.00	206,351.50	174,495.98	31,855.52
School Sponsored Co-curricular Activities - Instruction:					
Salaries	2,700.00	550.00	3,250.00	3,250.00	-
Total School Sponsored Co-curricular Activities - Instruction	2,700.00	550.00	3,250.00	3,250.00	-
Total Instruction	870,227.22	80,340.00	950,567.22	902,022.99	48,544.23

**City of Port Republic Board of Education
(A Component Unit of the City of Port Republic)
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2022**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs within the State - Regular	685,035.00	2,700.00	687,735.00	686,735.00	1,000.00
Tuition to Other LEAs within the State - Special	206,540.00	(99,264.00)	107,276.00	90,225.71	17,050.29
Tuition to County Voc. School District - Regular	13,401.00	324.00	13,725.00	13,401.00	324.00
Tuition - State Facilities	-	-	-	-	-
Tuition - Other	-	-	-	-	-
Total Undistributed Expenditures - Instruction	904,976.00	(96,240.00)	808,736.00	790,361.71	18,374.29
Undistributed Expenditures - Health Services:					
Salaries	72,578.00	(15,300.00)	57,278.00	45,168.75	12,109.25
Other Purchased Services	1,700.00	(250.00)	1,450.00	-	1,450.00
Supplies and Materials	800.00	3,350.00	4,150.00	3,577.46	572.54
Total Undistributed Expenditures - Health Services	75,078.00	(12,200.00)	62,878.00	48,746.21	12,881.79
Undistributed Expenditures - Speech-Occupational-Physical Therapy and Related Services					
Salaries	34,920.00	2,600.00	37,520.00	37,426.63	93.37
Supplies and Materials	500.00	(500.00)	-	-	500.00
Total Undistributed Expenditures - Speech-Occupational-Physical Therapy and Related Services	35,420.00	2,100.00	37,520.00	37,426.63	93.37
Undistributed Expenditures - Child Study Teams					
Purchased Professional - Educational Services	23,375.00	5,000.00	28,375.00	27,960.00	415.00
Supplies and Materials	-	-	-	-	-
Total Undistributed Expenditures - Child Study Teams	23,375.00	5,000.00	28,375.00	27,960.00	415.00
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisor of Instruction	3,500.00	-	3,500.00	1,035.00	2,465.00
Salaries of Secretaries and Clerical Staff	87,751.00	-	87,751.00	87,741.04	9.96
Supplies and Materials	300.00	-	300.00	-	300.00
Other Objects	-	-	-	-	-
Total Undistributed Expenditures - Improv. of Instr. Services	91,551.00	-	91,551.00	88,776.04	2,774.96
Undistributed Expenditures - Educational Media Services - School Library					
Salaries	65,523.00	(5,945.11)	59,577.89	57,015.42	2,562.47
Purchased Professional and Technical Services	35,333.00	-	35,333.00	33,601.99	1,731.01
Supplies and Materials	16,900.00	2,945.11	19,845.11	19,845.11	-
Total Undistributed Expenditures - Educational Media Services - School Library	117,756.00	(3,000.00)	114,756.00	110,462.52	4,293.48

**City of Port Republic Board of Education
(A Component Unit of the City of Port Republic)
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2022**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Instructional Staff Training Services	1,548.00	-	1,548.00	548.00	1,000.00
Purchased Professional - Educational Services	250.00	-	250.00	-	250.00
Other Purchased Services (400-500 Series)					
Total Undistributed Expenditures - Instructional Staff Training Services	1,798.00	-	1,798.00	548.00	1,250.00
Undistributed Expenditures - Support Services - Gen. Admin.:					
Salaries	59,750.00	(13,420.00)	46,330.00	45,730.32	599.68
Legal Services	6,185.00	15,735.00	21,920.00	20,811.00	1,109.00
Audit Fees	9,500.00	2,000.00	11,500.00	11,500.00	-
Architect/Engineer Services					
Other Purchased Professional Services	1,950.00	(1,000.00)	950.00	514.00	436.00
Communications/Telephone	3,192.00	4,920.00	8,112.00	8,050.39	61.61
Board of Education Other Purchased Services	3,500.00	500.00	4,000.00	3,836.60	163.40
Misc Purchased Services (400-500)	250.00	-	250.00	195.76	54.24
General Supplies	550.00	(500.00)	50.00	-	50.00
BOE Membership Dues/Fees					
Miscellaneous Expenditures					
Total Undistributed Expenditures - Support Services - Gen. Admin.	84,877.00	8,235.00	93,112.00	90,638.07	2,473.93
Undistributed Expenditures - Support Serv. - School Admin.:					
Salaries of Principals/Assistant Principals	59,750.00	4,265.00	64,015.00	63,337.38	677.62
Salaries of Secretarial and Clerical Assistants					
Total Undistributed Expenditures - Support Serv. - School Admin.	59,750.00	4,265.00	64,015.00	63,337.38	677.62
Undistributed Expenditures - Central Services					
Purchased Professional Services	38,937.00	1,000.00	39,937.00	39,937.00	-
Misc. Purchased Services	250.00	1,550.04	1,800.04	1,763.10	36.94
Supplies and Materials	250.00	999.46	1,249.46	1,024.35	225.11
Miscellaneous Expenditures					
Total Undistributed Expenditures - Central Services	39,437.00	3,549.50	42,986.50	42,724.45	262.05
Undistributed Expenditures - Required Maintenance for School Facilities					
Salaries	30,059.00	15,050.00	45,109.00	45,073.02	35.98
Cleaning Repairs and Maintenance Services	25,037.00	9,200.00	34,237.00	31,610.52	2,626.48
General Supplies	8,550.00	(5,549.50)	3,000.50	2,971.72	28.78
Other Objects	250.00	(250.00)	-	-	-
Total Undistributed Expenditures - Required Maintenance for School Facilities	63,896.00	18,450.50	82,346.50	79,655.26	2,691.24

