

Audubon Public School District
Audubon, New Jersey
County of Camden



A Tradition of Pride & Excellence

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

**Annual Comprehensive
Financial Report**

of the

Audubon Board of Education

Audubon, New Jersey

For the Fiscal Year Ended June 30, 2022

**Prepared by
Audubon Board of Education
Finance Department**

AUDUBON SCHOOL DISTRICT

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Introductory Section



Audubon Public School District

A Tradition of Pride & Excellence

*Andrew P. Davis, Ed.D. ext. 4102
Superintendent of Schools*

*Deborah Roncace, ext. 4104
School Business Administrator*

January 30, 2023

Honorable President and
Members of the Board of Education
Audubon Public School District
County of Camden
Audubon, NJ 08106

Dear Board Members:

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

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Title 2 U.S. Code of Federal regulations, cost principles and audit requirements for federal awards (uniform guidance) and State of New Jersey Circular OMB 15-08. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, is included in the single audit section of this report

1. REPORTING ENTITY AND ITS SERVICES:

The Audubon Public School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by NCGA Statement No. 3. All funds and account groups of the district are included in this report. The Audubon Board of Education and all its schools constitute the District's reporting entity.

The Audubon Public School District is one of thirty-nine (39) identified school districts in Camden County. The District consists of three schools – Haviland Avenue Elementary (PreK-2), Mansion Avenue Elementary (3-6), and the Audubon Junior-Senior High School (7-12). The district provides a full range of educational services appropriate to grade levels K-12. These include regular, vocational and special education programs. The Audubon school district offers a pre-school inclusion program for handicap students and offers paid (tuition) seats for general students on a lottery basis. In 2011 the Audubon School District was approved to participate in the State’s Inter-District Public School Choice Program. This program allows students from other districts in the surrounding area to attend Audubon High School. Student admission is based on availability of space, and the district received state aid for each student enrolled. Currently the district enrolls one hundred and two students in this program

On June 30, 2009 the Audubon Park Board of Education was dissolved, as the State of New Jersey took steps to eliminate all non-operating districts in the State. The Audubon Park students are now considered resident students of the district. The district maintains a send-receiving relationship with the Mount Ephraim school district for grades nine through twelve.

The district completed the 2021-2022 school year, with an average daily enrollment of 1,405 students.

Average Daily Pupil Enrollment

<u>SCHOOL YEAR</u>	<u>STUDENT ENROLLMENT</u>	<u>PERCENT CHANGE</u>
2012-2013	1,409	0.5%
2013-2014	1,410	0.1%
2014-2015	1,411	0.1%
2015-2016	1,545	9.5%
2016-2017	1,549	0.2%
2017-2018	1,528	(1.4%)
2018-2019	1,498	(2.0%)
2019-2020	1,471	(1.8%)
2020-2021	1,426	(3.1%)
2021-2022	1,405	(1.5%)

2. ECONOMIC CONDITION AND OUTLOOK:

Audubon Borough is a small community located ten miles east of Philadelphia in the eastern portion of Camden County, New Jersey. Audubon is 1.5 square miles in land area and its population was a little under 9,000 in the 2010 Census Report. Audubon is a stable community with little room for additional commercial or residential development; however, the commercial properties are experiencing a rebirth and development as several new businesses have revitalized existing properties. Homeowners represent the Districts’ *Tradition of Pride and Excellence* as is reflected in their picturesque homes and welcoming neighborhoods.



3. MAJOR INITIATIVES

Educational Program

In partnership with our students, families, and community, the Audubon Public School District continues to educate a diverse student body by providing motivating and challenging learning experiences. These experiences meet or exceed the New Jersey Student Learning Standards (NJSLS) for individual learners while fostering 21st Century skills including but not limited to collaboration, communication, creativity, and critical thinking. The District prides itself in educating all students so that they are prepared to meet the challenges of college and career.

The District curricula are aligned to the NJSLS throughout the content areas. The Instructional Council and Curriculum Committees, through support of the administrative team, continue to revise and adjust the curricula in order to provide rigorous, relevant, and engaging instruction. The Junior-Senior High School is in the third year of assigning teacher leaders as academic coaches; their work for the 2022-23 school year has been focused in creating standard aligned formative and summative assessments to drive their instruction. The District's instructional teams have moved into the second year of a multi-year equity initiative wherein the curriculum, policies and practices will be reviewed and realigned in order to assure that every child has an equal chance for success. The equity work for the 2022-23 school year has involved the full faculty and staff. The team is looking forward to introducing this work to our school community and students. An initiative for the 2023-24 school year includes the refinement of the Social Studies Curriculum throughout the district; resources are being selected for the piloting and vetting process. The Director of Curriculum, Principals, and Supervisor of Special Education work to support the ongoing refinements and alignments to the Audubon Public School District curricula as the NJSLS are updated.

All certificated staff continue to be involved in the teacher and principal evaluation programs as prescribed via Achieve New Jersey. The District administration, faculty, and staff continue to be supported through the District's exemplary professional development program which includes in- and out-of-district training, peer-to-peer or collegial turnkey training, and in-house training facilitated by professionals on a variety of topics. Job-embedded sustained professional learning opportunities will continue to be supported and developed in a collaborative fashion wherein all stakeholders have a voice.

4. INTERNAL ACCOUNTING CONTROLS:

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



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

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

5. BUDGETARY CONTROLS:

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

6. ACCOUNTING SYSTEM AND REPORTS:

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

7. RISK MANAGEMENT:

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

8. OTHER INFORMATION:

a) **Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Inverso and Stewart, RMA/CPAs, was selected by the Board's audit committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Title 2 U.S. Code of Federal Regulations, cost principles, and audit requirements for federal awards (uniform guidance) and State of New Jersey Circular OMB 15-08. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.



