

SCHOOL DISTRICT
OF
BEACH HAVEN
OF OCEAN COUNTY

BEACH HAVEN, NEW JERSEY

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended June 30, 2023

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

Of

Beach Haven School District
of Ocean County

Beach Haven, New Jersey

For the Fiscal Year Ended June 30, 2023

Prepared by

Beach Haven School District
of Ocean County
Board of Education Finance Department

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INTRODUCTORY SECTION

BEACH HAVEN BOARD OF EDUCATION

Eighth and Beach Avenue
Beach Haven, New Jersey 08008

November 22, 2023

Mrs. Irene Hughes, President
Members of the Board of Education
Beach Haven School District
Beach Haven, New Jersey 08008

Dear Board Members/Citizens:

The Annual Comprehensive Financial Report (ACFR) of the Beach Haven School District for the fiscal year ended June 30, 2023, 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 Beach Haven School District. 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, 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 district as of June 30, 2023, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

The Comprehensive Annual Financial Report is presented in four sections as follows:

Introductory Section:

Section contains a Letter of Transmittal, Roster of Officials, Consultants and Advisors, and an Organizational Chart.

Financial Section:

Section contains the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements, Required Supplementary Information (RSI) and Other Supplementary Information.

Statistical Section:

Section contains selected financial trends, revenue and debt capacity, demographic, economic and other operating information, generally presented on a multi-year basis.

Single Audit Section:

The School District is required to undergo an annual Single Audit in conformity with the provisions 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 New Jersey OMB’s Circular 15-08 OMB, “*Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*”. Information related to this Single Audit, including the independent auditor’s report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, are included in the Single Audit Section of this report.

REPORTING ENTITY AND ITS SERVICES

The Beach Haven School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standard Board (GASB) as established by NCGA Statement No. 3. All funds of the School District are included in this report. The School District has no component units.

The School District provides a full range of educational services appropriate to grade levels Pre-Kindergarten through 6th grades. These include regular as well as special education for children with special needs. The School District’s enrollment, as of October 15th, for the current and past six fiscal years are detailed below.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2022/2023	72	-5%
2021/2022	76	12%
2020/2021	68	8%
2019/2020	63	-6%
2018/2019	67	-1%
2017/2018	68	-1%

ECONOMIC CONDITION AND OUTLOOK

The Beach Haven School District has a stable year-round population. The primary industry is tourism which significantly increases the population during the summer.

MAJOR INITIATIVES

All who comprise the PK-6 Beach Haven School District continue to work to maintain high levels of academic and social achievements, value the importance of technology as educational tool vs, an educational requirement in isolation, and comply with all of the current educational rules and regulations governing schools in New Jersey.

The Board of Education recognizes that the teacher is the most important staff member for the delivery of a high-quality education to allow continued success at the Southern Regional High School grades 7-12. Appropriate professional development will be provided to allow teachers to be current and proficient.

Sufficient funds will continue to be committed for building improvements and upgrades to maintain a safe, secure, and compliant building for the students and the community.

INTERNAL ACCOUNTING CONTROLS

Management of the School District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the district are protected from loss, theft and misuse and to ensure that adequate accounting data are completed to allow for the preparation of financial statement in conformity with general accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be delivered; and (2) the valuation of costs and benefits require estimates and judgments by management.

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

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

BUDGETARY CONTROLS

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

ACCOUNTING SYSTEM AND REPORTS

The School District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The School District's accounting system is organized on the basis of funds. The funds are explained in "Notes to Financial Statements", Note 1.

DEBT ADMINISTRATION

The district has no outstanding debt as of June 30, 2023.

RISK MANAGEMENT

The Board of Education carries various forms of insurance, including, but not limited to, general liability, hazard and theft insurance on property and contents, and fidelity bonds.

OTHER INFORMATION

INDEPENDENT AUDIT

State statutes require an annual audit by independent certified public accountants. The accounting firm of Jump, Perry & Company, LLP was appointed by the Beach Haven Board of Education. In addition to meeting the requirements set forth in the State statutes, the audit was also designed to meet the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and combining statements and related major fund supporting 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.

ACKNOWLEDGEMENTS

We would like to express our appreciation to the members of the Board of Education 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 accomplished without the efficient and dedicated services of our business office staff.

Respectfully Submitted,

Theodore Loeffler

Theodore Loeffler
Superintendent

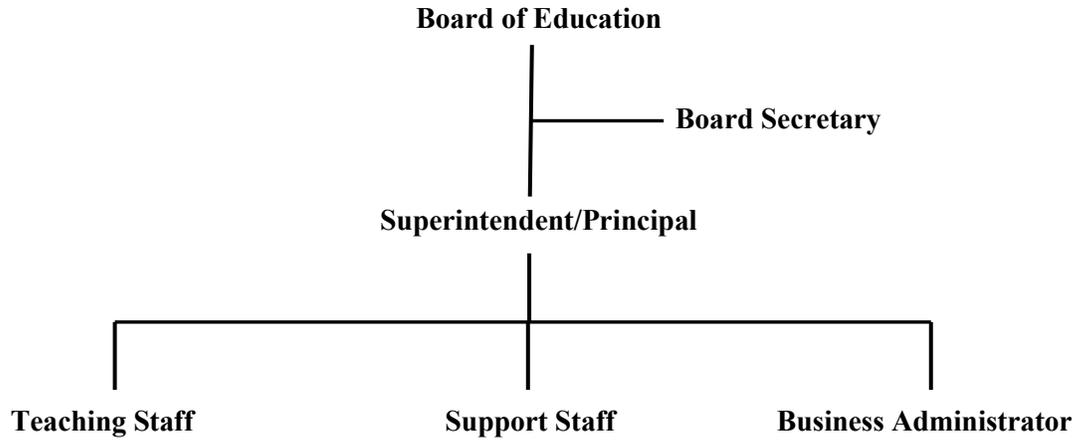
Steven Terhune

Steven Terhune
School Business Administrator/
Board Secretary

BEACH HAVEN SCHOOL DISTRICT
Beach Haven, New Jersey 08008

Organizational Chart

JUNE 30, 2023



Beach Haven School District
Beach Haven, New Jersey

Roster of Officials
June 30, 2023

Members of the Board of Education

Term Expires

Irene Hughes, President

2025

Jen Tomlinson, Vice President

2023

Carol Labin

2024

Meredith O'Donnell

2023

Patricia Jane Romanowski

2025

Other Officials

Theodore Loeffler, Superintendent of School

Steven Terhune, School Business Administrator/Board Secretary

Beach Haven School District
Consultants and Advisors

Attorney

Isabel Machado, Esq.
Machado Law Group
136 Central Avenue 2nd Floor
Clark, New Jersey 07066

Audit Firm

Kathryn Perry, CPA
Jump, Perry and Company, L.L.P.
12 Lexington Avenue
Toms River, New Jersey 08753

Architect

Spiezle Architectural Group, Inc.
Steven Siegel
1395 Yardville Hamilton Square Road, Suite 2a
Hamilton, NJ 08691

Official Depositories

TD Bank
13100 Long Beach Boulevard
Beach Haven, New Jersey 08008

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Beach Haven School District:
County of Ocean
Beach Haven, New Jersey

Report on the Audit of the 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 Beach Haven School District in the County of Ocean, State of New Jersey, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School 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 Beach Haven School District in the County of Ocean, State of New Jersey as of June 30, 2023 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Beach Haven 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.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Beach Haven 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, 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 judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Beach Haven School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Beach Haven School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise of Beach Haven School District's basic financial statements. The accompanying combining and individual nonmajor 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*, 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 nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

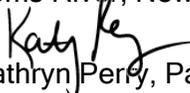
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated.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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2023 on our consideration of Beach Haven 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 Beach Haven School District 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 Beach Haven School District's internal control over financial reporting and compliance.

Respectfully Submitted,

Jump, Perry and Company L.L.P.
Toms River, New Jersey


Kathryn Perry, Partner
Licensed Public School Accountant
No. CS 20CS00226400

November 22, 2023

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Beach Haven School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2023

Unaudited

The discussion and analysis of Beach Haven School District's financial performance provides an overall review of the School Board's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the School Board's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School Board's financial performance.

Financial Highlights

Key financial highlights for June 30, 2023 are as follows:

Net position totaled \$4,687,727, which represents a 9.61 percent increase from June 30, 2022.

General revenues accounted for \$2,658,306 in revenue or 95.10 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$136,921 or 4.90 percent of total revenues of \$2,795,227.

Total assets increased by \$413,918 as current assets decreased by \$39,450 and capital assets, net increased by \$453,368.

The School Board had \$2,384,341 in expenses; only \$136,921 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$2,658,306 were adequate to provide for these programs.

Among major funds, the General Fund had \$2,611,117 in revenues and \$2,917,213 in expenditures and transfers. The General Fund's balance decreased \$306,096 over June 30, 2022. The General Fund's balance is \$953,838.

Using this Annual Comprehensive Financial Report (ACFR)

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

The Statement of Net Position and Statement of Activities provide information about the activities of the School Board, presenting both an aggregate view of the School Board's finances and longer-term view of those finances. Fund financial statements provide the next level of detail. For government funds, these statements tell how services were financed in the short term as well as what remains for future spending. The fund financial statements also look at the School Board's most significant funds with all other non-major funds presented in total in one column. In the case of Beach Haven School District, the General Fund is by far the most significant.

Reporting the School Board as a Whole

Statement of Net Position and the Statement of Activities

The Statement of Net Position and Statement of Activities provide information about the activities of the entire School District and are designed to provide readers with a broad overview of the District's finances, in a manner similar to private-sector business.

These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into consideration all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in net position. The change in net position is important because it informs the reader that, for the School District as a whole, the financial position of the School District has improved or worsened. The causes of the change may be the result of many factors, some financial and some not. Non-financial factors include, but are not limited to, the District's property tax base, current laws in New Jersey restricting revenue growth, facility conditions, and required educational programs. In the Statement of Net Position and the Statement of Activities, the School Board is divided into two kinds of activities:

Governmental Activities - All of the School Board's programs and services are reported here including, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

Business-Type Activities - This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. There are no activities reported as a business activity.

Reporting the School Board's Most Significant Funds

Fund Financial Statement

The Analysis of the School Board's major funds begins with Exhibit B-1. Fund financial reports provide detailed information about the School Board's major funds. The School Board's major governmental fund is the General Fund.

Governmental Funds

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

Enterprise Fund

The Enterprise Fund uses the same basis of accounting as business-type activities.

The Beach Haven School District does not have any enterprise funds.

The School Board as a Whole

The Statement of Net Position provides the financial perspective of the School Board as a whole.

Table 1 provides a summary comparison of the School Board's net position for June 30, 2023 and 2022.

Table 1

Net Position as of June 30, 2023 and June 30, 2022

	June 30, 2023			June 30, 2022		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets:						
Current and other assets	\$ 1,764,633	\$ -	\$ 1,764,633	\$ 1,804,083	\$ -	\$ 1,804,083
Capital assets, net	<u>3,238,391</u>	<u>-</u>	<u>3,238,391</u>	<u>2,785,023</u>	<u>-</u>	<u>2,785,023</u>
Total assets	5,003,024	-	5,003,024	4,589,106	-	4,589,106
Deferred outflow of resources	<u>101,829</u>	<u>-</u>	<u>101,829</u>	<u>58,075</u>	<u>-</u>	<u>58,075</u>
Liabilities:						
Current liabilities	66,384	-	66,384	19,699	-	19,699
Long-term liabilities outstanding	<u>247,554</u>	<u>-</u>	<u>247,554</u>	<u>158,824</u>	<u>-</u>	<u>158,824</u>
Total liabilities	313,938	-	313,938	178,523	-	178,523
Deferred inflow of resources	<u>103,188</u>	<u>-</u>	<u>103,188</u>	<u>191,817</u>	<u>-</u>	<u>191,817</u>
Net position:						
Net investment in capital assets	3,238,391	-	3,238,391	2,785,023	-	2,785,023
Restricted	1,381,728	-	1,381,728	1,559,150	-	1,559,150
Unrestricted	<u>67,608</u>	<u>-</u>	<u>67,608</u>	<u>(67,332)</u>	<u>-</u>	<u>(67,332)</u>
Total Net Position	<u>\$ 4,687,727</u>	<u>\$ -</u>	<u>\$ 4,687,727</u>	<u>\$ 4,276,841</u>	<u>\$ -</u>	<u>\$ 4,276,841</u>

The unrestricted net position is a negative balance due to the unfunded liabilities for compensated absences and PERS pension. The District expects to be able to fund these liabilities as they come due yearly.

The School Board's combined net position was \$4,687,727 on June 30, 2023. This is a change of 9.61% from the previous year.

Table 2 provides a comparison analysis of School Board's changes in net position from fiscal years June 30, 2023 and 2022.

Table 2

Changes in Net Position

	June 30, 2023			June 30, 2022		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues						
Program revenues:						
Charges for services	\$ -	\$ -	\$ -	\$ 4,760	\$ -	\$ 4,760
Operating and capital grants and contributions	136,921	-	136,921	133,385	-	133,385
General revenues:						
Property taxes	2,078,975	-	2,078,975	2,038,211	-	2,038,211
Federal and state aid	553,889	-	553,889	399,303	-	399,303
Investment earnings	8,214	-	8,214	1,775	-	1,775
Miscellaneous	<u>17,228</u>	<u>-</u>	<u>17,228</u>	<u>6,990</u>	<u>-</u>	<u>6,990</u>
Total revenues	<u>2,795,227</u>	<u>-</u>	<u>2,795,227</u>	<u>2,584,424</u>	<u>-</u>	<u>2,584,424</u>
Expenses						
Instructional services	795,836	-	795,836	861,949	-	861,949
Support services	<u>1,588,505</u>	<u>-</u>	<u>1,588,505</u>	<u>1,474,821</u>	<u>-</u>	<u>1,474,821</u>
Total expenses	<u>2,384,341</u>	<u>-</u>	<u>2,384,341</u>	<u>2,336,770</u>	<u>-</u>	<u>2,336,770</u>
Change in net position	410,886	-	410,886	247,654	-	247,654
Net position - beginning	4,276,841	-	4,276,841	4,029,187	-	4,029,187
Prior period adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position - beginning restated	<u>4,276,841</u>	<u>-</u>	<u>4,276,841</u>	<u>4,029,187</u>	<u>-</u>	<u>4,029,187</u>
Net position (deficit) - ending	<u>\$ 4,687,727</u>	<u>\$ -</u>	<u>\$ 4,687,727</u>	<u>\$ 4,276,841</u>	<u>\$ -</u>	<u>\$ 4,276,841</u>

Regular instructional costs increased due to salary and benefit cost increases.

Other support services decreased primarily as a result of changes in the net deferred inflows, outflows in the PERS pension liability.

Expenses for Fiscal Year June 30, 2023

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total costs of services and the net cost of services. The net cost shows the financial burden that was placed on the School District's taxpayers by each of these functions.

Table 3

Governmental Activities

	2023		2022	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Instruction	\$ 795,836	\$ 795,836	\$ 861,949	\$ 857,649
Support Services:				
Pupils and Instructional Staff	513,782	376,861	478,086	344,241
General Administration, School Administration, Business Operation and Maintenance of Facilities	953,675	953,675	921,071	921,071
Pupil Transportation	<u>121,048</u>	<u>121,048</u>	<u>75,664</u>	<u>75,664</u>
Total Expenses	<u>\$ 2,384,341</u>	<u>\$ 2,247,420</u>	<u>\$ 2,336,770</u>	<u>\$ 2,198,625</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Extracurricular activities includes expenses related to student activities provided by the District which are designed to provide opportunities for students to participate in school and public events for the purpose of motivation, enjoyment, skill improvement, school spirit and leadership. Approximately 90% of the student population participates in extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration and business include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings, and equipment in an effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, to school curricular and field trips as provided by state law.