**City of Port Republic Board of Education
(A Component Unit of the City of Port Republic)
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2022**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Custodial Services					
Salaries	18,459.00	(4,000.00)	14,459.00	12,442.20	2,016.80
Cleaning, Repair and Maintenance Services	3,240.00	1,000.00	4,240.00	3,863.17	376.83
Insurance	21,948.00	(100.00)	21,848.00	21,359.46	488.54
General Supplies	9,045.00	-	9,045.00	8,286.30	758.70
Energy (Oil)	10,000.00	(2,000.00)	8,000.00	7,957.28	42.72
Energy (Electricity)	25,000.00	7,500.00	32,500.00	29,660.64	2,839.36
Total Undistributed Expenditures - Custodial Services	87,692.00	2,400.00	90,092.00	83,569.05	6,522.95
Undistributed Expenditures - Care and Upkeep of Grounds					
Cleaning, Repair, and Maintenance Services	1,000.00	-	1,000.00	-	1,000.00
Total Undistributed Expenditures - Care and Upkeep of Grounds	1,000.00	-	1,000.00	-	1,000.00
Total Undistributed Expen - Oper & Main of Plant Serv	152,588.00	20,850.50	173,438.50	163,224.31	10,214.19
Undistributed Expenditures - Student Transportation Services:					
Contracted Services - Aid in Lieu of Payments Non Public	7,000.00	3,000.00	10,000.00	10,000.00	-
Contracted Services - (Between Home and School) - Vendor	64,350.00	11,753.80	76,103.80	75,082.55	1,021.25
Contracted Services (Special Ed Students) - Joint Agreements	17,618.00	9,238.90	26,856.90	24,577.20	2,279.20
Total Undistributed Expenditures - Student Transportation Serv.	88,968.00	23,992.70	112,960.70	109,660.25	3,300.45
Unallocated Benefits:					
Social Security Contributions	20,000.00	14,000.00	34,000.00	33,288.44	701.56
Other Retirement Contributions - PERS	12,760.00	2,450.00	15,210.00	14,792.68	417.32
Unemployment Compensation	6,500.00	50.00	6,550.00	4,999.21	1,550.79
Other Retirement Contributions - Regular		-			
Workmen's Compensation	21,000.00	-	21,000.00	15,987.92	5,012.08
Health Benefits	332,102.00	(78,392.70)	253,709.30	251,951.90	1,757.40
Tuition Reimbursements	12,096.00	(400.00)	11,696.00	11,150.00	546.00
Other Employee Benefits		25,400.00	25,400.00	25,209.77	190.23
Total Unallocated Benefits	404,458.00	(36,892.70)	367,565.30	357,389.92	10,175.38
On-behalf TPAF Pension Contribution					
On-behalf TPAF Post-Retirement Medical Contribution				396,710.00	(396,710.00)
On-behalf TPAF Long-Term Disability Insurance Contribution				92,688.00	(92,688.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)				211.00	(211.00)
Total On-behalf Contributions	-	-	-	560,703.02	(560,703.02)
Total Undistributed Expenditures	2,080,032.00	(80,340.00)	1,999,692.00	2,491,958.51	(493,716.51)
Total Current Expense	2,950,259.22	-	2,950,259.22	3,393,981.50	(443,722.28)

**City of Port Republic Board of Education
(A Component Unit of the City of Port Republic)
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2022**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Capital Outlay:					
Facilities Acquisition and Construction Services	-	20,000.00	20,000.00	16,823.26	3,176.74
Construction Services	-	20,000.00	20,000.00	16,823.26	3,176.74
Total Facilities Acquisition and Construction Services	-	20,000.00	20,000.00	16,823.26	3,176.74
Total Capital Outlay	67,475.00	-	67,475.00	54,851.00	12,624.00
Transfers to Charter Schools	3,017,734.22	20,000.00	3,037,734.22	3,465,655.76	(429,371.54)
Total Expenditures	(175,178.22)	-	(175,178.22)	(24,398.44)	149,329.78
Excess (Deficiency) of Revenues Over (Under) Expenditures					
Other Financing Sources (Uses):					
Operating Transfers Out					-
Adjustment for Prior Year Accounts Payable					-
Cancellation of Interfunds					-
Transfer to Food Service Fund - Board Contribution					-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(175,178.22)	-	(175,178.22)	(24,398.44)	149,329.78
Fund Balances, July 1	366,976.22	-	366,976.22	366,976.22	-
Fund Balances, June 30	191,798.00	-	191,798.00	342,577.78	149,329.78
	\$				
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Reserve for Excess Surplus				67,216.59	
Excess Surplus-Designated for Subsequent Year's Expenditures				-	
Capital Reserve				623.63	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures				-	
Reserve for Encumbrances				6,918.56	
Unassigned Fund Balance				267,819.00	
				342,577.78	
Reconciliation to Governmental Funds Statements (GAAP)					
Last State Aid Payment Not Recognized on GAAP Basis				(87,805.00)	
Fund Balance per Governmental Funds (GAAP)				254,772.78	

**City of Port Republic School District
(A Component Unit of the City of Port Republic)
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2022**

	Original Budget	Budget Transfers/Adjustments	Final Budget	Actual	Variance Under/(Over) Final to Actual
REVENUES:					
Local Sources:					
Revenue from Local Sources	\$ 2,000.00	-	2,000.00	9,746.47	7,746.47
Total - Local Sources	2,000.00	-	2,000.00	9,746.47	7,746.47
State Sources:					
SDA Emergent Needs & Capital Maintenance	-	2,294.00	2,294.00	2,294.00	-
Total - State Sources	-	2,294.00	2,294.00	2,294.00	-
Federal Sources:					
Title I	2,066.00	6,344.00	6,344.00	6,042.00	(302.00)
Title II	10,000.00	-	2,066.00	302.00	(1,764.00)
Title IV	29,971.00	-	10,000.00	-	(10,000.00)
ID.E.A., Part B	1,487.00	-	29,971.00	29,971.00	-
ID.E.A., Preschool	4,441.00	-	1,487.00	1,487.00	-
ARP ID.E.A. Basic	379.00	-	4,441.00	4,441.00	-
ARP ID.E.A. Preschool	149,157.00	(12,789.00)	379.00	379.00	-
CRSSA - ESSER II	11,908.00	324,157.00	136,368.00	135,459.36	(908.64)
CRSSA - ESSER III	-	-	324,157.00	-	(324,157.00)
Other	-	-	11,908.00	11,908.00	-
Total - Federal Sources	209,409.00	317,121.00	527,121.00	189,989.36	(337,131.64)
Total Revenues	211,409.00	320,006.00	531,415.00	202,029.83	(329,385.17)
EXPENDITURES:					
Instruction					
Salaries of Teachers	11,908.00	116,785.00	128,693.00	58,693.00	70,000.00
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional and Technical Services	160,477.00	66,368.00	226,845.00	71,188.00	155,657.00
Other Purchased Services (400-500 series)	2,477.00	302.00	2,779.00	1,789.00	990.00
Tuition	29,971.00	-	29,971.00	29,971.00	-
General Supplies	4,000.00	4,644.00	8,644.00	2,000.00	6,644.00
Other Objects	-	-	-	-	-
Total instruction	208,833.00	188,099.00	396,932.00	163,641.00	233,291.00
Support Services					
Salaries	1,000.00	66,035.00	67,035.00	-	67,035.00
Personal Services - Employee Benefits	76.00	46,755.00	46,831.00	24,756.00	22,075.00
Purchased Professional and Technical Services	-	7,322.00	7,322.00	-	7,322.00
Other Purchased Services	1,500.00	4,501.00	6,001.00	3,592.36	2,408.64
Supplies and Materials	-	5,000.00	5,000.00	-	5,000.00
Student Activities	-	-	-	8,594.84	(8,594.84)
Total support services	2,576.00	129,613.00	132,189.00	36,943.20	95,245.80
Facilities acquisition and construction services:					
Instructional Equipment	-	2,294.00	2,294.00	-	-
Buildings	-	-	-	2,294.00	-
Total facilities acquisition and construction services	-	2,294.00	2,294.00	2,294.00	-
Total Expenditures	211,409.00	320,006.00	531,415.00	202,878.20	328,536.80
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	-	-	(848.37)	(848.37)
Fund Balance, July 1			\$ 11,784.53		-
Fund Balance, June 30			10,936.16		-
Recapitulation:					
Restricted:					
Student Activities			10,936.16		
Total Fund Balance			\$ 10,936.16		