9. ACKNOWLEDGMENTS:

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

Respectfully submitted,



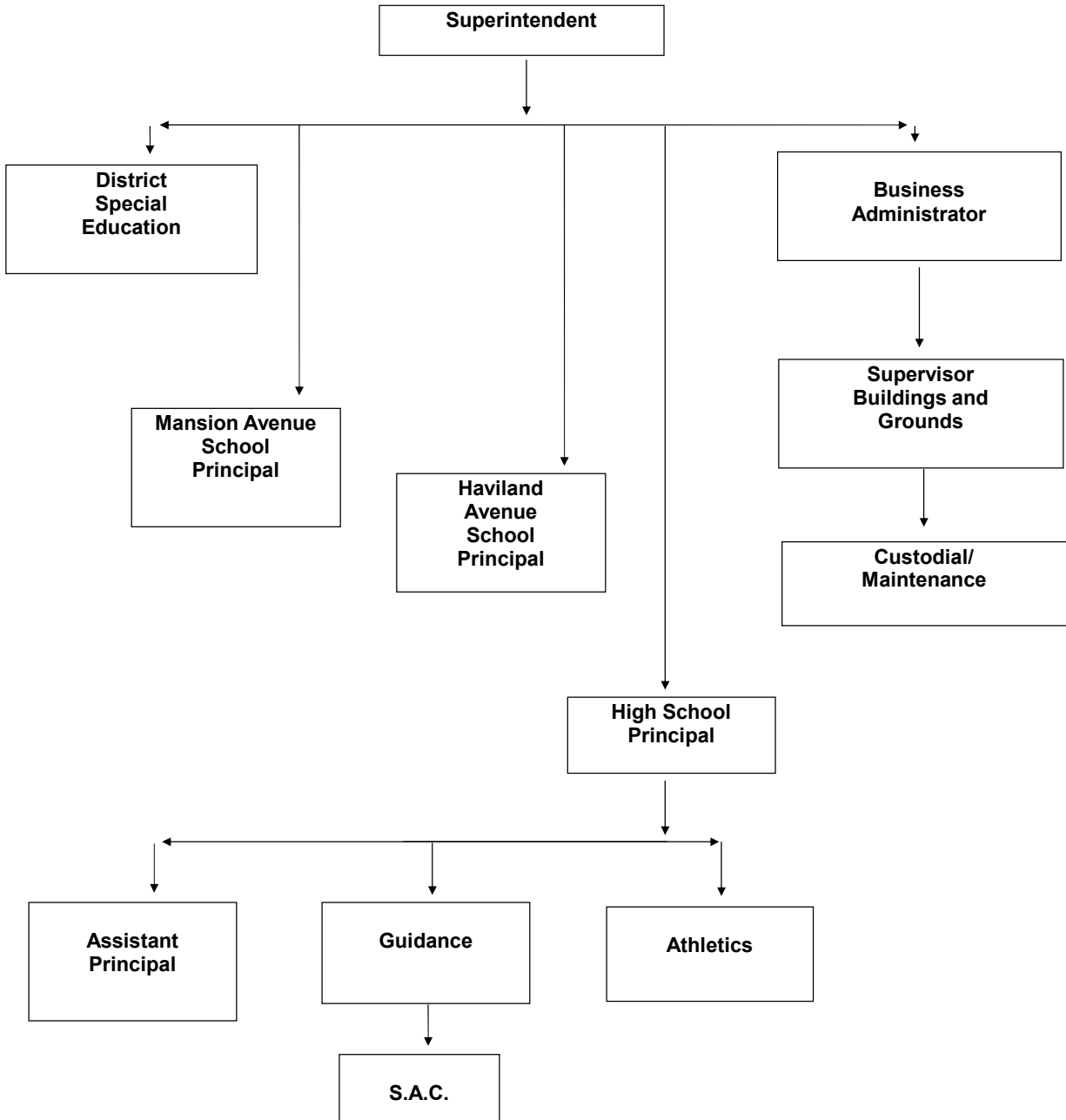
Andrew P Davis, Ed.D.
Superintendent



Deborah J. Roncace
Business Administrator



AUDUBON BOARD OF EDUCATION
Organizational Chart
(Unit Control)



AUDUBON SCHOOL DISTRICT

Roster of Officials June 30, 2022

Members of the Board of Education:

Term Expires

Ammie Davis, President

2022

Allison Cox

2024

James Blumenstein

2024

Loretta Cassidy

2023

Joseph Miller

2023

Christopher Proulx

2023

Andrea Robinson

2024

Joseph Ryan

2022

Tara Sullivan-Butrica

2022

Nancy Schiavo

2022 Mount Ephraim Representative

Other Officials:

Deborah J. Roncace, CPA, Business Administrator/Board Secretary

Andrew P. Davis, Ed.D., Superintendent

Frank Cavallo, Esq., Solicitor

**AUDUBON SCHOOL DISTRICT
Consultants and Advisors**

Audit Firm

Inverso & Stewart, LLC
651 Route 73 North, Suite 402
Marlton, NJ 08053

Attorney

Frank Cavallo, Esq.
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Mount Laurel, NJ 08054

Architect

Garrison Architects
713 Creek Road
Bellmawr, NJ 08031

Official Depository

1st Colonial Community Bank
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Collingswood, NJ 08108

Financial Section

INVERSO & STEWART, LLC

Certified Public Accountants

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**-Member of-
American Institute of CPAs
New Jersey Society of CPAs**

INDEPENDENT AUDITOR'S REPORT

The Honorable President and Members
of the Board of Education
Audubon School District
County of Camden
Audubon, New Jersey

Report on the Audit of the Financial Statements

Opinions

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Audubon School District (the "District"), in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the District, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Emphasis of Matter

Adoption of New Accounting Principle

As discussed in Note 22 to the financial statements, during the fiscal year ended June 30, 2022, the District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. My opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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* and in accordance with accounting principles and practices prescribed by the Office of School Finance, Department of Education, State of New Jersey will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- 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 my 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.

I am 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 I identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the schedules related to accounting and reporting for pensions and other post-employment benefits, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Office of School Finance, Department of Education, State of New Jersey and are not a required part of the basic financial statements. The accompanying schedules 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, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the accompanying combining statements and related major fund supporting statements and schedules and schedules 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.

The introductory and statistical sections listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated January 30, 2023, on my consideration of the District’s internal control over financial reporting and my 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 my 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* in considering the District’s internal control over financial reporting and compliance.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant No. CS001095

Marlton, New Jersey
January 30, 2023

Required Supplementary Information - Part I
Management's Discussion and Analysis

**Audubon School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022**

As management of the Board of Education of the Borough of Audubon, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets of the School District exceeded its liabilities at the close of the most recent fiscal year by \$9,235,461 (*net position*).
- Governmental activities have an unrestricted net position deficit of \$5,906,715. The accounting treatment in the governmental funds for compensated absences payable, net pension liability, accrued interest payable, the June state aid payments, and state statutes that prohibit school districts from maintaining more than 4% of its adopted budget as unrestricted fund balance are primarily responsible for this deficit balance.
- The total net position of the School District decreased by \$280,291 or a 2.95% decrease from the prior fiscal year-end balance. The majority of the reason for the increase was the variance in pension liabilities.
- Fund balance of the School District's governmental funds increased by \$25,501,617 resulting in an ending fund balance of \$28,939,595. The main reason for the increase is results of bond proceeds in the capital projects fund.
- Business-type activities have unrestricted net position of \$427,331, which may be used to meet the School District's ongoing obligations of the enterprise-related activities.
- The School District's long-term obligations increased by \$24,278,584 which is the result of bond proceeds and a decrease in net pension liability.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components: 1) District-wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

District-wide Financial Statements

The *district-wide financial statements* are designed to provide the reader with a broad overview of the financial activities in a manner similar to a private-sector business. The district-wide financial statements include the statement of net position and the statement of activities.

The *statement of net position* presents information about all of the School District's assets and liabilities. The difference between the assets and liabilities is reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the net position of the School District changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement even though the resulting cash flows may be recorded in a future period.

Both of the district-wide financial statements distinguish functions of the School District that are supported from taxes and intergovernmental revenues (*governmental activities*) and other functions that are intended to recover all or most of their costs from user fees and charges (*business-type activities*). Governmental activities consolidate governmental funds including the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund. Business-type activities consolidate the Food Service Fund, the Community Education Program Fund and the After School Program Fund.

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with finance-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. All of the funds of the School District are divided into three categories: *governmental funds*, *proprietary funds* and *fiduciary funds*.