The School Board's Funds

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

As the School Board completed the fiscal year ended June 30, 2023, it reported a combined fund balance of \$953,838, which is a decrease of \$86,135. The Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds, Exhibit B-2, presents the reader with a detailed explanation of the increase in fund balance for the fiscal year.

The following schedule presents a summary of General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund revenues for the fiscal year ended June 30, 2023.

<u>Revenue</u>	<u>2023 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2022</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 2,106,256	75.35 %	\$ 54,520	2.66 %
State Sources	506,700	18.13	89,908	21.57
Federal Sources	<u>182,271</u>	<u>6.52</u>	<u>66,375</u>	<u>57.27</u>
Total	<u>\$ 2,795,227</u>	<u>100.00 %</u>	<u>\$ 210,803</u>	<u>8.16 %</u>

The following schedule presents a summary of General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2023.

<u>Expenditures</u>	<u>2023 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2022</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expenditures:				
Instruction	\$ 795,836	27.62 %	\$ (66,113)	(7.67)%
Undistributed				
Expenditures	1,504,663	52.22	121,076	8.75
Capital Outlay	<u>580,863</u>	<u>20.16</u>	<u>22,386</u>	<u>4.01</u>
Total	<u>\$ 2,881,362</u>	<u>100.00 %</u>	<u>\$ 77,349</u>	<u>2.76 %</u>

General Fund Budgeting Highlights

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

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

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

The General Fund finished the fiscal year approximately \$406,948 better than had been budgeted in terms of expenditures. Revenue-wise, the General Fund fared about \$112,662 better than expected. Both these amounts have been adjusted for the non-budgeted amounts reflected in the comparison schedule for reimbursed TPAF social security contributions and on-behalf TPAF post-retirement medical contributions.

The General Fund has restricted a portion of its Fund Balance. The restricted Fund Balance items are as follows:

Capital Reserve	\$	435,986
Maintenance Reserve		95,327
Unemployment Compensation		75,000

These restricted reserves are regulated as to their use by the State of New Jersey. Therefore, the Board places funds in the reserves in combination with the future financial needs of the District.

The expenditures were less due to cost containment by the Board even after the salary and benefit increases. General supplies were purchased at better prices than expected due to the school board joining other schools in cooperative bidding. The district also joined a co-op for energy consumption, which was done after the budget was struck. Through efforts made in finding jointures with other local districts, and increased students on district owned vehicles the district transportation costs were lowered for special needs students.

The revenue situation arose primarily because of tuition received from out of district students.

Any excesses will be carried forward into the beginning fund balance from the 2022-2023 fiscal year and will be used to reduce the local tax levy for the 2024-2025 fiscal year.

Capital Assets and Debt Administration

Capital Assets. At the end of the fiscal year June 30, 2023, the School Board had \$3,238,391 invested in land, buildings, and machinery and equipment.

Table 4

Capital Assets (Net of Depreciation) at June 30, 2023 and June 30, 2022

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 99,516	\$ 99,516	\$ -	\$ -	\$ 99,516	\$ 99,516
Construction in Progress	58,081	479,604	-	-	58,081	479,604
Building and Improvements	2,917,657	2,014,148	-	-	2,917,657	2,014,148
Machinery and Equipment	163,137	191,755	-	-	163,137	191,755
Total	\$ 3,238,391	\$ 2,785,023	\$ -	\$ -	\$ 3,238,391	\$ 2,785,023

During the current fiscal year, \$1,001,821 of capital assets were capitalized as additions. Increases in capital assets were offset by depreciation expense for the year.

Debt Administration. The District's long-term liabilities are as follows for the governmental and business-type activities :

	June 30, 2023	June 30, 2022
Pension Liability-PERS	\$ 229,581	\$ 146,119
Compensated Absences payable	17,973	12,705
Total long-term liabilities	\$ 247,554	\$ 158,824

For more detailed information, please refer to the Capital Assets and Long-term debt notes in the basic financial statements.

Economic Factors and Next Year's Budget

For the 2022-2023 school year, the School Board was able to sustain its budget through the local tax levy, state education aid and local revenue sources. Approximately 24.65% of the School Board's revenue is from federal, state and local aid (restricted and not restricted), while 75.35% of total revenue is from local sources.

The \$67,608 in unrestricted net position for all governmental activities represents the accumulated results of all past years' operations. It means that if the School Board had to pay off all bills today, including all of the School Board's non-capital liabilities (compensated absences, etc.), the School Board would have that much in value.

The 2022-2023 budget was adopted in March 2022 based in part on the state education aid the School Board anticipated receiving. Any future increases based on the enrollment formula, originally formulated to allocate state education aid amongst school boards, will be minimal. Future decreases in local revenue and state education aid will place additional burden on the Borough of Beach Haven for increased aid.

The School Board anticipates a level enrollment for the 2023-2024 fiscal year. If the School Board were to experience a significant increase in enrollment with no appreciable increase in state aid for future budgets, the School Board will be faced with the following alternatives: (a) reduce programs and services, (b) increase local tax levy or (c) seek alternative sources of funding. The district believes that it has prepared financially for the 2022-2023 and near term future fiscal years to allow for the continuation of existing programs and services.

Contacting the School Board's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or need additional information, you may contact the School Business Administrator/Board Secretary at Beach Haven School District, 700 N. Beach Ave, Beach Haven, NJ, 08008.

BASIC FINANCIAL STATEMENTS

BEACH HAVEN SCHOOL DISTRICT
Statement of Net Position
June 30, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 1,596,299	\$ -	\$ 1,596,299
Restricted cash-capital reserve	18,607	-	18,607
Receivables - state	98,097	-	98,097
Receivables - federal	51,630	-	51,630
Capital assets, non-depreciable	157,597	-	157,597
Capital assets, depreciable, net	3,080,794	-	3,080,794
Total assets	<u>5,003,024</u>	<u>-</u>	<u>5,003,024</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - PERS	101,829	-	101,829
Total deferred outflows of resources	<u>101,829</u>	<u>-</u>	<u>101,829</u>
LIABILITIES			
Accounts payable	47,600	-	47,600
Other liabilities	15,003	-	15,003
Unearned revenue	3,781	-	3,781
Noncurrent liabilities:			
Due within one year	-	-	-
Due beyond one year	247,554	-	247,554
Total liabilities	<u>313,938</u>	<u>-</u>	<u>313,938</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - PERS	103,188	-	103,188
Total deferred inflows of resources	<u>103,188</u>	<u>-</u>	<u>103,188</u>
NET POSITION			
Investment in capital assets	3,238,391	-	3,238,391
Restricted for:			
Capital projects	1,177,905	-	1,177,905
Unemployment compensation	75,000	-	75,000
Other purposes	128,823	-	128,823
Unrestricted	67,608	-	67,608
Total net position	<u>\$ 4,687,727</u>	<u>\$ -</u>	<u>\$ 4,687,727</u>

BEACH HAVEN SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Current:							
Regular instruction	\$ 738,942	\$ -	\$ -	\$ -	\$ (738,942)	\$ -	\$ (738,942)
Special schools instruction	56,144	-	-	-	(56,144)	-	(56,144)
Other special instruction	750	-	-	-	(750)	-	(750)
Support services and undistributed costs:							
Instruction	17,678	-	-	-	(17,678)	-	(17,678)
Attendance	-	-	-	-	-	-	-
Health services	54,549	-	-	-	(54,549)	-	(54,549)
Other support services	300,016	-	1,839	-	(298,177)	-	(298,177)
Educational media services	1,200	-	-	-	(1,200)	-	(1,200)
Instruction staff training	5,257	-	-	-	(5,257)	-	(5,257)
General administrative services	45,196	-	-	-	(45,196)	-	(45,196)
School administrative services	23,123	-	-	-	(23,123)	-	(23,123)
Central services	41,262	-	-	-	(41,262)	-	(41,262)
Allowed maintenance for school facilities	159,357	-	-	-	(159,357)	-	(159,357)
Other operation & maintenance of plant	282,830	-	-	-	(282,830)	-	(282,830)
Student transportation services	121,048	-	-	-	(121,048)	-	(121,048)
Unallocated employee benefits	401,907	-	-	-	(401,907)	-	(401,907)
Non-budgeted expenses	135,082	-	135,082	-	-	-	-
Total governmental activities	<u>2,384,341</u>	<u>-</u>	<u>136,921</u>	<u>-</u>	<u>(2,247,420)</u>	<u>-</u>	<u>(2,247,420)</u>
Business-type activities:							
N/A	-	-	-	-	-	-	-
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 2,384,341</u>	<u>\$ -</u>	<u>\$ 136,921</u>	<u>\$ -</u>	<u>\$ (2,247,420)</u>	<u>\$ -</u>	<u>\$ (2,247,420)</u>
General revenues:							
Taxes:							
Property taxes levied for general purpose					2,078,975	-	2,078,975
Federal and state aid - not restricted					371,618	-	371,618
Federal and state aid -restricted					182,271	-	182,271
Miscellaneous income					17,228	-	17,228
Investment earnings - restricted					8,214	-	8,214
Total general revenues					<u>2,658,306</u>	<u>-</u>	<u>2,658,306</u>
Change in net position					410,886	-	410,886
Net position, July 1					<u>4,276,841</u>	<u>-</u>	<u>4,276,841</u>
Net position, June 30					<u>\$ 4,687,727</u>	<u>\$ -</u>	<u>\$ 4,687,727</u>

BEACH HAVEN SCHOOL DISTRICT
Balance Sheet
For the Year Ended June 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 870,235	\$ (15,855)	\$ 741,919	\$ 1,596,299
Capital reserve	18,607	-	-	18,607
Receivables - State	98,097	-	-	98,097
Receivables - Federal	-	51,630	-	51,630
Total assets	<u>\$ 986,939</u>	<u>\$ 35,775</u>	<u>\$ 741,919</u>	<u>\$ 1,764,633</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 18,098	\$ 29,502	\$ -	\$ 47,600
Payable deductions and withholdings payable	15,003	-	-	15,003
Unearned revenue	-	3,781	-	3,781
Total liabilities	<u>33,101</u>	<u>33,283</u>	<u>-</u>	<u>66,384</u>
Fund Balances:				
Restricted for:				
Capital projects fund	-	-	741,919	741,919
Capital reserve account	435,986	-	-	435,986
Maintenance reserve account	95,327	-	-	95,327
Emergency reserve account	-	-	-	-
Excess surplus	-	-	-	-
Excess surplus -- designated for subsequent year's expenditures	-	-	-	-
Unemployment compensation	75,000	-	-	75,000
Student activities	-	2,492	-	2,492
Assigned to:				
Debt service fund	-	-	-	-
Designated by the BOE for subsequent year's expenditures	-	-	-	-
Capital projects fund	-	-	-	-
Other purposes	33,496	-	-	33,496
Unassigned to:				
General fund	314,029	-	-	314,029
Total Fund balances	<u>953,838</u>	<u>2,492</u>	<u>741,919</u>	<u>1,698,249</u>
Total liabilities and fund balances	<u>\$ 986,939</u>	<u>\$ 35,775</u>	<u>\$ 741,919</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets are \$5,762,328 and the accumulated depreciation is \$1,656,623.	3,238,391
Deferred outflows related to the PERS pension plan	101,829
Deferred inflows related to the PERS pension plan	(103,188)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(247,554)</u>
Net position of governmental activities	<u>\$ 4,687,727</u>

BEACH HAVEN SCHOOL DISTRICT
Statement of Revenues, Expenditures, And Changes in Fund Balances
For the Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
REVENUES				
Local sources:				
Local tax levy	\$ 2,078,975	\$ -	\$ -	\$ 2,078,975
Tuition charges	-	-	-	-
Interest on investments	3,834	-	-	3,834
Interest earned on capital reserve funds	3,580	-	-	3,580
Interest earned on maintenance reserve funds	800	-	-	800
Other Local Revenue	17,228	1,839	-	19,067
Total - Local Sources	<u>2,104,417</u>	<u>1,839</u>	<u>-</u>	<u>2,106,256</u>
State sources	506,700	-	-	506,700
Federal sources	-	182,271	-	182,271
Total revenues	<u>\$ 2,611,117</u>	<u>\$ 184,110</u>	<u>\$ -</u>	<u>\$ 2,795,227</u>
EXPENDITURES				
Current:				
Regular instruction	\$ 640,891	\$ 98,051	\$ -	\$ 738,942
Special education instruction	56,144	-	-	56,144
Other special instruction	750	-	-	750
Undistributed - current:				
Instruction	17,678	-	-	17,678
Attendance	-	-	-	-
Health services	54,549	-	-	54,549
Other support services	214,216	85,800	-	300,016
Educational media services	1,200	-	-	1,200
Instruction staff training	5,257	-	-	5,257
General administrative services	45,196	-	-	45,196
School administrative services	23,123	-	-	23,123
Allowed maintenance for school facilities	159,357	-	-	159,357
Other operation & maintenance of plant	155,335	-	-	155,335
Student transportation services	121,048	-	-	121,048
Central services	41,262	-	-	41,262
Unallocated employee benefits	445,560	-	-	445,560
Non-budgeted expenditures	135,082	-	-	135,082
Capital outlay	565	-	580,298	580,863
Total expenditures	<u>2,117,213</u>	<u>183,851</u>	<u>580,298</u>	<u>2,881,362</u>
Excess (Deficiency) of revenues over expenditures	<u>493,904</u>	<u>259</u>	<u>(580,298)</u>	<u>(86,135)</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	248,179	-	800,000	1,048,179
Transfers out	(800,000)	-	(248,179)	(1,048,179)
Total other financing sources and uses	<u>(551,821)</u>	<u>-</u>	<u>551,821</u>	<u>-</u>
Net change in fund balances	(57,917)	259	(28,477)	(86,135)
Fund balance—July 1	<u>1,011,755</u>	<u>2,233</u>	<u>770,396</u>	<u>1,784,384</u>
Fund balance—June 30	<u>\$ 953,838</u>	<u>\$ 2,492</u>	<u>\$ 741,919</u>	<u>\$ 1,698,249</u>

**BEACH HAVEN SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures,
For the Year Ended June 30, 2023
to the Statement of Activities**

Total net change in fund balances - governmental funds (from B-2)	\$	(86,135)
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Amounts reported for governmental activities in the statement of activities (A-2) are different because:

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

	Depreciation expense	(126,930)	
	Capital outlays	<u>580,298</u>	453,368

In the Statement of Activities, the PERS pension expense is the amount paid plus net change in the Deferred Outflows, Deferred Inflows and pension liability as reported by the State of New Jersey			48,921
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In the statement of activities, certain operating expenses, e.g., compensated absences (sick leave) and special termination benefits (early retirement incentive) 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, essentially, the amounts actually paid.			<u>(5,268)</u>
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Change in net position of governmental activities	\$	<u>410,886</u>
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Beach Haven School District
Notes to Financial Statements
For the Year Ended June 30, 2023

1. Summary of Significant Accounting Policies

The financial statements of the Board of Education (the "Board") of Beach Haven School District ("District") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

A. Reporting Entity

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

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

B. Basis of Presentation, Basis of Accounting

The School District's basic financial statements consist of District-wide statements, including a Statement of Net Position and a Statement of Activities, and Fund Financial Statements which provide a more detailed level of financial information. The Statement of Net Position includes the reporting of assets, deferred outflows, liabilities and deferred inflows. Items not meeting that definition of assets and liabilities have been classified as deferred outflows or deferred inflows. The deferred outflows are reported under assets and deferred inflows are reported under liabilities on the Statement of Net Position.

The School District has employees that are enrolled in a defined benefit plan operated by the State of New Jersey which creates deferred outflows and inflows as described in Note 11.

