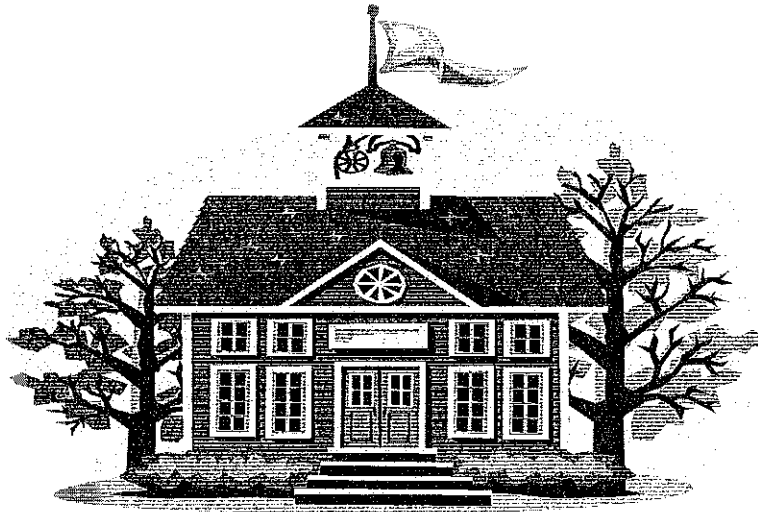


SCHOOL DISTRICT

OF

FAIR HAVEN



**FAIR HAVEN BOARD OF EDUCATION
FAIR HAVEN, NEW JERSEY**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

OF THE

FAIR HAVEN BOARD OF EDUCATION

FAIR HAVEN, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

PREPARED BY

**FAIR HAVEN BOARD OF EDUCATION
BUSINESS ADMINISTRATOR/BOARD SECRETARY**

FAIR HAVEN SCHOOL DISTRICT

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	1 to 6.
Roster of Officials	7.
Consultants & Advisors	8.
Organizational Chart	9.
FINANCIAL SECTION	
Independent Auditor's Report	10 to 13.
Required Supplementary Information – Part I	
Management's Discussion and Analysis	14 to 20.
<u>Basic Financial Statements</u>	
A. District-wide Financial Statements	
A-1 Statement of Net Position	21.
A-2 Statement of Activities	22 & 23.
B. Fund Financial Statements	
Governmental Funds:	
B-1 Balance Sheet	24.
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	25 & 26.
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes In Fund Balances of Governmental Funds to the Statement of Activities	27.
Proprietary Funds:	
B-4 Statement of Net Position	28.
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	29.
B-6 Statement of Cash Flows	30.
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	N/A
B-8 Statement of Changes in Fiduciary Net Position	N/A
Notes to Financial Statements	31 to 63.

FAIR HAVEN SCHOOL DISTRICT

TABLE OF CONTENTS

	<u>Page</u>
Required Supplementary Information – Part II	
C. <u>Budgetary Comparison Schedules</u>	
C-1	Budgetary Comparison Schedule – General Fund 64 to 74.
C-1b	Budgetary Comparison Schedule – General Fund – Education Jobs Fund N/A
C-2	Budgetary Comparison Schedule – Special Revenue Fund 75 & 76.
Notes to the Required Supplementary Information	
C-3	Required Supplementary Information Budget to GAAP Reconciliation Note to RSI 77.
Required Supplementary Information – Part III	
L. <u>Schedules Related to Accounting and Reporting for Pensions (GASB 68)</u>	
L-1	Schedule of the District’s Proportionate Share of the Net Pension Liability – PERS 78.
L-2	Schedule of District Contribution – PERS 79.
L-3	Schedule of the District’s Proportionate Share of the Net Pension Liability – TPAF 80.
L-4	Schedule of the School District’s Contributions – Teacher’s Pension and Annuity Fund (TPAF) 81.
L-5	Notes to Required Supplementary Information – Part III 82.
M. <u>Schedules Related to Accounting and Reporting for Postemployment Benefits Other Than Pensions</u>	
M-1	Schedule of Changes in the Total OPEB Liability and Related Ratios 83.
M-2	Notes to Required Supplementary Information 84.
Other Supplementary Information	
D. <u>School Level Schedules</u>	
	N/A
E. <u>Special Revenue Fund</u>	
E-1	Combining Schedule of Revenues and Expenditures – Special Revenue Fund – Budgetary Basis 85 & 86.
E-2	Demonstrable Effective Program Aid Schedule of Expenditures – Budgetary Basis N/A
E-3	Early Childhood Program Aid Schedule of Expenditures – Budgetary Basis N/A
E-4	Distance Learning Network Aid Schedule of Expenditures – Budgetary Basis N/A
E-5	Instructional Supplement Aid Schedule of Expenditures – Budgetary Basis N/A
E-6	Schedule of Targeted At-Risk (TARA) Aid – Budgetary Basis N/A

FAIR HAVEN SCHOOL DISTRICT

TABLE OF CONTENTS

	<u>Page</u>
F. <u>Capital Projects Fund</u>	
F-1 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance	87.
F-2a Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – Viola Sickles School District Wide Telephone System	88.
F-2b Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – Knollwood Elementary/Middle School Phone System Replacement	89.
F-2c Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – Knollwood Elementary School - Partial Roof Replacement	90.
F-2d Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – Viola Sickles School and Knollwood Middle School – Additions and Alterations	91.
G. <u>Proprietary Funds</u>	
G-1 Schedule of Net Position	N/A
G-2 Schedule of Revenues, Expenses and Changes in Fund Net Position	N/A
G-3 Schedule of Cash Flows	N/A
H. <u>Fiduciary Fund</u>	
H-1 Combining Schedule of Fiduciary Net Position	N/A
H-2 Combining Schedules of Changes in Fiduciary Net Position	N/A
H-3 Student Activity Agency Fund – Schedule of Receipts and Disbursements	N/A
H-4 Payroll Agency Fund - Schedule of Receipts and Disbursements	N/A
I. <u>Long-Term Debt</u>	
I-1 Schedule of Serial Bonds	92.
I-2 Schedule of Obligations Under Capital Leases	N/A
I-3 Debt Service Fund Budgetary Comparison Schedule	93.

STATISTICAL SECTION

(Unaudited)

J-1 Net Position by Component	94.
J-2 Changes in Net Position	95 to 97.
J-3 Fund Balances, Governmental Funds	98.
J-4 Changes in Fund Balance, Governmental Funds	99 & 100.
J-5 General Fund Other Local Revenue by Source	101.
J-6 Assessed Value and Actual Value of Taxable Property	102.
J-7 Direct and Overlapping Property Tax Rates	103.
J-8 Principal Property Taxpayers	104.
J-9 Property Tax Levies and Collections	105.
J-10 Ratios of Outstanding Debt by Type	106.
J-11 Ratios of Net General Bonded Debt Outstanding	107.
J-12 Direct and Overlapping Governmental Activities Debt	108.
J-13 Legal Debt Margin Information	109.

FAIR HAVEN SCHOOL DISTRICT

TABLE OF CONTENTS

	<u>Page</u>
STATISTICAL SECTION (Continued)	
(Unaudited)	
J-14 Demographic and Economic Statistics	110.
J-15 Principal Employers	111.
J-16 Full-Time Equivalent District Employees by Function/Program	112.
J-17 Operating Statistics	113.
J-18 School Building Information	114.
J-19 Schedule of Required Maintenance for School Facilities	115.
J-20 Insurance Schedule	116.
 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 <i>Government Auditing Standards</i>	117 & 118.
K-2 Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance and Schedules of Expenditures of State Financial Assistance as Required by New Jersey OMB Circular 15-08	119 to 121.
K-3 Schedule of Federal Financial Assistance, Schedule A	122.
K-4 Schedule of State Financial Assistance, Schedule B	123.
K-5 Notes to Schedules of Financial Statements	124 to 126.
K-6 Schedule of Findings and Questioned Costs	127 to 130.
K-7 Summary Schedule of Prior Audit Findings	131.

INTRODUCTORY SECTION

January 15, 2024

Honorable President and
Members of the Board of Education
Fair Haven Borough Board of Education
County of Monmouth
Fair Haven, NJ

Dear Board Members:

The annual comprehensive financial report of the Fair Haven School district of 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 Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operation of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

- **REPORTING ENTITY AND ITS SERVICES:** The Fair Haven School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The Fair Haven Board of Education and its two elementary schools constitute the District's reporting entity.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2022/23	968	(0.6)
2021/22	974	(0.4)

2020/21	978	0.72
2019/20	971	0.41
2018/19	967	(2.32)
2017/18	990	(3.13)
2016/17	1022	(0.001)
2015/16	1023	0.59
2014/15	1016	0.00
2013/14	1016	(2.4)
2012/13	1041	1.75
2011/12	1023	0.79
2010/11	1015	(.09)
2009/10	1016	2.63
2008/09	990	(1.03)
2007/08	1015	0.50

ECONOMIC CONDITIONS AND OUTLOOK: Fair Haven is close to 100 percent developed. No large increase in the tax base can be anticipated. However, enrollment should continue to increase due to turn-over in homes wherein the new owner has several school-age children compared to the previous owner. Realtors continue to hold Fair Haven's educational system in high regard. Per-pupil costs remain below the state average.

MAJOR INITIATIVES:

The FH community puts the highest value on the education of our students. Our strengths lie in a dedicated staff that is willing to go the extra mile to help students be successful, programmatic offerings to educate, challenge, and inspire students to reach their full potential, and supports to meet the needs of all students.

The district recently installed full-time Academic Interventionists (2 full-time ELA and 2 full-time Math) and will continue to maintain our professional development and resources for our formal Response To Intervention (RtI) program in grades K-5. The district also maintains funding for an Instructional Coach for Literacy who will continue to focus on supporting staff in grades K-5. Our Literacy Coach will still focus on grades 2-5, but has had the opportunity to work with middle school ELA teachers to support their pacing of instruction.

The district continues to support our current personnel to allow for an average class size in K-5 of 18-24 students. Our newly revamped Gifted and Talented program will continue to identify students that qualify for the support. This program will expand to provide more push-in lessons from K-8, as well as small enrichment groups to meet the needs of students showing aptitude in math and ELA. We have moved to full day kindergarten as the result of the passing of our referendum, and full day kindergarten has continued to thrive.

The district also continues to support professional development and implementation of multisensory reading programs, such as Wilson, Orton-Gillingham, and IMSE, which is an identified need. Regular MC3 professional development in current and coming curricular initiatives will also continue. An additional service provided to students in the 22-23 school year is our ARP ESSER funded before and after school programs. 28% of our students attend

sessions with staff relating to math and/or ELA, as well as executive functioning sessions, focusing on organizational skills, homework, and planning for success.

The district continues to offer a wide array of instructional practices that ensure access to technology that will support their teaching and learning. At Knollwood, all students have the opportunity to participate in Innovation Lab, a course grounded in the Career Readiness, Life Literacies, and Key Skills standards. Students are able to work with technologies and explore the ins and outs of entrepreneurship, creating products and enhancing sales. Students also use a wide array of technologies, ranging from online applications and coding to 3D printers. At our Sickles School, all students engage in Sickles Studios. Students in grades K-3 participate, and the program is scaffolded. Kindergarten takes part in a specific step-by-step build using regular Lego Bricks, while grades 1-3 work on a team-based, step-by-step builds. Hands-on STEAM classes for students in grades 7-8 will continue. The district is also looking to expand our elective options for 8th grade students, allowing them to take part in either a semester or full year of Chinese. These students will have the opportunity to leave Knollwood fluent in two foreign languages, setting them up for more advanced pathways at the high school level. Additionally, we will continue to support all of the necessary special education resources and personnel to ensure our learners with special needs are provided a free and appropriate education that our community can be proud of.

Raising Standards and Expanding Opportunities

We are continuing with our offerings of multiple pathways for learners in grades 6-8. We continue to review multiple data points to determine the ideal placements for our students each year in the areas of math and ELA throughout their middle school experience. Any and all learners are eligible to be placed into an advanced setting via our matrix, including students with Special Needs and ELL. For the 2023-2024 school year, we are continuing to offer a geometry pathway for our most excelled math students. The district has decided to provide this pathway in-house, with a goal of running it as a standalone course in the 2024-2025 school year.

With regard to tiered supports and student centered support to close the achievement gap for all students including ELL, minorities, etc., we have taken all the steps necessary to build an RtI program at both of our schools called the Fair Haven Tiered System of Supports (FHTSS). With the implementation of new assessments at the kindergarten level, we are proud to share that we are now providing more intervention services to our youngest learners.

Our literacy and math interventionists review key data points for students, which include LinkIt! benchmarks, NJSLA (when available and appropriate), F&P levels, word study, classroom math tests, and teacher recommendations. Our two interventionists then form either small groups of students who share the same deficiencies or 1:1 intense instructional sessions.

Building Professionalism

With regard to instructional practice, we are continuing to emphasize the need to utilize increased data points to further inform improved Tier 1 instruction and interventions to improve student outcomes. We will continue our investment in our benchmarking assessment system to ensure decisions are based on student data as much as possible. We also support building professionalism throughout the district PDP, where there is evidence of teacher and leader collaboration. A focus goal for the district is reviewing and revising local district assessments. We are looking at what we are expecting students to do, the level of complexity in what they are being asked, and the effectiveness and efficiency in the delivery of the assessments. Based on teacher feedback, there is a need to revise math assessments from grades 2-5. Through summer committees, the current assessments will be revised to 1) ensure that a reasonable

number of questions align with standards; 2) include a method for spiraling previous content into each assessment; and 3) use “critical verbs” and “close viewing” opportunities to accelerate student performance. A second goal, to continue to foster and develop staff mastery of newly adopted curricula to ensure sound instructional practice and improved student outcomes for all learners, includes an extensive amount of collaboration. Teachers and administrators have to work together to update curriculum, standards, and learning outcomes for students. This type of activity will take place during professional development days and during PLCs. A third goal, focusing on PLCs has been put into action through providing staff with the framework for successful PLCs, following the DuFour PLC model, based on four guiding questions that should be an educator's priority: 1) What do we expect our students to learn? 2) How will we know they have learned it? 3) How will we respond when some students do not learn? And 4) How will we extend and enrich learning for students who have demonstrated proficiency?

PLCs are offered in both schools in all grade levels. At Sickles, teachers meet weekly in PLCs. At Knollwood, teachers meet two times per month. Those that do not have a scheduled PLC are able to meet during faculty meetings, there is some built in time for teachers who do not facilitate a homeroom, and time is provided during PD days. The biggest hurdle to implementing PLCs is the scheduling part. Additional programming is needed to support all teachers of a grade level having a shared time to meet, outside of their contractual prep time. This then limits the amount of time our special area teachers have to meet, therefore having to meet during faculty meetings, which are less frequent. At the middle school level, another hurdle is allowing teachers to meet with their content, but also their grade level peers. Both times have immense value, and factoring in those that teach/support multiple grades, makes providing time needed for all even more tricky. The district is exploring creative ways to provide teachers release time to work with the appropriate colleagues and to obtain in-house professional development, through specialists such as our Literacy Coach. The sub shortage on the heels of the pandemic has also been a hurdle in providing release time as we did in the past.

The district does not only value collaboration within its walls, but has expanded collaborations to include Rumson-Fair Haven High School and the Rumson K-8 school district. Through this opportunity, staff and administration from all schools are able to articulate the needs of all stakeholders, as well as provide shared PD opportunities, enhancing the congruence of practices and instruction from the sending districts.

Protecting Our Investment (Capital & Maintenance Projects/Capital Reserve)

We will continue to be proactive in the maintenance of our buildings. The district just completed a successful referendum project which included additional classrooms and gross motor space in addition to HVAC, plumbing, electrical and building envelope improvements. The projects have improved our systems to ensure safe and efficient operations for years to come. We will continue our contract with Dude Solutions this year to maintain a comprehensive maintenance plan through capital forecasting. We have completed, adopted, and publicly presented a strategic plan which is designed to take us to 2025.

INTERNAL ACCOUNTING CONTROLS: The management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in the conformity with generally accepted accounting principles (“GAAP”) The internal control structure is designed to provide reasonable but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognized that: (1) the cost of a control should not exceed the benefits

likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

BUDGETARY CONTROLS: In addition to internal accounting controls, this 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 Debt Service Fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amounts amended for the fiscal year are 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 are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2023.

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

DEBT ADMINISTRATION: At June 30, 2023, the District's outstanding debt issues include \$21,722,000 of general obligation bonds. The General Obligations Bonds which were voter approved were issued in 2005, 2013 and 2019. The proceeds of this bond issue were placed in the District's Capital Projects fund to provide funds for additions and renovations at both schools.

CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to Financial Statements"- Note 2. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Government Unit Deposit Protection Act ("GUPA"). GUPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds

only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

RISK MANAGEMENT: The Board carries various forms of insurance including, but not limited to, general liability, automobile liability and comprehensive, 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 or registered municipal accountants. The accounting firm of Robert A. Hulsart and Company was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Title 2 U.S. Code of Federal Regulations, Part 200, "Audits of State and Local Governments" and the State Treasury Circular Letter 15-08 OMB. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules are 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 Fair Haven Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of this School District and thereby contributing their full support to the development and maintenance of the financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our staff.