Governmental funds account for essentially the same information reported in the governmental activities of the district-wide financial statements. However, unlike the district-wide financial statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financing requirements in the near term.

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The School District maintains four individual governmental funds. The major funds are the General Fund, the Special Revenue Fund, the Capital Projects Fund, and the Debt Service Fund. They are presented separately in the fund financial statements.

The School District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and the Debt Service Fund. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with budgetary requirements.

Proprietary funds are used to present the same functions as the business-type activities presented in the district-wide financial statements. The School District maintains one type of proprietary fund - the Enterprise Fund. The fund financial statements of the enterprise fund provides the same information as the district-wide financial statements, only in more detail.

The School District's three enterprise funds (Food Service Fund, Community Education Program Fund and After School Program Fund) are listed individually and are considered to be major funds.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the district-wide financial statements because the resources of those funds are not available to support the School District's programs.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains other supplementary information and schedules required by the New Jersey Audit Program, issued by the New Jersey Department of Education.

District-wide Financial Analysis

The assets of the School District are classified as current assets and capital assets. Cash, investments, receivables, inventories and prepaid expenses are current assets. These assets are available to provide resources for the near-term operations of the School District. The majority of the current assets are the results of the tax levy and state aid collection process.

Capital assets are used in the operations of the School District. These assets are land, buildings, improvements and equipment. Capital assets are discussed in greater detail in the section titled, Capital Assets and Debt Administration, elsewhere in this analysis.

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2023. Long-term liabilities such as long-term debt obligations and compensated absences payable will be liquidated from resources that will become available after fiscal year 2023.

The assets of the primary government activities exceeded liabilities by \$8,799,020 with an unrestricted deficit balance of \$5,906,715. The net position of the primary government does not include internal balances.

A net investment of (\$13,330,940) in land, improvements, buildings, equipment and vehicles which provide the services to the School District's public school students. Net position of \$28,036,675 has been restricted as follows:

Restricted for Future Capital Projects	\$ 25,933,843
Restricted for Maintenance Reserve	776,150
Restricted for Emergency Reserve	250,000
Restricted for Debt Service	9,835
Restricted for Unemployment Compensation	326,832
Restricted for Student Activities	509,174
Restricted for Scholarships	<u>230,841</u>
Total	<u>\$ 28,036,675</u>

As mentioned earlier, the balance of the unrestricted net position is primarily due to the accounting treatment for compensated absences payable, net pension liability and the last two state aid payments, and state statutes that prohibit school districts from maintaining more than 4% of its adopted budget as unrestricted fund balance.

**Audubon School District
Comparative Summary of Net Position
As of June 30, 2022 and 2021**

	Governmental Activities		Business-Type Activities		District-Wide	
	2022	2021	2022	2021	2022	2021
ASSETS						
Current assets	\$ 29,254,660	\$ 3,557,349	\$ 525,522	\$ 423,907	\$ 29,780,182	\$ 3,981,256
Capital assets	16,490,731	16,808,493	9,110	10,371	16,499,841	16,818,864
Total assets	<u>45,745,391</u>	<u>20,365,842</u>	<u>534,632</u>	<u>434,278</u>	<u>46,280,023</u>	<u>20,800,120</u>
Deferred Outflows of Resources	<u>459,430</u>	<u>781,687</u>			<u>459,430</u>	<u>781,687</u>
LIABILITIES						
Current liabilities	2,037,073	1,474,048	98,191	57,325	2,135,264	1,531,373
Noncurrent liabilities	32,705,511	8,126,953			32,705,511	8,126,953
Total liabilities	<u>34,742,584</u>	<u>9,601,001</u>	<u>98,191</u>	<u>57,325</u>	<u>34,840,775</u>	<u>9,658,326</u>
Deferred Inflows of Resources	<u>2,663,217</u>	<u>2,407,729</u>			<u>2,663,217</u>	<u>2,407,729</u>
Net Position	<u>\$ 8,799,020</u>	<u>\$ 9,138,799</u>	<u>\$ 436,441</u>	<u>\$ 376,953</u>	<u>\$ 9,235,461</u>	<u>\$ 9,515,752</u>
Net Position Consists of:						
Net investment in Capital Assets	\$ (13,330,940)	\$ 13,212,390	\$ 9,110	\$ 10,371	\$ (13,321,830)	\$ 13,222,761
Restricted Assets	28,036,675	2,886,321			28,036,675	2,886,321
Unrestricted Assets	<u>(5,906,715)</u>	<u>(6,959,912)</u>	<u>427,331</u>	<u>366,582</u>	<u>(5,479,384)</u>	<u>(6,593,330)</u>
Net Position	<u>\$ 8,799,020</u>	<u>\$ 9,138,799</u>	<u>\$ 436,441</u>	<u>\$ 376,953</u>	<u>\$ 9,235,461</u>	<u>\$ 9,515,752</u>

Governmental Activities

Governmental activities decreased the net position of the School District by \$339,779 during the current fiscal year. Key elements of the increase in net position for governmental activities are as follows:

- Results of operations in the General Fund

Business-type Activities

Business-type activities increased the School District's net position by \$59,488. Key elements of the increase in net position for business-type activities are as follows:

- The Food Service Fund operated at a gain of \$38,321 for this fiscal year. The net position balance at June 30, 2022 for the food service fund was \$111,037.
- The Community Education Program Fund operated at a gain of \$7,144 for this fiscal year. The net position balance at June 30, 2022 for the community education program fund was \$93,361.
- The After School Fund operated at a gain of \$14,023 for this fiscal year. The net position balance at June 30, 2022 for the After School Fund was \$232,043.

Audubon School District
Comparative Schedule of Changes in Net position
As of and for the Fiscal Year Ended June 30, 2022 and 2021

	Governmental Activities		Business-Type Activities		District-Wide	
	2022	2021	2022	2021	2022	2021
Revenues:						
Charges for services	\$ 2,326,515	\$ 2,389,600	\$ 193,307	\$ 17,290	\$ 2,519,822	\$ 2,406,890
Operating grants and contributions	11,236,116	14,048,483	669,307	244,397	11,905,423	14,292,880
Property taxes	13,787,384	13,543,186			13,787,384	13,543,186
State aid - unrestricted	9,786,855	9,307,322			9,786,855	9,307,322
Other revenues	239,756	132,716	65	123	239,821	132,839
Total Revenues	37,376,626	39,421,307	862,679	261,810	38,239,305	39,683,117
Expenses:						
Governmental Activities:						
Instruction	12,605,595	11,651,067			12,605,595	11,651,067
Tuition	1,122,368	946,924			1,122,368	946,924
Related services	3,538,341	3,145,379			3,538,341	3,145,379
Administrative services	1,870,762	1,794,618			1,870,762	1,794,618
Operations and Maintenance	4,123,178	1,939,849			4,123,178	1,939,849
Transportation	669,618	368,279			669,618	368,279
Employee benefits	12,735,286	16,269,414			12,735,286	16,269,414
Interest on debt	389,795	147,713			389,795	147,713
Other	661,462	667,408			661,462	667,408
Business-Type Activities:						
Food Service			679,722	215,029	679,722	215,029
Community Education			15,324	342	15,324	342
After School Program			108,145	51,490	108,145	51,490
Total Expenses	37,716,405	36,930,651	803,191	266,861	38,519,596	37,197,512
Increase (Decrease) in Net Position before transfers	(339,779)	2,490,656	59,488	(5,051)	(280,291)	2,485,605
Transfers					-	
Change in Net Position	(339,779)	2,490,656	59,488	(5,051)	(280,291)	2,485,605
Net Position, July 1	9,138,799	5,637,398	376,953	382,004	9,515,752	6,019,402
Prior Period Adjustment		1,010,745			-	1,010,745
Net Position, July 1 Restated	9,138,799	6,648,143	376,953	382,004	9,515,752	7,030,147
Net Position, June 30	\$ 8,799,020	\$ 9,138,799	\$ 436,441	\$ 376,953	\$ 9,235,461	\$ 9,515,752