District-Wide Statements: The district-wide financial statements (A-1 and A-2) include the statement of net position and the statement of activities. These Statements include the financial activities of the overall District, except for fiduciary activities. All interfund activity, excluding the fiduciary funds, has been eliminated in the statement of activities. Individual funds are not displayed but the statements distinguish governmental activities, generally financed in whole or in part with fees charged to external customers.

Beach Haven School District
Notes to Financial Statements
For the Year Ended June 30, 2023

1. **Summary of Significant Accounting Policies (Cont'd)**

B. Basis of Presentation, Basis of Accounting (Cont'd)

Basis of Presentation:

The statement of net position presents the financial condition of the governmental and business-type activity of the District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements: During the fiscal year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in Governmental Accounting Standards. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

The District reports the following governmental funds:

General Fund: The 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. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment which are classified in the Capital Outlay sub-fund.

As required by the New Jersey State Department of Education, the District includes in this fund budgeted Capital Outlay. Generally accepted accounting principles, as they pertain to governmental entities, state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balances. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by Board resolution.

Beach Haven School District
Notes to Financial Statements
For the Year Ended June 30, 2023

1. **Summary of Significant Accounting Policies (Cont'd)**

B. Basis of Presentation, Basis of Accounting (Cont'd):

Basis of Presentation (Cont'd):

Special Revenue Fund: The special revenue fund is used to account for the proceeds of specific revenue from state and federal Government, (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund: The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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

The District reports the following proprietary fund:

Enterprise Funds: The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Depreciation of all capital assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	5-20 Years
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Additionally, the District reports the following fund type:

Fiduciary Funds: The Fiduciary Funds are used to account for assets held by the District on behalf of others if applicable.

Beach Haven School District
Notes to Financial Statements
For the Year Ended June 30, 2023

1. **Summary of Significant Accounting Policies (Cont'd)**

B. Basis of Presentation, Basis of Accounting (Cont'd):

Basis of Accounting:

Basis of Accounting determines when transactions are recorded in the financial records and reported on the financial statements.

District-Wide, Proprietary, and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds are accounted for using the "economic resources" measurement focus and the modified accrual basis of accounting; the Enterprise Fund and Fiduciary Funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Differences in the accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures. The tax revenues are recognized in the year for which they are levied (see Note 1.d.). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgment's, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital releases are reported as other financing sources.

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

C. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. Budgets are prepared using the modified accrual basis of accounting; the legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C 6A:23A-16.2(f). All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2023 were insignificant.

Beach Haven School District
Notes to Financial Statements
For the Year Ended June 30, 2023

1. Summary of Significant Accounting Policies (Cont'd)

C. Budgets/Budgetary Control (Cont'd)

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

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

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

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

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

D. Encumbrances

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

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

Beach Haven School District
Notes to Financial Statements
For the Year Ended June 30, 2023

1. Summary of Significant Accounting Policies (Cont'd)

D. Encumbrances (Cont'd)

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.

E. Cash, Cash Equivalents and Investments

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:2037 provides a list of permissible investments that may be purchased by New Jersey school districts

N.J.S.A. 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.

F. Short-Term Interfund Receivables/Payables

Short-Term interfund receivables/payables represents amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year. All interfund receivables and payables between the governmental and proprietary funds have been eliminated in the district-wide statements.

G. Inventories and Prepaid Expenses

Inventories and prepaid expenses, which benefit future periods are recorded as an expenditure during the year of purchase.

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather when purchased.

Beach Haven School District
Notes to Financial Statements
For the Year Ended June 30, 2023

1. Summary of Significant Accounting Policies (Cont'd)

H. Capital Assets and Depreciation

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

The District contracted with an outside service company during the 2012 fiscal year to provide a report with a comprehensive detail of capital assets and depreciation. The report included capital assets purchased with a historical cost of \$2,000 or more. Accumulated fiscal year 2012 depreciation expense, total accumulated depreciation and book values were also provided, and have been updated annually through 2021-2022. The costs of normal maintenance and repairs that do not add to the asset value or materially extend the useful lives are not capitalized.

Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts. Estimated useful lives, in years, for depreciable assets are as follows:

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

I. Compensated Absences

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

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

J. Unearned Revenue

Unearned revenue in the special revenue funds represent cash which has been received but not yet earned. Unearned revenue in the general fund represents monies received for fiscal year 2023. See Note 1(F) regarding the special revenue fund.

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

Beach Haven School District
Notes to Financial Statements
For the Year Ended June 30, 2023

1. Summary of Significant Accounting Policies (Cont'd)

K. Deferred Outflows/Inflows of Resources (Cont'd)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

L. Fund Equity

The governmental fund financial statements report reserved fund balance for amounts not available for appropriation or legally restricted for specified purposes. The general fund reserve for restricted purposes includes net position relating to capital reserve (See Note 3).

M. Change in Accounting Principles

On June 30, 2023, the District implemented the Governmental Accounting Standards Boards Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). Statement No. 96 is effective for reporting periods beginning after June 15, 2022, and all reporting periods thereafter. These changes were reviewed for the District's June 30, 2023 financial statements and had no effect on the beginning net position of the District. The District did not have any subscriptions that rose to an amount that required disclosure. The District will review new subscriptions annually to determine proper disclosure.

N. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the Enterprise Fund. For the School District, these revenues are sales for food service and intramural. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the Enterprise Fund.

O. Allocation of Indirect Expenses

The District reports all Direct Expenses by function in the Statement of Activities. Direct Expenses are those that are clearly identifiable with a function. Indirect Expenses are allocated to functions but are reported separately in the Statement of Activities. Employee Benefits, including the employer's share of Social Security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the Indirect Expense column of the Statement of Activities. Depreciation expense that could not be attributable to a specific function is considered an Indirect Expense and is reported separately in the Statement of Activities. Interest on long-term debt is considered an Indirect Expense and is reported separately on the Statement of Activities.

Beach Haven School District
Notes to Financial Statements
For the Year Ended June 30, 2023

1. **Summary of Significant Accounting Policies (Cont'd)**

P. Management Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Q. GASB Pronouncements

Recently Issued Accounting Pronouncements to be implemented in future years

Statement No. 100, *Accounting Changes and Error Corrections - An Amendment GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decision or assessing accountability. Statement No. 100 is effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. Statement No. 101 is effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Beach Haven School District
Notes to Financial Statements
For the Year Ended June 30, 2023

2. Cash, Cash Equivalents and Investments

Cash and cash equivalents includes petty cash, change funds, amounts in deposits, and short term investments with original maturities of three months or less.

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

Deposits

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

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

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

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

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

Investments

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

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

Beach Haven School District
Notes to Financial Statements
For the Year Ended June 30, 2023

2. Cash, Cash Equivalents and Investments (Cont'd)

As of June 30, 2023, cash and cash equivalents and investments of the District consisted of the following:

	Cash and Cash Equivalents
Checking, Money Market Accounts and Certificate of Deposit	\$1,614,906

During the period ended June 30, 2023, the District did not hold any investments. The carrying amount of the District's cash and cash equivalents at June 30, 2023, was \$1,614,906 and the bank balance was \$1,636,253. Of the bank balance, \$250,000 was covered by federal depository insurance and \$394,122 was covered by a collateral pool maintained by the banks as required by New Jersey statutes.

Credit Risk Categories

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

Insured under FDIC and GUDPA	\$ 1,525,652
Uninsured	89,254

As of June 30, 2023, the District did not hold any long-term investments.

Custodial Credit Risk - Deposits

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

3. Capital Reserve Account

A Capital Reserve Account was established by the Beach Haven 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 in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the Department, a District may deposit funds into the capital reserve at any time upon Board resolution through the transfer of undesignated, unreserved general fund balance that is anticipated in the budget certified for taxes. Pursuant to N.J.A.C 6A:23A-14.1(g), the balance in the account cannot exceed the local support costs of uncompleted Capital Projects in its approved LRFP.

Beach Haven School District

Notes to Financial Statements

For the Year Ended June 30, 2023

3. Capital Reserve Account (cont'd)

The activity of the Capital Reserve for the June 30, 2022 to June 30, 2023 fiscal year is as follows:

Balance, July 1, 2022	\$	634,227
Add:		
Interest Earned		3,580
Approved at June 2023 Meeting		350,000
Transfer of Unspent Funds		248,179
Transfer to Capital Projects		<u>(800,000)</u>
Balance, June 30, 2023	\$	<u>435,986</u>

4. Maintenance Reserve Account

A Maintenance Reserve Account was established by the Beach Haven School District for the accumulation of funds for use as maintenance of Capital Projects in subsequent fiscal years. The Maintenance Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the Maintenance Reserve Account are restricted to maintenance projects in the District's approved Comprehensive Maintenance Plan (CMP). Upon submission of the CMP to the New Jersey Department of Education, the District may increase the balance in the maintenance reserve 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. The District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the account cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

The balance in the maintenance reserve does not exceed four percent of the replacement cost of the school district's school facilities for the current year at June 30, 2023.

The activity of the Maintenance Reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Balance, July 1, 2022	\$	79,527
Add:		
Approved at June 2023 Meeting		40,000
Interest Earned		800
Less:		
Used in budget		<u>(25,000)</u>
Balance, June 30, 2023	\$	<u>95,327</u>

Beach Haven School District

Notes to Financial Statements

For the Year Ended June 30, 2023

5. Receivables

Receivables at June 30, 2023, consisted of intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivable follows:

	Governmental Fund Financial Statements	District-Wide Financial Statements
State Aid	\$ 98,097	\$ 98,097
Federal Aid	<u>51,630</u>	<u>51,630</u>
Total Receivables, Net	<u>\$ 149,727</u>	<u>\$ 149,727</u>

6. Interfund Receivables and Payables

As of June 30, 2023, there were no interfund balances.

7. Capital Assets

Capital Assets consisted of the following at June 30, 2023:

	Beginning Balance	Additions	Retirements	Ending Balance
GOVERNMENTAL ACTIVITIES:				
Capital Assets Not Being Depreciated:				
Site and Site Improvements	\$ 99,516	\$ -	\$ -	\$ 99,516
Construction in Progress	<u>479,604</u>	<u>580,298</u>	<u>(1,001,821)</u>	<u>58,081</u>
Total Capital Assets Not Being Depreciated	<u>579,120</u>	<u>580,298</u>	<u>(1,001,821)</u>	<u>157,597</u>
Capital Assets Being Depreciated:				
Building and Building Improvements	3,280,439	1,001,821	-	4,282,260
Machinery and Equipment	<u>446,884</u>	<u>-</u>	<u>-</u>	<u>446,884</u>
Total Capital Assets Being Depreciated	<u>3,727,323</u>	<u>1,001,821</u>	<u>-</u>	<u>4,729,144</u>
Less Accumulated Depreciation for:				
Building and Building Improvements	(1,266,291)	(98,312)	-	(1,364,603)
Machinery and Equipment	<u>(255,129)</u>	<u>(28,618)</u>	<u>-</u>	<u>(283,747)</u>
Total Accumulated Depreciation	<u>(1,521,420)</u>	<u>(126,930)</u>	<u>-</u>	<u>(1,648,350)</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>2,205,903</u>	<u>874,891</u>	<u>-</u>	<u>3,080,794</u>
Government Activity Capital Assets, Net	<u>\$ 2,785,023</u>	<u>1,455,189</u>	<u>(1,001,821)</u>	<u>\$ 3,238,391</u>

Beach Haven School District
Notes to Financial Statements
For the Year Ended June 30, 2023

7. Capital Assets (Cont'd)

Depreciation expense was charged to governmental functions as follows:

	June 30, 2023
Operations and Maintenance	
Total depreciation expense	\$126,930

8. General Long-Term Debt

During the fiscal year ended June 30, 2023, the following changes occurred in liabilities:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023	Short-Term Portion
Pension Liability	\$ 146,119	\$ 83,462	\$ -	\$ 229,581	\$ -
Compensated Absences Payable	<u>12,705</u>	<u>5,268</u>	<u>-</u>	<u>17,973</u>	<u>-</u>
Total	<u>\$ 158,824</u>	<u>\$ 88,730</u>	<u>\$ -</u>	<u>\$ 247,554</u>	<u>\$ -</u>

For governmental activities, the pension liability and compensated absences payable are liquidated by the general fund.

9. Pension Plans

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's annual financial statements, which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

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

Beach Haven School District
Notes to Financial Statements
For the Year Ended June 30, 2023

9. Pension Plans (cont'd)

A. Public Employees' Retirement System (PERS) (cont'd)

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

Contributions - The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2022, the State's pension contribution was less than the actuarial determined amount.

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

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2023 the School District reported a liability of \$229,581 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined using update procedure to roll forward the total pension liability from an actuarial valuation as of July 1, 2021, to the measurement date of June 30, 2022. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2022. The School District's proportion measured as of June 30, 2022, was .0015212743%, which was an increase of .0002878357% from its proportion measured as of June 30, 2021.

Beach Haven School District
Notes to Financial Statements
For the Year Ended June 30, 2023

9. Pension Plans (cont'd)

A. Public Employees' Retirement System (PERS) (cont'd)

For the year ended June 30, 2023, the School District recognized full accrual pension expense of \$126,930 in the government-wide financial statements consisting of employer contributions of \$19,184 and non-employer contributions of \$(8,371). This pension expense was based on the pension plans June 30, 2022 measurement date. At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,657	\$ 1,461
Changes of assumptions	711	34,377
Net difference between projected and actual earnings on pension plan investments	9,502	-
Changes in proportion and differences between District contributions and proportionate share of contributions	70,775	67,350
District contributions subsequent to the measurement date	19,184	-
Total	<u>\$ 101,829</u>	<u>\$ 103,188</u>

\$19,184 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2022-2023 total salaries for PERS employees multiplied by an employer contribution rate. The payable is due on April 1, 2024 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2023	\$ (16,879)
2024	(8,599)
2025	(4,194)
2026	9,150
2027	(21)
Thereafter	-
Total	<u>\$ (20,543)</u>

Beach Haven School District
Notes to Financial Statements
For the Year Ended June 30, 2023

9. Pension Plans (cont'd)

A. Public Employees' Retirement System (PERS) (cont'd)

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	5.16	-
June 30, 2021	5.13	-
June 30, 2022	-	5.04
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	5.13	-
June 30, 2022	-	5.04
Net Difference between projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2017	5.00	5.00
June 30, 2018	5.00	5.00
June 30, 2019	5.00	5.00
June 30, 2020	5.00	5.00
June 30, 2021	5.00	5.00
June 30, 2022	5.00	5.00

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.04, 5.13, 5.16, 5.21, 5.63, and 5.48 years for the 2022, 2021, 2020, 2019, 2018, and 2017, respectively.

Beach Haven School District
Notes to Financial Statements
For the Year Ended June 30, 2023

9. Pension Plans (cont'd)

A. Public Employees' Retirement System (PERS) (cont'd)

Actuarial Assumptions - The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following assumptions:

Inflation Rate

Price	2.75%
Wage	3.25%

Salary Increases:	2.75% - 6.55%
	Based on years of service

Investment Rate of Return	7.00%
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Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Beach Haven School District
Notes to Financial Statements
For the Year Ended June 30, 2023

9. Pension Plans (cont'd)

A. Public Employees' Retirement System (PERS) (cont'd)

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) 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, 2022 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 %	8.12 %
Non-U.S. Developed Markets Equity	13.50 %	8.83 %
Emerging Markets Equity	5.50 %	10.33 %
Private Equity	13.00 %	11.80 %
Real Estate	8.00 %	11.19 %
Real Assets	3.00 %	7.60 %
High Yield	4.00 %	4.95 %
Private Credit	8.00 %	8.10 %
Investment Grade Credit	7.00 %	3.38 %
Cash Equivalents	4.00 %	1.75 %
U.S. Treasuries	4.00 %	1.75 %
Risk Mitigation Strategies	3.00 %	4.91 %

Beach Haven School District
Notes to Financial Statements
For the Year Ended June 30, 2023

9. Pension Plans (cont'd)

A. Public Employees' Retirement System (PERS) (cont'd)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2022 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	297,443	229,581	175,428

Additional Information - The following is a summary of the collective balances of the local group:

	<u>6/30/23</u>	<u>6/30/22</u>
Collective Deferred Outflows of Resources	1,160,772,008	1,164,738,169
Collective Deferred Inflows of Resources	3,236,303,935	8,339,123,762
Collective Net Pension Liability	15,219,184,920	11,972,782,878
School District's Portion	.0015212743%	.0012334386%

Beach Haven School District
Notes to Financial Statements
For the Year Ended June 30, 2023

9. Pension Plans (cont'd)

B. Teachers' Pension and Annuity (TPAF)

Plan Description - The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

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

The following represents the membership tiers for TPAF:

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

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

Beach Haven School District
Notes to Financial Statements
For the Year Ended June 30, 2023

9. Pension Plans (cont'd)

B. Teachers' Pension and Annuity (TPAF) (cont'd)

Contributions -The contribution policy for TPAF is set by *N.J.S.A. 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid.. For fiscal year 2022, the State's pension contribution was less than the actuarial determined amount.