City of Port Republic School District
(A Component Unit of the City of Port Republic)
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information
For the Fiscal Year Ended June 30, 2022

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

		<u>General Fund</u>	<u>Special Revenue</u>
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	C-1; C-2	\$ 3,441,257.32	202,029.83
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized			
Prior Year			6,344.00
Current Year			-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		93,937.00	
State aid payments recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		<u>(87,805.00)</u>	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	B-2	<u>3,447,389.32</u>	<u>208,373.83</u>
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	C-1; C-2	3,465,655.76	202,878.20
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes			
Prior Year			6,344.00
Current Year			-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	B-2	<u>\$ 3,465,655.76</u>	<u>209,222.20</u>

Required Supplemental Information
Part III

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.001100573900%	0.0010625718%	0.0010532479%	0.0010369196%	0.0010204900%	0.0015026131%	0.0012887678%	0.0011899772%	0.0016115898%
District's proportion of the net pension liability (asset)	\$ 130,379.00	173,278.00	189,779.00	204,164.00	237,535.00	445,031.00	284,813.00	222,769.00	308,007.00
District's covered payroll	\$ 114,089.00	83,480.00	80,156.00	76,888.00	71,216.00	Not available	Not available	Not available	Not available
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	1.142783266	207.57%	236.76%	265.53%	333.54%				
Plan fiduciary net position as a percentage of the total pension liability	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

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

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contributor	\$ 12,889.00	11,624.00	10,310.00	10,314.00	9,453.00	13,349.00	10,908.00	9,810.00	12,687.00
Contributions in relation to the contractually required contributor	\$ 12,889.00	11,624.00	10,310.00	10,314.00	9,453.00	13,349.00	10,908.00	9,810.00	12,687.00
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-
District's covered-employee payroll	\$ 114,089.00	83,480.00	80,156.00	76,888.00	71,216.00	Not available	Not available	Not available	Not available
Contributions as a percentage of covered-employee payroll	11.30%	13.92%	12.86%	13.41%	13.27%				

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

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

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	\$ 4,272,864.00	\$ 5,162,982.00	\$ 5,185,687.00	\$ 5,210,838.00	\$ 5,719,812.00	\$ 6,981,293.00	\$ 6,112,606.00	\$ 4,872,537.00	\$ 5,524,613.00
Total	\$ 4,272,864.00	\$ 5,162,982.00	\$ 5,185,687.00	\$ 5,210,838.00	\$ 5,719,812.00	\$ 6,981,293.00	\$ 6,112,606.00	\$ 4,872,537.00	\$ 5,524,613.00
District's covered payroll	\$ 949,208.00	\$ 979,384.00	\$ 1,065,484.00	\$ 982,496.00	\$ 862,463.00	\$ 807,805.00	\$ 854,698.95	\$ 854,659.61	\$ 909,870.07
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

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

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

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's proportion of the net OPEB liability (asset)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate of the net OPEB liability (asset)	\$ -	-	-	-	-	-
State's proportionate share of the net OPEB liability (asset) associated with the District	<u>\$ 7,053,024.00</u>	<u>8,010,202.00</u>	<u>5,100,010.00</u>	<u>6,274,660.00</u>	<u>7,234,347.00</u>	<u>7,872,828.00</u>
Total	<u>\$ 7,053,024.00</u>	<u>8,010,202.00</u>	<u>5,100,010.00</u>	<u>6,274,660.00</u>	<u>7,234,347.00</u>	<u>7,872,828.00</u>
District's covered payroll	1,063,297.00	1,062,864.00	1,145,640.00	1,059,384.00	933,679.00	not available
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	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 associated with the District:						
Service Cost	256,435.00	134,170.00				
Interest Cost	182,963.00	180,850.00				
Change in Benefit Terms	(7,507.00)					
Differences between Expected & Actual	(1,256,581.00)	1,267,207.00				
Changes in Assumptopns	6,958.00	1,463,189.00				
Member Contributions	4,677.00	4,227.00				
Benefit Payments	(144,123.00)	(139,451.00)				
Change in Total Opeb Liability	<u>(957,178.00)</u>	<u>2,910,192.00</u>				
State's proportionate share of the net OPEB liability (asset) associated with the District - Beginning Balance	<u>8,010,202.00</u>	<u>5,100,010.00</u>				
Ending Balance	<u>\$ 7,053,024.00</u>	<u>8,010,202.00</u>				
State's proportionate share of the net OPEB liability associated with the District - as a percentage of its covered-employee payroll	663.32%	753.64%				

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

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

SPECIAL REVENUE FUND

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

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**CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Special Revenue Fund
Combining Schedule of Revenue and Expenditure
Budgetary Basis
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Every Student Succeeds Act (E.S.S.A.)