Financial Analysis of the Governmental Funds

As noted earlier, the School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the School District's governmental funds is to provide information on near-term inflows, outflows, and balances of spend able resources. Such information is useful in assessing the School District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$28,939,595, an increase of \$25,501,617 in comparison with the prior year. Results of bond proceeds in the capital projects fund are the main reason for the increase.

The unreserved fund balance for the School District at the end of the fiscal year represents the unreserved fund balance for the General Fund of \$259,070 and a deficit unreserved fund balance for Special Revenue Fund of \$44,032. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed as follows, 1) appropriated as a revenue source in the subsequent year's budget \$600,000, 2) reserved for capital projects of \$23,903,068, 3) reserved for capital projects expenditures \$776,293, 4) reserved for maintenance expenditures \$776,150, 5) reserved for emergency expenditures \$250,000, 6) reserved for year-end encumbrances \$1,342,364, 7) reserved for unemployment compensation \$326,832, 8) reserved for debt service of \$9,835, 9) reserved for student activities \$509,174 and 10) reserved for scholarships \$230,841.

The general fund is the chief operating fund of the School District. As discussed earlier, the deficit balance in the unreserved fund balance is due, primarily, to the accounting treatment of the June state aid payments as discussed in the notes to the basic financial statements, and state statutes that prohibit New Jersey school districts from maintaining more than 4% of its adopted budget as unrestricted fund balance.

Revenue in the special revenue fund is generally recognized at the time that the outlays are identified; therefore no fund balances are normally generated in the special revenue fund.

General Fund Budgetary Highlights

At the end of the current fiscal year, unreserved fund balance (budgetary basis) of the general fund was \$1,170,878, while total fund balance (budgetary basis) was \$3,988,035. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance (budgetary basis) and total fund balance (budgetary basis) to total general fund expenditures. Actual (budgetary basis) expenditures of the General Fund including other financing uses amounted to \$30,949,093. Unreserved fund balance (budgetary basis) represents 3.78% of expenditures while total fund balance (budgetary basis) represents 12.89% of that same amount.

Capital Assets and Debt Administration

The School District's investment in capital assets for its governmental and business-type activities as of June 30, 2022, totaled \$16,178,620 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings and equipment. The total decrease in the School District's investment in capital assets for the current fiscal year was \$640,244.

Major capital assets events during the current fiscal year included the following:

- Depreciation expense for the current fiscal year was \$641,140.

Capital Assets/Leases (net of accumulated depreciation/amortization) June 30, 2022 and 2021

	Governmental Activities		Business-Type Activities		District-Wide	
	2022	2021	2022	2021	2022	2021
Land	\$ 764,000	\$ 764,000	\$ -	\$ -	\$ 764,000	\$ 764,000
Const. in Progress					-	-
Site Improvements	268,171	314,217			268,171	314,217
Building and Building Improvements	14,965,893	15,521,670			14,965,893	15,521,670
Equipment	171,446	208,606	9,110	10,371	180,556	218,977
Leases	321,221	367,433			321,221	367,433
Total	\$ 16,490,731	\$ 17,175,926	\$ 9,110	\$ 10,371	\$ 16,499,841	\$ 17,186,297

Additional information on the School District's capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

Long-term debt – During the fiscal year ended June 30, 2022, the School District had total bonded debt outstanding of \$29,405,000 backed by the full faith and credit of the School District. Additionally, the School District has long-term obligations for capital leases in the amount of \$91,613, compensated absences balance of \$820,916 outstanding at the end of the current fiscal year, and a net pension liability of \$3,115,138.

General Obligation Bonds for the School District increased by \$26,025,000, reflecting a bond sale and debt service payments made during the year and 2022 bonds issued.

State statutes limit the amount of general obligation debt that the District may issue. At the end of the current fiscal year, the legal debt limit was \$30,155,490 and the legal debt margin was \$750,490.

Additional information on the School District's long-term obligations can be found in the notes to the basic financial statements (Note 7) of this report.

Economic Factors and Next Year's Budgets and Rates

The following factors were considered and incorporated into the preparation of the School District's budget for the 2022-2023 fiscal year.

- The 2022-2022 general fund budget decreased by \$220,329 (0.85%) less than the previous year's budget. The tax rate for 2022 increased 12.7 cents from the previous year.
- The Audubon School District has committed itself to strong financial controls. The Business office continually monitors spending requests in relation to the district budget and is committed to review its business practices in order to maximize revenues and generate a budget surplus each year. Additionally, the district is looking to improve its use of technology in the coming years in an effort to meet all future educational challenges.

Requests for Information

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Audubon School District Business Administrator, 350 Edgewood Avenue, Audubon, New Jersey, 08106, Telephone Number (856) 547-1716.

Basic Financial Statements

District-Wide Financial Statements

AUDUBON SCHOOL DISTRICT
Statement of Net Position
June 30, 2022

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS:			
Cash and cash equivalents	\$ 26,559,615	\$ 480,495	\$ 27,040,110
Accounts Receivables, net	892,602	34,625	927,227
Inventory		10,402	10,402
Restricted assets:			
Cash and cash equivalents	1,802,443		1,802,443
Capital assets, net	16,169,510	9,110	16,178,620
Right-to-use lease assets, net	321,221		321,221
Total Assets	<u>45,745,391</u>	<u>534,632</u>	<u>46,280,023</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows of resources from pensions	<u>459,430</u>	<u>-</u>	<u>459,430</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>46,204,821</u>	<u>534,632</u>	<u>46,739,453</u>
LIABILITIES:			
Accounts payable:			
Other	223,314	44,297	267,611
Related to pensions	353,232		353,232
Internal Balances	(43,320)	43,320	
Accrued Liabilities:			
Interest payable	316,562		316,562
Unearned revenue	135,071	10,574	145,645
Noncurrent liabilities:			
Due within one year	1,052,214		1,052,214
Due beyond one year	32,705,511		32,705,511
Total Liabilities	<u>34,742,584</u>	<u>98,191</u>	<u>34,840,775</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows of resources from pensions	<u>2,663,217</u>	<u>-</u>	<u>2,663,217</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>37,405,801</u>	<u>98,191</u>	<u>37,503,992</u>
NET POSITION:			
Net investment in capital assets	(13,330,940)	9,110	(13,321,830)
Restricted for:			
Capital Projects	25,933,843		25,933,843
Maintenance	776,150		776,150
Emergency	250,000		250,000
Unemployment Compensation	326,832		326,832
Debt Service	9,835		9,835
Student Activities	509,174		509,174
Scholarships	230,841		230,841
Unrestricted (Deficit)	<u>(5,906,715)</u>	<u>427,331</u>	<u>(5,479,384)</u>
Total Net Position	<u>\$ 8,799,020</u>	<u>\$ 436,441</u>	<u>\$ 9,235,461</u>