Respectfully submitted,

Sean McNeil

Sean McNeil
Superintendent

Frank Gripp

Frank Gripp
Business Administrator/Board Secretary

FAIR HAVEN BOARD OF EDUCATION**FAIR HAVEN, NEW JERSEY****ROSTER OF OFFICIALS****JUNE 30, 2023****Members of the Board of Education****Term Expires**

Geri Pagano, President	2024
Michelle Buckley, Vice President	2024
Lindsay Bruno	2024
Kerri Crossan	2023
Christopher Murray	2023
Emily Kuskin	2023
Robert Clark	2025
Krystie Larsen	2025
Kevin McCarthy	2025

Other District Officials

Sean McNeil,	Superintendent
Frank Gripp,	Business Administrator/Board Secretary
Cindy Barr-Rague,	Treasurer
Athina Cornell,	Solicitor

FAIR HAVEN BOARD OF EDUCATION

FAIR HAVEN, NEW JERSEY

Consultants and Advisors

JUNE 30, 2023

AUDIT FIRM

Robert A. Hulsart and Company

Certified Public Accountants

2807 Hurley Pond Rd

PO Box 1409

Wall, NJ 07719

ATTORNEY

Cornell, Merlino, McKeever & Osborne, LLC

238 St. Paul Street

Westfield, NJ 07090

OFFICIAL DEPOSITORIES

Ocean First Bank

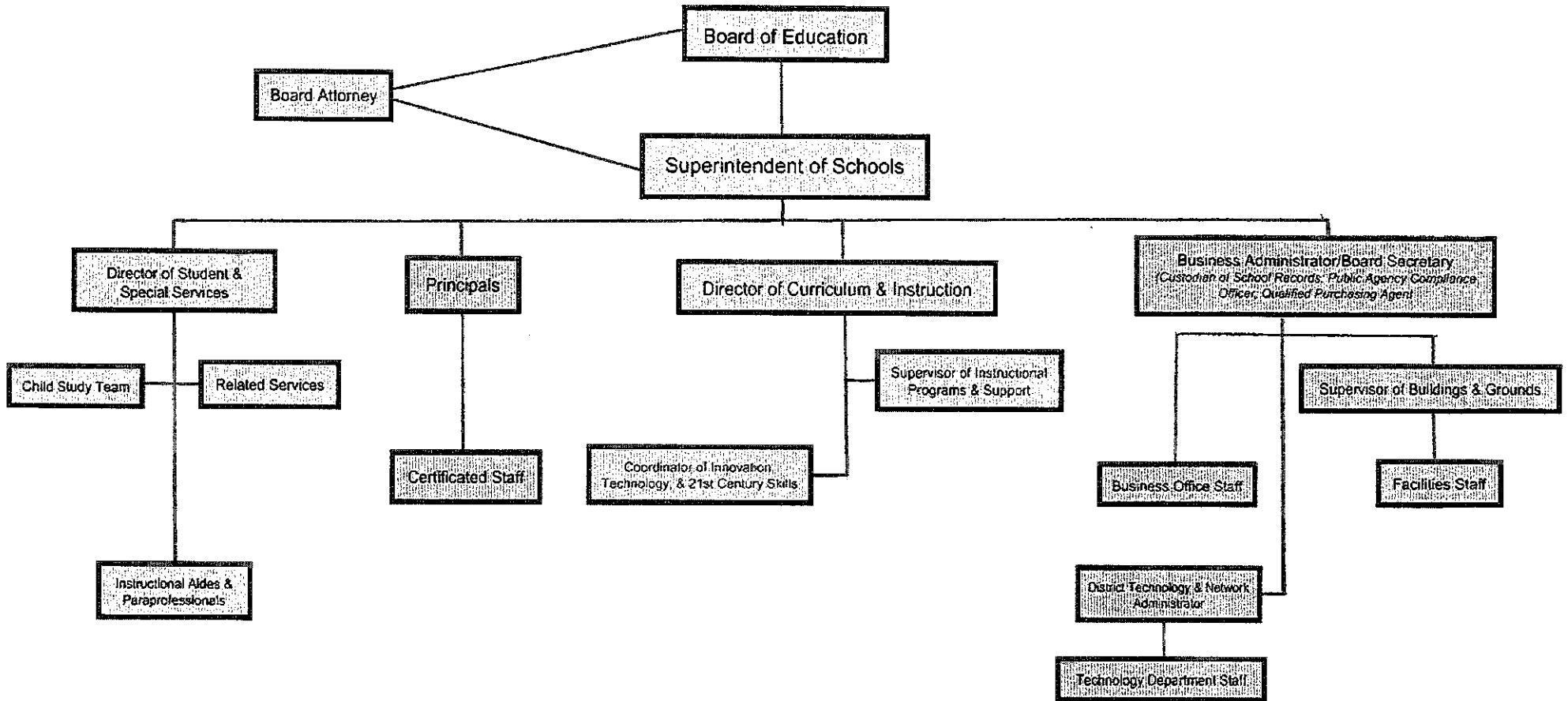
Toms River, NJ

PNC Bank

Fair Haven, NJ 07704



Fair Haven Public Schools Organization Chart 2018-2019



The mission of the Fair Haven School District is to provide a strong academic foundation and to educate, challenge, and inspire students to reach their full potential.

FINANCIAL SECTION

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

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

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Fair Haven School District
County of Monmouth
Fair Haven, New Jersey

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Fair Haven Board of Education, as of and for the year ended June 30, 2023, and the related Notes to the Financial Statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Fair Haven Board of Education, 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 in our report. We are required to be independent of the Fair Haven Board of Education, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

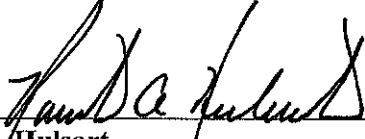
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated.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

Other Reporting Required by Government Auditing Standards

In accordance with ***Government Auditing Standards***, we have also issued our report dated January 15, 2024, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with ***Government Auditing Standards*** the District's internal control over financial reporting and compliance.

Respectfully submitted,

ROBERT A. HULSART AND COMPANY



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

January 15, 2024

REQUIRED SUPPLEMENTARY INFORMATION
PART I

FAIR HAVEN PUBLIC SCHOOL DISTRICT
BOROUGH OF FAIR HAVEN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

The discussion and analysis of Fair Haven Public School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; it should be read in conjunction with the Annual Comprehensive Financial Report's (ACFR) Letter of Transmittal which is found in the Introductory Section, and the School Board's financial statements found in the Financial Section and the notes thereto.

Financial Highlights

Key Financial highlights for the 2022-2023 fiscal year are as follows:

- General revenues accounted for \$22,179,419 in revenue or 97% 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 \$626,546 or 3% percent to total revenues of \$22,805,965.
- Total assets of governmental activities decreased by \$1,047,753, due to fixed asset and cash decreases.
- The School District had \$23,853,606 in expenses; only \$626,546 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$22,179,419 were adequate to provide for these programs.
- The General Fund had \$20,796,267 in revenues and \$21,331,452 in expenditures. The General Fund's balance decreased \$585,751 over 2022. This decrease was anticipated by the Board of Education.

Using this Annual Comprehensive Financial Report (ACFR)

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

The *Statement of Net Position and Statement of Activities* provide information about the activities of the whole school district, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Fair Haven Public School District, the General Fund is the most significant fund, with the Special Revenue Fund and Capital Project's Fund also having significance.

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

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

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during the 2022-2023 fiscal year?" The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- **Governmental activities** – All of the School District's programs and services are reported here including, but not limited to, 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. The Food Service Enterprise Fund is reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major (all) funds begins on Exhibit A-1. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

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

The School District as a Whole

Table 1 provides a summary of the School District's net position comparisons of fiscal year 2023 with 2022.

Table 1
Net Position

	<u>2023</u>	<u>2022</u>
<u>Assets</u>		
Current and Other Assets	\$ 6,005,356	7,283,094
Capital Assets, Net	<u>35,062,486</u>	<u>36,163,726</u>
Total Assets	<u>\$ 41,067,842</u>	<u>43,446,820</u>
<u>Deferred Outflow of Resources</u>		
Contribution to Pension Plan	<u>\$ 795,193</u>	<u>814,392</u>
<u>Deferred Inflow of Resources</u>		
Pension Deferrals	<u>\$ 756,491</u>	<u>1,985,204</u>
<u>Liabilities</u>		
Other Liabilities	\$ 651,821	609,444
Long-Term Liabilities	<u>21,229,547</u>	<u>21,392,620</u>
Total Liabilities	<u>\$ 21,881,368</u>	<u>22,002,064</u>
<u>Net Position</u>		
Invested in Capital Assets, Net of Debt	\$ 17,597,486	17,723,726
Restricted	5,137,340	6,275,452
Unrestricted	<u>(3,509,650)</u>	<u>(3,725,234)</u>
Total Net Position	<u>\$ 19,225,176</u>	<u>20,273,944</u>

Table 2 shows the changes in net position for fiscal year 2023. Revenue and expense comparisons to fiscal year 2022.

Table 2
Changes in Net Position

	<u>2023</u>	<u>2022</u>
<u>Revenues</u>		
Program Revenues		
Charges for Services	\$ 28,365	4,422
Operating Grants and Contributions	598,181	832,375
General Revenues		
Property Taxes	16,419,707	16,107,978
Grants and Entitlements	5,637,120	5,072,411
Other	<u>122,592</u>	<u>15,877</u>
Total Revenues	<u>22,805,965</u>	<u>22,033,063</u>
<u>Program Expenses</u>		
Instruction	8,376,680	7,779,418
Support Services		
Pupils and Instructional Staff	2,291,488	2,566,088
General Administration, School Administration,		
Business	1,261,190	1,255,295
Operations and Maintenance of Facilities	1,570,260	1,798,322
Pupil Transportation	157,657	108,836
Interest on Debt	453,529	479,544
Food Service	36,372	95,392
Miscellaneous (Depreciation, Employee Benefits)	<u>9,706,430</u>	<u>11,182,192</u>
Total Expenses	<u>23,853,606</u>	<u>25,265,087</u>
Change in Net Position	<u>\$ (1,047,641)</u>	<u>(3,232,024)</u>

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 72% percent of revenues for governmental activities for the Fair Haven Public School District for fiscal year 2023. The District's total revenues were \$22,770,608 for the fiscal year ended June 30, 2023. Federal, state, local grants and other local revenues accounted for another 28%.

Business-Type Activities

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and state reimbursements.

- Food service expenses exceeded revenues by \$1,015.
- Charges for services represent \$27,238 of revenue. This represents amount paid by patrons for daily food services.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services.

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

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

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

Extracurricular activities includes expenses related to student activities provided by the School District which are designed to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District.

Other includes unallocated depreciation and amortization.

The School Board' Funds

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

As the School Board completed the fiscal year ended June 30, 2023, it reported a combined net position of \$19,225,176. The Reconciliation of the Statement of Revenue Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities presents the reader with a detailed explanation of the differences between the net change in fund balances and changes in net assets.

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.

The School Board' Funds (Continued)

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

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

Capital Assets

At June 30, 2023, the School Board had approximately \$35,062,486 million invested in a broad range of capital assets, including land, buildings, furniture, vehicles, computers, instructional equipment and other equipment. This amount is net of accumulated depreciation to date. Table II below shows the net book value of capital assets at the end of the 2023 fiscal year.

	Governmental Activities
Table II	
Capital Assets at June 30, 2023	
Land	\$ 439,000
Buildings	34,126,383
Machinery and Equipment	<u>497,103</u>
Total	<u>\$ 35,062,486</u>

Debt Administration

At June 30, 2023, the School District had \$21,229,547 in outstanding debt. Of this amount \$347,468 is for compensated absences and the balance of \$17,465,000 is for bonds for school construction.

The District also had \$3,417,079 in deferred pension liability.

Economic Factors and Next Year's Budget

The Fair Haven Public School District is in very good financial condition presently. Future finances are not without challenges as the community continues to grow and state funding is decreased.

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

Economic Factors and Next Year's Budget (Continued)

The \$(3,554,824) of 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 noncurrent liabilities such as compensated absences, the School Board would have a balance of \$(3,554,824).

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

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

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact Mr. Frank Gripp, School Business Administrator/Board Secretary at Fair Haven Board of Education, 224 Hance Road, Fair Haven, NJ 07704.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS – A

FAIR HAVEN SCHOOL DISTRICT**STATEMENT OF NET POSITION**

Exhibit A-1

JUNE 30, 2023

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ -	3,512	3,512
Receivables, Net	1,023,679	41,662	1,065,341
Restricted Assets:			
Cash and Cash Equivalents	4,936,503		4,936,503
Capital Assets-Not Depreciated	439,000		439,000
Capital Assets, Net	34,609,032	14,454	34,623,486
Total Assets	<u>41,008,214</u>	<u>59,628</u>	<u>41,067,842</u>
<u>Deferred Outflow of Resources</u>			
Contribution to Pension Plan	<u>795,193</u>		<u>795,193</u>
<u>Deferred Inflow of Resources</u>			
Pension Deferrals	<u>756,491</u>		<u>756,491</u>
<u>Liabilities</u>			
Deferred Revenue	21,023		21,023
Accounts Payable	488,947		488,947
Accrued Interest	141,851		141,851
Noncurrent Liabilities:			
Due Within One Year	980,000		980,000
Due Beyond One Year	20,249,547		20,249,547
Total Liabilities	<u>21,881,368</u>	<u>-</u>	<u>21,881,368</u>
<u>Net Position</u>			
Invested in Capital Assets, Net of Related Debt	17,583,032	14,454	17,597,486
Restricted For:			
Capital Projects	2,023,096		2,023,096
Other Purposes	3,114,244		3,114,244
Unrestricted	<u>(3,554,824)</u>	<u>45,174</u>	<u>(3,509,650)</u>
Total Net Position	<u>\$ 19,165,548</u>	<u>59,628</u>	<u>19,225,176</u>

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

FAIR HAVEN SCHOOL DISTRICT

Exhibit A-2
Sheet 1 of 2

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2023

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<u>Functions/Programs</u>						
Governmental Activities:						
Instruction:						
Regular	\$ 5,637,028			(5,637,028)		(5,637,028)
Special Education	2,653,010		428,511	(2,224,499)		(2,224,499)
Other Instruction	86,642			(86,642)		(86,642)
Support Services:						
Student & Instruction Related Services	2,291,488	1,127	161,551	(2,128,810)		(2,128,810)
School Administrative Services	453,188			(453,188)		(453,188)
General and Business Administrative Services	808,002			(808,002)		(808,002)
Plant Operations and Maintenance	1,570,260			(1,570,260)		(1,570,260)
Pupil Transportation	157,657			(157,657)		(157,657)
Unallocated Employee Benefits	7,859,209			(7,859,209)		(7,859,209)
Unallocated Depreciation	1,096,449			(1,096,449)		(1,096,449)
Capital Outlay	750,772			(750,772)		(750,772)
Interest on Long-Term Debt	453,529			(453,529)		(453,529)
Total Government Activities	23,817,234	1,127	590,062	(23,226,045)	-	(23,226,045)
Business-Type Activities:						
Food Service	36,372	27,238	8,119		(1,015)	(1,015)
Total Business-Type Activities	36,372	27,238	8,119	-	(1,015)	(1,015)
Total Primary Government	23,853,606	28,365	598,181	(23,226,045)	(1,015)	(23,227,060)

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

FAIR HAVEN SCHOOL DISTRICT

Exhibit A-2
Sheet 2 of 2

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2023

	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
General Revenues:					
Taxes:					
Property Taxes, Levied for General Purpose, Net			15,142,528		15,142,528
Taxes Levied for Debt Service			1,277,179		1,277,179
Federal and State Aid Not Restricted			5,637,120		5,637,120
Investment Earnings and Miscellaneous Income			172,031		172,031
Transfers and Adjustments			(50,566)		(50,566)
Total General Revenues and Transfers			<u>22,178,292</u>	<u>-</u>	<u>22,178,292</u>
Change in Net Position			(1,047,753)	(1,015)	(1,048,768)
Net Position - Beginning			<u>20,213,301</u>	<u>60,643</u>	<u>20,273,944</u>
Net Position - Ending			<u>\$ 19,165,548</u>	<u>59,628</u>	<u>19,225,176</u>

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

FUND FINANCIAL STATEMENTS – B

BALANCE SHEETGOVERNMENTAL FUNDSJUNE 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
<u>Assets</u>					
Cash and Cash Equivalents	\$ 2,582,647	88,227	2,265,628	1	4,936,503
Interfund Receivable	541,957				541,957
Receivables From Other Governments	271,629	555,030	197,020		1,023,679
Total Assets	<u>\$ 3,396,233</u>	<u>643,257</u>	<u>2,462,648</u>	<u>1</u>	<u>6,502,139</u>
<u>Liabilities and Fund Balance</u>					
Liabilities:					
Deferred Revenue	\$ 8,050	12,973			21,023
Interfund Payable		541,957			541,957
Payroll Withholdings and Deductions	7,633				7,633
Accounts Payable	41,662	100	439,552		481,314
Total Liabilities	<u>57,345</u>	<u>555,030</u>	<u>439,552</u>	<u>-</u>	<u>1,051,927</u>
Fund Balance:					
Restricted For:					
Emergency Reserve	2,500				2,500
Designated for Subsequent Years Expenditures - BOE	136,357				136,357
Designated for Subsequent Years Expenditures - Maintenance Reserve	200,000				200,000
Designated for Subsequent Years Expenditures - Excess Surplus	773,828				773,828
Excess Surplus	157,039				157,039
Maintenance Reserve	644,837				644,837
Capital Reserve Account	1,040,000				1,040,000
Unemployment	71,456				71,456
Student Activity Funds		24,206			24,206
Scholarship Funds		64,021			64,021
Committed To:					
Other Purposes	28,586		87,935		116,521
Unassigned:					
Capital Projects			1,935,161		1,935,161
Debt Service				1	1
General Fund	284,285				284,285
Total Fund Balances	<u>3,338,888</u>	<u>88,227</u>	<u>2,023,096</u>	<u>1</u>	<u>5,450,212</u>
Total Liabilities and Fund Balance	<u>\$ 3,396,233</u>	<u>643,257</u>	<u>2,462,648</u>	<u>1</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$45,930,557 and the accumulated depreciation is \$10,882,525.

35,048,032

Deferred outflow of resources - contributions to the pension plan

795,193

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

(756,491)

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.