REVENUES:	Title I Part A	Teacher & Principals Title II - Part A	I.D.E.A. Part B Basic	I.D.E.A. Part B Preschool	ASP I.D.E.A. Basic	ASP I.D.E.A. Preschool	REAP Grant	CRRSA - ESSER II	CRSA - ESSER II	CRSA - ESSER II Acceleration	CR - Mental Health	SDA Emergency Maintenance	Safety Grant	Student Activities	Total
Federal Sources	6,042.00	302.00	29,971.00	1,487.00	4,441.00	379.00	11,908.00	66,368.00	25,000.00	44,091.36	2,294.00	2,000.00	7,746.47	189,689.85	
State Sources	6,042.00	302.00	29,971.00	1,487.00	4,441.00	379.00	11,908.00	66,368.00	25,000.00	44,091.36	2,294.00	2,000.00	7,746.47	202,029.83	
Local Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total revenues	12,084.00	604.00	59,942.00	2,974.00	8,882.00	758.00	23,816.00	132,736.00	50,000.00	88,182.72	4,588.00	4,000.00	15,492.94	391,719.68	
EXPENDITURES															
Instruction:															
Salaries of teachers	-	-	29,971.00	1,487.00	4,441.00	379.00	11,908.00	66,368.00	17,857.00	28,928.00	-	-	-	58,683.00	
Other salaries for instruction	-	-	-	-	-	-	-	-	-	-	-	-	-	71,188.00	
Purchased prof. and technical services	-	302.00	29,971.00	1,487.00	4,441.00	379.00	11,908.00	66,368.00	-	-	-	-	-	118,546.00	
Supplies and materials	-	-	-	-	-	-	-	-	-	-	-	-	-	29,971.00	
Tuition	-	-	-	-	-	-	-	-	-	-	-	-	-	2,000.00	
General supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total instruction	-	302.00	29,971.00	1,487.00	4,441.00	379.00	11,908.00	66,368.00	17,857.00	28,928.00	-	-	2,000.00	163,641.00	
Support services:															
Salaries	6,042.00	-	-	-	-	-	-	-	7,143.00	11,571.00	-	-	-	24,756.00	
Personal services- employee benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Purchased professional & technical services	-	-	-	-	-	-	-	-	-	3,592.36	-	-	-	3,592.36	
Supplies and materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Student Activities	-	-	-	-	-	-	-	-	-	-	-	-	8,594.84	8,594.84	
Total support services	6,042.00	-	-	-	-	-	-	-	7,143.00	15,163.36	-	-	8,594.84	36,943.20	
Facilities acquisition and const. serv.:															
Instructional equipment	-	-	-	-	-	-	-	-	-	-	-	2,294.00	-	-	2,294.00
Buildings	-	-	-	-	-	-	-	-	-	-	-	2,294.00	-	-	2,294.00
Total facilities acquisition and construction services	-	-	-	-	-	-	-	-	-	-	-	4,588.00	-	-	4,588.00
Transfer to Charter Schools	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	6,042.00	302.00	29,971.00	1,487.00	4,441.00	379.00	11,908.00	66,368.00	25,000.00	44,091.36	2,294.00	2,000.00	8,594.84	202,878.20	
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-	(848.37)	
Fund Balance, July 1	-	-	-	-	-	-	-	-	-	-	-	-	-	11,784.53	
Fund Balance, June 30	-	-	-	-	-	-	-	-	-	-	-	-	-	10,936.16	

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Statistical Section

Governmental Accounting Standards Board (GASB) requires 10 years of statistical information to be included in the CAFR. However due to the change in the statistical requirements information was unavailable for all 10 years.

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Invested in capital assets	\$ 288,401.93	261,859.01	235,316.09	211,831.91	189,140.89	168,790.64	150,200.39	135,463.31	125,746.43	136,537.32
Restricted	304,967.62	176,838.97	183,872.34	218,066.53	168,278.74	195,918.81	120,424.35	148,361.32	188,200.01	86,318.57
Unrestricted	157,514.00	153,795.00	134,110.75	(148,676.96)	(179,564.00)	(185,538.63)	(185,569.81)	(239,003.48)	(212,275.77)	(88,552.63)
Total governmental activities net position	<u>750,883.55</u>	<u>592,492.98</u> *	<u>553,299.18</u>	<u>281,221.48</u>	<u>177,855.63</u>	<u>179,170.82</u>	<u>85,054.93</u>	<u>44,821.15</u>	<u>101,670.67</u>	<u>134,303.26</u>
Business-type activities										
Invested in capital assets	6,067.16	3,860.30	1,610.30	(639.70)	(3,790.78)	-	-	-	-	-
Unrestricted	<u>6,067.16</u>	<u>3,860.30</u>	<u>1,610.30</u>	<u>(639.70)</u>	<u>(3,790.78)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total business-type activities net position										
District-wide										
Invested in capital assets	288,401.93	261,859.01	235,316.09	211,831.91	189,140.89	168,790.64	150,200.39	135,463.31	125,746.43	136,537.32
Restricted	304,967.62	176,838.97	183,872.34	218,066.53	168,278.74	195,918.81	120,424.35	148,361.32	188,200.01	86,318.57
Unrestricted	163,581.16	157,655.30	135,721.05	(149,316.66)	(183,354.78)	(185,538.63)	(185,569.81)	(239,003.48)	(212,275.77)	(88,552.63)
Total district net position	<u>756,950.71</u>	<u>596,353.28</u>	<u>554,909.48</u>	<u>280,581.78</u>	<u>174,064.85</u>	<u>179,170.82</u>	<u>85,054.93</u>	<u>44,821.15</u>	<u>101,670.67</u>	<u>134,303.26</u>

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

Source: ACFR Schedule A-1

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities										
Instruction										
Regular	1,090,607.89	1,046,189.13	1,124,884.69	1,496,277.41	1,645,236.66	1,430,217.81	1,275,147.29	1,250,476.46	1,160,411.51	1,680,146.32
Special education	155,295.56	152,046.30	120,943.71	113,610.74	204,909.93	313,524.40	311,941.44	296,978.10	213,301.27	330,186.76
School Sponsored Activities	1,290.00	3,800.00	-	700.00	1,900.00	-	-	2,700.00	-	3,250.00
Other special education	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	561,578.30	631,665.87	837,324.02	868,372.40	863,918.00	754,087.74	954,715.92	875,988.82	852,638.53	790,361.71
Student & instruction related services	400,224.81	479,265.06	436,999.07	430,463.39	471,418.48	581,610.84	474,334.46	473,560.82	562,494.35	670,455.92
General administrative services	210,937.03	126,747.23	126,275.76	109,110.84	135,361.75	70,067.40	71,679.15	67,686.85	85,309.59	86,576.68
School administrative services	3,539.34	44,985.21	81,289.31	71,922.56	69,819.56	116,217.36	113,885.71	116,142.69	134,105.33	123,894.35
Central Services	46,581.68	45,372.21	21,137.02	45,050.00	46,846.00	56,992.50	39,745.42	40,228.29	31,120.17	42,724.45
Plant operations and maintenance	146,792.07	108,495.11	138,606.83	160,252.46	143,201.78	290,177.98	203,353.70	137,332.96	172,162.81	158,586.12
Pupil transportation	101,912.49	88,118.54	56,047.34	72,177.41	86,454.12	74,593.98	76,502.31	64,785.44	98,592.62	109,660.25
Transfer to Charter School	-	-	-	-	-	-	-	-	-	54,851.00
Unallocated Depreciation	26,542.92	26,542.92	26,542.92	23,484.17	22,691.02	-	-	-	-	452.00
Unallocated activities expenses	2,745,302.09	2,953,227.58	2,970,050.67	3,391,421.38	3,691,757.30	3,687,490.01	3,521,305.40	3,325,880.43	3,365,861.18	4,051,145.56
Total governmental activities expenses	2,745,302.09	2,953,227.58	2,970,050.67	3,391,421.38	3,691,757.30	3,687,490.01	3,521,305.40	3,325,880.43	3,365,861.18	4,051,145.56
Business-type activities:										
Food Service	15,106.67	2,250.00	2,250.00	2,250.00	17,000.00	15,000.00	15,000.00	15,000.00	-	-
Total business-type activities expense	15,106.67	2,250.00	2,250.00	2,250.00	17,000.00	15,000.00	15,000.00	15,000.00	-	-
Total district expenses	2,760,408.76	2,955,477.58	2,972,300.67	3,393,671.38	3,708,757.30	3,702,490.01	3,536,305.40	3,340,880.43	3,365,861.18	4,051,145.56
Program Revenues										
Governmental activities:										
Charges for service	393,406.19	381,950.50	404,126.48	798,325.47	873,066.59	623,025.52	260,583.63	112,365.31	128,388.33	636,388.83
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	393,406.19	381,950.50	404,126.48	798,325.47	873,066.59	623,025.52	260,583.63	112,365.31	128,388.33	636,388.83
Business-type activities:										
Charges for services	11,354.76	18.60	-	-	-	-	-	-	-	-
Operating grants and contributions	2,864.24	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	14,219.00	18.60	-	-	-	-	-	-	-	-
Total district program revenues	407,625.19	381,969.10	404,126.48	798,325.47	873,066.59	623,025.52	260,583.63	112,365.31	128,388.33	636,388.83