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

AUDUBON SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 8,727,095	\$ 2,326,515	\$ 568,546	\$ -	\$ (5,832,034)	\$ -	\$ (5,832,034)
Special Education	2,557,590		371,777		(2,185,813)		(2,185,813)
Other instruction	1,320,910				(1,320,910)		(1,320,910)
Support Services:							
Tuition	1,122,368				(1,122,368)		(1,122,368)
Student & instruction related services	3,538,341		423,586		(3,114,755)		(3,114,755)
General administrative services	613,127				(613,127)		(613,127)
School administrative services	814,944				(814,944)		(814,944)
Central administrative services	442,691				(442,691)		(442,691)
Plant operations and maintenance	4,123,178				(4,123,178)		(4,123,178)
Pupil transportation	669,618				(669,618)		(669,618)
Unallocated employee benefits	12,735,286		9,872,207		(2,863,079)		(2,863,079)
Transfer of funds to Charter Schools	58,790				(58,790)		(58,790)
Interest on long-term debt	389,795				(389,795)		(389,795)
Unallocated depreciation and amortization	602,672				(602,672)		(602,672)
Total Governmental Activities	<u>37,716,405</u>	<u>2,326,515</u>	<u>11,236,116</u>	<u>-</u>	<u>(24,153,774)</u>	<u>-</u>	<u>(24,153,774)</u>
Business-Type Activities:							
Food service	679,722	48,736	669,307	-	-	38,321	38,321
Community education program	15,324	22,403		-	-	7,079	7,079
After school program	108,145	122,168		-	-	14,023	14,023
Total Business-Type Activities	<u>803,191</u>	<u>193,307</u>	<u>669,307</u>	<u>-</u>	<u>-</u>	<u>59,423</u>	<u>59,423</u>
Total Primary Government	<u>\$ 38,519,596</u>	<u>\$ 2,519,822</u>	<u>\$ 11,905,423</u>	<u>\$ -</u>	<u>(24,153,774)</u>	<u>59,423</u>	<u>(24,094,351)</u>
General Revenues:							
Taxes:							
Property taxes, levied for general purposes					12,867,184		12,867,184
Taxes levied for debt service					920,200		920,200
Federal and State aid unrestricted					9,786,855		9,786,855
Investment and Interest earnings - restricted					2,210		2,210
Miscellaneous					237,546	65	237,611
Special Items:							
Transfer							-
Total general revenues, special items, extraordinary items and transfers					<u>23,813,995</u>	<u>65</u>	<u>23,814,060</u>
Change in Net Position					(339,779)	59,488	(280,291)
Net Position - July 1,					<u>9,138,799</u>	<u>376,953</u>	<u>9,515,752</u>
Net Position - June 30					<u>\$ 8,799,020</u>	<u>\$ 436,441</u>	<u>\$ 9,235,461</u>

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

Fund Financial Statements

AUDUBON SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2022

ASSETS	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets:					
Cash and Cash Equivalents	\$ 2,650,967	\$ 740,015	\$ 24,971,076	\$ -	\$ 28,362,058
Interfund Accounts Receivable					
General Fund			9,109		9,109
Special Revenue Fund	139,129				139,129
Capital Projects Fund				9,835	9,835
Enterprise Fund	43,320				43,320
Intergovernmental Accounts Receivables:					
State	464,524	4,410	187,200		656,134
Federal		236,468			236,468
Other Accounts Receivable					
Total Assets	<u>\$ 3,297,940</u>	<u>\$ 980,893</u>	<u>\$ 25,167,385</u>	<u>\$ 9,835</u>	<u>\$ 29,456,053</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfund Accounts Payable					
General Fund		139,129			139,129
Special Revenue Fund					
Capital Projects Fund	9,109				9,109
Debt Service Fund			9,835		9,835
Accounts Payable:					
Payroll Deductions and Withholdings Payable	3,757				3,757
Unemployment Claims Payable	94,817				94,817
Other	114,030	10,710			124,740
Unearned Revenue		135,071			135,071
Total Liabilities	<u>221,713</u>	<u>284,910</u>	<u>9,835</u>		<u>516,458</u>
Fund Balances:					
Restricted:					
Capital Reserve	776,293				776,293
Maintenance Reserve	776,150				776,150
Emergency Reserve	250,000				250,000
Excess Surplus					
Unemployment Compensation	326,832				326,832
Capital Projects			23,903,068		23,903,068
Debt Service				9,835	9,835
Student Activities		509,174			509,174
Scholarships		230,841			230,841
Assigned to:					
Other Purposes	87,882		1,254,482		1,342,364
Designated for Subsequent Year's Expenditures	600,000				600,000
Unassigned	259,070	(44,032)			215,038
Total Fund Balances	<u>3,076,227</u>	<u>695,983</u>	<u>25,157,550</u>	<u>9,835</u>	<u>28,939,595</u>
Total Liabilities and Fund Balances	<u>\$ 3,297,940</u>	<u>\$ 980,893</u>	<u>\$ 25,167,385</u>	<u>\$ 9,835</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 \$31,943,946 and the accumulated depreciation is \$15,774,436. 16,169,510

Leased assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$367,433 and the accumulated amortization is \$46,212. 321,221

Accounts payable related to the April 1, 2022 required PERS contribution that is not to be liquidated with current financial resources. (353,232)

Accrued interest is not due and payable in the current period and therefore is not reported as a liability in the funds. (316,562)

The District's proportionate share of net pension assets and liabilities as well as pension-related deferred outflows and deferred inflows of resources are recognized in the government-wide statements and include:

Deferred Outflows of Resources from Pensions	\$ 459,430	
Net Pension Liability	(3,115,138)	
Deferred Inflows of Resources from Pensions	(2,663,217)	(5,318,925)

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:

General Obligation Bonds	(29,405,000)	
Financed purchases payable	(91,613)	
Leases payable	(325,058)	
Compensated Absences Payable	(820,916)	(30,642,587)