(21,229,547)

Accrued Interest

(141,851)

Net position of governmental activities

\$ 19,165,548

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

FAIR HAVEN SCHOOL DISTRICT

**Exhibit B-2
Sheet 1 of 2**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>					
Local Sources:					
Local Tax Levy	\$ 15,142,528			1,277,179	16,419,707
Tuition Charges	62,880				62,880
Miscellaneous	110,278	22,143			132,421
Total Local Sources	15,315,686	22,143	-	1,277,179	16,615,008
State Sources	5,480,581	8,400		156,539	5,645,520
Federal Sources		559,519			559,519
Total Revenues	<u>20,796,267</u>	<u>590,062</u>	<u>-</u>	<u>1,433,718</u>	<u>22,820,047</u>
<u>Expenditures</u>					
Current:					
Regular Instruction	5,637,028				5,637,028
Special Education Instruction	2,215,183	437,827			2,653,010
Other Instruction	86,642				86,642
Support Services and Undistributed Costs:					
Student and Instruction Related Services	2,129,937	161,551			2,291,488
School Administrative Services	453,188				453,188
General and Business Administrative Services	808,002				808,002
Plant Operations and Maintenance	1,570,260				1,570,260
Pupil Transportation	157,657				157,657
Unallocated Benefits	8,256,796				8,256,796
Debt Service:					
Principal				975,000	975,000
Interest and Other Charges				458,718	458,718
Capital Outlay	16,759		734,013		750,772
Total Expenditures	<u>21,331,452</u>	<u>599,378</u>	<u>734,013</u>	<u>1,433,718</u>	<u>24,098,561</u>

FAIR HAVEN SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(535,185)</u>	<u>(9,316)</u>	<u>(734,013)</u>	<u>-</u>	<u>(1,278,514)</u>
Other Financing Sources (Uses):					
Prior\Current Year Charges Adjustment	(50,566)				(50,566)
Accounts Payable - Interest					-
Total Other Financing Sources (Uses)	<u>(50,566)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(50,566)</u>
Net Change in Fund Balances	(585,751)	(9,316)	(734,013)	-	(1,329,080)
Fund Balance - July 1	<u>3,924,639</u>	<u>97,543</u>	<u>2,757,109</u>	<u>1</u>	<u>6,779,292</u>
Fund Balance - June 30	<u>\$ 3,338,888</u>	<u>88,227</u>	<u>2,023,096</u>	<u>1</u>	<u>5,450,212</u>

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

FAIR HAVEN SCHOOL DISTRICTRECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURESAND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS Exhibit B-3TO THE STATEMENT OF ACTIVITIESFOR THE YEAR ENDED JUNE 30, 2023

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$ (1,329,080)
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	(1,096,449)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.	975,000
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position	(19,199)
Pension Related Deferrals	1,228,713
Net Pension Liability	(769,644)
Accrued Interest	5,189
Compensated Absences and Other Liabilities	<u>(42,283)</u>
Change in Net Position of Governmental Activities	<u>\$ (1,047,753)</u>

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

FAIR HAVEN SCHOOL DISTRICT

STATEMENT OF NET POSITION

Exhibit B-4

PROPRIETARY FUNDS

JUNE 30, 2023

	<u>Enterprise Fund</u>
<u>Assets</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 3,512
Accounts Receivable:	
Federal	1,145
State	70
Other	40,447
Total Current Assets	<u>45,174</u>
Noncurrent Assets:	
Equipment	48,623
Less: Accumulated Depreciation	<u>(34,169)</u>
Total Noncurrent Assets	<u>14,454</u>
Total Assets	<u>\$ 59,628</u>
<u>Net Position</u>	
Investment in Capital Assets	\$ 14,454
Unrestricted	<u>45,174</u>
Total Net Position	<u>\$ 59,628</u>

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

FAIR HAVEN SCHOOL DISTRICTSTATEMENT OF REVENUES, EXPENSES AND CHANGES

Exhibit B-5

IN FUND NET ASSETSPROPRIETARY FUNDSJUNE 30, 2023

	<u>Enterprise Fund</u>
Operating Revenues:	
Local Sources:	
Daily Sales Reimbursable Programs	\$ 27,238
Total Operating Revenue	<u>27,238</u>
Operating Expenses:	
Cost of Food - Reimbursable Programs	31,504
Miscellaneous	77
Depreciation	4,791
Total Operating Expenses	<u>36,372</u>
Operating (Loss)/Profit	(9,134)
Non-Operating Revenues:	
Interest Revenue	1
Federal Sources:	
National School Lunch Program	7,057
HHFKA Program	604
State Sources:	
State School Lunch Program	457
Total Non-Operating Revenues	<u>8,119</u>
Change in Net Position	(1,015)
Net Position, July 1	<u>60,643</u>
Net Position, June 30	<u>\$ 59,628</u>

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

FAIR HAVEN SCHOOL DISTRICT**STATEMENT OF CASH FLOWS****Exhibit B-6****PROPRIETARY FUNDS****JUNE 30, 2023**

	Enterprise Fund
Cash Flows from Operating Activities:	
Daily Sales	\$ 27,238
Payments to Suppliers	(39,698)
Net Cash Used by Operating Activities	<u>(12,460)</u>
Cash Flows from Noncapital Financing Activities:	
Federal Sources	7,661
State Sources	457
Net Cash Provided by Noncapital Financing Activities	<u>8,118</u>
Cash Flows from Investing Activities:	
Interest Revenue	1
Net Cash Provided by Investing Activities	<u>1</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(4,341)
Cash and Cash Equivalents July 1	<u>7,853</u>
Cash and Cash Equivalents June 30	<u>\$ 3,512</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating (Loss)/Profit	\$ (9,134)
Depreciation	4,791
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities	
Decrease/(Increase) in Accounts Receivables	<u>(8,117)</u>
Net Cash Used by Operating Activities	<u>\$ (12,460)</u>

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

NOTES TO FINANCIAL STATEMENTS

BOARD OF EDUCATION
FAIR HAVEN SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1: Summary of Significant Accounting Policies

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

A. Reporting Entity:

The Fair Haven School District is a Type II district located in the County of Monmouth, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades K-8. The Fair Haven School District had an approximate enrollment at June 30, 2023 of 968 students.

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

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

B. Government-Wide Financial Statements

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

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

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

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

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

Governmental Fund Types

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

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

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

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

Proprietary Fund Type

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

Fiduciary Fund Types

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)**D. Fund Accounting (Continued):****Fiduciary Fund Types (Continued)**

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

Viola L. Sickles Memorial Fund
World Language Award

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

E. Basis of Accounting:

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

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

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

F. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the County office and are approved by the Board of Education. Budgets are prepared using the modified accrual basis of accounting; the legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2023 are shown on Exhibit C-1.

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

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

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

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

G. Encumbrances:

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

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

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

H. Short-Term Interfund Receivables/Payables:

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

I. Inventories and Prepaid Expenses

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund are recorded as an expenditure during the year of purchase.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2023.

NOTE 1: Summary of Significant Accounting Policies (Continued)**J. 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 to provide a report with a comprehensive detail of capital assets and depreciation. Accumulated depreciation for fiscal year 2022, fiscal year 2022 depreciation expense, total accumulated depreciation and book values were also provided. The records were updated for 2022-2023. The costs of normal maintenance and repairs that do not add to the asset value or materially extend the useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts. Estimated useful lives, in years, for depreciable assets are as follows:

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

Capital asset activity for the year ended June 30, 2023 was as follows:

	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Adj.</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2023</u>
Governmental Activities:					
Capital Assets that are Not Being Depreciated:					
Land	\$ 439,000	_____	--	_____	<u>439,000</u>
Total Capital Assets Not Being Depreciated	<u>439,000</u>	_____	--	_____	<u>439,000</u>
Capital Assets – Being Depreciated:					
Site Improvements & Buildings	44,363,261	_____	--	_____	44,363,261
Machinery & Equipment	<u>1,128,296</u>	_____	--	_____	<u>1,128,296</u>
Totals at Historical Cost	<u>45,491,557</u>	_____	--	_____	<u>45,491,557</u>
Less: Accumulated Depreciation for					
Site Improvements & Buildings	(9,210,592)	(1,026,286)	--	_____	(10,236,878)
Machinery & Equipment	<u>(575,484)</u>	<u>(70,163)</u>	--	_____	<u>(645,647)</u>
Total Accumulated Depreciation	<u>(9,786,076)</u>	<u>(1,096,449)</u>	--	_____	<u>(10,882,525)</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>35,705,481</u>	<u>(1,096,449)</u>	--	_____	<u>34,609,032</u>
Governmental Activities Capital Assets, Net	<u>\$ 36,144,481</u>	<u>(1,096,449)</u>	--	_____	<u>35,048,032</u>

NOTE 1: Summary of Significant Accounting Policies (Continued)

J. Capital Assets and Depreciation

	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Adj.</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2023</u>
Business Type-Activities:					
Equipment	\$ 48,623				48,623
Less: Accumulated Depreciation					
Equipment	(29,378)	(4,791)	—	—	(34,169)
Business Type Activities					
Capital Assets (Net)	<u>\$ 19,245</u>	<u>(4,791)</u>	=	=	<u>14,454</u>

Depreciation expense was charged to governmental functions as follows:

Unallocated	<u>\$ 1,096,449</u>
-------------	---------------------

K. Accrued Salaries and Wages

Certain District employees, who provide services to the District over the ten-month academic year, have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account.

L. Compensated Absences

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

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

M. Deferred Revenue

Deferred revenue in the special revenue fund represents cash, which has been received but not yet earned. See note 1(e) regarding the special revenue fund.

N. Long-Term Obligations

Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group.

O. Fund Equity

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Grants, entitlements, or shared revenues which are restricted for the acquisition or construction of capital assets are also recorded as contributed capital. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

P. Tuition Receivable

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

Q. Tuition Payable

Tuition charges for the fiscal year 2022-2023 was based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

R. Net Position

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

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

R. Net Position (Continued)

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

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

Fund Balance

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

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

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

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

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

R. Net Position (Continued)

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

NOTE 2: Cash and Cash Equivalents and Investments

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

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

Deposits

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

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

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

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

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

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

New Jersey statutes permit the Board 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 of 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.

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

As of June 30, 2023, the District's deposits and investments are summarized as follows:

FDIC	\$ 595,495
GUPDA	<u>4,519,376</u>
	<u>\$ 5,114,871</u>

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

	Cash and Cash
	<u>Equivalents</u>
Interest Bearing Checking Accounts/Investment Account	<u>\$ 4,940,015</u>

The carrying amount of the Board's cash, cash equivalents and investments at June 30, 2023 was \$4,940,015 and the bank balance was \$5,114,871. Of the bank balance \$595,495 was covered by federal depository insurance and \$4,519,376 was covered by a collateral pool maintained by the banks as required by New Jersey statutes.

Custodial Credit Risk – Deposits

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

The District had no uninsured deposits.

NOTE 3: General Long-Term Debt

During the fiscal year ended June 30, 2023, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance</u> <u>June 30, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Long-Term</u> <u>Portion</u>	<u>2023-24</u> <u>Payment</u>
Pension Liability	\$ 2,647,435	769,644		3,417,079	3,417,079	
Compensated Absences Payable	305,185	42,283		347,468	347,468	
Bonds Payable	<u>18,440,000</u>	<u> </u>	<u>(975,000)</u>	<u>17,465,000</u>	<u>16,485,000</u>	<u>980,000</u>
	<u>\$ 21,392,620</u>	<u>811,927</u>	<u>(975,000)</u>	<u>21,229,547</u>	<u>20,249,547</u>	<u>980,000</u>

A. Bonds Payable

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023/2024	\$ 980,000	434,967	1,414,967
2024/2025	980,000	411,068	1,391,068
2025/2026	975,000	385,792	1,360,792
2026/2027	970,000	362,480	1,332,480
2027/2028	990,000	338,338	1,328,338
2028/29-2032/33	5,370,000	1,269,462	6,639,462
2033/34-2037/38	5,200,000	580,000	5,780,000
2038/39-2039/40	<u>2,000,000</u>	<u>52,500</u>	<u>2,052,500</u>
	<u>\$ 17,465,000</u>	<u>3,834,607</u>	<u>21,299,607</u>

Bonds issued 1/23/2013 for \$6,075,000 at interest of 2.25%-4.00% maturing 6/1/2030 with a balance of \$2,925,000 at June 30, 2023.

Bonds issued 12/19/2019 for \$15,647,000 at interest of 2%-2.65% maturing 8/15/2039 with a balance of \$14,540,000 at June 30, 2023.

NOTE 4: Pension Plans

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

NOTE 4: Pension Plans (Continued)

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

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

Vesting and Benefit Provisions – The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

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

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

NOTE 4: Pension Plans (Continued)

Contribution Requirements – The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 7.06% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

Three-Year Trend Information for PERS

Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
<u>Funding</u>			
6/30/23	\$ 289,768	100%	0
6/30/22	263,328	100%	0
6/30/21	232,088	100%	0

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

Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
<u>Funding</u>			
6/30/23	\$ 3,745,714	100%	0
6/30/22	3,431,128	100%	0
6/30/21	2,565,386	100%	0

During the fiscal year ended June 30, 2023, the State of New Jersey contributed \$3,745,714 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$587,493 during the year ended June 30, 2023 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as revenue and expenditure in accordance with GASB 24.

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

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to the Division's annual financial statements, which can be found at <https://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, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

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

Basis of Presentation

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

NOTE 4: Pension Plans (Continued)

Allocation Methodology and Reconciliation to Financial Statements

GASB Statement No. 68, *Accounting and Financial Reporting for Pension*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented in the schedule of employer allocations and applied to amounts presented in the schedule of pension amounts by employer based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2021 through June 30, 2022. Employer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of pension amounts by employer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedule of pension amount by employer. The allocation percentages for each group of June 30, 2022 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2022.

A special funding situation exists for certain Local employers of the Public Employees' Retirement System. The State of New Jersey, as a nonemployer, is required to pay the additional costs incurred by local employers under Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The Chapter 366, P.L. 2001 legislation established the Prosecutors Part of the PERS which provides enhanced retirement benefits for prosecutors enrolled in the PERS. The State is liable for the increased pension costs to a County that resulted from the enrollment of prosecutors in the Prosecutors Part. The June 30, 2022 State special funding situation net pension liability amount of \$127.8 million is the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2022, there is no net pension liability associated with this special funding situation there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation pension expense of \$50.2 million, for the fiscal year ending June 30, 2022, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2022. The pension expense is deemed to be a State administrative expense due to the special funding situation.

NOTE 4: Pension Plans (Continued)

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 any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

For the year ended June 30, 2023, the District recognized pension expense of \$289,768. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 24,663	21,749
Changes of Assumptions	10,587	511,672
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	141,430	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	328,745	223,070
District Contributions Subsequent to the Measurement Date	<u>289,768</u>	<u> </u>
Total	<u>\$ 795,193</u>	<u>756,491</u>

NOTE 4: Pension Plans (Continued)

\$289,768 reported as deferred outflows of resources related to pensions resulting from school district, project contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2023, the plan measurement date is June 30, 2022) will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. 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 Ending**June 30,**

2023	\$ (290,652)
2024	(148,077)
2025	(72,215)
2026	157,545
2027	<u>(346)</u>
	<u>\$ (353,745)</u>

Additional Information

Collective balances at December 31, 2022 and 2021 are as follows:

	<u>Dec. 31, 2022</u>	<u>Dec. 31, 2021</u>
Collective Deferred Outflows of Resources	\$ 795,193	814,392
Collective Deferred Inflows of Resources	756,491	1,985,204
Collective Net Pension Liability	3,417,079	2,647,435
District's Proportion	0.02245%	0.02211%

Components of Net Pension Liability

The components of the collective net pension liability of the participating employers as of June 30, 2022 were as follows:

	<u>2022</u>		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 29,144,869,310	41,029,268,965	70,174,138,275
Plan Fiduciary Net Position	<u>6,758,038,264</u>	<u>25,810,084,045</u>	<u>32,568,122,309</u>
Net Pension Liability	<u>\$ 22,386,831,046</u>	<u>15,219,184,920</u>	<u>37,606,015,966</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	23.19%	62.91%	46.41%

NOTE 4: Pension Plans (Continued)

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 actuarial 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%

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

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

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 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:

NOTE 4: Pension Plans (Continued)

<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 Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Assets	3.00%	7.60%
Real Estate	8.00%	11.19%
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 and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 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:

	<u>2022</u>		
	<u>At 1% Decrease (6.00%)</u>	<u>At Current Discount Rate (7.00%)</u>	<u>At 1% Increase (8.00%)</u>
School District's Proportionate Share Of the Net Pension Liability	<u>\$ 4,389,946</u>	<u>3,417,079</u>	<u>2,589,130</u>

NOTE 4: Pension Plans (Continued)**Teachers Pensions and Annuity Fund (TPAF)****Plan Description**

The State of New Jersey, Teacher's Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contribution, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to the Division's annual financial statements which can be found at <https://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, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, member's beneficiaries are entitled to full interest credited to the members' accounts.

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 years or more of service credit before age 62, and tier 5 with 30 years or more of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Basis of Presentation

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

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

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense. The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocation and applied to, presented in the schedule of pension amount by employer and nonemployer are based on the ratio of the State's actual contributions made as an employer and nonemployer adjusted for unpaid early retirement incentives to total contributions to TPAF during the year ended June 30, 2022. Employer and nonemployer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences.

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

Special Funding Situation

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

NOTE 4: Pension Plans (Continued)**Components of Net Pension Liability**

The components of the net pension liability of the State as of June 30, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Total Pension Liability	\$ 76,317,117,835	74,699,133,697
Plan Fiduciary Net Position	<u>24,640,530,532</u>	<u>26,533,142,515</u>
Net Pension Liability	<u>\$ 51,676,587,303</u>	<u>48,165,991,182</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	32.29%	35.52%

State Proportionate Share of Net Pension Liability Attributable to District

	<u>2022</u>	<u>2021</u>
District's Liability	<u>\$ 34,361,383</u>	<u>31,683,803</u>
District's Proportion	.06649%	.06578%

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions will be recognized in pension expense (benefit) as follows:

Year Ending June 30:	
2023	\$ (1,767,936)
2024	(2,542,540)
2025	(2,228,253)
2026	(1,003,631)
2027	(1,095,626)
Thereafter	<u>(1,122,219)</u>
Total	<u>\$ (9,760,205)</u>

NOTE 4: Pension Plans (Continued)

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

The actuarial assumptions used in the July 1, 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. 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:

NOTE 4: Pension Plans (Continued)

<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 Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Assets	3.00%	7.60%
Real Estate	8.00%	11.19%
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 based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

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

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

	<u>2022</u>		
	<u>At 1% Decrease (6.00%)</u>	<u>At Current Discount Rate (7.00%)</u>	<u>At 1% Increase (8.00%)</u>
School District's Proportionate Share Of the Net Pension Liability	\$ 0	0	0
State of New Jersey's Proportionate Share Of the District's Net Pension Liability	<u>40,289,452</u>	<u>34,361,383</u>	<u>29,367,730</u>
	<u>\$ 40,289,452</u>	<u>34,361,383</u>	<u>29,367,730</u>

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

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

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

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

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

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

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

NOTE 5: Post-Retirement Benefits (Continued)**Total OPEB Liability**

The total OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, with 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:

Total OPEB Liability \$50,646,462,966

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases	2.75% – 4.25%	2.75% - 6.55%	3.25% - 16.25%
	based on years of service	based on years of service	based on years of service

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 disables 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.

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

(a) 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%.

(b) Discount Rate

The discount rate for June 30, 2022 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.

NOTE 5: Post-Retirement Benefits (Continued)

Changes in the total OPEB Liability reported by the State of New Jersey:

	Total OPEB Liability
Balances at June 30, 2021	\$ 60,007,650,970
Changes for the Year:	
Service Cost	2,770,618,025
Interest	1,342,187,139
Change of Benefit Terms	
Difference Between Expected and Actual Experience	1,399,200,736
Changes in Assumptions or Other Inputs	(13,586,368,097)
Member Contributions	42,650,252
Benefit Payments	<u>(1,329,476,059)</u>
Balance at June 30, 2022	<u>\$ 50,646,462,966</u>

There were no changes in benefit terms between the June 30, 2021 measurement date and the June 30, 2022 measurement date.

Changes of assumptions and other inputs reflect a change in the discount rate from 2.16% percent in 2021 to 3.54% percent in 2022.