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net (Expense)/Revenue										
Governmental activities	(2,351,895.90)	(2,571,277.08)	(2,565,924.19)	(2,593,095.91)	(2,818,690.71)	(3,064,464.49)	(3,260,721.77)	(3,213,515.12)	(3,237,472.85)	(3,414,756.73)
Business-type activities	(887.67)	(2,231.40)	(2,250.00)	(2,250.00)	(17,000.00)	(15,000.00)	(15,000.00)	(15,000.00)	-	-
Total district-wide net expense	<u>(2,352,783.57)</u>	<u>(2,573,508.48)</u>	<u>(2,568,174.19)</u>	<u>(2,595,345.91)</u>	<u>(2,835,690.71)</u>	<u>(3,079,464.49)</u>	<u>(3,275,721.77)</u>	<u>(3,228,515.12)</u>	<u>(3,237,472.85)</u>	<u>(3,414,756.73)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	1,513,583.00	1,546,591.00	1,666,762.00	1,705,464.00	1,705,464.00	1,736,210.00	1,793,295.00	1,828,694.00	1,885,328.04	1,951,497.00
Unrestricted grants and contributions	832,868.99	863,180.01	891,346.04	905,690.00	1,022,545.00	1,352,956.00	1,394,681.98	1,366,901.55	1,396,124.08	1,492,713.02
Tuition Received	3.30	1,459.50	4,025.11	1,144.78	1,164.79	-	-	1,083.82	873.08	398.30
Investment earnings	20,688.47	1,656.00	4,597.23	5,850.43	-	2,284.50	3,982.90	9,291.97	4,732.29	2,781.00
Miscellaneous income						(10,670.82)				
Other sources/uses					(13,848.92)	(15,000.00)	(15,000.00)	(15,000.00)	(8,815.95)	-
Transfers					2,715,324.87	3,065,779.68	3,177,159.88	3,210,971.34	3,278,241.54	3,447,389.32
Total governmental activities	<u>2,367,143.76</u>	<u>2,412,886.51</u>	<u>2,526,730.38</u>	<u>2,618,149.21</u>	<u>2,715,324.87</u>	<u>3,065,779.68</u>	<u>3,177,159.88</u>	<u>3,210,971.34</u>	<u>3,278,241.54</u>	<u>3,447,389.32</u>
Business-type activities:										
Investment earnings	58.76	24.57								
Other sources/uses						3,790.78				
Transfers					13,848.92	15,000.00	15,000.00	15,000.00		
Total business-type activities	<u>58.76</u>	<u>24.57</u>			<u>13,848.92</u>	<u>18,790.78</u>	<u>15,000.00</u>	<u>15,000.00</u>		
Total district-wide	<u>2,367,202.52</u>	<u>2,412,911.08</u>	<u>2,526,730.38</u>	<u>2,618,149.21</u>	<u>2,729,173.79</u>	<u>3,084,570.46</u>	<u>3,192,159.88</u>	<u>3,225,971.34</u>	<u>3,278,241.54</u>	<u>3,447,389.32</u>
Change in Net Position										
Governmental activities	15,247.86	(158,390.57)	(39,193.81)	25,053.30	(103,365.84)	1,315.19	(83,561.89)	(2,543.78)	40,768.69	32,632.59
Business-type activities	(828.91)	(2,206.83)	(2,250.00)	(2,250.00)	(3,151.06)	3,790.78				
Total district	<u>14,418.95</u>	<u>(160,597.40)</u>	<u>(41,443.81)</u>	<u>22,803.30</u>	<u>(106,516.92)</u>	<u>5,105.97</u>	<u>(83,561.89)</u>	<u>(2,543.78)</u>	<u>40,768.69</u>	<u>32,632.59</u>

Source: ACFR Schedule A-2

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Restricted	\$ 298,877.13	163,778.37	149,871.84	218,066.53	168,278.74	149,133.85	67,840.22	38,493.29	618.63	67,840.22
Assigned	6,090.49	13,060.60	17,000.25			46,171.33	6,918.56	109,254.40	175,178.22	6,918.56
Unassigned	157,514.00	153,795.00	151,111.00	146,370.04	143,103.00	149,718.00	180,014.00	87,368.04	97,242.37	180,014.00
Reserved										
Unreserved										
Total general fund	462,481.62	330,633.97	317,983.09	364,436.57	311,381.74	345,023.18	254,772.78	235,115.73	273,039.22	254,772.78
All Other Governmental Funds										
Restricted									11,784.53	10,936.16
Assigned										
Unreserved, reported in:										
Special revenue fund						10,936.16				
Total all other governmental funds \$						10,936.16			11,784.53	10,936.16

Source: ACFR Schedule B-1

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

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Misc.</u>	<u>Total</u>
2013	\$ 3.30	20,688.47	20,691.77
2014	1,459.50	2,387.04	3,846.54
2015	4,025.11	4,597.23	8,622.34
2016	1,144.78	5,850.43	6,995.21
2017	1,164.79	2,000.00	3,164.79
2018	-	2,284.50	2,284.50
2019	1,393.46	1,387.54	2,781.00
2020	1,083.82	8,208.15	9,291.97
2021	873.08	4,732.29	5,605.37
2022	398.30	2,781.00	3,179.30