Net position of governmental activities **\$ 8,799,020**

AUDUBON SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local property tax levy	\$ 12,867,184	\$ -	\$ -	\$ 920,200	\$ 13,787,384
Tuition charges	2,326,515				2,326,515
Capital reserve interest	676				676
Maintenance reserve interest	675				675
Other restricted miscellaneous revenues	859				859
Unrestricted misc. revenues	227,711		9,835		237,546
Federal sources	33,546	707,251			740,797
State sources	15,997,868	265,583			16,263,451
Local sources		447,677			447,677
Total Revenues	31,455,034	1,420,511	9,835	920,200	33,805,580
EXPENDITURES:					
Current expense:					
Regular instruction	8,135,824	568,546			8,704,370
Special education instruction	2,185,813	371,777			2,557,590
Other instruction	1,320,910				1,320,910
Support services and undistributed costs:					
Tuition	1,122,368				1,122,368
Student & instruction related services	2,943,046	595,295			3,538,341
General administrative services	582,022				582,022
School administrative services	814,944				814,944
Central administrative services	441,564				441,564
Plant operations and maintenance	2,302,161				2,302,161
Pupil transportation	668,977				668,977
Unallocated employee benefits	10,207,720	56,602			10,264,322
Capital outlay	164,954		1,652,450		1,817,404
Transfer of funds to Charter Schools	58,790				58,790
Debt service:					
Principal				785,000	785,000
Interest and other charges				135,200	135,200
Total Expenditures	30,949,093	1,592,220	1,652,450	920,200	35,113,963
Excess (deficiency) of revenues over (under) expenditures	505,941	(171,709)	(1,642,615)		(1,308,383)
Other Financing Sources (Uses):					
Proceeds of Bonds			26,810,000		26,810,000
Transfers in		160,116		9,835	169,951
Transfers out	(160,116)		(9,835)		(169,951)
Total other financing sources (uses)	(160,116)	160,116	26,800,165	9,835	26,810,000
Net Change in Fund Balance	345,825	(11,593)	25,157,550	9,835	25,501,617
Fund balance - July 1	2,730,402	707,576			3,437,978
Fund Balance - June 30	\$ 3,076,227	\$ 695,983	\$ 25,157,550	\$ 9,835	\$ 28,939,595

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

AUDUBON SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2022

Total net change in fund balances - governmental funds (from B-2) \$ 25,501,617

Amounts reported for governmental activities in the statement of activities (A-2)
are different because:

Governmental Funds report capital outlays 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 current period.

Depreciation expense	\$ (641,140)	
Fixed assets additions	<u>2,157</u>	(638,983)

Capital outlays related to leases are reported in the governmental funds as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as amortization expense. This is the amount by which capital outlays exceeded amortization in the current fiscal year.

Amortization expense	\$ (46,212)	
Fixed Asset Additions	<u>-</u>	(46,212)

Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

785,000

The proceeds of a bond issue is an other financing source of revenue in the governmental funds but is not reported in the statement of activities.

(26,810,000)

Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. This amount is the net effect of the difference in the treatment of interest on long-term debt.

(254,595)

Repayment of financed purchases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is reported in the statement of activities.

124,490

Repayment of leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

42,375

Net differences between pension system contributions recognized in the fund statement of revenues, expenditures and changes in fund balances and the statement of activities.

975,592

In the statement of activities, certain operating expenses, (e.g. compensated absences) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+)

(19,063)

Change in net position of governmental activities

\$ (339,779)

AUDUBON SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2022

	Business-Type Activities			Total
	Enterprise Funds			
	Food Service Fund	Community Education Program	After School Program	
ASSETS:				
Current Assets:				
Cash and cash equivalents	\$ 155,091	\$ 93,361	\$ 232,043	\$ 480,495
Intergovernmental receivables				
State	644			644
Federal	31,064			31,064
Other	2,917			2,917
Inventories	10,402			10,402
Total current assets	<u>200,118</u>	<u>93,361</u>	<u>232,043</u>	<u>525,522</u>
Noncurrent assets:				
Machinery and equipment (net of accumulated depreciation)	9,110			9,110
Total noncurrent assets	<u>9,110</u>			<u>9,110</u>
Total Assets	<u>209,228</u>	<u>93,361</u>	<u>232,043</u>	<u>534,632</u>
LIABILITIES:				
Current liabilities:				
Interfund payable	43,320			43,320
Accounts payable	44,297			44,297
Unearned revenue	10,574			10,574
Total Current Liabilities	<u>98,191</u>			<u>98,191</u>
NET POSITION:				
Net Investment in capital assets	9,110			9,110
Unrestricted	101,927	93,361	232,043	427,331
Total Net Position	<u>\$ 111,037</u>	<u>\$ 93,361</u>	<u>\$ 232,043</u>	<u>\$ 436,441</u>

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

AUDUBON SCHOOL DISTRICT
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2022

	Business-Type Activities			Totals
	Enterprise Funds			
	Food Service Fund	Community Education Program	After School Program	
Operating Revenues:				
Charges for services:				
Daily sales:				
Reimbursable programs	\$ 1,299	\$ -	\$ -	\$ 1,299
Non-reimbursable programs	47,437			47,437
Program fees		22,403	122,168	144,571
Total Operating Revenue	<u>48,736</u>	<u>22,403</u>	<u>122,168</u>	<u>193,307</u>
Operating Expenses:				
Salaries	238,335	2,717	99,802	340,854
Employee benefits	36,299		6,473	42,772
Management fee	31,500			31,500
Supplies and materials	71,487	12,607	1,870	85,964
Other costs	17,156			17,156
Depreciation	1,261			1,261
Cost of sales - reimbursable programs	263,588			263,588
Cost of sales - nonreimbursable programs	20,096			20,096
Total Operating Expenses	<u>679,722</u>	<u>15,324</u>	<u>108,145</u>	<u>803,191</u>
Operating Income (Loss)	<u>(630,986)</u>	<u>7,079</u>	<u>14,023</u>	<u>(609,884)</u>
Non-Operating Revenues:				
State sources:				
State school lunch program	13,400			13,400
Federal sources:				
National school lunch program	569,315			569,315
School breakfast program	36,376			36,376
P-EBT administrative costs	1,242			1,242
Emergency operational cost program - schools	547			547
Food distribution program	48,427			48,427
Local sources:				
Interest earned		65		65
Total Non-Operating Revenues	<u>669,307</u>	<u>65</u>	<u>-</u>	<u>669,372</u>
Income (Loss) before Contributions and Transfers	38,321	7,144	14,023	59,488
Operating Transfers In		-	-	-
Change in Net Position	38,321	7,144	14,023	59,488
Net Position - July 1, 2021	<u>72,716</u>	<u>86,217</u>	<u>218,020</u>	<u>376,953</u>
Net Position - June 30, 2022	<u>\$ 111,037</u>	<u>\$ 93,361</u>	<u>\$ 232,043</u>	<u>\$ 436,441</u>