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

	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
State of New Jersey's Proportionate Share Of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 59,529,589,697</u>	<u>50,646,462,966</u>	<u>43,527,080,995</u>

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State of New Jersey's Proportionate Share Of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 41,862,397,291</u>	<u>50,646,462,966</u>	<u>62,184,866,635</u>

NOTE 5: Post-Retirement Benefits (Continued)

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

For the year ended June 30, 2022, the Board of Education recognized OPEB expense of \$1,655,159 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

In accordance with GASBS No. 75, the Board of Education's proportionate share of school retirees OPEB is zero; there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows or 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
Difference Between Expected and Actual Experience	\$ 9,042,402,619	(15,462,950,679)
Changes in Proportion	<u>8,765,620,577</u>	<u>(17,237,289,230)</u>
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>
	<u>\$ (14,892,216,713)</u>

NOTE 6: Contingent Liabilities

It is the opinion of the school board officials that there is no litigation threatened or pending that would materially affect the financial position of the school district.

NOTE 7: Equity Balance

At June 30, 2023, the General Fund equity balance was as follows:

Restricted Fund Balance:	
Designated for Subsequent Year's Expenditures –	
Maintenance Reserve	\$ 200,000
Unemployment	71,456
Maintenance Reserve	644,837
Emergency Reserve	2,500
Excess Surplus – Designated for Subsequent Year's	
Expenditures	773,828
Designated for Subsequent Years Expenditures – by the BOE	136,357
Capital Reserve	1,040,000
Excess Surplus	157,039
Committed Fund Balance:	
Year End Encumbrances	28,586
Unassigned Fund Balance	<u>377,852</u>
	<u>\$ 3,432,455</u>

Reserved for encumbrances represents outstanding purchase orders which will be rolled into the 2023-2024 budget and expended therefrom.

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

2% Calculation of Excess Surplus

2022-23 Total General Fund Expenditures Per the ACFR	\$ 21,331,000
Decreased by:	
On-Behalf TPAF Pension and Social Security	<u>(4,333,207)</u>
Adjusted 2022-23 General Fund Expenditures	<u>\$ 16,997,793</u>
2% of Adjusted 2022-23 General Fund Expenditures	<u>\$ 339,956</u>
Enter Greater of Above or \$250,000	\$ 339,956
Increased by Allowable Adjustment	<u>37,896</u>
Maximum Unassigned Fund Balance	<u>\$ 377,852</u>

NOTE 7: Equity Balance (Continued)**Section 2**

Total General Fund – Fund Balance @ 6-30-23	\$ 3,432,455
---	--------------

Decreased by:

Reserved for Encumbrances	(28,586)
Designated for Subsequent Years Expenditures – Maintenance Reserve	(200,000)
Designated for Subsequent Years Expenditures – Excess Surplus	(773,828)
Designated for Subsequent Years Expenditures – BOE	(136,357)
Unemployment	(71,456)
Other Reserves	<u>(1,687,337)</u>

Total Unassigned Fund Balance	<u>\$ 534,891</u>
-------------------------------	-------------------

Excess Surplus	<u>\$ 157,039</u>
----------------	-------------------

Designated for Subsequent Years Expenditures – Excess Surplus	\$ 773,828
---	------------

Reserved Fund Balance – Excess Surplus	<u>157,039</u>
--	----------------

	<u>\$ 930,867</u>
--	-------------------

Section 3**Detail of Allowable Adjustment**

Extraordinary Aid	\$ 29,967
-------------------	-----------

Non-Public Transportation Aid	<u>7,929</u>
-------------------------------	--------------

	<u>\$ 37,896</u>
--	------------------

Detail of Other Restricted Fund Balance

Maintenance Reserve	\$ 644,837
---------------------	------------

Emergency Reserve	2,500
-------------------	-------

Capital Reserve	<u>1,040,000</u>
-----------------	------------------

Total Other Restricted Fund Balance	<u>\$ 1,687,337</u>
-------------------------------------	---------------------

NOTE 8: 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.

NOTE 8: Risk Management (Continued)

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 the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District’s expendable trust fund for the current year:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Reimbursed</u>	<u>Ending Balance</u>
2020-2021	\$ 0	7,331	886	71,456
2021-2022	0	418	418	71,456
2022-2023	0	452	452	71,456

NOTE 9: Capital Reserve Account

A Capital Reserve account was established by the Borough of Fair Haven Board of Education by inclusion of \$100 on September 1, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Fund placed in the capital reserve account are restricted to capital projects in the district’s approved Long Range Facilities Plan (LRFP) and updated annually 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 or of excess undesignated, unreserved general fund balance that is anticipated in the budget certified for taxes. Pursuant to N.J.A.C. 6:23A-5.1(d) 7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Beginning Balance, July 1, 2022	\$ 790,000
Deposit by Resolution	<u>250,000</u>
Ending Balance, June 30, 2023	<u>\$ 1,040,000</u>

“A board of education may, by resolution of the board: transfer undesignated general fund balance or excess undesignated general fund balance to the capital reserve account at any time during the budget year; transfer funds from the capital reserve account to the appropriate line item account for the funding of capital projects as contained in the district’s long-range facilities plan; and transfer funds from the capital reserve account to the debt service account for the purpose of offsetting principal and interest payments for bonded projects which are included in the district’s long-range facilities plan.” (N.J.S.A. 18A:7G-31c).

NOTE 9: Capital Reserve Account (Continued)

Withdrawals may not be used for current expense. Only funds in a capital reserve account in existence prior to July 18, 2000 can be withdrawn before receiving approval of the district's LRFP and such withdrawals must be for the original purpose deposited. (N.J.A.C. 6:23A-5.1(f)1).

"Any capital reserve account in existence as of July 18, 2000 shall be subject to EFCFA and these regulations." (N.J.A.C. 6:23A-5.1(j)).

NOTE 10: Fair Values of Financial Instruments

The following methods and assumptions were used by the Fair Haven Board of Education in estimating its fair value disclosures for financial instruments.

Cash and Cash Equivalents: The carrying amounts reported in the combined balance sheet for cash and cash equivalents are the fair values of those assets.

NOTE 11: Fund Balance Appropriated

General Fund – Of the \$3,459,751 General Fund fund balance at June 30, 2023, \$28,586 is reserve for encumbrances; \$644,837 is reserved for maintenance; \$2,500 is reserved for emergency reserve; \$773,828 is excess surplus designated for subsequent years expenditures in the 2023-2024 budget; \$1,040,000 has been reserved in the capital reserve account; \$157,039 is reserved excess surplus; \$200,000 is maintenance reserve designated for subsequent years expenditures; \$71,456 is unemployment; \$136,357 is designated for subsequent years expenditures by the Board of Education; and \$377,852 is unreserved and undesignated.

NOTE 12: 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.

NOTE 13: Subsequent Events

Subsequent events have been evaluated through January 15, 2024, which is the date the financial statements were available to be issued. No additional subsequent event disclosures are required.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES – C

FAIR HAVEN SCHOOL DISTRICT

**Exhibit C-1
Sheet 1 of 11**

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL 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	\$ 15,142,528		15,142,528	15,142,528	-
Tuition From Individuals	50,000		50,000	55,300	5,300
Tuition From Other LEA's	125,000		125,000	7,580	(117,420)
Interest Earned on Investments	12,003		12,003	26,675	14,672
Other Restricted Miscellaneous Revenues			-	452	452
Miscellaneous	30,000		30,000	83,151	53,151
Total Local Sources	<u>15,359,531</u>	<u>-</u>	<u>15,359,531</u>	<u>15,315,686</u>	<u>(43,845)</u>
State Sources:					
Special Education Aid	835,234		835,234	835,234	-
Extraordinary Aid	175,000		175,000	204,967	29,967
Transportation Aid	44,525		44,525	44,525	-
Security Aid	72,677		72,677	72,677	-
Non-Public Transportation Aid				7,929	7,929
On-Behalf T.P.A.F Pension Contributions - Post Retirement Medical (Non-Budgeted)			-	778,984	778,984
On-Behalf T.P.A.F Pension Contributions - Normal Cost (Non-Budgeted)			-	2,965,328	2,965,328
On-Behalf T.P.A.F Pension Contributions - Long-Term Disability			-	1,402	1,402
TPAF Social Security (Reimbursed - Non-Budgeted)			-	587,493	587,493
Total State Sources	<u>1,127,436</u>	<u>-</u>	<u>1,127,436</u>	<u>5,498,539</u>	<u>4,371,103</u>
Total Revenues	<u>16,486,967</u>	<u>-</u>	<u>16,486,967</u>	<u>20,814,225</u>	<u>4,327,258</u>

FAIR HAVEN SCHOOL DISTRICT

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL 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>
<u>Expenditures:</u>					
Current Expense:					
Regular Programs - Instruction:					
Pre-School/Kindergarten - Salaries of Teachers	340,763		340,763	339,172	1,591
Grades 1-5 - Salaries of Teachers	2,819,903	56,520	2,876,423	2,876,309	114
Grades 6-8 - Salaries of Teachers	1,850,017	17,499	1,867,516	1,867,500	16
Regular Programs - Undistributed Instruction:					
Other Salaries For Instruction	93,150	(48,137)	45,013	43,871	1,142
Purchased Professional Educational Services	178,164	57,870	236,034	236,015	19
General Supplies	149,000	7,676	156,676	149,538	7,138
Textbooks	160,047	(29,848)	130,199	115,843	14,356
Other Objects	9,000	(3,925)	5,075		5,075
Regular Programs - Home Instruction:					
Salaries of Teachers	10,350		10,350	8,780	1,570
Total Regular Programs - Instruction	<u>5,610,394</u>	<u>57,655</u>	<u>5,668,049</u>	<u>5,637,028</u>	<u>31,021</u>
Special Education:					
Learning and/or Language Disabilities:					
Salaries of Teachers	85,830	(2,421)	83,409	74,130	9,279
Other Salaries for Instruction	93,834	76	93,910	88,597	5,313
General Supplies	1,000	(53)	947	673	274
Total Learning and/or Language Disabilities	<u>180,664</u>	<u>(2,398)</u>	<u>178,266</u>	<u>163,400</u>	<u>14,866</u>
Resource Room/Resource Center:					
Salaries of Teachers	1,571,341	(7,154)	1,564,187	1,563,779	408
General Supplies	1,750		1,750	1,014	736
Total Resource Room/Resource Center	<u>1,573,091</u>	<u>(7,154)</u>	<u>1,565,937</u>	<u>1,564,793</u>	<u>1,144</u>

FAIR HAVEN SCHOOL DISTRICT

**Exhibit C-1
Sheet 3 of 11**

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL 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>
Autism:					
Salaries of Teachers	147,586	75	147,661	86,340	61,321
Other Salaries for Instruction	300,374	(18,334)	282,040	234,817	47,223
General Supplies	1,250	53	1,303	1,250	53
Total Autism	<u>449,210</u>	<u>(18,206)</u>	<u>431,004</u>	<u>322,407</u>	<u>108,597</u>
Pre-School Disabilities - Part Time					
Salaries of Teachers	134,918	369	135,287	134,104	1,183
Other Salaries for Instruction	30,552		30,552	30,479	73
Total Pre-School Handicapped	<u>165,470</u>	<u>369</u>	<u>165,839</u>	<u>164,583</u>	<u>1,256</u>
Total Special Education - Instruction	<u>2,368,435</u>	<u>(27,389)</u>	<u>2,341,046</u>	<u>2,215,183</u>	<u>125,863</u>
Bilingual Education					
Salaries of Teachers	<u>2,070</u>		<u>2,070</u>	<u>-</u>	<u>2,070</u>
Total Basic Skills/Remedial - Instruction	<u>2,070</u>	<u>-</u>	<u>2,070</u>	<u>-</u>	<u>2,070</u>
School Sponsored Co-Curricular Activities - Instruction:					
Salaries	51,750	(1,600)	50,150	50,053	97
Supplies and Materials	1,500	(1,300)	200	196	4
Other Objects	750	(750)	-	-	-
Total School Sponsored Co-Curricular	<u>54,000</u>	<u>(3,650)</u>	<u>50,350</u>	<u>50,249</u>	<u>101</u>
School Sponsored Athletics - Instruction:					
Salaries	22,121	13,125	35,246	35,241	5
Supplies and Materials	3,000	(775)	2,225	1,152	1,073
Other Objects	2,000	(2,000)	-	-	-
Total School Sponsored Athletics - Instruction	<u>27,121</u>	<u>10,350</u>	<u>37,471</u>	<u>36,393</u>	<u>1,078</u>

FAIR HAVEN SCHOOL DISTRICT

**Exhibit C-1
Sheet 4 of 11**

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL 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>
Total Instruction	<u>8,062,020</u>	<u>36,966</u>	<u>8,098,986</u>	<u>7,938,853</u>	<u>160,133</u>
Undistributed Expenditures-Instruction:					
Tuition to Private Schools for Handicapped - Within State	<u>140,000</u>	<u>(14,000)</u>	<u>126,000</u>	<u>1,127</u>	<u>124,873</u>
Total Undistributed Expenditures-Instruction	<u>140,000</u>	<u>(14,000)</u>	<u>126,000</u>	<u>1,127</u>	<u>124,873</u>
Undistributed Expenditures - Health:					
Salaries	<u>130,260</u>	<u>(64)</u>	<u>130,196</u>	<u>129,853</u>	<u>343</u>
Purchased Professional and Technical Services	<u>10,200</u>	<u>3,877</u>	<u>14,077</u>	<u>14,060</u>	<u>17</u>
Supplies and Materials	<u>9,000</u>	<u>(193)</u>	<u>8,807</u>	<u>8,770</u>	<u>37</u>
Total Undistributed Expenditures - Health:	<u>149,460</u>	<u>3,620</u>	<u>153,080</u>	<u>152,683</u>	<u>397</u>
Undistributed Expenditures - Other Support Services					
Students - Related Services:					
Salaries of Teachers	<u>327,192</u>	<u>(50,300)</u>	<u>276,892</u>	<u>272,813</u>	<u>4,079</u>
Purchased Professional Educational Services	<u>76,000</u>	<u>15,763</u>	<u>91,763</u>	<u>91,748</u>	<u>15</u>
Supplies and Materials	<u>1,000</u>		<u>1,000</u>	<u>865</u>	<u>135</u>
Total Undistributed Expenditures - Other Support Services			<u>-</u>		
Students - Related Services	<u>404,192</u>	<u>(34,537)</u>	<u>369,655</u>	<u>365,426</u>	<u>4,229</u>
Undistributed Expenditures - Other Support Services					
Students - Extra Services:					
Salaries	<u>188,589</u>	<u>(12,013)</u>	<u>176,576</u>	<u>163,889</u>	<u>12,687</u>

FAIR HAVEN SCHOOL DISTRICT

Exhibit C-1
Sheet 5 of 11

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL 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>
Undistributed Expenditures-Other Supp. Serv.					
Students - Regular					
Salaries of Other Professional Staff	208,955	24,477	233,432	233,415	17
Supplies and Materials	750		750	583	167
Total Undistributed Expenditures-Other Supp. Serv. - Reg.	<u>209,705</u>	<u>24,477</u>	<u>234,182</u>	<u>233,998</u>	<u>184</u>
Undistributed Expenditures-Other Sup. Serv.					
Students-Spec. Serv.:					
Salaries of Other Professional Staff	304,136	(21,374)	282,762	282,719	43
Salaries of Secretarial and Clerical Assts.	50,457	1,024	51,481	51,481	-
Other Purchased Professional and Technical Services	107,640	2,834	110,474	110,429	45
Other Purchased Services	6,000	(521)	5,479	5,435	44
Supplies and Materials	4,500	(2,733)	1,767	1,767	-
Other Objects	500	(500)	-	-	-
Total Undistributed Expenditures-Other Sup. Serv.	<u>473,233</u>	<u>(21,270)</u>	<u>451,963</u>	<u>451,831</u>	<u>132</u>
Undistributed Expenditures-Impvt of Inst. Serv.					
Salaries of Supervisors of Instruction	127,821		127,821	127,513	308
Salaries of Other Professional Staff	222,969	(10,577)	212,392	199,283	13,109
Other Purchased Professional and Technical Services	7,066		7,066	4,721	2,345
Other Purchased Services	2,000		2,000	1,684	316
Supplies and Materials	1,000		1,000	876	124
Other Objects	1,834		1,834	1,833	1
Total Undistributed Expenditures-Impvt. of Inst. Serv	<u>362,690</u>	<u>(10,577)</u>	<u>352,113</u>	<u>335,910</u>	<u>16,203</u>

FAIR HAVEN SCHOOL DISTRICT

Exhibit C-1
Sheet 6 of 11

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL 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>
Undistributed Expenditures - Edu. Media Serv./Sch. Library:					
Salaries	142,608	19,387	161,995	161,901	94
Salaries of Technology Coordinators	159,959	(376)	159,583	159,573	10
Purchased Professional and Technical Services	90,000	(7,892)	82,108	81,890	218
Supplies and Materials	11,000	(298)	10,702	10,052	650
Total Undistributed Expenditures - Edu. Media Serv./ School Library	<u>403,567</u>	<u>10,821</u>	<u>414,388</u>	<u>413,416</u>	<u>972</u>
Undistributed Expenditures - Instr. Staff Training Serv:					
Purchased Professional-Educational Services	10,000		10,000	6,000	4,000
Other Purchased Services	24,000	(4,126)	19,874	5,657	14,217
Total Undistributed Expenditures - Instructional Staff Training Serv.	<u>34,000</u>	<u>(4,126)</u>	<u>29,874</u>	<u>11,657</u>	<u>18,217</u>
Undistributed Expenditures - Supp. Serv. - General Administration:					
Salaries	262,791	3,204	265,995	265,995	-
Legal Services	44,370		44,370	38,715	5,655
Audit Fees	11,000	(229)	10,771	10,000	771
Communications/Telephone	51,000		51,000	48,512	2,488
Other Purchased Services (400-500 Series)	78,000	239	78,239	77,007	1,232
Supplies and Materials	3,000		3,000	1,100	1,900
BOE Supplies	6,750	(379)	6,371	4,540	1,831
BOE Dues and Fees	10,000	369	10,369	10,092	277
Miscellaneous Expenditures	7,750		7,750	7,750	-
Total Undistributed Expenditures - Supp. Serv. General Administration	<u>474,661</u>	<u>3,204</u>	<u>477,865</u>	<u>463,711</u>	<u>14,154</u>