Source: District Records

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

Fiscal Year Ended June 30,	Residential			Farm Reg.		Qlarm		Commercial		Total Assessed Value	Less: Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
	Vacant Land	Residential	Farm Reg.	Qlarm	Commercial										
2013	22,234,300	55,156,100				77,390,400	-			77,390,400			77,390,400	1.991	135,160,910
2014	22,256,500	54,886,900				77,143,400	-			77,143,400			77,143,400	2.153	129,211,464
2015	22,301,900	55,554,500				77,856,400	-			77,856,400			77,856,400	2.182	133,547,778
2016	22,326,500	55,803,300				78,129,800	-			78,129,800			78,129,800	2.182	131,145,641
2017	* 35,261,900	78,604,100				113,866,000	-			113,866,000			113,866,000	1.525	119,027,605
2018	35,243,400	79,953,600				115,197,000	-			115,197,000			115,197,000	1.558	122,866,596
2019	35,119,100	80,405,000				115,524,100	-			115,524,100			115,524,100	1.583	121,651,615
2020	35,025,700	80,138,500				115,164,200	-			115,164,200			115,164,200	1.637	115,141,900
2021	34,946,500	80,859,900				115,806,400	-			115,806,400			115,806,400	1.686	115,784,100
2022	35,092,900	80,829,600				115,922,500	22,300			115,922,500			115,900,200	2.984	146,565,038

Source: District records Tax list summary & Municipal Tax Assesso

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

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

b Tax rates are per \$100

* Revaluation completed

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

Fiscal Year Ended June 30,	City of Port Republic Board of Education			City of Port Republic			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General	Total	City of Port Republic	Local	Atlantic County	
		Obligation Debt Service ^b			Open Space ^c		
2013	1.991	-	1.991	0.653	0.020	0.817	3.481
2014	2.153	-	2.153	0.653	0.020	0.796	3.622
2015	2.182	-	2.182	0.650	0.021	0.852	3.705
2016	2.182	-	2.182	0.650	0.020	0.865	3.717
2017	1.525	-	1.525	0.509	0.020	0.582	2.636
2018	1.558	-	1.558	0.510	0.020	0.592	2.680
2019	1.583	-	1.583	0.509	0.019	0.570	2.681
2020	1.637	-	1.637	0.510	0.020	0.607	2.774
2021	1.686	-	1.686	0.505	0.019	0.632	2.842
2022	1.793	-	1.793	0.516	0.020	0.655	2.984

Source: District Records and Municipal Tax Collector

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

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable

b Rates for debt service are based on each year's requirements

* Revaluation completed

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

Taxpayer	2022			2013		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Taxpayer #1	1,251,300	1	1.08%	Information not available		
TLMJ Family Trust	1,041,800	2	0.90%			
Blueberry RVP, LLC	865,400	3	0.75%			
Taxpayer #2	745,700	4	0.64%			
Taxpayer #3	702,300	5	0.61%			
Taxpayer #4	702,100	6	0.61%			
Taxpayer #5	644,000	7	0.56%			
Recreation Prop % B&D Equity	612,000	8	0.53%			
Taxpayer #6	611,500	9	0.53%			
Taxpayer #7	608,800	10	0.53%			
Total	<u><u>7,784,900</u></u>		<u><u>6.72%</u></u>	<u><u>-</u></u>		<u><u>0.00%</u></u>

Total Assessed Value 115,900,200

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

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Property Tax Levies and Collections,
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2013	1,513,583.00	1,513,583.00	100%	-
2014	1,546,591.00	1,546,591.00	100%	-
2015	1,666,762.00	1,666,762.00	100%	-
2016	1,705,464.00	1,705,464.00	100%	-
2017	1,705,464.00	1,705,464.00	100%	-
2018	1,736,210.00	1,736,210.00	100%	-
2019	1,793,295.00	1,793,295.00	100%	-
2020	1,828,694.00	1,828,694.00	100%	-
2021	1,885,328.04	1,885,328.04	100%	-
2022	1,951,497.00	1,951,497.00	100%	-

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

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

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

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities			Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District	Personal Income ^a		
2013	-	-	-	-	-	-	0.00%	-	
2014	-	-	-	-	-	-	0.00%	-	
2015	-	-	-	-	-	-	0.00%	-	
2016	-	-	-	-	-	-	0.00%	-	
2017	-	-	-	-	-	-	0.00%	-	
2018	-	-	-	-	-	-	0.00%	-	
2019	-	-	-	-	-	-	0.00%	-	
2020	-	-	-	-	-	-	0.00%	-	
2021	-	-	-	-	-	-	0.00%	-	
2022	-	-	-	-	-	-	0.00%	-	

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

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2013	-	-	-	0.00%	-
2014	-	-	-	0.00%	-
2015	-	-	-	0.00%	-
2016	-	-	-	0.00%	-
2017	-	-	-	0.00%	-
2018	-	-	-	0.00%	-
2019	-	-	-	0.00%	-
2020	-	-	-	0.00%	-
2021	-	-	-	0.00%	-
2022	-	-	-	0.00%	-

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

- a** See Exhibit NJ J-6 for property tax data.
- b** Population data can be found in Exhibit NJ J-14.

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic
Ratios of Overlapping Governmental Activities Deb
As of June 30, 2022
Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
City of Port Republic	\$ 112,249.00	100.00%	112,249.00
Atlantic County	203,998,316.30	0.42%	853,389.79
Other debt			
None			
Subtotal, overlapping deb			965,638.79
City of Port Republic School District deb	-	100.00%	-
Total direct and overlapping debt			<u>\$ 965,638.79</u>

Sources: City of Port Republic Finance Officer and Atlantic County 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 Port Republic. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2022

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
Debt limit	4,180,305.00	4,038,120.00	4,038,120.00	4,038,120.00	4,038,120.00	4,038,120.00	4,038,120.00	4,038,120.00	4,038,120.00	4,115,280.00	
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-	-
Legal debt margin	4,180,305.00	4,038,120.00	4,038,120.00	3,912,402.00	3,856,195.00	3,750,777.57	3,657,358.77	3,732,921.96	3,864,252.61	4,115,280.00	
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Average equalized valuation of taxable property	137,176,000.00
Debt limit (3% of average equalization value)	4,115,280.00
Net bonded school debt	-
Legal debt margin	<u>4,115,280.00</u>

Equalized valuation basis	
2021	146,173,589.00
2020	134,370,288.00
2019	130,984,123.00
	<u>411,528,000.00</u>

Source: Abstract of Ratables and District Records ACFR Schedule J-10

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

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2013	1,113	44,206	39,718	9.10%
2014	1,111	44,943	40,453	8.30%
2015	1,105	45,137	40,848	8.30%
2016	1,095	45,930	41,945	8.30%
2017	1,084	46,584	42,974	7.50%
2018	1,080	47,794	44,254	7.00%
2019	1,058	49,257	46,557	5.70%
2020	1,052	51,199	48,668	4.90%
2021	1,051	53,213	50,631	13.10%
2022	1,097	61,215	55,802	7.90%

Source:

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

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

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

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

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

Employer	2022			2013		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
		1	0.00%			0.00%
		2	0.00%			0.00%
		3	0.00%			0.00%
		4	0.00%			0.00%
		5	0.00%			0.00%
		6	0.00%			0.00%
		7	0.00%			0.00%
		8	0.00%			0.00%
		9	0.00%			0.00%
		10	0.00%			0.00%
	-		0.00%			-

Source: City of Port Republic Chief Financial Officer

The City does not maintain the above statistical data

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

CITY OF PORT REPUBLIC SCHOOL DISTRICT1
(A Component Unit of the City of Port Republic
Full-time Equivalent District Employees by Function/Program
Last Ten Fiscal Years
Unaudited

<u>Function/Program</u>	<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	13.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Special educator	2.00	2.00	2.00	0.50	0.50	1.50	1.50	1.50	1.50	1.50
Other special educator	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00
Support Services:										
Student Related	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
General Administrative	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
School Administrative	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Business Administrative		0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Plant operations and maintenance	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Other	1.00									
Total	<u>22.00</u>	<u>20.50</u>	<u>20.50</u>	<u>19.00</u>	<u>19.00</u>	<u>21.00</u>	<u>21.00</u>	<u>21.00</u>	<u>21.00</u>	<u>21.00</u>

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

Source: District Personnel Records

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

Fiscal Year	Pupil/Teacher Ratio											
	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Elementary School	Intermediate School	Middle School	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2013	168	2,718,759	16,183	-4.07%	16				119	112	0.85%	94.12%
2014	176	2,926,685	16,629	2.75%	15				127	119	6.72%	93.70%
2015	185	2,943,507	15,911	-4.32%	15				126	119	-0.79%	94.44%
2016	175	2,991,770	17,096	7.45%	14				120	116	-4.76%	96.67%
2017	170	3,116,899	18,335	7.25%	14				119	114	-0.83%	95.80%
2018	162	3,032,138	18,717	2.08%	16				115	110	-3.36%	95.65%
2019	159	3,245,013	20,409	9.04%	16				not available	not available	not available	not available
2020	150	3,204,781	21,365	4.69%	16				not available	not available	not available	not available
2021	150	3,184,593	21,231	-0.63%	16				not available	not available	not available	not available
2021	111	3,393,982	30,576	44.02%	16				not available	not available	not available	not available

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

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

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

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

Number of Schools at June 30, 2022
Elementary Schools - 1

Source: District records, ASSA

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

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

School Facilities	Project #	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
School Facilities											
Port Republic School	N/A	77,533.00	45,372.00	67,555.00	78,351.00	68,161.00	111,020.59	63,852.88	55,551.13	82,984.67	79,655.26
Grand Total		<u>77,533.00</u>	<u>45,372.00</u>	<u>67,555.00</u>	<u>78,351.00</u>	<u>68,161.00</u>	<u>111,020.59</u>	<u>63,852.88</u>	<u>55,551.13</u>	<u>82,984.67</u>	<u>79,655.26</u>

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Insurance Schedule
June 30, 2022
Unaudited

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

Source: District Records.

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Single Audit Section

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K-1

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Port Republic School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Port Republic School District's basic financial statements, and have issued our report thereon dated March 10, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Port Republic School District's control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the City of Port Republic School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

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

Nancy Sbrolla

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

March 10, 2023



FORD - SCOTT

& ASSOCIATES, L.L.C.

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K-2

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

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

Report on Compliance for Each Major Federal & State Program

Opinion on Each Major Federal & State Program

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

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

Basis for Opinion on Each Major Federal & State Program

We conducted our audit in accordance with 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 City of Port Republic School District 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 City of Port Republic School District'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 occurred, whether due to fraud or error, and express an opinion on the City of Port Republic School District'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 City of Port Republic School District'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 City of Port Republic School District'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 City of Port Republic School District'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 City of Port Republic School District'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 material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over

compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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.

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

Nancy Sbrolla

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

March 10, 2023

CITY OF PORT HURON PUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Huron)
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Grant Period	Program or Award Amount	Balance at June 30, 2021	Carryover Amount	Cash Received	Budgetary Expenditures			Balance at June 30, 2022		
									Pass Through	Source	Direct	Total	(MEMO) Passed Through to Sub-Recipients	Adjustments
U.S. Department of Education														
Passed-through State Department of Education:														
Special Revenue Fund:														
Every Child Succeeds Act (E.S.S.A.)														
Title I, Part A - Carryover	84-010	S0104300080	NGLB21	7/1/20 - 9/30/21	21,146.00	(13,101.00)	-	19,445.00	(6,344.00)	-	(6,344.00)	-	-	-
Title I, Part A - Principals Training - Carryover	84-173	S4244200019	NGLB21	7/1/20 - 9/30/21	10,000.00	(4,720.00)	-	4,720.00	-	-	-	-	-	-
Title IV, Dropout Services - Carryover	84-424	S4244200081	NGLB21	7/1/20 - 9/30/21	10,000.00	(18,352.00)	-	24,665.00	(6,344.00)	-	(6,344.00)	-	-	-
Subtotal Every Child Succeeds Act (E.S.S.A.)														
L.D.E.A. Part B - Basic	84-027A	H027A210100	F05	7/1/21 - 9/30/22	29,971.00	-	29,971.00	(29,971.00)	-	-	(29,971.00)	-	-	-
L.D.E.A. Part B - Preschool	84-173	H173A210114	F05	7/1/21 - 9/30/22	1,487.00	-	1,487.00	(1,487.00)	-	-	(1,487.00)	-	-	-
APP - L.D.E.A. Preschool	84-173X	H173A210114		7/1/21-9/30/22	4,449.00	-	4,449.00	(4,449.00)	-	-	(4,449.00)	-	-	-
APP - L.D.E.A. Preschool	84-173X	H173A210114		7/1/21-9/30/22	379.00	-	379.00	(379.00)	-	-	(379.00)	-	-	-
REAP	84-388B	S388B210030	N/A	7/1/21 - 9/30/22	11,908.00	-	11,908.00	(11,908.00)	-	-	(11,908.00)	-	-	-
CRSRA Consolidated Grant - ESSER II														
CRSRA - ESSER II	84-425D	S425D210027		3/13/20-9/30/23	66,399.00	-	66,399.00	(66,399.00)	-	-	(66,399.00)	-	-	-
CR - Career Advancement	84-425D	S425D210027		3/13/20-9/30/23	25,000.00	-	13,411.00	(13,411.00)	(25,000.00)	-	(25,000.00)	-	-	-
CR - Mental Health	84-425D	S425D210027		3/13/20-9/30/23	45,000.00	-	22,432.00	(22,432.00)	(44,091.36)	-	(44,091.36)	-	-	-
Subtotal CRSRA Consolidated Grant - ESSER II														
Total Special Revenue Fund						(18,352.00)	-	175,093.00	(189,989.36)	-	(189,989.36)	-	-	-
Total Federal Financial Awards						(18,352.00)	-	175,093.00	(189,989.36)	-	(189,989.36)	-	-	-