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

AUDUBON SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2022

	Business-Type Activities			Total
	Enterprise Funds			
	Food Service Fund	Community Education Program	After School Program	
Cash Flows from Operating Activities:				
Cash receipts from customers	\$ 47,870	\$ 22,403	\$ 122,168	\$ 192,441
Cash payments to employees for services	(274,634)	(2,717)	(106,275)	(383,626)
Cash payments to suppliers for goods and services	(315,302)	(12,607)	(1,870)	(329,779)
Net cash used by operating activities	(542,066)	7,079	14,023	(520,964)
Cash Flows from Noncapital Financing Activities:				
Cash received from state sources	13,581			13,581
Cash received from federal sources	594,756			594,756
Net cash provided by noncapital financing activities	608,337			608,337
Cash Flow Provided by Investing Activities:				
Interest on cash equivalents		65		65
Net increase (decrease) in cash and cash equivalents	66,271	7,144	14,023	87,438
Cash and cash equivalents - July 1, 2021	88,820	86,217	218,020	393,057
Cash and cash equivalents - June 30, 2022	<u>\$ 155,091</u>	<u>\$ 93,361</u>	<u>\$ 232,043</u>	<u>\$ 480,495</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ (630,986)	\$ 7,079	\$ 14,023	\$ (609,884)
Adjustments to reconcile operating income (loss) to cash provided by (used for) operating activities:				
Depreciation	1,261			1,261
Commodities	48,427			48,427
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	959			959
(Increase) decrease in inventory	(3,140)			(3,140)
Increase (decrease) in unearned revenue	(1,826)			(1,826)
Increase (decrease) in interfund payable	43,239			43,239
Net cash provided by (used for) operating activities	<u>\$ (542,066)</u>	<u>\$ 7,079</u>	<u>\$ 14,023</u>	<u>\$ (520,964)</u>

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

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The Borough of Audubon School District (“School District”) is a Type II district located in the County of Camden, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board of Education is comprised of nine members elected to three-year terms. These terms are staggered so that three member’s terms expire each year. The purpose of the School District is to provide educational services for resident students in grades K through 12. In addition, the School District provides educational services for students in grades 9 through 12 received from the Mount Ephraim School District, on a tuition basis. The Audubon School District has an approximate enrollment at June 30, 2022 of 1,405 students.

The primary criteria for including activities within the School District’s reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards* is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the School district over which the Board exercises operating control.

Component Units – GASB Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Unit*, provide guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statements No. 14 and No. 39. In addition, GASB Statement No. 61, provides additional guidance for organizations that do not meet the financial accountability criteria for inclusion as component units but that nevertheless should be included because the primary government’s management determines that it would be misleading to exclude them. GASB Statement No. 80, *Blending Requirements for Certain Component Units* - an Amendment of GASB Statement No. 14 amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criteria requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Basis of Presentation

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

The School District's basic financial statements consists of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Statements - The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. The statement of net position presents the financial condition of the governmental and business-type activities of the School District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities and for the business-type activities of the School District. Direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. The policy of the School District is to not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program.

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide Statements (Continued) - Revenues, which are not classified as program revenues, are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements - During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a single column. The fiduciary fund is reported by type. The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

General Fund - The general fund is the general operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment classified in the capital outlay sub-fund.

As required by the New Jersey State Department of Education, the School District includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, district taxes and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

Special Revenue Fund - The special revenue fund is used to account for and report the proceeds of specific revenues sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Capital Projects Fund - The capital projects fund is used to account and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes or serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund - The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Proprietary Funds - Proprietary funds are used to account for the School District's ongoing activities, which are similar to those in the private sector.

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

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The School District's enterprise funds are:

Food Service Fund - This fund accounts for the financial transactions related to the food service operations of the School District.

After School Program Fund - This fund accounts for the financial resources of the School District's extended day program. This program provides before and after school care to students.

Community Education Fund - This fund accounts for the financial activity related to providing adult school activities within the School District.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net position) is segregated into net investment in capital assets, and unrestricted net, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total position.

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

Equipment	12 Years
Light Trucks and Vehicles	4 Years
Heavy Trucks and Vehicles	6 Years

Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net position.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e. revenues and other financing sources) and uses (i.e. expenditures and other financing uses) of current financial resources.

Fund Financial Statements (Continued) - This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e. revenues) and decreases (i.e. expenses) in net total position. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities. Fiduciary funds are reported using the economic resources measurement focus.

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined and "available" means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days after fiscal year end.

Revenues - Exchange and Non-exchange Transactions - Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include Ad Valorem (property) taxes, grants, entitlements, and donations. 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 School 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 School District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". With the exception of restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: tuition, grants, fees, and rentals.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the fiscal year is reported in the operating statement as an expense. Unused donated commodities are reported as unearned revenue. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Budgets/Budgetary Control - Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line-item accounts within each fund. Line-item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23A-16.2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

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

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The budget, as detailed on Exhibit C-1, Exhibit C-2 and Exhibit I-3, includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances – governmental funds. Note that the School District does not report encumbrances outstanding at year end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the one or more June state aid payments.

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. Encumbrances are a component of fund balance 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 governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Encumbrances – Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, and all eligibility and time requirements satisfied are reflected on the balance sheet as unearned grant revenue 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.

Cash, 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.

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

N.J.S.A. 17:9-41et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act (GUDPA), a multiple financial institution collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

Tuition Receivable - Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

Tuition Payable - Tuition charges for the fiscal years ended June 30, 2022 and 2021 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories - Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out basis.

The cost of inventories in governmental fund types is recorded as expenditures when purchased rather than when consumed and is not recorded since any amounts are considered immaterial to the basic financial statements.

Inventories recorded in the government-wide financial statements and in the proprietary fund types are recorded as expenditures when consumed rather than when purchased.

Prepaid Expenses - Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2022.

In the governmental fund types, however, payments for prepaid items are fully recognized as an expenditure in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required (*non-allocation method*). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

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

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

Short-Term Interfund Receivables / Payables - Short-term interfund receivables / payables represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund in the School District and that are due within one year. These amounts are eliminated in the governmental and business-type columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Capital Assets - General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and the proprietary fund statement of net position. All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are recorded at their fair market value as of the date received. The School District maintains a capitalization threshold of \$2,000. The School District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land and Improvements	10-20 years	N/A
Buildings and Improvements	10-50 years	N/A
Furniture and Equipment	5-20 years	12 years
Vehicles	5-10 years	4-6 years

Lease Assets - Intangible right-to-use lease assets are assets which the District leases for a term of more than one year. The value of leases are determined by the net present value of the leases at the District's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

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

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

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid with expendable available financial resources. In proprietary funds, the entire amount of compensated absences is recorded as a fund liability.

Unearned Revenue - Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and are recorded as a liability until the revenue is both measurable and the School District is eligible to realize the revenue.

Accrued Liabilities and Long-Term Obligations - All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full, from current financial resources are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the fund financial statements when due.

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.

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 law or regulations of other governments.

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

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” criteria includes items that are not expected to be converted to cash, such as inventories and prepaid amounts. The School District had no nonspendable fund balance at June 30, 2022.

Restricted – This 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 (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – This 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. 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 imposing the commitment.

Assigned – This 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.

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

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, it is the School District’s policy to spend restricted fund balances first. Likewise, when an expenditure is 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.

Operating and Non-Operating Revenues and Expenses - Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for the food service program and maintenance service fees for the internal service fund. Non-operating revenues principally consist of interest income earned on various interest-bearing accounts and federal and state subsidy reimbursements for the food service program.

Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. There are no non-operating expenses.

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfunds – Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United State of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Recently Issued Accounting Pronouncements – In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosure regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. Management is currently evaluating the impact of the adoption of this Statement on the District’s financial statements.

In June 2022 the GASB issued Statement 100, *Accounting Changes and Error Corrections- An Amendment of GASB Statement No. 62* The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2023.