FAIR HAVEN SCHOOL DISTRICT

Exhibit C-1

Sheet 7 of 11

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL 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>
Undistributed Expenditures-Support Serv.-School Admin.					
Salaries of Principals/Assistant Principals	295,768	(5,200)	290,568	281,996	8,572
Salaries of Secretarial/Clerical Assistants	163,717	(360)	163,357	159,867	3,490
Other Purchased Services	3,000	1,787	4,787	4,710	77
Supplies and Materials	7,000	(1,473)	5,527	4,129	1,398
Other Objects	2,440	46	2,486	2,486	-
Total Undistributed Expend.-Supp. Serv.-School Admin.	<u>471,925</u>	<u>(5,200)</u>	<u>466,725</u>	<u>453,188</u>	<u>13,537</u>
Undistributed Expenditures-Allow. Maint. School Facilities:					
Cleaning, Repair and Maintenance Services	443,292	(89,744)	353,548	169,269	184,279
Total Undistributed Expenditures-Allow. Maint. School Fac.	<u>443,292</u>	<u>(89,744)</u>	<u>353,548</u>	<u>169,269</u>	<u>184,279</u>
Undistributed Expenditures - Other Oper. & Maint. of Plant:					
Salaries	594,841	3,206	598,047	598,047	-
Salaries of Aides	48,749	(3,206)	45,543	39,441	6,102
Cleaning, Repair and Maintenance Services	30,000	(2,042)	27,958	27,858	100
Purchased Professional And Technical Services	237,999	577	238,576	190,347	48,229
Other Purchased Property Services	101,000	6,371	107,371	104,476	2,895
Insurance	42,450	7,834	50,284	50,284	-
Misc. Purchased Services	6,050	(3,050)	3,000	2,820	180
General Supplies	78,700	661	79,361	79,080	281
Energy - Electricity	170,000	(2,037)	167,963	167,963	-
Energy - Natural Gas	90,000	10,191	100,191	100,190	1
Other Objects	2,500	(1,000)	1,500	1,303	197
Total Undistributed Expend. - Other Oper. & Main. of Plant	<u>1,402,289</u>	<u>17,505</u>	<u>1,419,794</u>	<u>1,361,809</u>	<u>57,985</u>

FAIR HAVEN SCHOOL DISTRICT

Exhibit C-1
Sheet 8 of 11

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL 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>
Security:					
Salaries	40,041	(1,200)	38,841	38,769	72
Purchased Professional and Technical Services	500		500	413	87
Total Security	<u>40,541</u>	<u>(1,200)</u>	<u>39,341</u>	<u>39,182</u>	<u>159</u>
Total Undistributed Expenditures - Operation & Maint. Of Plant Serv.	<u>1,886,122</u>	<u>(73,439)</u>	<u>1,812,683</u>	<u>1,570,260</u>	<u>242,423</u>
Undistributed Expenditures - Student Transportation Serv:					
Contr. Serv. (Other Than Between Home & School)-Vendors	8,000	2,650	10,650		10,650
Contr. Serv. (Between Home & School)-Joint Agreement	40,000	(6,057)	33,943	33,909	34
Contr. Serv. (Special Education Students)-Joint Agreements	32,000	74,123	106,123	106,028	95
Contr. Services Aid in Lieu - Non-Public	12,000	5,759	17,759	17,720	39
Total Undistributed Expenditures - Student Transportation Serv.	<u>92,000</u>	<u>76,475</u>	<u>168,475</u>	<u>157,657</u>	<u>10,818</u>
Undistributed Expenditures - Central Services					
Support Services:					
Salaries	303,171	4,100	307,271	307,182	89
Purchased Professional Services	27,500	(325)	27,175	27,175	-
Other Purchased Services	3,500	(1,050)	2,450	2,303	147
Supplies and Materials	4,000	2,475	6,475	6,416	59
Miscellaneous Expenditures	1,300		1,300	1,215	85
Total Undistributed Expenditures - Business and Other Support Services	<u>339,471</u>	<u>5,200</u>	<u>344,671</u>	<u>344,291</u>	<u>380</u>
Regular Programs-Instruction - Employee Benefits					
Health Benefits	2,713,398	1,879	2,715,277	2,710,403	4,874
Total Regular Programs - Instruction - Employee Benefits	<u>2,713,398</u>	<u>1,879</u>	<u>2,715,277</u>	<u>2,710,403</u>	<u>4,874</u>

FAIR HAVEN SCHOOL DISTRICT

Exhibit C-1
Sheet 9 of 11

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL 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>
Support Services-Gen'l Adm.-Employee Benefits					
Health Benefits	45,951	(3,204)	42,747	37,059	5,688
Total Support Services-Gen'l Adm.-Employee Benefits	<u>45,951</u>	<u>(3,204)</u>	<u>42,747</u>	<u>37,059</u>	<u>5,688</u>
Unallocated Benefits:					
Social Security Contributions	230,500	3,100	233,600	233,558	42
Other Retirement Contributions - PERS	262,000	29,434	291,434	289,768	1,666
Unemployment Compensation	15,000	3,646	18,646	18,646	-
Workmen's Compensation	120,000		120,000	118,185	1,815
Health Benefits	394,477	41,272	435,749	457,336	(21,587)
Tuition Reimbursement	25,000	(1,310)	23,690	12,324	11,366
Other Employee Benefits	45,000	1,310	46,310	46,310	-
Total Unallocated Benefits	<u>1,091,977</u>	<u>77,452</u>	<u>1,169,429</u>	<u>1,176,127</u>	<u>(6,698)</u>
On-Behalf T.P.A.F Pension Contributions - Post Retirement Medical (Non-Budgeted)			-	778,984	(778,984)
On-Behalf T.P.A.F Pension Contributions - Normal Cost (Non-Budgeted)			-	2,965,328	(2,965,328)
On-Behalf T.P.A.F Pension Contributions - Long-Term Disability			-	1,402	(1,402)
Reimbursed TPAF Social Security Contributions Non-Budgeted	-	-	-	587,493	(587,493)
Total On-Behalf Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,333,207</u>	<u>(4,333,207)</u>
Total Undistributed Expenditures	<u>9,480,941</u>	<u>24,762</u>	<u>9,505,703</u>	<u>13,375,840</u>	<u>(3,870,137)</u>
Total Current Expense	<u>17,542,961</u>	<u>61,728</u>	<u>17,604,689</u>	<u>21,314,693</u>	<u>(3,710,004)</u>

FAIR HAVEN SCHOOL DISTRICT

**Exhibit C-1
Sheet 10 of 11**

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL 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>
Capital Outlay:					
Facilities Acquisition and Construction Services:					
Assessment for Debt Service on SDA Funding	16,759		16,759	16,759	-
Total Capital Outlay	<u>16,759</u>	<u>-</u>	<u>16,759</u>	<u>16,759</u>	<u>-</u>
Total Expenditures	<u>17,559,720</u>	<u>61,728</u>	<u>17,621,448</u>	<u>21,331,452</u>	<u>(3,710,004)</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>(1,072,753)</u>	<u>(61,728)</u>	<u>(1,134,481)</u>	<u>(517,227)</u>	<u>617,254</u>
Other Financing Sources (Uses):					
Prior and Current Year Charges Not Charged to Budget				<u>(50,566)</u>	<u>(50,566)</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Sources (Uses)	<u>(1,072,753)</u>	<u>(61,728)</u>	<u>(1,134,481)</u>	<u>(567,793)</u>	<u>566,688</u>
Fund Balance, July 1	<u>4,000,248</u>		<u>4,000,248</u>	<u>4,000,248</u>	
Fund Balance, June 30	<u>\$ 2,927,495</u>	<u>(61,728)</u>	<u>2,865,767</u>	<u>3,432,455</u>	<u>566,688</u>

FAIR HAVEN SCHOOL DISTRICT

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL 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>
Restricted Fund Balance:					
Capital Reserve				\$ 1,040,000	
Maintenance Reserve				644,837	
Emergency Reserve				2,500	
Excess Surplus - Designated for Subsequent Years Expenditures				773,828	
Excess Surplus				157,039	
Designated for Subsequent Years Expenditures - Maintenance Reserve				200,000	
Unemployment Compensation				71,456	
Assigned Fund Balance:					
Designated for Subsequent Years Expenditures - by the Board of Education				136,357	
Year End Encumbrances				28,586	
Unassigned Fund Balance				<u>377,852</u>	
				3,432,455	
Reconciliation to Governmental Fund Statement (GAAP):					
Final State Aid Payments Not Recognized on GAAP Basis				<u>(93,567)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 3,338,888</u>	

FAIR HAVEN SCHOOL DISTRICT

Exhibit C-2
Sheet 1 of 2

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

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	\$ 22,143		22,143	22,143	-
State Sources	8,400		8,400	8,400	-
Federal Sources:					
Title I, Part A	22,733		22,733	22,733	-
Title IIA, Part A	18,034		18,034	18,034	-
Title IV, Part A	10,329		10,329	10,329	-
IDEA Part B, Basic	315,330		315,330	315,330	-
IDEA Part B, Preschool	7,595		7,595	7,595	-
ARP IDEA Part B, Basic	41,189		41,189	41,189	-
ARP IDEA Part B, Preschool	3,518		3,518	3,518	-
CRRSA ESSER II	3,576		3,576	3,576	-
CRRSA Learning Acceleration	3,214		3,214	3,214	-
CRRSA Mental Health	10,772		10,772	10,772	-
ARP ESSER	136,202		136,202	136,202	-
Total Federal Sources	<u>572,492</u>	<u>-</u>	<u>572,492</u>	<u>572,492</u>	<u>-</u>
Total Revenues	<u>603,035</u>	<u>-</u>	<u>603,035</u>	<u>603,035</u>	<u>-</u>
Expenditures:					
Instruction:					
Salaries of Teachers	107,884		107,884	107,884	-
Purchased Professional Educational Services	6,337		6,337	6,337	-
Tuition	274,825		274,825	274,825	-
General Supplies	61,754		61,754	61,754	-
Total Instruction	<u>450,800</u>	<u>-</u>	<u>450,800</u>	<u>450,800</u>	<u>-</u>

FAIR HAVEN SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND

Exhibit C-2
Sheet 2 of 2

JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support Services:					
Personal Services - Salaries	105,816		105,816	105,816	-
Purchased Technical Services	14,250		14,250	14,250	-
General Supplies	10,026		10,026	10,026	-
Scholarships Awarded	144		144	144	-
Student Activities	31,315		31,315	31,315	-
Total Support Services	161,551	-	161,551	161,551	-
 Total Expenditures	 612,351	 -	 612,351	 612,351	 -
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 (9,316)	 -	 (9,316)	 (9,316)	 -
 Fund Balance, July 1				 97,543	
 Fund Balance, June 30				 \$ 88,227	
 Recapitulation:					
Restricted:					
Scholarships				\$ 64,021	
Student Activities				24,206	
 Total Fund Balance				 \$ 88,227	

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION

BUDGET TO GAAP RECONCILIATION

NOTE TO RSI

JUNE 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<u>Sources/Inflows of Resources</u>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 20,814,225	603,035
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(12,973)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	75,609	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(93,567)</u>	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 20,796,267</u>	<u>590,062</u>
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 21,331,452	612,351
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		<u>(12,973)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 21,331,452</u>	<u>599,378</u>

REQUIRED SUPPLEMENTARY INFORMATION – PART III

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

FAIR HAVEN SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE

NET PENSION LIABILITY - PERS

LAST TEN FISCAL YEARS

Exhibit L-1

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability	0.02245%	0.02211%	0.02089%	0.02326%	0.02153%	0.02106%	0.01814%	0.01728%	0.01784%	0.01897%
District's Proportionate Share of the Net Pension Liability	<u>\$ 3,417,079</u>	<u>2,647,435</u>	<u>3,432,744</u>	<u>4,219,417</u>	<u>4,239,091</u>	<u>4,902,773</u>	<u>5,373,075</u>	<u>3,878,997</u>	<u>3,340,104</u>	<u>3,625,643</u>
District's Covered-Employee Payroll	\$ 1,694,022	1,620,060	1,613,913	1,458,144	1,618,181	1,488,718	1,397,135	1,287,294	1,170,827	1,181,671
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	49.58%	61.19%	47.02%	34.56%	38.17%	30.36%	26.00%	33.19%	35.05%	32.59%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	46.41%	42.90%	42.90%	42.04%	40.45%	36.78%	31.20%	38.21%	42.74%	40.71%

FAIR HAVEN SCHOOL DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS - PERS

Exhibit L-2

LAST TEN FISCAL YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 263,328	232,088	238,875	223,200	237,741	166,467	149,567	150,251	143,985	141,335
Contributions in Relation to the Contractually Required Contribution	263,328	232,088	238,875	223,200	237,741	166,467	149,567	150,251	143,985	141,335
Contribution Deficiency (Excess)	\$ -	-	-	-	-	-	-	-	-	-
District's Covered-Employee Payroll	\$ 1,694,022	1,620,060	1,613,913	1,458,144	1,618,181	1,488,718	1,397,135	1,287,294	1,170,827	1,181,671
Contributions as a Percentage of Covered-Employee Payroll	15.54%	14.33%	14.80%	15.31%	14.69%	11.18%	10.71%	11.67%	12.30%	11.96%

FAIR HAVEN SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE

NET PENSION LIABILITY - TPAF

Exhibit L-3

LAST TEN FISCAL YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's Proportionate Share of the Net Pension Liability	\$ -	-	-	-	-	-	-	-	-	-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>34,361,383</u>	<u>31,683,803</u>	<u>43,939,582</u>	<u>40,102,293</u>	<u>39,884,692</u>	<u>39,244,435</u>	<u>45,292,859</u>	<u>39,153,716</u>	<u>33,414,670</u>	<u>30,694,361</u>
Total	<u>\$ 34,361,383</u>	<u>31,683,803</u>	<u>43,939,582</u>	<u>40,102,293</u>	<u>39,884,692</u>	<u>39,244,435</u>	<u>45,292,859</u>	<u>39,153,716</u>	<u>33,414,670</u>	<u>30,694,361</u>
District's Covered-Employee Payroll	\$ 8,212,073	7,915,919	7,516,767	7,126,462	7,050,579	6,642,382	6,175,104	5,749,823	5,858,947	6,049,277
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	23.90%	24.98%	17.11%	17.77%	17.68%	16.93%	13.63%	14.69%	17.53%	19.71%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	32.39%	32.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

L-4

This schedule is not applicable.

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

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

FAIR HAVEN SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PART III

L-5

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Public Employee's Retirement System (PERS)

Changes in Benefit Terms – None

Changes in Assumptions – The discount rate remained at 7.00% as of June 30, 2021, and as of June 30, 2022, in accordance with Paragraph 44 of GASB Statement No. 67.

Teachers' Pension and Annuity Fund (TPAF)

Changes in Benefit Terms – None

Changes in Assumption – The discount rate remained at 7.00% as of June 30, 2021, and as of June 30, 2022, in accordance with Paragraph 44 of GASB Statement No. 67.

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

FAIR HAVEN SCHOOL DISTRICT

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

Exhibit M-1

LAST SEVEN FISCAL YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's Proportionate Share of OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's Proportionate of the Net OPEB Liability	\$ -	-	-	-	-	-	-
<u>State's OPEB Liability Attributable to the District</u>							
Service Cost	\$ 2,083,017	2,403,246	1,340,078	1,251,895	1,336,105	1,610,946	*
Interest	858,067	993,920	944,384	1,152,418	1,170,283	1,005,512	*
Change of Benefit Terms		(40,781)					*
Benefit Payments	(849,940)	(782,930)	(748,128)	(798,181)	(773,041)	(734,778)	*
Member Contributions	27,267	25,410	22,676	23,660	26,718	27,056	*
Difference between Expected and Actual Experience	631,403	(7,295,345)	7,562,564	(4,925,492)	(1,255,820)		*
Change of Assumptions	(8,685,830)	37,800	7,849,731	387,691	(3,317,559)	(4,207,056)	*
Net Change in Total OPEB Liability	<u>(5,936,016)</u>	<u>(4,658,680)</u>	<u>16,971,305</u>	<u>(2,908,009)</u>	<u>(2,813,314)</u>	<u>(2,298,320)</u>	*
Total Attributable OPEB Liability - Beginning	<u>38,314,541</u>	<u>42,973,221</u>	<u>26,001,916</u>	<u>28,909,925</u>	<u>31,723,239</u>	<u>34,021,559</u>	*
Total Attributable OPEB Liability - Ending	<u>\$ 32,378,525</u>	<u>38,314,541</u>	<u>42,973,221</u>	<u>26,001,916</u>	<u>28,909,925</u>	<u>31,723,239</u>	<u>34,021,559</u>
District's Covered Payroll	\$ 9,906,095	9,631,563	9,130,680	8,584,606	8,668,760	8,131,100	7,532,239
District's Contribution	None	None	None	None	None	None	None
District's Proportionate Share of OPEB Liability as a Percentage of its Covered-Employee Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of OPEB Liability as a Percentage of the Districts Covered-Employee Payroll	326.85%	397.80%	470.65%	302.89%	333.50%	390.15%	451.68%

* - Information not available

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

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

FAIR HAVEN SCHOOL DISTRICT**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION****FOR THE FISCAL YEAR ENDED JUNE 30, 2023****Exhibit M-2**Change of Benefit Terms

Refer to Note 5 - Notes to Financial Statements.

Difference Between Expected and Actual Experience

The change in the liability from June 30, 2021 to June 30, 2022 is due to changes in the census, claims and premiums experience.

Changes of Assumptions

The Discount Rate changed from 2.16% as of June 30, 2021 to 3.54% as of June 30, 2022.