As mentioned previously, the employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A. 18A:66-33*. Therefore, the School District is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the School District does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the School District.

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2022 was \$3,697,576. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2022, the State proportionate share of the TPAF net pension liability attributable to the School District was .0071666212%, which was a increase of .0015271860% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the State of New Jersey recognized a pension expense in the amount of \$- for the State's proportionate share of the TPAF pension expense attributable to the School District. This pension expense was based on the pension plans June 30, 2022 measurement date.

Beach Haven School District
Notes to Financial Statements
For the Year Ended June 30, 2023

9. Pension Plans (cont'd)

B. Teachers' Pension and Annuity (TPAF) (cont'd)

Actuarial Assumptions - The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

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

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

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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, 2022) 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, 2022 are summarized in the following table:

Beach Haven School District
Notes to Financial Statements
For the Year Ended June 30, 2023

9. Pension Plans (cont'd)

B. Teachers' Pension and Annuity (TPAF) (cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00 %	8.12 %
Non-U.S. Developed Markets Equity	13.50 %	8.83 %
Emerging Markets Equity	5.50 %	10.33 %
Private Equity	13.00 %	11.80 %
Real Estate	8.00 %	11.19 %
Real Assets	3.00 %	7.60 %
High Yield	4.00 %	4.95 %
Private Credit	8.00 %	8.10 %
Investment Grade Credit	7.00 %	3.38 %
Cash Equivalents	4.00 %	1.75 %
U.S. Treasuries	4.00 %	1.75 %
Risk Mitigation Strategies	3.00 %	4.91 %

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 to 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 projected benefit payments in determining the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2022 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's proportionate share of the net pension liability	4,342,392	3,697,576	3,165,250

Beach Haven School District
Notes to Financial Statements
For the Year Ended June 30, 2023

9. Pension Plans (cont'd)

B. Teachers' Pension and Annuity (TPAF) (cont'd)

Pension Plan Fiduciary Net Position - 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 additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. 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.

Additional Information - The following is a summary of the collective balances of the local group:

	<u>6/30/23</u>	<u>6/30/22</u>
Collective Deferred Outflows of Resources	5,004,259,312	6,373,530,834
Collective Deferred Inflows of Resources	19,682,774,794	27,363,797,906
Collective Net Pension Liability	51,676,587,303	48,165,991,182
School District's Portion	.0071666212%	.0056394352%

C. Defined Contribution Retirement Plan (DCRP)

The Defined Contribution Retirement Plan is a cost-sharing multiple-employer defined contribution pension plan which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A.43:15C-1 et. seq), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Divisions of Pensions and Benefits by Prudential Financial. The DCRP provides eligible members, and their beneficiaries, with tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A.43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District's contribution amounts for each pay period are transmitted to Prudential Retirement not later than the fifth business day after the date on which the employee is paid for that pay period.

The District's contributions to the DCRP for June 30, 2023 were \$2,288. There was no liability for unpaid contributions at June 30, 2023.

Beach Haven School District
Notes to Financial Statements
For the Year Ended June 30, 2023

10. Post-Retirement Benefits

General Information about the OPEB Plan

Plan description and benefits provided

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

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

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

Basis of Presentation

The Schedule presents the State of New Jersey's obligation under NJSA 52:14-17.32f. The Schedule does not purport to be a complete presentation of the financial position or changes in financial position of the State Health Benefit Local Education Retired Employees Plan or the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the State of New Jersey to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Beach Haven School District

Notes to Financial Statements

For the Year Ended June 30, 2023

10. Post-Retirement Benefits (cont'd)

State Health Benefit State Retired Employees Plan

Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2022 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability. The State's share of the net pension liability, based on a measurement date of June 30, 2021, which is required to be recorded on the financial statements, is \$75.1 billion. The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contribution. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not prefund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State's contribution to fund increases in prescription drugs and medical claims costs. In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage:
<https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Beach Haven School District
Notes to Financial Statements
For the Year Ended June 30, 2023

10. Post-Retirement Benefits (cont'd)

Employees covered by benefit terms

At June 30, 2021, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	151,669
Active plan members	<u>213,148</u>
Total	<u><u>364,817</u></u>

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.5%
Salary Increases	PERS 2.75%-6.55%
	PFRS 3.25%-16.25%
	TPAF 2.75%-4.25%
Discount Rate	3.54%
Healthcare Cost Trend Rates	4.5%-6.25%
Retirees' Share of Benefit Related Costs	1.5% of projected health insurance premiums for retirees

Beach Haven School District

Notes to Financial Statements

For the Year Ended June 30, 2023

10. Post-Retirement Benefits (cont'd)

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

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 to June 30, 2021.

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

Balance at June 30, 2021	\$ 60,007,650,970
Changes for the year:	
Service cost	2,770,618,025
Interest on the total OPEB liability	1,342,187,139
Changes of benefit terms	-
Differences between expected and actual experiences	1,399,200,736
Changes in assumptions	(13,586,368,097)
Gross benefit payments by the state	(1,329,476,059)
Contributions from members	<u>42,650,252</u>
Net changes	<u>(9,361,188,004)</u>
Balance at June 30, 2022	<u>\$ 50,646,462,966</u>

Discount rate

The discount rate used to measure the total OPEB liability was 3.54%. 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.

Beach Haven School District

Notes to Financial Statements

For the Year Ended June 30, 2023

10. Post-Retirement Benefits (cont'd)

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

The following presents the June 30, 2022 total OPEB liability of the State for school board retirees, as well as the State's total OPEB liability for the school district calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB Liability of the State for School Retirees	\$59,529,589,697	\$50,646,462,966	\$43,527,080,995
Total OPEB Liability of the State Associated with the School District for School Retirees	\$4,752,849	\$4,043,619	\$3,475,207

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Sensitivity of the total OPEB liability to changes in the health care cost trend rates

The following presents the June 30, 2022 total OPEB liability of the State for school board retirees, as well as the State's total OPEB liability for the school district calculated using a health care cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Trend Rate	1% Increase
Total OPEB Liability of the State for School Retirees	\$41,862,397,291	\$50,646,462,966	\$62,184,866,635
Total OPEB Liability of the State Associated with the School District for School Retirees	\$3,342,298	\$4,043,619	\$4,964,846

Beach Haven School District

Notes to Financial Statements

For the Year Ended June 30, 2023

10. Post-Retirement Benefits (cont'd)

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

For the year ended June 30, 2023, the board of education recognized OPEB expense of \$76,798 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75 and in which there is a special funding situation.

In accordance with GASB 75, the Beach Haven School District'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, 2022, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,042,402,619	\$ 15,462,950,679
Changes of assumptions	8,765,620,577	17,237,289,230
Contributions made in fiscal year ending 2023 after June 30, 2022 measurement date	-	-
Total	<u>\$ 17,808,023,196</u>	<u>\$ 32,700,239,909</u>

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

Year ended June 30:	
2023	\$ (2,517,151,602)
2024	(2,517,151,602)
2025	(2,517,151,602)
2026	(2,175,449,761)
2027	(1,243,951,140)
Thereafter	<u>(3,921,361,006)</u>
Total	<u>\$ (14,892,216,713)</u>

Beach Haven School District

Notes to Financial Statements

For the Year Ended June 30, 2023

11. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the right to the benefits.

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

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.

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, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive Financial Report. See J-20.

New Jersey Unemployment Compensation Insurance

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

District Financial Year	Employee Contributions	District Contributions	Disbursed	Balance
2022-2023	\$ -	-	-	\$ 75,000
2021-2022	-	-	-	75,000
2020-2021	-	-	-	75,000

Beach Haven School District
Notes to Financial Statements
For the Year Ended June 30, 2023

13. Economic Dependency

The District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the District's programs and activities.

14. Contingent Liabilities

Grant Programs

The Board is involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect of the financial position of the District.

15. Fund Balances

General Fund

Of the \$953,838 General Fund fund balance at June 30, 2023, \$435,986 is restricted for the capital reserve account; \$95,327 is restricted for the maintenance reserve; \$75,000 is restricted for unemployment compensation \$- is restricted for excess surplus, \$- is restricted for excess surplus designated for subsequent year's expenditures, \$- has been classified as assigned fund balance designated for subsequent year expenditures, \$33,496 of encumbrances is assigned to other purposes, and \$314,029 is unassigned.

Special Revenue Fund

Of the \$2,492 Special Revenue Fund balance at June 30, 2023, \$2,492 is restricted for student activities.

16. Calculation of Excess Surplus

In accordance with *N.J.S.A. 18A:7F-7*, as amended, the designation for Reserved Fund Balance Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to 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. There was \$- calculated as excess surplus at June 30, 2023.

17. Uncertain Tax Positions

The school district had no unrecognized tax benefits at June 30, 2023. The school district files tax returns in the U.S. federal jurisdiction and the State of New Jersey. The school district has no open year prior to June 29, 2020.

Beach Haven School District

Notes to Financial Statements

For the Year Ended June 30, 2023

18. Risks and Contingencies

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. Therefore, it is uncertain as to the full magnitude that the pandemic will have on school district's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity and operations, suppliers, industry and workforce.

19. Subsequent Events

Management has evaluated subsequent events through November 22, 2023, the date the financial statements were available to be issued.

20. Tax Abatement

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BEACH HAVEN SCHOOL DISTRICT
Budgetary Comparison Schedule
For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local sources:					
Local tax levy	\$ 2,078,975	\$ -	\$ 2,078,975	\$ 2,078,975	\$ -
Interest	-	-	-	3,834	3,834
Interest earned on maintenance reserve	150	-	150	800	650
Interest earned on capital reserve funds	150	-	150	3,580	3,430
Miscellaneous	5,000	-	5,000	17,228	12,228
Total - local sources	<u>2,084,275</u>	<u>-</u>	<u>2,084,275</u>	<u>2,104,417</u>	<u>20,142</u>
State sources:					
Transportation aid	588	-	588	588	-
Special education aid	62,984	-	62,984	62,984	-
School choice aid	211,888	-	211,888	211,888	-
Categorical security aid	4,642	-	4,642	4,642	-
Maintenance of Equity State Aid	-	-	-	92,520	92,520
TPAF LTDI (on-behalf - Non-budgeted)	-	-	-	148	148
TPAF - post retirement medical (on-behalf - Non-budgeted)	-	-	-	76,798	76,798
Teacher's pension and annuity fund (on-behalf - Non-budgeted)	-	-	-	292,344	292,344
TPAF social security (reimbursed - Non-budgeted)	-	-	-	58,136	58,136
Total state sources	<u>280,102</u>	<u>-</u>	<u>280,102</u>	<u>800,048</u>	<u>519,946</u>
Total revenues	<u>\$ 2,364,377</u>	<u>\$ -</u>	<u>\$ 2,364,377</u>	<u>\$ 2,904,465</u>	<u>\$ 540,088</u>
EXPENDITURES:					
Current Expenditures:					
Regular Programs - Instruction:					
Preschool - Salaries of teachers	\$ 90,573	\$ -	\$ 90,573	\$ 89,957	\$ 616
Kindergarten - Salaries of teachers	55,295	560	55,855	55,850	5
Grades 1-5 - Salaries of teachers	402,527	(560)	401,967	391,633	10,334
Grades 6-8 - Salaries of teachers	69,963	-	69,963	63,213	6,750
Regular Programs - Undistributed Instruction:					
Other purchased services (400-500 series)	11,351	-	11,351	5,495	5,856
General supplies	50,000	(500)	49,500	29,906	19,594
Textbooks	12,500	-	12,500	4,837	7,663
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>692,209</u>	<u>(500)</u>	<u>691,709</u>	<u>640,891</u>	<u>50,818</u>
SPECIAL EDUCATION - INSTRUCTION					
Resource Room/Resource Center:					
Salaries of teachers	119,947	-	119,947	56,144	63,803
Total Resource Room/Resource Center	<u>119,947</u>	<u>-</u>	<u>119,947</u>	<u>56,144</u>	<u>63,803</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>119,947</u>	<u>-</u>	<u>119,947</u>	<u>56,144</u>	<u>63,803</u>
Basic Skills/Remedial - Instruction					
General Supplies	500	-	500	-	500
Total Basic Skills/Remedial - Instruction	<u>500</u>	<u>-</u>	<u>500</u>	<u>-</u>	<u>500</u>
School-Spon. Cocurricular Activities - Instruction					
Salaries	750	-	750	750	-
Total School-Spon. Cocurricular Actvts. - Instruction	<u>750</u>	<u>-</u>	<u>750</u>	<u>750</u>	<u>-</u>
Total Instruction	<u>813,406</u>	<u>(500)</u>	<u>812,906</u>	<u>697,785</u>	<u>115,121</u>
Undistributed Expenditures - Instruction:					
Tuition to other LEAs within the state - special	99,407	(9,937)	89,470	17,678	71,792
Total Undistributed Expenditures - Instruction:	<u>99,407</u>	<u>(9,937)</u>	<u>89,470</u>	<u>17,678</u>	<u>71,792</u>
Undist. Expend. - Health Services					
Salaries	62,710	(9,523)	53,187	52,341	846
Supplies and materials	1,000	2,500	3,500	2,208	1,292
Total Undistributed Expenditures - Health Services	<u>\$ 63,710</u>	<u>\$ (7,023)</u>	<u>\$ 56,687</u>	<u>\$ 54,549</u>	<u>\$ 2,138</u>