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

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A Component Unit of the City of Port Republic)
Schedule of Expenditures of State Financial Assistant
For the Fiscal Year Ended June 30, 2022

Federal/Grantor/Pass-Through Grantor/ Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2021			Balance at June 30, 2022			MEMO		
				Deferred Revenue/ (Accounts Receivable)	Due to Grantor	Carryover Amount	Cash Received	Budgetary Expenditures	(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable
State Department of Education												
General Fund:												
Categorical Aid - Special Education Aid	22-456-034-5120-089	7/1/21-6/30/22	85,875.00	\$			85,875.00	(85,875.00)			85,875.00	85,875.00
Categorical Aid - Special Education Aid	22-456-034-5120-078	7/1/21-6/30/22	259,425.00				259,425.00	(259,425.00)			259,425.00	259,425.00
Categorical Security Aid	22-456-034-5120-084	7/1/21-6/30/22	12,745.00				12,745.00	(12,745.00)			12,745.00	12,745.00
Adjustment Aid	22-456-034-5120-085	7/1/21-6/30/22	236,096.00				236,096.00	(236,096.00)			236,096.00	236,096.00
Categorical Transportation Aid	22-456-034-5120-014	7/1/21-6/30/22	47,977.00				47,977.00	(47,977.00)			47,977.00	47,977.00
School Choice	22-456-034-5120-018	7/1/21-6/30/22	25,820.00				25,820.00	(25,820.00)			25,820.00	25,820.00
Reimbursed Non Public Transportation Aid	22-456-034-5120-014	7/1/21-6/30/22	5,016.00	(5,820.00)			5,820.00	(5,016.00)			5,016.00	5,016.00
Reimbursed Non Public Transportation Aid	22-456-034-5120-014	7/1/21-6/30/22	24,494.00	(24,494.00)							24,494.00	24,494.00
Extraordinary Aid	22-456-034-5120-044	7/1/21-6/30/22	22,893.00				22,893.00	(22,893.00)			22,893.00	22,893.00
On-behalf TPAF Post-Retirement Medical Contribution	22-456-034-5120-042	7/1/21-6/30/22	382,688.00				382,688.00	(382,688.00)			382,688.00	382,688.00
On-behalf TPAF Post-Retirement Medical Contribution	22-456-034-5094-001	7/1/21-6/30/22	82,211.00				82,211.00	(82,211.00)			82,211.00	82,211.00
On-behalf TPAF Long-Term Disability Insurance Contribution	22-456-034-5094-004	7/1/21-6/30/22	71,094.02				71,094.02	(71,094.02)			71,094.02	71,094.02
Reimbursed TPAF Social Security Contributions	22-456-034-5094-003	7/1/21-6/30/22	71,965.08	(7,105.30)			7,105.30	(20,000.00)	(20,000.00)		71,965.08	71,965.08
Securing Our Children's Future Bond	22-456-034-5094-003	7/1/21-6/30/22	20,000.00					(20,000.00)			20,000.00	20,000.00
Total General Fund			1,486,581.83	(37,419.30)	-	-	1,486,581.83	(1,486,581.83)	(54,522.49)	-	87,805.00	1,570,847.10
Special Revenue Fund:												
Schools Development Authority - Emergent and Capita Maintenance Needs Grant		7/1/21-6/30/22	2,294.00				2,294.00	(2,294.00)			2,294.00	2,294.00
Total Special Revenue Fund			2,294.00	-	-	-	2,294.00	(2,294.00)	-	-	-	2,294.00
Total State Financial Assistance				(37,419.30)	-	-	1,471,771.83	(1,488,875.83)	(54,522.49)	-	87,805.00	1,572,841.10
On-behalf TPAF Pension Contribution			382,688.00				382,688.00	(382,688.00)			382,688.00	382,688.00
On-behalf TPAF Post-Retirement Medical Contribution			211.00				(211.00)				211.00	211.00
On-behalf TPAF Long-Term Disability Insurance Contribution			82,211.00				82,211.00	(82,211.00)			82,211.00	82,211.00
Total State Financial Assistance			882,162.83	(37,419.30)	-	-	882,162.83	(882,162.83)	(54,522.49)	-	87,805.00	1,572,841.10

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A COMPONENT UNIT OF THE CITY OF PORT REPUBLIC)
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2022

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

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

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

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

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

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

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A COMPONENT UNIT OF THE CITY OF PORT REPUBLIC)
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2022

	General fund	Special Revenue fund	Total
State Assistance:			
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of State Financial Assistance	\$ 1,486,581.02	\$ 2,294.00	1,488,875.02
Difference – budget to "GAAP"			
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	93,937.00		93,937.00
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(87,805.00)		(87,805.00)
			-
Total State revenue as reported on the statement of revenues, expenditures and changes in fund balances	\$ 1,492,713.02	\$ 2,294.00	1,495,007.02

CITY OF PORT REPUBLIC SCHOOL DISTRICT
(A COMPONENT UNIT OF THE CITY OF PORT REPUBLIC)
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2022

	<u>Special Revenue Fund</u>	<u>Total</u>
Federal Assistance:		
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of Federal Awards	\$ 189,989.36	189,989.36
Difference - budget to "GAAP" Grant accounting budgetary basis differs from "GAAP" in that encumbrances are recognized as expenditures, and the related revenue is recognized.	6,344.00	6,344.00
	<hr/>	<hr/>
Total Federal revenue as reported on the statement of revenue, expenditures, and changes in fund balance	<u>\$ 196,333.36</u>	<u>196,333.36</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively. The amounts reported as TPAF Pension Contributions represents the amount paid by the State on behalf of the district for the year ended June 30, 2022. 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.

**CITY OF PORT REPUBLIC SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

K-6

Part I -- Summary of Auditor's Results

Financial Statement Section

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

Federal Awards Section

Not Applicable

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

Identification of major programs:

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

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

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

**CITY OF PORT REPUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Part I -- Summary of Auditor's Results

State Awards Section

Internal Control over major programs:

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

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

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

Unmodified _____

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

_____ yes X no

Identification of major programs:

<u>GMS Number(s)</u>	<u>Name of State Program</u>
22-495-034-5120-078	Equalization Aid
22-495-034-5120-089	Special Education Categorical Aid
22-495-034-5120-084	Security Aid
22-495-034-5120-085	Adjustment Aid
22-495-034-5120-068	School Choice

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

\$750,000 _____

Auditee qualified as low-risk auditee?

 X yes _____ no _____

**CITY OF PORT REPUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Part 2 -- Schedule of Financial Statement Findings

None

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

None

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

STATUS OF PRIOR YEAR FINDINGS

None