OTHER SUPPLEMENTARY INFORMATION

SCHOOL LEVEL SCHEDULES – D

N/A

SPECIAL REVENUE FUND – E

FAIR HAVEN SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Exhibit E-1
Sheet 1 of 2

	<u>Title I</u>	<u>Title IIA</u>	<u>Title IV</u>	<u>I.D.E.A. Part B Basic</u>	<u>I.D.E.A. Preschool</u>	<u>ARP I.D.E.A. Basic</u>	<u>ARP I.D.E.A. Preschool</u>	<u>CRRSA ESSER II</u>	<u>CRRSA Learning Acceleration</u>	<u>CRRSA Mental Health</u>
Revenues:										
State Sources	\$ -									
Local Sources										
Federal Sources	22,733	18,034	10,329	315,330	7,595	41,189	3,518	3,576	3,214	10,772
Total Revenue	<u>22,733</u>	<u>18,034</u>	<u>10,329</u>	<u>315,330</u>	<u>7,595</u>	<u>41,189</u>	<u>3,518</u>	<u>3,576</u>	<u>3,214</u>	<u>10,772</u>
Expenditures:										
Instruction:										
Salaries of Teachers	13,507							3,576		10,772
Purchased Professional Educational Services										
Tuition				249,636		25,189				
General Supplies	9,226		10,329	5,521	7,595	16,000	3,518			
Total Instruction	<u>22,733</u>	<u>-</u>	<u>10,329</u>	<u>255,157</u>	<u>7,595</u>	<u>41,189</u>	<u>3,518</u>	<u>3,576</u>	<u>-</u>	<u>10,772</u>
Support Services:										
Personal Services - Salaries		5,766		60,173						
Purchased Professional Technical Services		5,500								
General Supplies		6,768							3,214	
Scholarships Awarded										
Student Activities										
Total Support Services	<u>-</u>	<u>18,034</u>	<u>-</u>	<u>60,173</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,214</u>	<u>-</u>
Total Expenditures	<u>22,733</u>	<u>18,034</u>	<u>10,329</u>	<u>315,330</u>	<u>7,595</u>	<u>41,189</u>	<u>3,518</u>	<u>3,576</u>	<u>3,214</u>	<u>10,772</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, July 1										
Fund Balance, June 30	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

FAIR HAVEN SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Exhibit E-1
Sheet 2 of 2

	<u>ARP ESSER</u>	<u>Non-Public Textbooks</u>	<u>Non-Public Security</u>	<u>Non-Public Nursing</u>	<u>Non-Public Technology</u>	<u>Scholarship Fund</u>	<u>Student Activities</u>	<u>Totals June 30, 2023</u>
Revenues:								
State Sources		1,272	4,100	2,237	791			8,400
Local Sources						6	22,137	22,143
Federal Sources	136,202							572,492
Total Revenue	<u>136,202</u>	<u>1,272</u>	<u>4,100</u>	<u>2,237</u>	<u>791</u>	<u>6</u>	<u>22,137</u>	<u>603,035</u>
Expenditures:								
Instruction:								
Salaries of Teachers	80,029							107,884
Purchased Professional Educational Services			4,100	2,237				6,337
Tuition								274,825
General Supplies	7,502	1,272			791			61,754
Total Instruction	<u>87,531</u>	<u>1,272</u>	<u>4,100</u>	<u>2,237</u>	<u>791</u>	<u>-</u>	<u>-</u>	<u>450,800</u>
Support Services:								
Personal Services - Salaries	39,877							105,816
Purchased Professional Technical Services	8,750							14,250
General Supplies	44							10,026
Scholarships Awarded						144		144
Student Activities							31,315	31,315
Total Support Services	<u>48,671</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>144</u>	<u>31,315</u>	<u>161,551</u>
Total Expenditures	<u>136,202</u>	<u>1,272</u>	<u>4,100</u>	<u>2,237</u>	<u>791</u>	<u>144</u>	<u>31,315</u>	<u>612,351</u>
Excess (Deficiency) of Revenues Over (Under)								
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(138)</u>	<u>(9,178)</u>	<u>(9,316)</u>
Fund Balance, July 1						64,159	33,384	97,543
Fund Balance, June 30	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,021</u>	<u>24,206</u>	<u>88,227</u>

CAPITAL PROJECTS FUND – F

FAIR HAVEN SCHOOL DISTRICTCAPITAL PROJECTS FUND

Exhibit F-1

SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGESIN FUND BALANCE - BUDGETARY BASISFOR THE YEAR ENDED JUNE 30, 2023**Revenues:**

Interest Income	\$ 201,033
-----------------	------------

Expenditures and Other Financing Uses

Other Purchased Professional and Technical Services	\$ 1,588
---	----------

Construction Services	732,425
-----------------------	---------

Total Expenditures	<u>734,013</u>
--------------------	----------------

Excess (Deficiency) of Revenue Over (Under) Expenditures	(532,980)
--	-----------

Other Financing Sources\ (Uses):

Accounts Payable - Interest	<u>(201,033)</u>
-----------------------------	------------------

Total Other Financing (Uses)	<u>(201,033)</u>
------------------------------	------------------

Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Uses	(734,013)
---	-----------

Fund Balance - Beginning	<u>2,757,109</u>
--------------------------	------------------

Fund Balance - Ending	<u><u>\$ 2,023,096</u></u>
-----------------------	----------------------------

FAIR HAVEN SCHOOL DISTRICT

Exhibit F-2a

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECTBALANCE, AND PROJECT STATUS - BUDGETARY BASISVIOLA SICKLES SCHOOL DISTRICT WIDE TELEPHONE SYSTEMFROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
State Sources - SDA Grant	\$ 13,442		13,442	13,442
Transfer From Capital Outlay	20,164		20,164	20,164
Total Revenues	<u>33,606</u>	<u>-</u>	<u>33,606</u>	<u>33,606</u>
<u>Expenditures and Other Financing Uses</u>				
Purchased Professional and Technical Services	17,448		17,448	33,606
Total Expenditures	<u>17,448</u>	<u>-</u>	<u>17,448</u>	<u>33,606</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 16,158</u>	<u>-</u>	<u>16,158</u>	<u>-</u>

Additional Project Information

Project Number	1440-060-14-1005
Grant Date	6/11/2015
Original Authorized Cost	\$ 33,606
Additional Authorized Cost	-
Revised Authorized Cost	\$ 33,606
Percentage Completion	100%
Original Target Completion Date	6/30/2016
Revised Target Completion Date	6/30/2016

FAIR HAVEN SCHOOL DISTRICT

Exhibit F-2b

CAPITAL PROJECTS FUND**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT****BALANCE, AND PROJECT STATUS - BUDGETARY BASIS****KNOLLWOOD ELEMENTARY/MIDDLE SCHOOL PHONE SYSTEM REPLACEMENT****FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
State Sources - SDA Grant	\$ 11,564		11,564	11,564
Transfer from Capital Outlay	44,741		44,741	44,741
Total Revenues	<u>56,305</u>	<u>-</u>	<u>56,305</u>	<u>56,305</u>
<u>Expenditures and Other Financing Uses</u>				
Purchased Professional and Technical Services	28,468		28,468	56,305
Total Expenditures	<u>28,468</u>	<u>-</u>	<u>28,468</u>	<u>56,305</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 27,837</u>	<u>-</u>	<u>27,837</u>	<u>-</u>

Additional Project Information

Project Number	1440-050-14-1004
Grant Date	6/11/2015
Original Authorized Cost	\$ 74,568
Additional Authorized Cost	-
Revised Authorized Cost	\$ 74,568
Percentage Completion	100%
Original Target Completion Date	6/30/2016
Revised Target Completion Date	6/30/2016

FAIR HAVEN SCHOOL DISTRICT

Exhibit F-2c

CAPITAL PROJECTS FUND**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT****BALANCE, AND PROJECT STATUS - BUDGETARY BASIS****KNOLLWOOD ELEMENTARY SCHOOL - PARTIAL ROOF REPLACEMENT****FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
State Sources - ROD Grant	\$ 513,088		513,088	513,088
Transfer from Capital Reserve	553,807		553,807	553,807
Additional Transfer from Capital Reserve	47,500		47,500	47,500
Transfer from Capital Outlay	168,326		168,326	168,326
Total Revenues	<u>1,282,721</u>		<u>1,282,721</u>	<u>1,282,721</u>
<u>Expenditures and Other Financing Uses</u>				
Construction Services	814,191		814,191	1,282,721
Total Expenditures	<u>814,191</u>	<u>-</u>	<u>814,191</u>	<u>1,282,721</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 468,530</u>	<u>-</u>	<u>468,530</u>	<u>-</u>

Additional Project Information

Project Number	1440-050-14-1003-G04
Grant Date	1/6/2014
Bond Authorization Date	NA
Bonds Authorized	NA
Bonds Issued	NA
Original Authorized Cost	\$ 1,282,721
Additional Authorized Cost	-
Revised Authorized Cost	\$ 1,282,721
Percentage Completion	100%
Original Target Completion Date	9/1/2016
Revised Target Completion Date	9/1/2017

FAIR HAVEN SCHOOL DISTRICT

Exhibit F-2d

CAPITAL PROJECTS FUND**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT****BALANCE, AND PROJECT STATUS - BUDGETARY BASIS****VIOLA SICKLES SCHOOL AND KNOLLWOOD MIDDLE SCHOOL - ADDITIONS AND ALTERATIONS****FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
Bond Proceeds	\$ 15,647,000		15,647,000	15,647,000
Total Revenues	<u>15,647,000</u>	<u>-</u>	<u>15,647,000</u>	<u>15,647,000</u>
<u>Expenditures and Other Financing Uses</u>				
Other Purchased Professional and Technical Services	1,108,022	1,588	1,109,610	1,326,832
Construction Services	12,294,394	732,425	13,026,819	14,320,168
Total Expenditures	<u>13,402,416</u>	<u>734,013</u>	<u>14,136,429</u>	<u>15,647,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 2,244,584</u>	<u>(734,013)</u>	<u>1,510,571</u>	<u>-</u>

Additional Project Information

Project Number	19K069
Grant Date	N/A
Bond Authorization Date	9/24/2019
Bonds Authorized	10/30/2019
Bonds Issued	\$ 15,647,000
Original Authorized Cost	\$ 15,647,000
Additional Authorized Cost	-
Revised Authorized Cost	\$ 15,647,000
Percentage Completion	90.3%
Original Target Completion Date	8/23/2021
Revised Target Completion Date	8/23/2023

PROPRIETARY FUNDS – G

N/A

FIDUCIARY FUND – H

N/A

LONG-TERM DEBT – I

FAIR HAVEN SCHOOL DISTRICT
GENERAL LONG-TERM DEBT ACCOUNT GROUP

Exhibit I-1

SCHEDULE OF SERIAL BONDS

JUNE 30, 2023

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Annual Date</u>	<u>Maturities Amount</u>	<u>Interest Rate</u>	<u>Beginning Balance July 1, 2022</u>	<u>Retired</u>	<u>Ending Balance June 30, 2023</u>
2013 Refunding Bonds	1/23/2013	\$ 6,075,000	6/1/2024	\$ 430,000	3.00%	\$ 3,350,000	425,000	2,925,000
			6/1/2025	430,000				
			6/1/2026	425,000	2.25%			
			6/1/2027	420,000	2.40%			
			6/1/2028	415,000	2.50%			
			6/1/2029	405,000	3.00%			
			6/1/2030	400,000				
			2019 Bonds	12/19/2019	15,647,000			
8/15/2024	550,000							
8/15/2025	550,000	2.50%						
8/15/2026	550,000							
8/15/2027	575,000							
8/15/2028	615,000							
8/15/2029	650,000							
8/15/2030	1,100,000							
8/15/2031	1,100,000							
8/15/2032	1,100,000							
8/15/2033	1,100,000							
8/15/2034	1,100,000							
8/15/2035	1,000,000							
8/15/2036	1,000,000							
8/15/2037	1,000,000							
8/15/2038	1,000,000	2.625%						
8/15/2039	1,000,000							
						<u>\$ 18,440,000</u>	<u>975,000</u>	<u>17,465,000</u>

FAIR HAVEN SCHOOL DISTRICT

Exhibit I-3

BUDGETARY COMPARISON SCHEDULE

DEBT SERVICE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 1,277,179		1,277,179	1,277,179	-
Debt Service Type II Aid	156,539		156,539	156,539	-
Total Revenues	<u>1,433,718</u>	<u>-</u>	<u>1,433,718</u>	<u>1,433,718</u>	<u>-</u>
Expenditures:					
Regular Debt Service:					
Interest	458,718		458,718	458,718	-
Redemption of Principal	975,000		975,000	975,000	-
Total Expenditures	<u>1,433,718</u>	<u>-</u>	<u>1,433,718</u>	<u>1,433,718</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance July 1	<u>1</u>		<u>1</u>	<u>1</u>	
Fund Balance June 30	<u>\$ 1</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>

STATISTICAL SECTION

(Unaudited)

FAIR HAVEN SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

J-1

(Accrual Basis of Accounting)

	<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>
Governmental Activities:										
Invested in Capital Assets, Net of Related Debt	\$ 3,420,937	4,058,352	5,569,663	6,006,617	6,096,892	6,232,112	(8,858,529)	37,005,455	17,704,481	17,583,032
Restricted	1,894,869	2,819,790	3,713,535	2,543,999	2,969,825	3,465,465	18,769,589	9,780,870	6,275,452	5,137,340
Unrestricted	435,308	(3,329,083)	(3,364,611)	(3,295,245)	(3,624,804)	(3,791,532)	(3,129,836)	(23,320,532)	(3,766,632)	(3,554,824)
Total Governmental Activities Net Position	<u>\$ 5,751,114</u>	<u>3,549,059</u>	<u>5,918,587</u>	<u>5,255,371</u>	<u>5,441,913</u>	<u>5,906,045</u>	<u>6,781,224</u>	<u>23,465,793</u>	<u>20,213,301</u>	<u>19,165,548</u>
Business-Type Activities:										
Invested in Capital Assets, Net of Related Debt			60,905	53,661	46,428	39,190	36,485	29,098	19,245	14,454
Unrestricted	\$ 34,217	12,416	6,756	3,605	3,586	11,132	11,236	11,077	41,398	45,174
Total Business-Type Activities Net Position	<u>\$ 34,217</u>	<u>12,416</u>	<u>67,661</u>	<u>57,266</u>	<u>50,014</u>	<u>50,322</u>	<u>47,721</u>	<u>40,175</u>	<u>60,643</u>	<u>59,628</u>
District-Wide:										
Invested in Capital Assets, Net of Related Debt	\$ 3,420,937	4,058,352	5,630,568	6,060,278	6,143,320	6,271,302	(8,858,529)	37,034,553	17,723,726	17,597,486
Restricted	1,894,869	2,819,790	3,713,535	2,543,999	2,969,825	3,465,465	18,769,589	9,780,870	6,275,452	5,137,340
Unrestricted	469,525	(3,316,667)	(3,357,855)	(3,291,640)	(3,621,218)	(3,780,400)	(3,129,836)	(23,309,455)	(3,725,234)	(3,509,650)
Total District Net Position	<u>\$ 5,785,331</u>	<u>3,561,475</u>	<u>5,986,248</u>	<u>5,312,637</u>	<u>5,491,927</u>	<u>5,956,367</u>	<u>6,781,224</u>	<u>23,505,968</u>	<u>20,273,944</u>	<u>19,225,176</u>

FAIR HAVEN SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

	<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>
Expenses										
Governmental Activities:										
Instruction:										
Regular	\$ 3,969,823	4,190,656	4,297,528	4,583,325	4,527,809	4,686,565	4,770,293	5,223,481	5,216,102	5,637,028
Special Education	1,513,991	1,534,886	1,657,194	2,009,995	2,278,361	2,189,494	2,223,939	2,451,631	2,470,511	2,653,010
Other Instruction	50,609	64,371	42,247	76,622	81,831	93,382	75,770	48,511	92,805	86,642
Support Services:										
Tuition	5,352	120,621	72,132	24,018	4,538	198,067	9,690	12,345		
Student and Instruction Related Services	1,923,581	1,885,016	1,995,918	2,176,964	1,972,124	1,900,409	2,080,229	2,014,375	2,566,088	2,291,488
School Administration Services	392,114	378,429	382,845	419,478	419,782	404,353	407,959	423,238	439,274	453,188
General Administration	701,658	663,781	748,245		686,735	761,640	752,536	787,721	816,021	808,002
Capital Outlay							648,039		2,928,471	750,772
Plant Operations and Maintenance	1,371,557	1,454,789	1,912,779	1,589,250	1,661,937	1,660,094	1,667,653	1,493,943	1,798,322	1,570,260
Pupil Transportation	99,214	116,865	159,277	180,977	156,771	124,144	33,521	39,490	108,836	157,657
Unallocated Employee Benefits	3,782,623	3,841,208	3,995,204	4,680,970	5,154,989	5,483,611	4,679,133	7,535,141	7,157,272	7,859,209
Interest on Long-Term Debt	301,975	302,974	194,480	169,729	159,592	149,385	324,633	518,437	479,544	453,529
Unallocated Depreciation	285,077	245,988	340,178	340,549	344,459	347,260	354,966	372,014	1,096,449	1,096,449
Total Governmental Activities Expenses	<u>14,397,574</u>	<u>14,799,584</u>	<u>15,798,027</u>	<u>16,251,877</u>	<u>17,448,928</u>	<u>17,998,404</u>	<u>18,028,361</u>	<u>20,920,327</u>	<u>25,169,695</u>	<u>23,817,234</u>
Business-Type Activities:										
Food Service	24,598	42,337	29,635	25,439	19,497	17,889	14,420	7,587	95,392	36,372
Total Business-Type Activities	<u>24,598</u>	<u>42,337</u>	<u>29,635</u>	<u>25,439</u>	<u>19,497</u>	<u>17,889</u>	<u>14,420</u>	<u>7,587</u>	<u>95,392</u>	<u>36,372</u>
Total District Expenses	<u>\$ 14,422,172</u>	<u>14,841,921</u>	<u>15,827,662</u>	<u>16,277,316</u>	<u>17,468,425</u>	<u>18,016,293</u>	<u>18,042,781</u>	<u>20,927,914</u>	<u>25,265,087</u>	<u>23,853,606</u>

FAIR HAVEN SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

	<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>
<u>Program Revenues</u>										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition)	\$ 149,682	120,621		24,018	4,538	94,638	147,756	12,345		1,127
Operating Grants and Contributions	218,477	227,462	235,724	235,077	265,311	286,926	128,815	279,805	715,876	590,062
Total Governmental Activities Program Revenues	<u>368,159</u>	<u>348,083</u>	<u>235,724</u>	<u>259,095</u>	<u>269,849</u>	<u>381,564</u>	<u>276,571</u>	<u>292,150</u>	<u>715,876</u>	<u>591,189</u>
Business-Type Activities:										
Charges for Services:										
Food Service	28,581	17,022	12,350	12,429	10,032	10,034	5,690	-	4,422	27,238
Operating Grants and Contributions	3,491	3,511	4,740	2,614	2,202	1,835	2,202	34	116,499	8,119
Total Business-Type Activities Program Revenues	<u>32,072</u>	<u>20,533</u>	<u>17,090</u>	<u>15,043</u>	<u>12,234</u>	<u>11,869</u>	<u>7,892</u>	<u>34</u>	<u>120,921</u>	<u>35,357</u>
Total District Program Revenues	<u>\$ 400,231</u>	<u>368,616</u>	<u>252,814</u>	<u>274,138</u>	<u>282,083</u>	<u>393,433</u>	<u>284,463</u>	<u>292,184</u>	<u>836,797</u>	<u>626,546</u>
<u>Net (Expense) Revenue</u>										
Governmental Activities	\$ (14,397,574)	(14,451,501)	(15,562,303)	(17,490,248)	(17,179,079)	(17,616,840)	(17,751,790)	(20,628,177)	(24,453,819)	(23,226,045)
Business-Type Activities	7,474	(21,804)	(12,545)	(10,396)	(7,263)	(6,020)	(6,528)	(7,553)	25,529	(1,015)
Total District-Wide Net Expense	<u>\$ (14,390,100)</u>	<u>(14,473,305)</u>	<u>(15,574,848)</u>	<u>(17,500,644)</u>	<u>(17,186,342)</u>	<u>(17,622,860)</u>	<u>(17,758,318)</u>	<u>(20,635,730)</u>	<u>(24,428,290)</u>	<u>(23,227,060)</u>