BEACH HAVEN SCHOOL DISTRICT
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Speech, OT,PT & Related Svcs.					
Salaries	\$ 10,295	\$ 557	\$ 10,852	\$ 10,852	\$ -
Purchased professional - educational services	11,000	5,092	16,092	16,092	-
Supplies and materials	500	-	500	284	216
Total Undist. Expend. - Speech, OT,PT & Related	21,795	5,649	27,444	27,228	216
Undist. Expend. - Child Study Teams					
Purchased Prof. Ed. Services	36,000	8,550	44,550	44,550	-
Total Undist. Expend. - Child Study Teams	36,000	8,550	44,550	44,550	-
Undist. Expend. - Improv of Instruct Serv - Other Sup Serv - Instr					
Salaries of supervisor of instruction	93,106	4,473	97,579	97,579	-
Salaries of secretarial and clerical assistants	44,262	-	44,262	43,834	428
Other Salaries	1,500	(1,500)	-	-	-
Supplies and materials	3,500	(2,000)	1,500	500	1,000
Other objects	600	-	600	525	75
Total Undist. Expend. - Improv of Instruct Serv - Other Sup Serv - Instr	142,968	973	143,941	142,438	1,503
Undist. Expend. - Educational Media Services/School Library					
Purchased professional and technical services	1,500	-	1,500	1,200	300
Total Undist. Expend. - Educational Media Services/School Library	1,500	-	1,500	1,200	300
Undist. Expend. - Instruction Staff Training Services					
Purchased professional - educational services	7,200	-	7,200	5,257	1,943
Total Undist. Expend. - Instruction Staff Training Services	7,200	-	7,200	5,257	1,943
Undist. Expend. - Support Service - General Administration					
Salaries	25,418	928	26,346	26,346	-
Legal services	9,000	(342)	8,658	6,976	1,682
Audit Fees	9,000	-	9,000	7,800	1,200
BOE Other purchased services	4,500	-	4,500	3,206	1,294
Misc. Purch Serv (400-500) [Other than 530 & 585]	600	-	600	143	457
General supplies	775	-	775	725	50
Total Undist. Expend. - Support Service - General Administration	49,293	586	49,879	45,196	4,683
Undist. Expend. - Support Service - School Administration					
Salaries of principals/Assistant principals	21,420	1,703.00	23,123	23,123	-
Total Undist. Expend. - Support Service - School Administration	21,420	1,703	23,123	23,123	-
Undistributed Expenditures - Central Services					
Purchased professional services	41,820	-	41,820	41,262	558
Total Undist. Expend. - Central Services	41,820	-	41,820	41,262	558
Undist. Expend. - Allowed Maintenance for School Facilities					
Salaries	56,925	3,098	60,023	60,023	-
Cleaning, repair and maintenance services	101,600	13,868	115,468	86,009	29,459
General supplies	27,500	-	27,500	13,325	14,175
Total Undist. Expend. - Allowed Maintenance for School Facilities	186,025	16,966	202,991	159,357	43,634
Undist. Expend. - Other Operation & Maintenance of Plant					
Salaries	30,500	(3,098)	27,402	21,876	5,526
Purchased professional and technical services	5,640	-	5,640	1,500	4,140
Insurance	63,000	-	63,000	57,542	5,458
General supplies	25,717	(2,500)	23,217	11,555	11,662
Energy (electricity)	52,500	(40,795)	11,705	51,157	(39,452)
Energy (natural gas)	9,000	43,295	52,295	11,705	40,590
Total Undist Expend-Other Operation & Maint Of Plant	186,357	(3,098)	183,259	155,335	27,924
Security					
Salaries	-	2,856	2,856	-	2,856
Purchased professional and technical services	2,856	(2,856)	-	-	-
Total Security	2,856	-	2,856	-	2,856
Undist. Expend. - Student Transportation Services					
Salaries-pupil transport(between home & school)-Regular	24,178	(2,445)	21,733	20,566	1,167
Cleaning, repair and maintenance services	10,000	(2,400)	7,600	6,562	1,038
Contract Svc (Spl. Ed. Students) - Joint Agrmnts	93,546	4,845	98,391	91,279	7,112
General supplies	3,250	-	3,250	2,531	719
Other objects	150	-	150	110	40
Total Undist. Expend. - Student Transportation Services	\$ 131,124	\$ -	\$ 131,124	\$ 121,048	\$ 10,076

BEACH HAVEN SCHOOL DISTRICT
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
UNALLOCATED EMPLOYEE BENEFITS					
Social security contributions	\$ 26,500	\$ -	\$ 26,500	\$ 23,392	\$ 3,108
Other retirement contributions - PERS	16,750	2,434	19,184	19,184	-
Other retirement contributions - Deferred PERS Pymt	-	3,517	3,517	2,288	1,229
Other retirement contributions - Regular	6,000	(6,000)	-	-	-
Unemployment Compensation	-	50	50	-	50
Health benefits	482,870	-	482,870	398,096	84,774
Other employee benefits	-	7,000	7,000	2,600	4,400
Unused sick payment to terminated/retired staff	7,000	(7,000)	-	-	-
TOTAL UNALLOCATED EMPLOYEE BENEFITS	539,120	1	539,121	445,560	93,561
ON-BEHALF CONTRIBUTIONS					
On-behalf TPAF LTDI (non-budgeted)	-	-	-	148	(148)
On-behalf TPAF OPEB (post retirement med) (non-budgeted)	-	-	-	76,798	(76,798)
On-behalf TPAF Pension Contributions (non-budgeted)	-	-	-	292,344	(292,344)
Reimbursed TPAF social security contributions (non-budgeted)	-	-	-	58,136	(58,136)
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	427,426	(427,426)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	539,120	1	539,121	872,986	(333,865)
TOTAL UNDISTRIBUTED EXPENDITURES	1,530,595	14,370	1,544,965	1,711,207	(166,242)
TOTAL GENERAL CURRENT EXPENDITURES	2,344,001	13,870	2,357,871	2,408,992	(51,121)
CAPITAL OUTLAY					
Interest Earned on Maintenance Reserve	150	(150)	-	-	-
Equipment					
Regular Programs - Instruction:					
Grades 1-5	45,000	(38,117)	6,883	-	6,883
Undistributed expenditures - Required Maint. For Schools	-	24,249	24,249	489	23,760
Total Equipment	45,000	(13,868)	31,132	489	30,643
Facilities Acquisition and Construction Services					
Assessment for Debt Service on SDA Funding	76	-	76	76	-
Total Facilities Acquisition and Construction Services	76	-	76	76	-
TOTAL CAPITAL OUTLAY	45,226	(14,018)	31,208	565	30,643
TOTAL EXPENDITURES	2,389,227	(148)	2,389,079	2,409,557	(20,478)
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	(24,850)	148	(24,702)	494,908	(519,610)
Other Financing Sources/ (Uses):					
Transfer to capital projects from capital reserve	-	800,000	800,000	800,000	-
Transfer from capital projects to capital reserve	-	-	-	(248,179)	248,179
Total Other Financing Sources:	-	800,000	800,000	551,821	248,179
Excess (Deficiency) of Revenues and Other Financing Sources					
Over (Under) Expenditures & Other Financing Sources (Uses)	(24,850)	800,148	775,298	(56,913)	(271,431)
Fund Balance, July 1	1,038,754	-	1,038,754	1,038,754	-
Fund Balance, June 30	\$ 1,013,904	\$ 800,148	\$ 1,814,052	\$ 981,841	\$ (271,431)
Recapitulation:					
Restricted Fund Balance:					
Capital reserve				435,986	
Maintenance reserve				95,327	
Emergency reserve				-	
Excess surplus-current year				-	
Excess surplus - designated for subsequent year's expenditures				-	
Unemployment compensation				75,000	
Assigned Fund Balance:					
Year-end encumbrances				33,496	
Designated for subsequent year's expenditures				-	
Unrestricted/undesignated fund balance				342,032	
Reconciliation to governmental funds statements (GAAP)					
Fund balance per governmental funds (Budgetary)				981,841	
Last state aid payment not recognized on GAAP basis				(28,003)	
Fund balance per governmental funds (GAAP) - B-1				953,838	
Fund balance per governmental funds (GAAP) - B-1				\$ 953,838	

BEACH HAVEN SCHOOL DISTRICT
Budgetary Comparison Schedule
For the Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual	
REVENUES						
Local sources	\$ -	\$ -	\$ -	\$ 1,839	\$ 1,839	Note 1
State sources	-	2,891	2,891	2,891	-	
Federal sources	373,437	40,978	414,415	182,271	(232,144)	
Total Revenues	<u>373,437</u>	<u>43,869</u>	<u>417,306</u>	<u>187,001</u>	<u>(230,305)</u>	
EXPENDITURES						
Instruction:						
Salaries of teachers	125,468	13,000	138,468	71,999	66,469	
Other salaries for instruction	-	-	-	-	-	
Purchased professional services	60,855	19,433	80,288	19,433	60,855	
Textbooks	-	-	-	-	-	
Miscellaneous expenditures	-	2,500	2,500	-	2,500	
General supplies	72,288	(43,185)	29,103	6,619	22,484	
Tuition	-	-	-	-	-	
Total instruction	<u>258,611</u>	<u>(8,252)</u>	<u>250,359</u>	<u>98,051</u>	<u>152,308</u>	
Support services:						
Other professional staff salaries	52,882	45,000	97,882	49,744	48,138	
Secretarial/clerical salaries	-	-	-	-	-	
Personal services - employee benefits	31,725	-	31,725	25,605	6,120	
Purchased professional - educational services	-	-	-	-	-	
Other purchased professional services	-	6,630	6,630	5,837	793	
Purchased technical services	-	-	-	-	-	
Travel	-	-	-	-	-	
Miscellaneous purchased services (400-500 series)	819	-	819	819	-	
Miscellaneous expenditures	-	100	100	-	100	
Supplies & materials	9,400	(2,500)	6,900	2,324	4,576	
Student activities	-	-	-	1,471	(1,471)	Note 1
Total support services	<u>94,826</u>	<u>49,230</u>	<u>144,056</u>	<u>85,800</u>	<u>58,256</u>	
Facilities acquisition and const. serv.:						
Instructional equipment	20,000	2,891	22,891	2,891	20,000	
Total facilities acquisition and const. serv.	<u>20,000</u>	<u>2,891</u>	<u>22,891</u>	<u>2,891</u>	<u>20,000</u>	
Total expenditures	<u>373,437</u>	<u>43,869</u>	<u>417,306</u>	<u>186,742</u>	<u>230,564</u>	
Total outflows	<u>373,437</u>	<u>43,869</u>	<u>417,306</u>	<u>186,742</u>	<u>230,564</u>	
Excess (deficiency) of revenues Over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 259</u>	<u>\$ 259</u>	
Fund Balance, July 1				<u>2,233</u>		
Fund Balance, June 30				<u>\$ 2,492</u>		
Recapitulation:						
Restricted:						
Student activities				<u>\$ 2,492</u>		
Total Fund Balance				<u>\$ 2,492</u>		

Note 1 - Not required to budget for these funds

**BEACH HAVEN SCHOOL DISTRICT
Budget-to-GAAP Reconciliation
For the Year Ended June 30, 2023**

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

		General Fund		Special Revenue Fund
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 2,904,465	[C-2]	\$ 187,001
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-		(2,891)
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(292,344)		
The 2021-22 last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GAAP 33).		26,999		-
The 2022-23 last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GAAP 33).		(28,003)		-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	\$ 2,611,117	[B-2]	\$ 184,110
 Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 2,409,557	[C-2]	\$ 186,742
Differences - budget to GAAP				
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(292,344)		-
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.		-		(2,891)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	\$ 2,117,213	[B-2]	\$ 183,851

REQUIRED SUPPLEMENTARY INFORMATION - PART III

**Beach Haven School District
Required Supplementary Information
For the Year Ended June 30, 2023**

Last 10 Fiscal Years*

	<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>	<u>2023</u>
District's proportion of the net pension liability	100.000%	100.000%	100.000%	0.0016420%	0.0016713%	0.0018127%	0.0017224%	0.0010582%	0.0012334%	0.0015213%
District's proportionate share of the net pension liability	\$ 229,629	\$ 228,883	\$ 280,609	\$ 486,304	\$ 389,057	\$ 356,921	\$ 310,353	\$ 172,562	\$ 146,119	\$ 229,581
District's covered-employee payroll	\$ -	\$ 84,130	\$ 86,232	\$ 96,292	\$ 122,396	\$ 122,398	\$ 75,849	\$ 79,945	\$ 112,112	\$ 117,374
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.00%	272.06%	325.41%	397.32%	317.86%	470.57%	409.17%	215.85%	130.33%	195.60%
Plan fiduciary net position as a percentage of the total pension liability	48.72%	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	62.91%

The amounts presented were determined as of the fiscal year-end that occurred one year before the District's fiscal year end.

* The schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**Beach Haven School District
Required Supplementary Information
For the Year Ended June 30, 2023**

Last 10 Fiscal Years*

	<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>	<u>2023</u>
Contractually required contributions	\$ 11,637	\$ -	\$ 10,078	\$ 14,697	\$ 15,718	\$ 18,112	\$ 16,818	\$ 11,577	\$ 14,445	\$ 19,184
Contributions in relation to the contractually required contribution	<u>11,637</u>	<u>-</u>	<u>10,078</u>	<u>14,697</u>	<u>1,097</u>	<u>4,497</u>	<u>16,804</u>	<u>30,043</u>	<u>14,445</u>	<u>19,184</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,621</u>	<u>\$ 13,615</u>	<u>\$ 14</u>	<u>\$ (18,466)</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 84,130	\$ 86,232	\$ 96,292	\$ 122,396	\$ 122,398	\$ 75,849	\$ 79,945	\$ 112,112	\$ 117,374	\$ 125,020
Contributions as a percentage of covered-employee payroll	13.83%	0.00%	10.47%	12.01%	12.84%	23.88%	21.04%	10.33%	12.31%	15.34%

* The schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**Beach Haven School District
Required Supplementary Information
For the Year Ended June 30, 2023**

Last 10 Fiscal Years*

	<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>	<u>2023</u>
State's proportion of the net pension liability associated with the district	0.000%	0.000%	0.000%	0.0064377%	0.0055345%	0.0079174%	0.0060912%	0.0070897%	0.0056394%	0.0071666%
State's proportionate share of the net pension liability associated with the district	\$ -	\$ -	\$ -	\$ 5,064,286	\$ 3,731,527	\$ 5,036,892	\$ 3,738,204	\$ 4,668,505	\$ 2,711,169	\$ 3,697,576
District's covered-employee payroll	728,530	621,113	569,830	662,776	761,200	677,085	724,612	792,149	867,399	793,520
Proportionate share of the net pension liability as a percentage of District's covered-employee payroll	0.00%	0.00%	0.00%	764.10%	490.22%	743.91%	515.89%	589.35%	312.56%	465.97%
Plan fiduciary net position as a percentage of the total pension liability	33.76%	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%

The District has a special funding situation and is not required to make any payments for this liability therefore it is not recorded on the ACFR.

The amounts presented were determined as of the fiscal year-end that occurred one year before the District's fiscal year end.

* The schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**BEACH HAVEN SCHOOL DISTRICT
Required Supplementary Information
For the Year Ended June 30, 2023**

(Unaudited)

Last 10 Fiscal Years*

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
State's proportion of the OPEB liability associated with the District						
Service cost	\$ 195,509	\$ 161,589	\$ 114,486	\$ 142,258	\$ 242,152	\$ 229,371
Interest cost	145,618	170,058	137,325	114,516	127,911	107,160
Changes of benefit terms	-	-	-	-	(5,248)	-
Differences between expected and actual experiences	-	(994,733)	(510,388)	1,089,885	(761,587)	(36,273)
Changes in assumptions	(569,811)	(399,439)	47,339	990,090	4,865	(1,084,737)
Member contributions	3,952	3,217	2,889	2,860	3,270	3,405
Gross benefit payments	(107,314)	(93,075)	(97,463)	(94,362)	(100,758)	(106,146)
Net change in total OPEB liability	(332,046)	(1,152,383)	(305,812)	2,245,247	(489,395)	(887,220)
Total State Portion of OPEB liability - beginning	<u>4,965,228</u>	<u>4,633,182</u>	<u>3,480,799</u>	<u>3,174,987</u>	<u>5,420,234</u>	<u>4,930,839</u>
Total State Portion of OPEB liability - ending	<u>\$ 4,633,182</u>	<u>\$ 3,480,799</u>	<u>\$ 3,174,987</u>	<u>\$ 5,420,234</u>	<u>\$ 4,930,839</u>	<u>\$ 4,043,619</u>
District's covered employee payroll	<u>\$ 1,156,727</u>	<u>\$ 1,104,305</u>	<u>\$ 1,112,767</u>	<u>\$ 1,127,357</u>	<u>\$ 1,177,415</u>	<u>\$ 1,135,060</u>
Total State's OPEB liability as a percentage of covered employee payroll	401%	315%	285%	481%	419%	356%

* The schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled governments should present information for those years for which information is available.