FAIR HAVEN SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

	<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>
<u>General Revenues and Other Changes</u>										
<u>In Net Position</u>										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	12,260,263	12,717,198	13,150,166	13,413,000	13,902,852	14,180,909	14,393,622	14,554,526	14,845,616	15,142,528
Taxes Levied for Debt Service	979,287	852,657	828,150	880,620	490,418	490,517	486,917	864,517	1,262,362	1,277,179
Unrestricted Grants and Contributions	1,561,634	1,740,748	2,563,087	2,331,261	2,877,386	3,383,071	3,468,498	4,268,844	5,072,411	5,637,120
Tuition Received		197,298	222,214	181,208	169,902					
Investment Earnings										
Miscellaneous Income	19,246	64,978	906	20,943	11,874	59,840	230,211	371,681	259,457	172,031
Adjustment					(88,168)	(33,365)		17,111,885	(238,519)	(50,566)
Total Government Activities	<u>14,820,430</u>	<u>15,572,879</u>	<u>16,764,523</u>	<u>16,827,032</u>	<u>17,364,264</u>	<u>18,080,972</u>	<u>18,579,248</u>	<u>37,171,453</u>	<u>21,201,327</u>	<u>22,178,292</u>
Business-Type Activities:										
Investment Earnings			1	1	11	6		3	1	
Miscellaneous Income						6,322	3,927	4	(5,062)	
Total Business-Type Activities	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>11</u>	<u>6,328</u>	<u>3,927</u>	<u>7</u>	<u>(5,061)</u>	<u>-</u>
Total District-Wide	<u>14,820,430</u>	<u>15,572,879</u>	<u>16,764,524</u>	<u>16,827,033</u>	<u>17,364,275</u>	<u>18,087,300</u>	<u>18,583,175</u>	<u>37,171,460</u>	<u>21,196,266</u>	<u>22,178,292</u>
<u>Change in Net Position</u>										
Governmental Activities	386,224	(2,069,530)	2,369,528	(663,216)	185,174	464,132	827,458	16,543,276	(3,252,492)	(1,047,753)
Business-Type Activities	<u>7,477</u>	<u>(21,801)</u>	<u>55,245</u>	<u>(10,395)</u>	<u>(7,252)</u>	<u>308</u>	<u>(2,601)</u>	<u>(7,546)</u>	<u>20,468</u>	<u>(1,015)</u>
Total District	<u>393,701</u>	<u>(2,091,331)</u>	<u>2,424,773</u>	<u>(673,611)</u>	<u>177,922</u>	<u>464,440</u>	<u>824,857</u>	<u>16,535,730</u>	<u>(3,232,024)</u>	<u>(1,048,768)</u>

FAIR HAVEN SCHOOL DISTRICT

FUND BALANCE, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

	<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>
General Fund:										
Restricted	\$ 1,792,699	2,859,046	2,414,345	2,007,875	2,461,963	2,918,257	3,490,487	3,540,046	3,337,455	3,026,017
Unrestricted	435,308	223,005	410,821	801,166	604,811	721,743	530,913	817,802	587,184	312,871
Total General Fund	<u>\$ 2,228,007</u>	<u>3,082,051</u>	<u>2,825,166</u>	<u>2,809,041</u>	<u>3,066,774</u>	<u>3,640,000</u>	<u>4,021,400</u>	<u>4,357,848</u>	<u>3,924,639</u>	<u>3,338,888</u>
All Other Governmental Funds:										
Restricted										
Unreserved, Reported In:										
Special Revenue Fund	\$ -							122,476	97,543	88,227
Capital Projects Fund		64,905	1,299,189	536,123	517,860	512,525	15,191,135	5,879,829	2,757,109	2,023,096
Debt Service Fund	102,170	51,920	1	1	2	1	87,967	238,519		1
Total All Other Governmental Funds	<u>\$ 102,170</u>	<u>116,825</u>	<u>1,299,190</u>	<u>536,124</u>	<u>517,862</u>	<u>512,526</u>	<u>15,279,102</u>	<u>6,240,824</u>	<u>2,854,652</u>	<u>2,111,324</u>

FAIR HAVEN SCHOOL DISTRICT

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

	<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>
<u>Revenues</u>										
Tax Levy	\$ 13,239,550	13,569,855	13,978,316	14,293,620	14,393,270	14,671,426	14,880,539	15,419,043	16,107,978	16,419,707
Tuition Charges	149,682	317,919	222,214	205,226	174,440	94,638	147,756	141,720	194,212	62,880
Interest Earnings										
Miscellaneous	19,246	64,978	2,039	20,943	11,863	138,668	230,211	242,306	227,209	132,421
State Sources	1,561,634	1,740,748	2,563,087	2,331,261	2,879,255	3,386,576	3,476,103	4,288,171	5,080,082	5,645,520
Federal Sources	218,477	227,462	234,591	235,077	263,442	204,593	121,210	260,478	546,241	559,519
Total Revenues	15,188,589	15,920,962	17,000,247	17,086,127	17,722,270	18,495,901	18,855,819	20,351,718	22,155,722	22,820,047
<u>Expenditures</u>										
Instruction:										
Regular Instruction	3,969,823	4,190,656	4,305,761	4,583,325	4,596,153	4,686,565	4,776,988	5,197,233	5,216,102	5,637,028
Special Education Instruction	1,513,991	1,534,886	1,657,194	2,009,995	2,278,361	2,189,494	2,223,939	2,451,631	2,470,511	2,653,010
Other Instruction	50,609	64,371	42,247	76,622	81,831	93,382	75,770	48,511	92,805	86,642
School Sponsored/Other Instructional Community Services										
Support Services:										
Tuition	5,352	120,621	72,132	24,018	4,538	198,067	9,690	12,345		
Student and Instruction Related Services	1,880,665	1,885,016	1,995,918	2,176,964	1,972,124	1,900,409	2,080,229	2,014,375	2,566,088	2,291,488
General Administration	392,114	378,429	382,845	735,814	686,735	761,640	752,536	787,721	439,274	453,188
School Administrative Services	701,658	663,781	748,245	419,478	419,782	404,353	407,959	423,238	816,021	808,002
Central Services										
Plant Operations and Maintenance	1,371,557	1,454,789	1,762,674	1,589,250	1,661,937	1,707,826	1,667,653	1,493,943	1,798,322	1,570,260
Pupil Transportation	99,214	116,865	159,277	180,977	156,771	124,144	33,521	39,490	108,836	157,657
Other Support Services										
Employee Benefits	3,808,592	3,729,192	3,941,014	4,352,053	5,020,960	5,233,500	5,666,761	6,425,398	7,642,691	8,256,796
Capital Outlay	42,916	157,890	164,430	834,155	36,390	94,748	1,172,879	9,414,583	3,163,946	750,772
Debt Service:										
Principal	669,669	650,000	680,000	705,000	330,000	340,000	350,000	375,000	937,000	975,000
Interest and Other Charges	277,400	254,963	202,118	177,667	160,417	150,518	136,918	565,079	484,988	458,718
Education Jobs										
Total Expenditures	14,783,560	15,201,459	16,113,855	17,865,318	17,405,999	17,884,646	19,354,843	29,248,547	25,736,584	24,098,561
Excess (Deficiency) of Revenues Over/(Under) Expenditures	405,029	719,503	886,392	(779,191)	316,271	611,255	(499,024)	(8,896,829)	(3,580,862)	(1,278,514)

FAIR HAVEN SCHOOL DISTRICT

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

	<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>
<u>Other Financing Sources (Uses)</u>							15,647,000			
Proceeds from Borrowing										
Accounts Payable Cancelled		153,297								
Adjustment for Accounts Receivable Adjustment	(404,791)					(14,154)			(238,519)	
Prior Year Adjustment		(4,101)	(4,181)		(15,168)	(19,211)		5,985		(50,566)
Transfer In					(73,000)					
Transfer Out										
Total Other Financing Sources (Uses)	<u>(404,791)</u>	<u>149,196</u>	<u>(4,181)</u>	<u>-</u>	<u>(88,168)</u>	<u>(33,365)</u>	<u>15,647,000</u>	<u>5,985</u>	<u>(238,519)</u>	<u>(50,566)</u>
Net Change in Fund Balances	<u>\$ 238</u>	<u>868,699</u>	<u>882,211</u>	<u>(779,191)</u>	<u>228,103</u>	<u>577,890</u>	<u>15,147,976</u>	<u>(8,890,844)</u>	<u>(3,819,381)</u>	<u>(1,329,080)</u>
Debt Service as a Percentage of Noncapital Expenditure	6.42%	6.40%	5.53%	5.18%	2.82%	2.82%	2.52%	3.21%	6.29%	6.54%

Source: District Records

GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE

LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

<u>Fiscal Year Ended June 30,</u>	<u>Prior Year Refunds</u>	<u>Miscellaneous</u>	<u>Annual Totals</u>
2014	\$ -	19,246	19,246
2015		73	73
2016		2,039	2,039
2017		20,943	20,943
2018		11,863	11,863
2019		59,840	59,840
2020		230,211	230,211
2021		242,306	242,306
2022		227,209	227,209
2023		132,421	132,421

Source: District Records

FAIR HAVEN SCHOOL DISTRICT

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

J-6

LAST TEN YEARS
(UNAUDITED)

Calendar Year	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm Reg.</u>	<u>Ofarm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>
<u>Dec. 31</u>							
2014*	10,626,900	1,115,672,200	0	0	37,727,500	0	0
2015	9,108,000	1,470,013,900	0	0	50,248,000	0	0
2016	11,427,100	1,510,231,800	0	0	51,014,900	0	0
2017	13,091,211	1,572,206,868	0	0	52,800,422	0	0
2018	15,418,300	1,651,642,500	0	0	53,548,500	0	0
2019	15,872,100	1,723,174,400	0	0	54,075,700	0	0
2020	13,755,800	1,762,650,400	0	0	57,679,200	0	0
2021	9,099,200	1,815,140,000	0	0	58,681,000	0	0
2022	11,661,200	2,032,176,800	0	0	60,302,600	0	0
2023	13,719,300	2,280,193,000	0	0	63,550,300	0	0
		Less:				Total	Total
	Total Assessed	Tax-Exempt	Public	Net Valuation	Estimated Actual	Direct	Direct
	<u>Value</u>	<u>Property</u>	<u>Utilities</u>	<u>Taxable</u>	(County	School	Regional
					Equalized) Value	Tax Rate ^b	Tax Rate
2014*	1,164,026,600	0	448,356	1,164,474,956	1,164,474,956	1.137	0.391
2015	1,529,369,900	0	441,313	1,529,811,213	1,529,811,213	0.932	0.320
2016	1,572,673,800	0	443,518	1,573,117,318	1,573,117,318	0.914	0.326
2017	1,638,098,500	0	450,247	1,638,548,747	1,638,548,747	0.909	0.340
2018	1,720,609,300	0	450,480	1,721,059,780	1,721,059,780	0.853	0.340
2019	1,793,122,200	0	460,011	1,793,582,211	1,793,582,211	0.831	0.337
2020	1,834,085,400	0	501,515	1,834,586,915	1,834,586,915	0.841	0.330
2021	1,882,904,200	0	513,323	1,883,417,523	1,883,417,523	0.855	0.320
2022	2,104,140,600	0	518,952	2,104,659,552	2,104,659,552	0.780	0.294
2023	2,357,462,600	0	527,459	2,357,990,059	2,357,462,600	0.713	0.277

Source: Municipal Tax Assessor

* 2014 Information not available at time of audit

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

FAIR HAVEN SCHOOL DISTRICT

DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN FISCAL YEARS

(Rate Per \$100 of Assessed Value)

<u>Year Ended</u>	<u>Basic Rate</u> (a)	<u>General Obligation Debt Service</u> (b)	<u>(From J-6) Total Direct School Tax Rate</u>	<u>Regional School Rate</u>	<u>Borough of Fair Haven</u>	<u>Monmouth County</u>	<u>Total Direct and Overlapping Tax Rate</u>
2014	1.037	0.083	1.120	0.396	0.456	0.378	2.350
2015	1.000	0.083	1.137	0.320	0.404	0.312	2.173
2016	0.849	0.083	0.932	0.320	0.404	0.312	2.287
2017	0.831	0.083	0.914	0.326	0.399	0.272	2.325
2018	0.826	0.083	0.909	0.340	0.405	0.267	1.955
2019	0.824	0.029	0.853	0.340	0.377	0.248	1.863
2020	0.080	0.029	0.831	0.337	0.372	0.240	1.825
2021	0.793	0.048	0.841	0.330	0.395	0.233	1.843
2022	0.788	0.067	0.855	0.320	0.405	0.230	1.855
2023	0.719	0.061	0.780	0.294	0.373	0.261	1.708

Source: Municipal Tax Collector

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5%, whichever is greater, plus any spending growth adjustments.

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

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

RV Property Revaluation

No updates available for 2015

FAIR HAVEN SCHOOL DISTRICT

J-8

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

(UNAUDITED)

	2022			(not available)	2014		
	<u>Taxable Assessed Value</u>	<u>Rank (Optional)</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank (Optional)</u>	<u>% of Total District Net Assessed Value</u>	
Taxpayer 1	\$ -	1	0.00%	\$ -	1	0.00%	
Taxpayer 2		2	0.00%		2	0.00%	
Taxpayer 3		3	0.00%		3	0.00%	
Taxpayer 4		4	0.00%		4	0.00%	
Taxpayer 5		5	0.00%		5	0.00%	
Taxpayer 6		6	0.00%		6	0.00%	
Taxpayer 7		7	0.00%		7	0.00%	
Taxpayer 8		8	0.00%		8	0.00%	
Taxpayer 9		9	0.00%		9	0.00%	
Taxpayer 10		10	0.00%		10	0.00%	
Total	<u>\$ -</u>		<u>0.00%</u>	<u>\$ -</u>		<u>0.00%</u>	

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

<u>Year Ended</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected Within the Fiscal Year of the Levy (a)</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2013	13,016,615	13,016,615	100%	
2014	13,239,550	13,239,550	100%	
2015	13,799,590	13,799,590	100%	
2016	13,978,316	13,978,316	100%	
2017	14,293,620	14,293,260	100%	
2018	14,671,426	14,671,426	100%	
2019	14,880,539	14,880,539	100%	
2020	15,419,043	15,419,043	100%	
2021	16,107,978	16,107,978	100%	
2023	16,419,707	16,419,707	100%	

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

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

FAIR HAVEN SCHOOL DISTRICT

RATIOS OF OUTSTANDING DEBT BY TYPE

J-10

LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year</u> <u>Ending June 30.</u>	<u>Governmental Activities</u>				<u>Business-Type</u> <u>Activities</u>		<u>Total</u> <u>District</u>	<u>Percentage of</u> <u>Personal</u> <u>Income^a</u>	<u>Per</u> <u>Capita^a</u>
	<u>General</u> <u>Obligation</u> <u>Bonds^b</u>	<u>Certificates</u> <u>of</u> <u>Participation</u>	<u>Capital</u> <u>Leases</u>	<u>Bond</u> <u>Anticipation</u> <u>Notes</u> <u>(BANs)</u>	<u>Capital</u> <u>Leases</u>				
2014	7,160,000	N/A	N/A	N/A	N/A	7,160,000	N/A	N/A	
2015	6,510,000	N/A	N/A	N/A	N/A	6,510,000	N/A	N/A	
2016	5,830,000	N/A	N/A	N/A	N/A	5,830,000	N/A	N/A	
2017	5,125,000	N/A	N/A	N/A	N/A	5,125,000	N/A	N/A	
2018	4,635,000	N/A	N/A	N/A	N/A	4,635,000	N/A	N/A	
2019	4,455,000	N/A	N/A	N/A	N/A	4,455,000	N/A	N/A	
2020	19,752,000	N/A	N/A	N/A	N/A	19,752,000	N/A	N/A	
2021	19,377,000	N/A	N/A	N/A	N/A	19,377,000	N/A	N/A	
2022	18,979,000	N/A	N/A	N/A	N/A	18,979,000	N/A	N/A	
2023	18,022,000	N/A	N/A	N/A	N/A	18,022,000	N/A	N/A	

Note: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

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

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	General Obligations Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value (a) of Property	Per Capita (b)
2014	7,160,000		7,160,000	0.62%	44,392
2015	6,510,000		6,510,000	0.43%	27,993
2016	5,830,000		5,830,000	0.37%	21,571
2017	5,125,000		5,125,000	0.31%	15,888
2018	4,715,000		4,715,000	0.28%	13,202
2019	4,455,000		4,455,000	0.25%	11,138
2020	19,752,000		19,752,000	1.08%	-
2021	19,377,000		19,377,000	1.03%	-
2022	18,997,000		18,997,000	0.90%	-
2023	18,022,000		18,022,000	0.76%	-

Notes: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

(a) See exhibit J-6 for property tax data.

(b) Population data can be found in exhibit J-14.

FAIR HAVEN SCHOOL DISTRICT

J-12

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF DECEMBER 31, 2022

<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:			
Borough of Fair Haven	not available	100.000%	N/A
Monmouth County General Obligation Debt	not available	0.000%	N/A
Subtotal, Overlapping Debt			-
Fair Haven School District Direct Debt			18,440,000
Total Direct and Overlapping Debt			<u>\$ 18,440,000</u>

Source: Assessed value data used to estimate applicable percentages provided by the Monmouth County Board of Taxation.

Debt Outstanding data provided by each governmental unit.

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

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

FAIR HAVEN SCHOOL DISTRICT

LEGAL DEBT MARGIN INFORMATION

LAST TEN YEARS

<u>Year</u>	<u>Equalized Valuation Basis</u>
2023	\$ 2,357,462,600
2022	2,104,659,552
2021	<u>1,883,417,523</u>
	<u>\$ 6,345,539,675</u>
Average Equalized Valuation of Taxable Property	<u>\$ 2,115,179,891.67</u>
Debt Limit (3% of Average Equalization Value)	\$ 63,455,397
Total Net Debt Application to Limit	<u>18,997,000</u>
Legal Debt Margin	<u>\$ 44,458,397</u>

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Debt Limit	\$ 45,060,985	44,240,849	44,524,663	44,639,337	46,082,488	49,620,136	51,518,300	53,478,169	55,106,251	63,455,397
Total Net Debt Applicable to Limit	<u>7,525,000</u>	<u>7,440,000</u>	<u>6,510,000</u>	<u>5,830,000</u>	<u>5,125,000</u>	<u>4,715,000</u>	<u>4,455,000</u>	<u>19,752,000</u>	<u>19,377,000</u>	<u>18,997,000</u>
Legal Debt Margin	<u>\$ 37,535,985</u>	<u>36,800,849</u>	<u>38,014,663</u>	<u>38,809,337</u>	<u>40,957,488</u>	<u>44,905,136</u>	<u>47,063,300</u>	<u>33,726,169</u>	<u>35,729,251</u>	<u>44,458,397</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	16.69%	16.82%	14.60%	13.06%	11.10%	9.50%	8.65%	36.93%	38.26%	29.94%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.