Beach Haven School District

Notes to the Required Supplementary Information - Part III

For the Year Ended June 30, 2023

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None .

Changes in Assumptions - The discount rate changed from 5.40% as of June 30, 2021, to 7.0% as of June 30, 2022.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None .

Changes in Assumptions - The discount rate changed from 7.00% as of June 30, 2021, to 7.00% as of June 30, 2022.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None .

Changes in Assumptions - The discount rate changed from 2.21% as of June 30, 2021, to 3.54% as of June 30, 2022.

OTHER SUPPLEMENTARY INFORMATION

D. School Based Budget Schedules
Not Applicable

E. Special Revenue Fund

**BEACH HAVEN SCHOOL DISTRICT
Special Revenue Fund
For the Year Ended June 30, 2023**

	ESSER II LA 22/23	ESSER II MH 22/23	Title I Part A 22/23	ESSER II 22/23	ARP ESSER AL 22/23	ARP ESSER 22/23
Revenues:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	<u>6,089</u>	<u>13,085</u>	<u>17,101</u>	<u>819</u>	<u>2,740</u>	<u>122,353</u>
Total revenues	<u><u>6,089</u></u>	<u><u>13,085</u></u>	<u><u>17,101</u></u>	<u><u>819</u></u>	<u><u>2,740</u></u>	<u><u>122,353</u></u>
Expenditures:						
Instruction:						
Salaries of teachers	4,969	4,180	11,100	-	-	51,750
Other salaries/instruction	-	-	-	-	-	-
Purchased professional services	-	-	-	-	-	-
General supplies	1,120	1,835	164	-	2,740	-
Tuition	-	-	-	-	-	-
Textbooks	-	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-	-
Total instruction	<u>6,089</u>	<u>6,015</u>	<u>11,264</u>	<u>-</u>	<u>2,740</u>	<u>51,750</u>
Support services:						
Other support services - students - special:						
Other professional staff salaries	-	4,746	-	-	-	44,998
Secretarial/Clerical salaries	-	-	-	-	-	-
Purchased professional services	-	-	5,837	-	-	-
Other purchased professional services	-	-	-	-	-	-
Purchased technical services	-	-	-	-	-	-
Employee benefits	-	-	-	-	-	25,605
Travel	-	-	-	-	-	-
Miscellaneous purchased services	-	-	-	819	-	-
General supplies	-	2,324	-	-	-	-
Student activities	-	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-	-
Total other support services - students - special	<u>-</u>	<u>7,070</u>	<u>5,837</u>	<u>819</u>	<u>-</u>	<u>70,603</u>
Total support services	<u>-</u>	<u>7,070</u>	<u>5,837</u>	<u>819</u>	<u>-</u>	<u>70,603</u>
Equipment:						
Regular programs instruction	-	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-	-
Total equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u><u>\$ 6,089</u></u>	<u><u>\$ 13,085</u></u>	<u><u>\$ 17,101</u></u>	<u><u>\$ 819</u></u>	<u><u>\$ 2,740</u></u>	<u><u>\$ 122,353</u></u>
Excess (Deficiency) of revenues Over (Under) expenditures	-	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-	-
Fund Balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**BEACH HAVEN SCHOOL DISTRICT
Special Revenue Fund
For the Year Ended June 30, 2023**

	IDEA-Part B-Basic Reg Prog 22/23	IDEA-Part B-Preschool Reg Prog 22/23	SDA Emergent Grant 22/23	Local Grants 22/23	Student Activity Fund	Total 2023
Revenues:						
Local sources	\$ -	\$ -	\$ -	\$ 109	\$ 1,730	\$ 1,839
State sources	-	-	2,891	-	-	2,891
Federal sources	19,433	651	-	-	-	182,271
Total revenues	19,433	651	2,891	109	1,730	187,001
Expenditures:						
Instruction:						
Salaries of teachers	-	-	-	-	-	71,999
Other salaries/instruction	-	-	-	-	-	-
Purchased professional services	19,433	-	-	-	-	19,433
General supplies	-	651	-	109	-	6,619
Tuition	-	-	-	-	-	-
Textbooks	-	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-	-
Total instruction	19,433	651	-	109	-	98,051
Support services:						
Other support services - students - special:						
Other professional staff salaries	-	-	-	-	-	49,744
Secretarial/Clerical salaries	-	-	-	-	-	-
Purchased professional services	-	-	-	-	-	5,837
Other purchased professional services	-	-	-	-	-	-
Purchased technical services	-	-	-	-	-	-
Employee benefits	-	-	-	-	-	25,605
Travel	-	-	-	-	-	-
Miscellaneous purchased services	-	-	-	-	-	819
General supplies	-	-	-	-	-	2,324
Student activities	-	-	-	-	1,471	1,471
Miscellaneous expenses	-	-	-	-	-	-
Total other support services - students - special	-	-	-	-	1,471	85,800
Total support services	-	-	-	-	1,471	85,800
Equipment:						
Regular programs instruction	-	-	-	-	-	-
Non-instructional equipment	-	-	2,891	-	-	2,891
Total equipment	-	-	2,891	-	-	2,891
Total expenditures	\$ 19,433	\$ 651	\$ 2,891	\$ 109	\$ 1,471	\$ 186,742
Excess (Deficiency) of revenues						
Over (Under) expenditures	-	-	-	-	259	259
Fund Balance, July 1	-	-	-	-	2,233	2,233
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ 2,492	\$ 2,492

F. Capital Projects Fund

**BEACH HAVEN SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Project Expenditures
For the Year Ended June 30, 2023**

<u>Project Title/Issue</u>	<u>Approval Date</u>	<u>Revised Budgetary Appropriations</u>	<u>GAAP Expenditures to Date</u>		<u>Unexpended Appropriations June 30, 2023</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Roof Replacement Project SP #0230-020-22-1000		\$ 1,001,821	\$ 479,604	\$ 522,217	\$ -
Boiler Replacement Project		525,000	-	43,681	481,319
Building Envelope Project		275,000	-	14,400	260,600
Totals		<u>\$ 1,801,821</u>	<u>\$ 479,604</u>	<u>\$ 580,298</u>	<u>\$ 741,919</u>

BEACH HAVEN SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
For the Year Ended June 30, 2023

Revenues and Other Financing Sources	
State Sources - SDA Grant	\$ -
Contribution from private sources	-
Transfer from capital reserve	800,000
Transfer from capital outlay	-
Total revenues	<u>800,000</u>
Expenditures and Other Financing Uses	
Purchased prof. and technical services	100,789
Land and improvements	-
Construction services	1,106,917
Equipment purchases	-
Transfer to capital reserve	248,179
Total expenditures	<u>1,455,885</u>
Excess (deficiency) or revenues over (under) expenditures	(655,885)
Fund balance - beginning	770,396
Fund balance - ending	<u>\$ 114,511</u>

BEACH HAVEN SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status-Budgetary Basis
Roof Repairs
For the Year Ended June 30, 2023

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ -	\$ -	\$ -	\$ -
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	1,250,000	(248,179)	1,001,821	-
Transfer from capital outlay	-	-	-	-
Total revenues	<u>1,250,000</u>	<u>(248,179)</u>	<u>1,001,821</u>	<u>-</u>
Expenditures and Other Financing Uses				
Purchased prof. and technical services	74,849	22,029	96,878	-
Land and improvements	-	-	-	-
Construction services	-	500,188	500,188	-
Equipment purchases	404,755	-	404,755	-
Total expenditures	<u>479,604</u>	<u>522,217</u>	<u>1,001,821</u>	<u>-</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 770,396</u>	<u>\$ (770,396)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional project information:				
Project Number				
Grant Date				
Bond Authorization Date		-		
Bonds Authorized		-		
Bonds Issued		-		
Original Authorized Cost	\$ 1,250,000			
Additional Authorized Cost	\$ (248,179)			
Revised Authorized Cost	\$ 1,001,821			
Percentage Increase over Original Authorized Cost				
Percentage Completion				
Original target completion date		-		
Revised target completion date		-		

BEACH HAVEN SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status-Budgetary Basis
Boiler Replacement Project
For the Year Ended June 30, 2023

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ -	\$ -	\$ -	\$ -
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	525,000	525,000	-
Transfer from capital outlay	-	-	-	-
Total revenues	-	525,000	525,000	-
Expenditures and Other Financing Uses				
Purchased prof. and technical services	-	60,610	60,610	-
Land and improvements	-	-	-	-
Construction services	-	395,529	395,529	-
Equipment purchases	-	-	-	-
Total expenditures	-	456,139	456,139	-
Excess (deficiency) or revenues over (under) expenditures	\$ -	\$ 68,861	\$ 68,861	\$ -

Additional project information:

Project Number	
Grant Date	
Bond Authorization Date	-
Bonds Authorized	-
Bonds Issued	-
Original Authorized Cost	\$ 525,000
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 525,000
Percentage Increase over Original Authorized Cost	
Percentage Completion	
Original target completion date	-
Revised target completion date	-

BEACH HAVEN SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status-Budgetary Basis
Building Envelope Project
For the Year Ended June 30, 2023

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ -	\$ -	\$ -	\$ -
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	275,000	275,000	-
Transfer from capital outlay	-	-	-	-
Total revenues	-	275,000	275,000	-
Expenditures and Other Financing Uses				
Purchased prof. and technical services	-	18,150	18,150	-
Land and improvements	-	-	-	-
Construction services	-	211,200	211,200	-
Equipment purchases	-	-	-	-
Total expenditures	-	229,350	229,350	-
Excess (deficiency) or revenues over (under) expenditures	\$ -	\$ 45,650	\$ 45,650	\$ -
Additional project information:				
Project Number				
Grant Date				
Bond Authorization Date		-		
Bonds Authorized		-		
Bonds Issued		-		
Original Authorized Cost	\$ 275,000			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 275,000			
Percentage Increase over Original Authorized Cost				
Percentage Completion				
Original target completion date		-		
Revised target completion date		-		

G. Proprietary Funds
Not Applicable

H. Fiduciary Funds
Not Applicable

I. Long-Term Debt
Not Applicable

STATISTICAL SECTION

**Beach Haven School District
Statistical Section**

<u>Contents</u>	<u>Page</u>
<p>Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.</p>	91-95
<p>Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.</p>	96-99
<p>Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.</p>	100-103
<p>Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.</p>	104-105
<p>Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.</p>	106-110

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

**Beach Haven School District
Net Positions by Component
For the Year Ended June 30, 2023
UNAUDITED**

(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	\$ 2,774,756	\$ 2,688,750	\$ 2,461,574	\$ 2,474,557	\$ 2,399,360	\$ 2,339,679	\$ 2,263,947	\$ 2,352,489	\$ 2,785,023	\$ 3,238,391
Restricted	386,797	468,811	646,916	667,876	920,960	1,226,003	1,589,318	1,892,701	1,559,150	1,381,728
Unrestricted	211,272	(16,237)	(23,896)	(105,027)	(111,406)	(150,484)	(168,673)	(216,003)	(67,332)	67,608
Total governmental activities net position	\$ 3,372,825	\$ 3,141,324	\$ 3,084,594	\$ 3,037,406	\$ 3,208,914	\$ 3,415,198	\$ 3,684,592	\$ 4,029,187	\$ 4,276,841	\$ 4,687,727
Business-type activities										
Net investment in capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-	-	-	-
Total business-type activities net position	\$ -									
District-wide										
Investment in capital assets	\$ 2,274,756	\$ 2,688,750	\$ 2,461,574	\$ 2,474,557	\$ 2,399,360	\$ 2,339,679	\$ 2,263,947	\$ 2,352,489	\$ 2,785,023	\$ 3,238,391
Restricted	386,797	468,811	646,916	667,876	920,960	1,226,003	1,589,318	1,892,701	1,559,150	1,381,728
Unrestricted	211,272	(16,237)	(23,896)	(105,027)	(111,406)	(150,484)	(168,673)	(216,003)	(67,332)	67,608
Total district net position	\$ 2,872,825	\$ 3,141,324	\$ 3,084,594	\$ 3,037,406	\$ 3,208,914	\$ 3,415,198	\$ 3,684,592	\$ 4,029,187	\$ 4,276,841	\$ 4,687,727

Source: ACFR Schedule A-1 and District records.

**Beach Haven School District
Changes in Net Position
For the Year Ended June 30, 2023
UNAUDITED
(accrual basis of accounting)**

Fiscal Year Ending June 30,

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities										
Instruction										
Regular	\$ 661,334	\$ 624,017	\$ 628,975	\$ 649,788	\$ 706,893	\$ 703,378	\$ 667,989	\$ 753,258	\$ 752,107	\$ 738,942
Special education	39,977	68,065	111,349	78,382	61,286	115,711	134,988	101,321	109,842	56,144
Other special education	10,325	8,299	3,960	15,712	13,682	750	-	750	-	750
Support Services:										
Instruction	-	-	-	-	16,928	56,991	66,341	7,134	24,751	17,678
Tuition	-	-	-	-	-	-	-	-	-	-
Student & Instruction Related Services	207,694	153,473	312,100	325,803	308,943	275,274	255,598	274,844	319,950	361,022
School administrative services	146,830	233,382	186,961	9,900	9,055	21,985	22,332	21,504	23,123	
General and Business Administrative Serv	-	-	-	108,354	105,317	83,234	81,418	71,255	87,216	86,458
Plant operations and maintenance	191,069	299,979	339,389	309,253	198,426	230,223	259,398	305,330	393,310	343,875
Pupil transportation	47,203	34,831	50,955	33,032	42,947	88,944	71,507	64,569	75,664	121,048
Unallocated Depreciation	101,604	86,006	227,176	75,197	75,197	66,427	66,427	66,944	66,991	98,312
Unallocated employee benefits	-	-	-	501,930	375,120	494,280	443,653	409,526	352,050	401,907
Non-budgeted expenditures	-	-	-	99,844	134,061	102,517	117,681	110,016	133,385	135,082
Total governmental activities expenses	1,406,036	1,508,052	1,860,865	2,207,195	2,047,855	2,227,624	2,186,985	2,187,279	2,336,770	2,384,341
Business-type activities:										
Food service	-	-	-	-	-	-	-	-	-	-
School store	-	-	-	-	-	-	-	-	-	-
Total business-type activities expense	-	-	-	-	-	-	-	-	-	-
Total district expenses	1,406,036	1,508,052	1,860,865	2,207,195	2,047,855	2,227,624	2,186,985	2,187,279	2,336,770	2,384,341
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,550	\$ 5,050	\$ 4,300	\$ -
Other support services	-	-	-	-	-	-	-	1,614	460	-
Operating grants and contributions	52,357	18,702	30,646	99,844	134,061	102,517	117,681	110,016	133,385	136,921
Total governmental activities program revenues	52,357	18,702	30,646	99,844	134,061	102,517	120,231	116,680	138,145	136,921
Business-type activities:										
Charges for services										
Food service	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	-	-	-	-	-	-	-	-	-	-
Total district program revenues	52,357	18,702	30,646	99,844	134,061	102,517	120,231	116,680	138,145	136,921
Net (Expense)/Revenue										
Governmental activities	\$ (1,771,474)	\$ (1,951,420)	\$ (2,328,491)	\$ (2,107,351)	\$ (1,913,794)	\$ (2,125,107)	\$ (2,066,754)	\$ (2,070,599)	\$ (2,198,625)	\$ (2,247,420)
Business-type activities	-	-	-	-	-	-	-	-	-	-
Total district-wide net expense	\$ (1,771,474)	\$ (1,951,420)	\$ (2,328,491)	\$ (2,107,351)	\$ (1,913,794)	\$ (2,125,107)	\$ (2,066,754)	\$ (2,070,599)	\$ (2,198,625)	\$ (2,247,420)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 1,487,923	\$ 1,666,389	\$ 1,699,717	\$ 1,811,354	\$ 1,811,354	\$ 1,998,934	\$ 2,038,913	\$ 2,038,691	\$ 2,038,211	\$ 2,078,975
Taxes levied for debt service	-	-	-	-	-	-	-	-	-	-
Grants and contributions	223,555	315,922	363,556	197,412	223,986	235,827	217,854	204,671	283,407	371,618
Restricted federal and state aid	-	-	-	30,096	43,232	36,652	41,111	88,209	115,896	182,271
Investment earnings	-	-	-	-	-	1,784	1,805	449	1,025	4,634
Interest Earned on Capital Reserve Account	-	-	-	-	-	5,647	5,415	1,345	750	3,580
Miscellaneous income	320,953	14,944	208,488	21,301	6,730	52,547	31,050	5,066	6,990	17,228
Prior period adjustment	-	(48,559)	-	-	-	-	-	-	-	-
Total governmental activities	2,032,431	1,948,696	2,271,761	2,060,163	2,085,302	2,331,391	2,336,148	2,338,431	2,446,279	2,658,306
Business-type activities:										
Investment earnings	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	-	-	-	-	-	-	-	-	-	-
Total district-wide	2,032,431	1,948,696	2,271,761	2,060,163	2,085,302	2,331,391	2,336,148	2,338,431	2,446,279	2,658,306
Change in Net Position										
Governmental activities	\$ 260,957	\$ (2,724)	\$ (56,730)	\$ (47,188)	\$ 171,508	\$ 206,284	\$ 269,394	\$ 267,832	\$ 247,654	\$ 410,886
Business-type activities	-	-	-	-	-	-	-	-	-	-
Total district	\$ 260,957	\$ (2,724)	\$ (56,730)	\$ (47,188)	\$ 171,508	\$ 206,284	\$ 269,394	\$ 267,832	\$ 247,654	\$ 410,886

Source: ACFR Schedule A-2 and District records.

Beach Haven School District
Fund Balances, Governmental Funds
For the Year Ended June 30, 2023
UNAUDITED
(modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Restricted	\$ -	\$ -	\$ -	\$ 667,702	\$ 895,960	\$ 1,214,680	\$ 1,471,900	\$ 1,881,644	\$ 788,754	\$ 606,313
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	174	25,000	11,323	117,418	11,057	-	33,496
Unassigned	-	-	-	229,825	227,032	225,428	199,710	109,499	223,001	314,029
Reserved	386,979	468,811	656,916	-	-	-	-	-	-	-
Unreserved	211,272	233,747	233,990	-	-	-	-	-	-	-
Total general fund	<u>\$ 598,251</u>	<u>\$ 702,558</u>	<u>\$ 890,906</u>	<u>\$ 897,701</u>	<u>\$ 1,147,992</u>	<u>\$ 1,451,431</u>	<u>\$ 1,789,028</u>	<u>\$ 2,002,200</u>	<u>\$ 1,011,755</u>	<u>\$ 953,838</u>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted										
Special revenue fund	-	-	-	-	-	-	-	1,773	2,233	2,492
Capital projects fund	-	-	-	-	-	-	-	-	770,396	741,919
Debt service fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,773</u>	<u>\$ 772,629</u>	<u>\$ 744,411</u>				

Source: ACFR Schedule B-1 and District records.

Beach Haven School District
Changes in Fund Balances, Governmental Funds
For the Year Ended June 30, 2023
UNAUDITED
(modified accrual basis of accounting)

Fiscal Year Ending June 30,

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax levy	\$ 1,487,923	\$ 1,666,389	\$ 1,699,717	\$ 1,811,354	\$ 1,811,354	\$ 1,998,934	\$ 2,038,913	\$ 2,038,691	\$ 2,038,211	\$ 2,078,975
Tuition charges	-	-	-	-	-	-	2,550	5,050	4,300	-
Interest earnings	-	-	-	-	-	7,431	7,220	1,794	1,775	8,214
Other local revenue	320,953	14,944	208,488	21,301	6,730	52,547	31,050	6,680	7,450	19,067
State sources	223,555	315,922	363,556	297,256	358,047	338,344	335,535	314,687	416,792	506,700
Federal sources	52,357	18,702	30,646	30,096	43,232	36,652	41,111	88,209	115,896	182,271
Total revenue	<u>2,084,788</u>	<u>2,015,957</u>	<u>2,302,407</u>	<u>2,160,007</u>	<u>2,219,363</u>	<u>2,433,908</u>	<u>2,456,379</u>	<u>2,455,111</u>	<u>2,584,424</u>	<u>2,795,227</u>
Expenditures										
Instruction										
Regular Instruction	661,334	624,017	628,975	649,788	706,893	703,378	667,989	753,258	752,107	738,942
Special education instruction	39,977	68,065	111,349	78,382	61,286	115,711	134,988	101,321	109,842	56,144
Other special instruction	10,325	8,299	3,960	15,712	13,682	750	-	750	-	750
Support Services:										
Tuition	-	-	-	-	16,928	56,991	66,341	7,134	24,751	17,678
Attendance & Health Services	36,220	-	-	-	-	-	-	-	-	-
Support Service - Students	138,296	153,473	312,100	325,803	308,943	275,274	255,598	274,844	319,950	361,022
Support Service - Instructional Staff	33,178	-	-	-	-	-	-	-	-	-
General administration	130,624	-	-	74,935	72,317	49,474	41,048	40,726	46,291	45,196
School administrative services	16,206	233,382	186,961	9,900	9,055	9,895	21,985	22,332	21,504	23,123
Central services	-	-	-	33,419	33,000	33,760	40,370	30,529	40,925	41,262
Plant operations and maintenance	191,069	299,979	339,389	306,177	195,850	234,898	250,017	283,997	334,358	314,692
Pupil transportation	47,203	34,831	50,955	33,032	42,947	88,944	71,507	64,569	75,664	121,048
Security	-	-	-	3,000	2,500	-	-	-	-	-
Employee benefits	286,624	470,781	490,294	424,964	371,534	456,806	451,182	450,634	386,759	445,560
On-behalf TPAF contribution	72,726	-	-	51,870	77,201	55,526	58,823	52,457	70,037	76,946
Reimbursed TPAF social security contr.	58,445	-	-	47,974	56,860	46,991	58,858	57,559	63,348	58,136
Capital outlay	296,937	76	76	88,256	76	2,071	76	176,819	558,477	580,863
Debt service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-	-	-	-
Education jobs	-	-	-	-	-	-	-	-	-	-
Total expenditures	<u>2,019,164</u>	<u>1,892,903</u>	<u>2,124,059</u>	<u>2,143,212</u>	<u>1,969,072</u>	<u>2,130,469</u>	<u>2,118,782</u>	<u>2,316,929</u>	<u>2,804,013</u>	<u>2,881,362</u>
Excess (Deficiency) of revenues over (under) expenditures	65,624	123,054	178,348	16,795	250,291	303,439	337,597	138,182	(219,589)	(86,135)
Other Financing sources (uses)										
Prior period adjustments	-	(48,559)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>65,624</u>	<u>74,495</u>	<u>178,348</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 48,559</u>	<u>\$ -</u>	<u>\$ 16,795</u>	<u>\$ 250,291</u>	<u>\$ 303,439</u>	<u>\$ 337,597</u>	<u>\$ 138,182</u>	<u>\$ (219,589)</u>	<u>\$ (86,135)</u>
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: ACFR Schedule B-2 and District records

Note: Noncapital expenditures are total expenditures less capital outlay.

Beach Haven School District
For the Year Ended June 30, 2023
Last Ten Fiscal Years
UNAUDITED
(modified accrual basis of accounting)

Fiscal Year Ending June 30,	Interest Earned	Refunds of Prior Year Expense	Donation	Insurance Claim	Miscellaneous	Annual Totals
2014	-	-	-	296,937	24,016	320,953
2015	-	-	-	-	14,944	14,944
2016	-	-	-	-	208,488	208,488
2017	-	-	-	-	21,301	21,301
2018	-	-	-	-	6,730	6,730
2019	7,431	-	-	-	52,547	59,978
2020	7,220	-	-	-	31,050	38,270
2021	1,794	-	-	-	6,680	8,474
2022	1,775	-	-	-	7,450	9,225
2023	8,214	-	-	-	19,067	27,281

Source: District records

Beach Haven School District
Assessed Value and Estimated Actual Value of Taxable Property
For the Year Ended June 30, 2023
UNAUDITED

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2014	74,759,100	1,468,222,600	104,037,792	11,888,900	1,658,908,392	-	240,322	1,659,148,714	0.101	1,974,484,882
2015	71,052,100	1,484,137,800	104,337,792	11,888,900	1,671,416,592	-	249,030	1,671,665,622	0.102	2,002,810,932
2016	72,703,300	1,495,079,300	104,519,300	11,888,900	1,684,190,800	-	268,641	1,684,459,441	0.108	2,043,884,841
2017	71,041,500	1,850,883,300	131,104,600	15,022,900	2,068,052,300	-	317,557	2,068,369,857	0.088	2,063,092,213
2018	70,975,900	1,864,116,800	130,357,800	15,022,900	2,080,473,400	-	317,310	2,080,790,710	0.096	2,100,003,432
2019	63,815,500	1,897,035,300	128,623,200	15,022,900	2,104,496,900	-	317,310	2,104,814,210	0.000	2,243,360,942
2020	60,600,600	1,911,509,700	126,845,800	14,137,900	2,113,094,000	-	317,310	2,113,411,310	0.097	2,315,719,452
2021	60,491,800	1,933,830,300	124,719,200	14,137,900	2,133,179,200	-	317,310	2,133,496,510	0.096	2,318,231,862
2022	61,305,600	1,943,651,900	122,338,900	14,137,900	2,141,434,300	-	317,310	2,141,751,610	0.097	2,605,378,905
2023	60,971,900	1,966,173,900	122,338,900	14,137,900	2,163,622,600	-	317,310	2,163,939,910	0.098	3,176,192,895

Source: District records and Ocean County Board of Taxation

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

Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment.

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

b Tax rates are per \$100 and for the year following calendar year end as shown.

Beach Haven School District
Direct and Overlapping Property Tax Rates
For the Year Ended June 30, 2023
UNAUDITED
(rate per \$100 of assessed value)

<u>Fiscal Year Ended June 30,</u>	<u>Borough of Beach Haven School District</u>	<u>Southern Regional School District</u>	<u>County of Ocean</u>	<u>Borough of Beach Haven</u>	<u>Total Tax Rate</u>
2014	0.101	0.250	0.409	0.386	1.146
2015	0.102	0.279	0.422	0.412	1.215
2016	0.108	0.301	0.429	0.488	1.326
2017	0.088	0.218	0.352	0.418	1.076
2018	0.096	0.260	0.365	0.406	1.127
2019	0.097	0.205	0.379	0.408	1.089
2020	0.097	0.205	0.379	0.408	1.089
2021	0.096	0.198	0.383	0.420	1.097
2022	0.097	0.201	0.403	0.424	1.125
2023	0.098	0.209	0.463	0.441	1.211

Source: District Records and Municipal Tax Collector

**Beach Haven School District
Principal Property Taxpayers
For the Year Ended June 30, 2023
UNAUDITED**

Taxpayer	2023			Taxpayer	2014		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value		Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Taxpayer # 1	\$ -	0	0.00%	Taxpayer # 1	\$ -	0	0.00%
Taxpayer # 2	-	0	0.00%	Taxpayer # 2	-	0	0.00%
Taxpayer # 3	-	0	0.00%	Taxpayer # 3	-	0	0.00%
Taxpayer # 4	-	0	0.00%	Taxpayer # 4	-	0	0.00%
Taxpayer # 5	-	0	0.00%	Taxpayer # 5	-	0	0.00%
Taxpayer # 6	-	0	0.00%	Taxpayer # 6	-	0	0.00%
Taxpayer # 7	-	0	0.00%	Taxpayer # 7	-	0	0.00%
Taxpayer # 8	-	0	0.00%	Taxpayer # 8	-	0	0.00%
Taxpayer # 9	-	0	0.00%	Taxpayer # 9	-	0	0.00%
Taxpayer # 10	-	0	0.00%	Taxpayer # 10	-	0	0.00%
Total	<u>\$ -</u>		<u>0.00%</u>	Total	<u>\$ -</u>		<u>0.00%</u>

Source: District ACFR & Municipal Tax Assessor

**Beach Haven School District
Property Tax Levies and Collections
For the Year Ended June 30, 2023
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	
2014	1,666,389	1,666,389	100.00%	-
2015	1,699,717	1,699,717	100.00%	-
2016	1,811,354	1,811,354	100.00%	-
2017	1,811,354	1,811,354	100.00%	-
2018	1,811,354	1,811,354	100.00%	-
2019	1,998,934	1,998,934	100.00%	-
2020	2,038,913	2,038,913	100.00%	-
2021	2,038,691	2,038,691	100.00%	-
2022	2,038,211	2,038,211	100.00%	-
2023	2,078,975	2,078,975	100.00%	-

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

**Beach Haven School District
 Ratios of Outstanding Debt by Type
 For the Year Ended June 30, 2023
 UNAUDITED**

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities	
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District
2014	-	N/A	-	N/A	N/A	-
2015	-	N/A	-	N/A	N/A	-
2016	-	N/A	-	N/A	N/A	-
2017	-	N/A	-	N/A	N/A	-
2018	-	N/A	-	N/A	N/A	-
2019	-	N/A	-	N/A	N/A	-
2020	-	N/A	-	N/A	N/A	-
2021	-	N/A	-	N/A	N/A	-
2022	-	N/A	-	N/A	N/A	-
2023	-	N/A	-	N/A	N/A	-

Source: District ACFR Schedules I-1, I-2

Beach Haven School District
Ratios of Net General Bonded Debt Outstanding
For the Year Ended June 30, 2023
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions				
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%	\$ -
2023	-	-	-	-	0.00%	\$ -

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

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

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

**Beach Haven School District
Direct and Overlapping Governmental Activities Debt
For the Year Ended June 30, 2023
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			
Beach Haven School District	\$0	0.000%	\$0
Other debt			
Beach Haven Township	13,787,145	100.000%	13,787,145
Southern Regional School district	0	0.000%	0
Ocean County	497,859,761	2.240%	11,152,059
			0
Subtotal, overlapping debt			24,939,204
Beach Haven School District Direct Debt			0
Total direct and overlapping debt			\$ 24,939,204

Sources: Beach Haven Finance Officer, Ocean County Finance Office and Utility Authorities

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

**Beach Haven School District
Legal Debt Margin Information
For the Year Ended June 30, 2023
UNAUDITED**

Equalized valuation basis	
2023	\$ 2,163,622,600
2022	2,141,434,300
2021	<u>2,133,496,510</u>
[A]	\$ 6,438,553,410
[A/3]	\$ 2,146,184,470
a	[B] 64,385,534
	[C] -
[B-C]	\$ 64,385,534

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 60,178,042	\$ 49,852,107	\$ 50,145,158	\$ 54,236,597	\$ 58,327,165	\$ 62,530,226	\$ 62,980,643	\$ 63,510,874	\$ 63,880,248	\$ 64,385,534
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 60,178,042</u>	<u>\$ 49,852,107</u>	<u>\$ 50,145,158</u>	<u>\$ 33,556,074</u>	<u>\$ 58,327,165</u>	<u>\$ 62,530,226</u>	<u>\$ 62,980,643</u>	<u>\$ 63,510,874</u>	<u>\$ 63,880,248</u>	<u>\$ 64,385,534</u>
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%

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

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

**Beach Haven School District
Demographic and Economic Statistics
For the Year Ended June 30, 2023
UNAUDITED**

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2014	1,171	52,635,279	44,951	6.4%
2015	1,172	55,180,104	47,115	4.7%
2016	1,175	56,975,750	48,578	7.8%
2017	1,181	58,753,569	49,813	5.7%
2018	1,196	62,201,568	51,353	5.7%
2019	1,205	64,032,495	53,139	4.3%
2020	1,216	69,730,304	57,344	9.2%
2021	1,057	64,289,911	60,823	0.0%
2022	1,065	-	-	0.0%
2023	-	-	-	0.0%

Source:

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

^b Personal income not available by municipality.