No updates available for 2015

FAIR HAVEN SCHOOL DISTRICT

J-14

DEMOGRAPHIC AND ECONOMIC STATISTICS

<u>Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2014	6,081	N/A	57,578	6.10%
2015	5,995	N/A	Unavailable	7.80%
2016	6,089	N/A	55,400	3.40%
2017	6,075	N/A	65,104	5.70%
2018	6,033	N/A	63,854	2.90%
2019	5,820	N/A	64,598	2.40%
2020	5,736	N/A	70,488	2.30%
2021	6,269	N/A	72,201	5.10%
2022	6,166	N/A	0	0.00%
2023	Unavailable	N/A	Unavailable	

US Census Bureau

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

<u>Employer</u>	<u>2022</u>		<u>2014</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

Information Not Available

FAIR HAVEN SCHOOL DISTRICT

J-16

FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

<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>
Instruction:									
Regular	87.0	87.0	73.0	70.0	71.0	67.0	67.0	69.0	69.0
Special Education	15.0	17.0	20.0	18.0	36.0	40.0	43.0	42.0	42.0
Support Services:									
Student and Instruction Related Services	29.0	21.0	38.0	35.0	12.0	9.0	11.0	9.0	9.0
General Administration	5.0	6.0	4.0	4.0	2.0	2.0	2.0	2.0	2.0
School Administrative Services	6.0	6.0	2.0	2.0	5.0	5.0	5.0	6.0	6.0
Other Administrative Services	3.0	4.0	4.0	4.0	3.0	3.0	3.0	3.0	3.0
Plant Operations and Maintenance	8.5	8.5	8.5	9.0	11.0	13.0	13.0	13.0	13.0
Other Support Services	4.5	4.5	4.5	5.0	14.0	20.0	19.0	19.0	19.0
Total	<u>158.0</u>	<u>154.0</u>	<u>154.0</u>	<u>147.0</u>	<u>154.0</u>	<u>159.0</u>	<u>163.0</u>	<u>163.0</u>	<u>163.0</u>

Source: District Personnel Records

FAIR HAVEN SCHOOL DISTRICT

OPERATING STATISTICS

LAST TEN FISCAL YEARS

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teacher Staff (b)	Pupil/Teacher Ratio Elementary	Average Daily Enrollment (ADE) (c)	Average Daily Attendance (ADA) (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
2014	1,030	13,793,575	13,392	0.01%	102	10.0	1,027.7	1,016.5	1.01%	96.79%
2015	1,016	14,137,095	13,914	3.80%	-	-	-	-	0.00%	0.00%
2016	1,023	14,595,933	14,268	2.50%	-	-	-	-	0.00%	0.00%
2017	1,022	14,562,937	14,249	-0.13%	-	-	1,018.0	984.0	0.00%	96.55%
2018	998	14,946,587	14,977	5.10%	102	9.8	990.0	952.0	-2.75%	96.16%
2019	993	14,697,849	14,801	-1.17%	104	9.3	967.0	921.0	-2.32%	95.20%
2020	973	14,995,820	15,412	4.12%	107	9.1	973.0	947.0	0.62%	97.30%
2021	978	15,511,545	15,860	2.91%	107	9.1	978.0	942.0	0.51%	96.30%
2022	962	16,389,962	17,037	7.42%	110	8.8	962.0	942.0	0.00%	0.00%
2023	968	17,591,800	18,173	6.67%	110	8.8	968.0	909.0	-3.50%	

Source: District Records.

Note: Enrollment based on annual October District count.

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

FAIR HAVEN SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

District Building

Elementary:

Knollwood Elementary:

	<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>
Square Feet	77,059	77,059	77,059	77,059	77,059	77,059	77,059	77,059	81,059	81,059
Capacity (Students)	637	637	637	637	637	637	637	637	670	670
Enrollment	591	591	588	591	591	580	556	556	511	510

Viola L. Sickles Elementary:

Square Feet	40,598	40,598	40,598	40,598	40,598	40,598	40,598	40,598	56,598	56,598
Capacity (Students)	458	458	458	458	458	458	458	458	639	639
Enrollment	450	450	435	431	431	413	417	422	451	458

Number of Schools at June 30, 2015:

Elementary = 2

Source: District Records

Note: Increases in square footage and capacity are the result of additions. Enrollment is based on the annual October district count.

FAIR HAVEN SCHOOL DISTRICT

SCHEDULE OF REQUIRED MAINTENANCE

J-19

LAST TEN FISCAL YEARS

<u>Year</u>	<u>*School Facilities Project # (s)</u>	<u>Viola L. Sickles SP 1440-050-05-2000 SP 1440-060-05-1000</u>	<u>Knollwood SP 1440-050-05-2000 SP 1440-050-03-1231</u>	<u>Total</u>
2014		67,450	124,704	192,154
2015		78,610	158,130	236,740
2016		85,922	184,186	270,108
2017		63,136	105,314	168,450
2018		186,005	238,645	424,650
2019		104,601	183,746	288,347
2020		170,660	290,676	461,336
2021		120,000	228,000	348,000
2022		136,905	253,003	389,908
2023		125,000	285,000	410,000
Total School Facilities		\$ 1,138,289	2,051,404	3,189,693

*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

FAIR HAVEN SCHOOL DISTRICT**INSURANCE SCHEDULE**

J-20

JUNE 30, 2023

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - MOCSSIF/NJSBAIG		
Property	\$ 500,000,000	5,000
Electronic Data Processing	500,000	1,000
Equipment Breakdown	100,000,000	5,000
Crime	500,000	1,000
Comprehensive General Liability	6,000,000	1,000
Automobile	6,000,000	1,000
Worker's Compensation - MOCSSIF/NJSBAIG	3,000,000	
School Leaders Errors and Omissions - MOCSSIF/NJSBAIG	5,000,000	5,000
Surety Bonds - Selective Insurance		
Board Secretary/Business Administrator	200,000	
Treasurer of School Monies	200,000	

Source: District Records

SINGLE AUDIT SECTION

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

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

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

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

K-1

Honorable President and Members
of the Board of Education
Fair Haven School District
County of Monmouth
Fair Haven, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Fair Haven Board of Education, County of Monmouth, 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 Fair Haven Board of Education, County of Monmouth, State of New Jersey's basic financial statements, and have issued our report thereon dated January 15, 2024.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart

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

January 15, 2024

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

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

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

REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM;

REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE

OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

REQUIRED BY UNIFORM ADMINISTRATIVE AWARDS (UNIFORM GUIDANCE), AND

NEW JERSEY OMB'S CIRCULAR 15-08

K-2

Honorable President and Members
of the Board of Education
Fair Haven School District
County of Monmouth
Fair Haven, New Jersey

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Fair Haven Board of Education's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Fair Haven Board of Education's major state programs for the year ended June 30, 2023. The Fair Haven Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Fair Haven Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major State Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

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

Report on Internal Control Over Compliance

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

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

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

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

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart

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

January 15, 2024

FAIR HAVEN SCHOOL DISTRICT
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDING JUNE 30, 2023

Schedule A
K-3

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal C.F.D.A. Number	Federal Fain Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2022	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment	Repayment of Prior Years Balances	Balance at June 30, 2023					
					From	To							(Accounts Receivable)	Deferred Revenue	Due to Grantor			
U.S. Department of Agriculture																		
Passed Through State Department of Education:																		
National School Lunch Program	10.555	211NJ304N1099	NA	\$113,829	07/01/2021	06/30/2022	\$ (7,875)		7,875									
National School Lunch Program	10.555	221NJ304N1099	NA	\$ 7,057	07/01/2022	06/30/2023			6,005	(7,057)			(1,052)					
HHFKA	10.555	221NJ304N1099	NA	\$ 604	07/01/2022	06/30/2023			511	(604)			(92)					
Total U.S. Department of Agriculture							(7,875)	-	14,391	(7,661)	-	-	(1,145)	-	-			
U.S. Department of Education:																		
Passed Through State Department of Education:																		
Title I	84.010	S010A210030	NA	24,802	07/01/2021	09/30/2022	(23,594)		23,594									
Title I	84.010	S010A220030	NA	23,052	07/01/2022	09/30/2023				(22,733)			(22,733)					
Title IIA	84.367A	S367A210029	NA	17,551	07/01/2021	09/30/2022	(11,327)		11,327									
Title IIA	84.367A	S367A220029	NA	18,034	07/01/2022	09/30/2023				(18,034)			(18,034)					
Title IV	84.424	S424A210031	NA	7,301	07/01/2021	09/30/2022	(4,918)		4,918									
Title IV	84.424	S424A220031	NA	12,383	07/01/2022	09/30/2023				(10,329)			(10,329)					
I.D.E.A. Basic	84.027	H027A220100	NA	371,395	07/01/2022	09/30/2023				(315,330)			(315,330)					
I.D.E.A. Basic	84.027	H027A210100	NA	427,077	07/01/2021	09/30/2022	(268,786)		268,786									
I.D.E.A. Preschool	84.173	H173A220114	NA	8,445	07/01/2022	09/30/2023				(7,595)			(7,595)					
I.D.E.A. Preschool	84.173	H173A210114	NA	10,486	07/01/2021	09/30/2022	(10,486)		10,486									
CRRSA ESSER II	84.425D	S425D210027	NA	76,170	03/13/2020	09/30/2023	(72,594)		76,170	(3,576)								
CRRSA Learning Acceleration	84.425D	S425D210027	NA	25,000	03/13/2020	09/30/2023	(21,786)		25,000	(3,214)								
CRRSA Mental Health	84.425D	S425D210027	NA	45,000	03/13/2020	09/30/2023	(34,228)		45,000	(10,772)								
ARP ESSER	84.425U	S425U210027	NA	375,260	03/13/2020	09/30/2024	(98,522)		98,522	(136,202)			(136,202)					
ARP I.D.E.A. Basic	84.027X	H027X210100	NA	41,189	07/01/2021	09/30/2022				(41,189)			(41,189)					
ARP I.D.E.A. Preschool	84.173X	H173X210114	NA	3,518	07/01/2021	09/30/2022				(3,518)			(3,518)					
Total U.S. Department of Education:							(546,241)	-	563,803	(572,492)	-	-	(554,930)	-	-			
Total U.S. Department of Agriculture and U.S. Department of Education:							\$ (554,116)	-	578,194	(580,153)	-	-	(556,075)	-	-			

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

FAIR HAVEN SCHOOL DISTRICT

SCHEDULE OF STATE FINANCIAL ASSISTANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Grantor/Program	Grant or State Project Number	Grant Period		Program or Award Amount	Balance June 30, 2022	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years Balances	Adjustment	Balance at June 30, 2023			MEMO		
		From	To								(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Total Cumulative Expenditures	
Special Education Aid	23-495-034-5120-089	07/01/2022	06/30/2023	\$ 835,234	\$ -		753,185	(835,234)								
Transportation Aid	23-495-034-5120-014	07/01/2022	06/30/2023	44,525			40,146	(44,525)						(82,049)	835,234	
Security Aid	23-495-034-5120-084	07/01/2022	06/30/2023	72,677			65,538	(72,677)						(4,379)	44,525	
Non-Public Transportation Aid	22-495-034-5120-014	07/01/2021	06/30/2022	5,220	(5,220)		5,220							(7,139)	72,677	
On-Behalf T.P.A.F. Pension Contributions - Post Retirement Medical (non-budgeted)	23-495-034-5094-001	07/01/2022	06/30/2023	778,984			778,984	(778,984)				(7,929)				7,929
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)	23-495-034-5094-003	07/01/2022	06/30/2023	2,965,328			2,965,328	(2,965,328)								778,984
On-Behalf T.P.A.F. Long Term Disability Reimbursed TPAF Social Security Contributions	23-495-034-5094-004	07/01/2022	06/30/2023	1,402			1,402	(1,402)								2,965,328
Reimbursed TPAF Social Security Contributions	23-495-034-5095-002	07/01/2022	06/30/2023	587,493			528,760	(587,493)				(58,733)				1,402
Reimbursed TPAF Social Security Contributions	22-495-034-5095-002	07/01/2021	06/30/2022	580,203	(28,717)		28,717									587,493
Extraordinary Aid	23-495-034-5120-044	07/01/2022	06/30/2023	204,967				(204,967)				(204,967)				204,967
Extraordinary Aid	22-495-034-5120-044	07/01/2021	06/30/2022	138,575	(138,575)		138,575									204,967
					(172,512)		5,305,855	(5,498,539)				(271,629)				587,493
Special Revenue Fund:																
Non-Public Technology	22-100-034-5120-373	07/01/2021	06/30/2022	840	104				(104)							
Non-Public Technology	22-100-034-5120-373	07/01/2022	06/30/2023	840			840	(791)								791
Non-Public Textbooks	23-100-034-5120-064	07/01/2022	06/30/2023	1,320			1,320	(1,272)								1,272
Non-Public Nursing	22-100-034-5120-070	07/01/2021	06/30/2022	2,240	5				(5)							
Non-Public Nursing	23-100-034-5120-070	07/01/2022	06/30/2023	2,240			2,240	(2,237)								2,237
Non-Public Security	23-100-034-5120-509	07/01/2022	06/30/2023	4,100			4,100	(4,100)								4,100
					109		8,500	(8,400)	(109)							100
Food Service:																
National School Lunch Program (State Share)	23-100-010-3360-067	07/01/2022	06/30/2023	457			387	(457)				(70)				457
National School Lunch Program (State Share)	22-100-010-3360-067	07/01/2021	06/30/2022	2,670	(181)		181									
					(181)		568	(457)				(70)				457
Capital Projects Fund:																
SDA Grant	1440-060-14-1005	07/01/2014	06/30/2015	13,442	(6,650)							(6,650)				
SDA Grant	1440-050-14-1004	07/01/2014	06/30/2015	513,088	(172,617)							(172,617)				
SDA Grant	1440-050-14-1003	07/01/2014	06/30/2015	29,827	(17,753)							(17,753)				
Total Capital Project Fund					(197,020)							(197,020)				
					\$ (369,604)		5,314,923	(5,507,396)	(109)			(468,719)			100	

Less: State Financial Assistance Not Subject to Major Program Determination:

On-Behalf T.P.A.F. Pension Contributions - Post Retirement Medical (non-budgeted)	\$ 778,984
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)	2,965,328
On-Behalf T.P.A.F. Pension Contributions - Long Term Disability	1,402
Total State Financial Assistance Subject to Major Program Determination	\$ (1,761,682)

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

BOARD OF EDUCATION

K-5

FAIR HAVEN SCHOOL DISTRICT**NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE****JUNE 30, 2023****NOTE 1: General**

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the Board of Education, Fair 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.

NOTE 2: Basis of Accounting

The accompanying schedules of financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. Programs recorded in the food service fund include the National School Lunch Program, the School Breakfast Program, the U.S.D.A Commodities Program and the Special Milk Program. These bases of accounting are described in the Note 1(C) to the Board's general-purpose financial statements.

NOTE 3: Relationship to General Purpose Financial Statements

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to P.L. 2003, c.97.(A3521). For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service</u>	<u>Total</u>
<u>State Assistance</u>				
Actual Amounts (Budgetary) “Revenues” from the Schedule of Expenditures of State Financial Assistance	\$ 5,498,539	8,400	457	5,507,396
Difference – Budget to “GAAP” Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures and the Related Revenue is Recognized				
The Last State Aid Payment Is Recognized as Revenue for Budgetary Purposes, and Differs from GAAP Which does not Recognize This Revenue Until the Subsequent Year When the State Recognizes the Related Expense (GASB 33)				
	____ (17,958)	_____	_____	____ (17,958)
Total State Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	<u>\$ 5,480,581</u>	<u>8,400</u>	<u>457</u>	<u>5,489,438</u>

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service</u>	<u>Total</u>
<u>Federal Assistance</u>				
Actual Amounts (Budgetary) “Revenues” from the Schedule of Expenditures of Federal Awards	\$	572,492	7,661	580,153
Difference – Budget to “GAAP” Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and the Related Revenue is Recognized	_____	(12,973)	_____	(12,973)
Total Federal Revenue as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances	\$ _____	<u>559,519</u>	<u>7,661</u>	<u>567,180</u>

NOTE 4: Relationship to Federal and State Financial Reports

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

NOTE 5: Other

TPAF Social Security Contributions represents the amount reimbursed by the state for the employer’s share of social security contributions for TPAF members for the year ended June 30, 2023.

FAIR HAVEN SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Part 1 - Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued:

Unqualified

N/A

Internal control over financial reporting:

1) Material weakness(es) identified?

 Yes x No

2) Reportable condition(s) identified that are not considered to be material weaknesses?

 Yes x None Reported

Noncompliance material to general purpose financial statements noted?

 Yes x No

Federal Awards

N/A

State Awards

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

\$750,000

Auditee qualified as low-risk auditee?

 x Yes No

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

Unqualified

Internal Control over major programs:

(1) Material Weakness(es) identified?

 Yes x No

(2) Reportable condition(s) identified that are not considered to material weaknesses?

 Yes x None Reported

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB's Circular 15-08?

 Yes x No

Identification of major programs:

GMIS Number(s)

23-495-034-5120-089

23-495-034-5120-084

23-495-034-5095-002

Name of State Program

Special Education Aid (Public Cluster)

Security Aid (Public Cluster)

Reimbursed TPAF Social Security

FAIR HAVEN SCHOOL DISTRICTSCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2023*Part 2 - Financial Statement Findings*

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the general purpose financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

Finding: None

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause: N/A

Recommendation: N/A

Management's Response: N/A

FAIR HAVEN SCHOOL DISTRICTSCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2023*Part 3 - Federal Awards and State Financial Assistance Findings and Questioned Costs*

This section identifies audit findings required to be reported by Title 2 U.S. Code of Federal Regulations Part 200 and New Jersey OMB's Circular 15-08, as amended.

Federal Awards

N/A

State AwardsFinding: NoneInformation on the State Program: N/ACriteria or specific requirement: N/ACondition: N/AQuestioned Costs: N/AContext: N/AEffect: N/A

FAIR HAVEN SCHOOL DISTRICT**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2023*Part 3 - Federal Awards and State Financial Assistance Findings and Questioned Costs (Continued)***State Awards (Continued)**Cause: N/ARecommendation: N/AManagement's response: N/A

FAIR HAVEN SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

K-7

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Prior Audit Findings:

None