^c Per Capita Income not available by municipality.

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

Beach Haven School District
Principal Employers
For the Year Ended June 30, 2023
UNAUDITED

Employer	2023			2014		
	Employees	Rank (Optional)	Percentage of Total Employment ^b	Employees	Rank (Optional)	Percentage of Total Employment ^b
		Data not available			Data not available	
	-		0.00%	-		0.00%

Source: Borough of Beach Haven Official Statement

^b Total labor force provided by U.S. Department of Labor, Bureau of Labor Statistics

Beach Haven School District
Full-time Equivalent District Employees by Function/Program
For the Year Ended June 30, 2023
UNAUDITED

<u>Function/Program</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>	<u>2023</u>
Instruction										
Regular	11	11	12	13	13	13	13	13	11	11
Special education	2	2	2	2	2	2	2	2	2	1
Other special education	1	1	1	1	1	1	1	1	3	3
Support Services:										
Attendance and Health	1	1	1	1	1	1	1	1	1	1
School administrative services	2	2	2	1	1	1	1	1	1	1
Business administrative services	1	1	1	1	1	1	-	-	-	-
Plant operations and maintenance	1	1	1	1	1	1	1	1	1	1
Pupil transportation	1	1	1	1	1	1	1	1	1	1
Business & other support services	1	1	1	1	1	1	1	1	1	1
Total	<u>21</u>	<u>21</u>	<u>22</u>	<u>22</u>	<u>22</u>	<u>22</u>	<u>21</u>	<u>21</u>	<u>21</u>	<u>20</u>

Source: District Personnel Records

**Beach Haven School District
Operating Statistics
For the Year Ended June 30, 2023
UNAUDITED**

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2014	75	1,823,831	24,318		14	5.4		73.87	68.97	3.60%	93.37%
2015	70	1,970,122	28,145		14	5.0		68.55	66.57	-7.20%	97.11%
2016	63	2,359,137	37,447		15	4.2		62.66	59.48	-8.59%	94.92%
2017	69	2,054,956	29,782		16	4.3		68.28	64.33	8.97%	94.21%
2018	59	1,834,935	31,101		16	3.7		67.75	63.77	0.78%	94.13%
2019	62	2,128,398	34,329		16	3.9		67.37	64.51	-0.56%	95.75%
2020	63	2,001,025	31,762		16	3.9		63.53	60.72	-5.70%	95.58%
2021	86	2,030,094	23,606		16	5.4		86.07	82.28	35.48%	95.60%
2022	75	2,112,151	28,162		13	5.8		75.53	71.00	-12.25%	94.00%
2023	73	2,165,417	29,663		12	6.1		70.91	66.53	-6.12%	9.82%

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

a Operating expenditures equal total expenditures less debt service and capital outlay

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

**Beach Haven School District
School Building Information
For the Year Ended June 30, 2023
UNAUDITED**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
District Building										
<u>Elementary schools:</u>										
Beach Haven School										
Square Feet	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Capacity (students)	175	175	175	175	175	175	175	175	175	175
Enrollment	75	65	63	69	59	62	63	86	75	73

Number of Schools at June 30, 2023
Elementary = 1

Source: District Facilities Office

BEACH HAVEN SCHOOL DISTRICT
Schedule of Required Maintenance Expenditures by School Facility
For the Year Ended June 30, 2023
UNAUDITED

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
* School Facilities Project # (s)	23,543	58,471	66,788	163,036	73,073	109,813	162,998	164,899	173,234	159,357
Total School Facilities	<u>\$ 23,543</u>	<u>\$ 58,471</u>	<u>\$ 66,788</u>	<u>\$ 163,036</u>	<u>\$ 73,073</u>	<u>\$ 109,813</u>	<u>\$ 162,998</u>	<u>\$ 164,899</u>	<u>\$ 173,234</u>	<u>\$ 159,357</u>

* School facilities as defined under EFCFA.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District records

**BEACH HAVEN SCHOOL DISTRICT
Insurance Schedule
For the Year Ended June 30, 2023
UNAUDITED**

Company	Type of Coverage	Coverage	Deductible
School Alliance Insurance Fund	Property	\$ 250,000,000	\$ 1,000
	Equipment Breakdown (Blanket)	Included	
	Commercial Liability	10,000,000	
	Crime	Included	
	School Board Legal	10,000,000	5,000
	Business Auto	250,000,000	1,000
	Worker's Compensation	5,000,000	
ACE USA	Excess Umbrella		
Selective Insurance	Flood Insurance		

Source: District Records

SINGLE AUDIT SECTION



K-1

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

Honorable President and
Members of the
Beach Haven School District
County of Ocean
Beach Haven, New Jersey 08008

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 Beach Haven School District in the County of Ocean, State of New Jersey, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise of the Beach Haven School District basic financial statements, and have issued our report thereon dated November 22, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Beach Haven School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Beach Haven School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Beach Haven School 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 School District'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 Beach Haven 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of 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 School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

Jump, Perry and Company, L.L.P.
Toms River, New Jersey



Kathryn Perry, Partner
Licensed Public School Accountant
No. CS 20CS00226400

November 22, 2023



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

Honorable President and
Members of the Board of Education
Beach Haven School District
County of Ocean
Beach Haven School District, New Jersey 07728

Report on Compliance for Each Major Federal and State Program
Opinion on Each Major Federal and State Program

We have audited Beach Haven School District's compliance with the types of compliance requirements described in the OMB Compliance Supplement and the New Jersey OMB Circular 15-08 that could have a direct and material effect on each of Beach Haven School District's major federal and state programs for the year ended June 30, 2023. Beach Haven 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, Beach Haven 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, 2023.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and 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 the New Jersey OMB Circular 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 Beach Haven School District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Beach Haven School District's compliance with the compliance 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 Beach Haven School District's 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 Beach Haven 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 New Jersey OMB Circular 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 Beach Haven School District's compliance with the requirements of each major federal and state programs as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and New Jersey OMB Circular 15-08, 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 Beach Haven 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 Beach Haven 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 New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of Beach Haven 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.

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 and 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 and 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 and 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 section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. 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 were not 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 New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

JUMP, PERRY AND COMPANY, L.L.P.
Toms River, New Jersey



Kathryn Perry, Partner
Licensed Public School Accountant
No. CS 20CS00226400

November 22, 2023

BEACH HAVEN SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Schedule A
For the Year Ended June 30, 2023

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Federal FAIN Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Balance at 6/30/2022</u>	<u>Carryover Amount</u>	<u>Cash Received</u>	<u>Budgetary Expenditures</u>	<u>Repayment of Prior years' Balances</u>	<u>Deferred Revenue at June 30, 2023</u>	<u>(Accounts Receivable) at June 30, 2023</u>	<u>Due to Grantor at June 30, 2023</u>
U.S. Department of Education												
Passed-through State Department of Education:												
Title I	84.010	S010A220030	7/1/21-9/30/22	12,220	(2,506)	-	2,506	-	-	-	-	-
Title I	84.010	S010A220030	7/1/22-9/30/23	19,894	-	-	10,154	(17,101)	-	-	(6,947)	-
Title IV	84.424	S424A210031	7/1/21-9/30/22	12,248	(1,540)	-	1,540	-	-	-	-	-
Elementary and Secondary Education Cluster:												
ESSER II	84.425D	S425D220027	3/13/20-9/30/23	65,946	-	-	819	(819)	-	-	-	-
Mental Health	84.425D	S425D220027	3/13/20-9/30/23	45,000	(155)	-	11,951	(13,085)	-	-	(1,289)	-
Learning Acceleration	84.425D	S425D220027	3/13/20-9/30/23	25,000	(2,693)	-	3,713	(6,089)	-	-	(5,069)	-
ARP - ESSER	84.425U	S425U210027	3/13/20-9/30/24	148,209	-	-	88,484	(122,353)	-	-	(33,869)	-
ARP - Accelerated Learning Coach	84.425U	S425U210027	3/13/20-9/30/24	50,000	-	-	2,705	(2,740)	-	-	(35)	-
Subtotal of Elementary and Secondary Education Cluster:					(2,848)	-	107,672	(145,086)	-	-	(40,262)	-
Special Education Cluster:												
I.D.E.A. Part B Basic Regular	84.027	H027A210100	7/1/22-9/30/23	-	-	-	15,371	(19,433)	-	-	(4,062)	-
I.D.E.A. Part B Preschool	84.173	H173A210114	7/1/22-9/30/23	-	-	-	292	(651)	-	-	(359)	-
Subtotal of Special Education Cluster					-	-	15,663	(20,084)	-	-	(4,421)	-
Total U.S. Department of Education					(6,894)	-	137,535	(182,271)	-	-	(51,630)	-
Total Expenditures of Federal Awards					\$ (6,894)	\$ -	\$ 137,535	\$ (182,271)	\$ -	\$ -	\$ (51,630)	\$ -

See accompanying notes to schedules of expenditures.

BEACH HAVEN SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance, Schedule B
For the Year Ended June 30, 2023

State Grantor/ Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022	Carryover Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Deferred Revenue at June 30, 2023	(Accounts Receivable) at June 30, 2023	Due to Grantor at June 30, 2023	Budgetary Receivable	Total Expenditures
State Department of Education													
General Fund:													
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	588	-	-	529	(588)	-	-	-	-	(59)	588
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	62,984	-	-	56,687	(62,984)	-	-	-	-	(6,297)	62,984
School Choice	23-495-034-5120-068	7/1/22-6/30/23	211,888	-	-	190,705	(211,888)	-	-	-	-	(21,183)	211,888
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	4,642	-	-	4,178	(4,642)	-	-	-	-	(464)	4,642
Maintenance of Equity State Aid	23-495-034-5120-128	7/1/22-6/30/23	92,520	-	-	-	(92,520)	-	-	(92,520)	-	-	92,520
On-Behalf TPAF Pension Contribution	23-100-034-5094-002	7/1/22-6/30/23	292,344	-	-	292,344	(292,344)	-	-	-	-	-	-
On-Behalf TPAF Post-Retirement Medical	23-100-034-5094-001	7/1/22-6/30/23	76,798	-	-	76,798	(76,798)	-	-	-	-	-	-
On-Behalf TPAF Long-Term Disability Insurance	23-100-034-5094-004	7/1/22-6/30/23	148	-	-	148	(148)	-	-	-	-	-	-
Reimbursed TPAF Social Security Contribution	23-495-034-5094-003	7/1/22-6/30/23	58,136	-	-	52,559	(58,136)	-	-	(5,577)	-	-	58,136
Reimbursed TPAF Social Security Contribution	22-495-034-5094-003	7/1/21-6/30/22	63,348	(3,152)	-	3,152	-	-	-	-	-	-	-
Total General Fund				<u>(3,152)</u>	<u>-</u>	<u>677,100</u>	<u>(800,048)</u>	<u>-</u>	<u>-</u>	<u>(98,097)</u>	<u>-</u>	<u>(28,003)</u>	<u>430,758</u>
Special Revenue Fund:													
SDA Emergent Needs Grant		7/1/22-6/30/23		2,891	-	2,891	(2,891)	-	-	-	-	-	2,891
Total Special Revenue Fund				<u>2,891</u>	<u>-</u>	<u>2,891</u>	<u>(2,891)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,891</u>
Total Expenditures of State Awards				<u>(261)</u>	<u>-</u>	<u>679,991</u>	<u>(802,939)</u>	<u>-</u>	<u>-</u>	<u>(98,097)</u>	<u>-</u>	<u>(28,003)</u>	<u>433,649</u>
State Financial Assistance Not Subject to Single Audit Determination													
General Fund:													
On-Behalf TPAF Pension Contribution	23-100-034-5094-002	7/1/22-6/30/23	292,344	-	-	292,344	(292,344)	-	-	-	-	-	-
On-Behalf TPAF Post-Retirement Medical	23-100-034-5094-001	7/1/22-6/30/23	76,798	-	-	76,798	(76,798)	-	-	-	-	-	-
On-Behalf TPAF Long-Term Disability Insurance	23-100-034-5094-004	7/1/22-6/30/23	148	-	-	148	(148)	-	-	-	-	-	-
Total State Financial Assistance Not Subject to Single Audit Determination				<u>-</u>	<u>-</u>	<u>369,290</u>	<u>(369,290)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures of State Awards Subject to Single Audit Determination				<u>\$ (261)</u>	<u>-</u>	<u>310,701</u>	<u>(433,649)</u>	<u>-</u>	<u>-</u>	<u>(98,097)</u>	<u>-</u>	<u>(28,003)</u>	<u>433,649</u>

See accompanying notes to schedules of expenditures.

Beach Haven School District

Notes to Schedules of Awards and Financial Assistance

June 30, 2023

1. General

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

2. Basis of Accounting

The accompanying schedules of financial assistance are presented using the modified accrual basis of accounting. This basis of accounting is described in Note 1 to the Board's general-purpose financial statements.

3. Relationship to Basic 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 *N.J.S.A. 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 *N.J.S.A. 18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(293,348) for the general fund and \$(2,891) for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page.

Beach Haven School District

Notes to Schedules of Awards and Financial Assistance (continued)

June 30, 2023

3. Relationship to Basic Financial Statements (cont'd)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 506,700	\$ 506,700
Special Revenue Fund	<u>182,271</u>	<u>-</u>	<u>182,271</u>
Total awards and financial assistance	<u>\$ 182,271</u>	<u>\$ 506,700</u>	<u>\$ 688,971</u>

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.

5. Other

TPAF Social Security and Post Retirement/Medical Benefits Contributions represent the amounts reimbursed by the State for the employer's share of social security contributions and Post Retirement/Medical Benefits for TPAF members for the year ended June 30, 2023.

The TPAF post retirement/medical benefits expenditures are not subject to New Jersey OMB Circular 15-08.

6. Indirect Costs

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

Beach Haven School District
 Schedule of Findings and Questioned Costs

June 30, 2023

Section I - Summary of Auditor's Results
 Financial Statement Section

Type of auditor's report issued: Unmodified opinion

Internal control over financial reporting:

- 1) Material weakness(es) identified? yes no
- 2) Significant deficiencies identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to general-purpose financial statements noted? yes no

Federal Awards Section: N/A

Internal Control over major programs:

- 1) Material weakness(es) identified? yes no
- 2) Significant deficiencies identified that are not considered to be material weaknesses? yes none reported

Type of auditor's report issued on compliance for major programs: N/A

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section .516(a) of the Uniform Guidance? yes no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
N/A	

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

Auditee qualified as low-risk auditee? yes no

Beach Haven School District

Schedule of Findings and Questioned Costs (continued)

June 30, 2023

Section I - Summary of Auditor's Results (continued)

State Awards Section

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? yes no

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

Internal Control over major programs:

1) Material weakness(es) identified? yes no

2) Significant deficiencies identified
that are not considered to be material
weaknesses? yes none reported

Any audit findings disclosed that are
required to be reported in accordance
with NJ OMB Circular 15-08? yes no

Identification of major programs:

GMIS Number(s)	Name of State Program
State Aid-Public Cluster	
495-034-5120-078	Equalization Aid
495-034-5120-084	Security Aid
495-034-5120-089	Special Education Categorical Aid
495-034-5120-085	Adjustment Aid

Beach Haven School District

Schedule of Findings and Questioned Costs (continued)

June 30, 2023

Section II - Financial Statement Findings - N/A

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs - N/A

Beach Haven School District
Summary Schedule of Prior Audit Findings
June 30, 2023

Summary Schedule of Prior Audit Findings - N/A