In June 2022 the GASB issued Statement 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

2. CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits – Custodial credit risk refers to the risk that, in the event of a bank failure, the School District’s deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Unit (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings of funds that pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized. Of the School District’s amount on deposit of \$30,989,611 as of June 30, 2022, \$500,000 was insured under FDIC and the remaining balance of \$30,489,611 was collateralized under GUDPA.

3. CAPITAL RESERVE ACCOUNT

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

Funds placed in the capital reserve account are restricted to capital projects in the School District’s approved Long-Range Facilities Plan (LRFP). Upon submission of the LRFP to the New Jersey Department of Education, a school district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both.

**Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

3. CAPITAL RESERVE ACCOUNT (Continued)

A school district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Balance – July 1, 2021		\$	675,617
Increased by:			
Interest earned	\$	676	
Board resolution	<u>100,000</u>		<u>100,676</u>
			<u>776,293</u>
Decreased by:			
Budget withdrawal			<u> </u>
Balance – June 30, 2022		<u>\$</u>	<u>776,293</u>

The June 30, 2022 capital reserve balance does not exceed the LRFP balance of local support costs of uncompleted projects.

4. ACCOUNTS RECEIVABLES

Accounts receivables at June 30, 2022 consisted of accounts (fees) and intergovernmental grants. All intergovernmental receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds. Accounts receivable at June 30, 2022 for the School District’s individual major and fiduciary funds, in the aggregate, are as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Proprietary Fund</u>	<u>Total</u>
Intergovernmental						
State	\$ 464,524	\$ -	\$ 187,200	\$ -	\$ 644	\$ 652,368
Federal	-	4,410	-	-	31,064	35,474
Other	-	236,468	-	-	2,917	239,385
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 464,524</u>	<u>\$ 240,878</u>	<u>\$ 187,200</u>	<u>\$ -</u>	<u>\$ 34,625</u>	<u>\$ 927,227</u>

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

5. CAPITAL ASSETS

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

	<u>Balance</u> <u>June 30, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2022</u>
Governmental Activities:				
Land	\$ 764,000	\$ -	\$ -	\$ 764,000
Total Capital Assets not being Depreciated	<u>764,000</u>	<u>-</u>	<u>-</u>	<u>764,000</u>
Capital Assets, being Depreciated:				
Land Improvements	1,554,117	-	-	1,554,117
Building and Improvements	27,795,065	-	-	27,795,065
Equipment	1,828,607	2,157	-	1,830,764
Total Historical Cost	<u>31,177,789</u>	<u>2,157</u>	<u>-</u>	<u>31,179,946</u>
Less Accumulated Depreciation:				
Land Improvements	(1,239,900)	(46,046)	-	(1,285,946)
Building and Improvements	(12,273,395)	(555,777)	-	(12,829,172)
Equipment	(1,620,001)	(39,317)	-	(1,659,318)
Total Accumulated Depreciation	<u>(15,133,296)</u>	<u>(641,140)</u>	<u>-</u>	<u>(15,774,436)</u>
Total Capital Assets, being depreciated, net	<u>16,044,493</u>	<u>(638,983)</u>	<u>-</u>	<u>15,405,510</u>
Governmental Activities Capital Assets, Net	<u>\$ 16,808,493</u>	<u>\$ (638,983)</u>	<u>\$ -</u>	<u>\$ 16,169,510</u>
Business-Type Activities:				
Equipment	\$ 202,851	\$ -	\$ -	\$ 202,851
Less - Accumulated Depreciation	<u>(192,480)</u>	<u>(1,261)</u>	<u>-</u>	<u>(193,741)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 10,371</u>	<u>\$ (1,261)</u>	<u>\$ -</u>	<u>\$ 9,110</u>

Depreciation expense in the amount of \$641,140 was charged to governmental functions as follows:

<u>Function</u>	<u>Amount</u>
Regular Instruction	\$ 3,206
General Administration	28,851
Plant Operations and Maintenance	5,770
Transportation	641
Unallocated	<u>602,672</u>
Total depreciation expense	<u>\$ 641,140</u>

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

6. LEASE ASSETS

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

	(Restated) Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022
Governmental Activities:				
Lease Assets, being Amortized:				
Building and Improvements	\$ 142,037	\$ -	\$ -	\$ 142,037
Machinery and Equipment	225,396		-	225,396
Total Lease Assets Being Amortized	367,433	-	-	367,433
 Governmental Activities				
Lease Assets	367,433	-	-	367,433
 Less Accumulated Amortization for:				
Building and Improvements		(23,673)		(23,673)
Machinery and Equipment		(22,539)	-	(22,539)
Total Accumulated Amortization	-	(46,212)	-	(46,212)
 Governmental Activities Lease Assets, Net	\$ 367,433	\$ (46,212)	\$ -	\$ 321,221

Amortization expense in the amount of \$46,212 was charged to governmental functions as follows:

Function	Amount
Regular Instruction	\$ 42,831
Administration	2,254
Central Services	1,127
	\$ 46,212

7. INVENTORY

Inventory in the food service fund at June 30, 2022 consisted of the following:

Food	\$ 7,498
Supplies	2,904
	\$ 10,402

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

8. LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2022, the following changes occurred in long-term obligations:

	(Restated) Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022	Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 801,853	\$ 67,199	\$ 48,136	\$ 820,916	\$ 83,342
Financed Purchases Payable	216,103		124,490	91,613	91,613
Leases Payable	367,433		42,375	325,058	62,259
General Obligation Bonds	3,380,000	26,810,000	785,000	29,405,000	815,000
Net Pension Liability	4,713,752		1,598,614	3,115,138	
	<u>\$ 9,479,141</u>	<u>\$ 26,877,199</u>	<u>\$ 2,598,615</u>	<u>\$ 33,757,725</u>	<u>\$ 1,052,214</u>

Bonds Payable - Bonds and loans are authorized in accordance with State law by the voters of the School District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Outstanding bonds issued by the School District are as follows:

2012 Refunding dated January 15, 2012 in the amount of \$2,595,000 due in annual installments through January 15, 2025, bearing interest rate of 3.00% to 4.00%.

2022 School Bonds dated February 24, 2022 in the amount of \$26,810,000 due in annual installments through August 15, 2046, bearing interest rate of 2.50% to 3.00%.

As of June 30, 2022, principal and interest due on bonds outstanding is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 815,000	\$ 839,974	\$ 1,654,974
2024	1,600,000	817,250	2,417,250
2025	1,480,000	765,437	2,245,437
2026	1,150,000	706,013	1,856,013
2027	1,160,000	674,250	1,834,250
2028-2032	5,800,000	2,892,750	8,692,750
2033-2037	5,800,000	2,095,250	7,895,250
2038-2042	5,800,000	1,291,950	7,091,950
2043-2047	5,800,000	435,000	6,235,000
	<u>\$ 29,405,000</u>	<u>\$ 10,517,874</u>	<u>\$ 39,922,874</u>

As of June 30, 2022, the School District had no authorizations to issue additional bonded debt.

Compensated Absences - Compensated absences will be paid from the fund from which the employees' salaries are paid.

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

8. LONG-TERM OBLIGATIONS (Continued)

Financed Purchases - The School District has entered into the following financed purchase agreements:

<u>Purpose</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Total Value</u>
Chromebooks	December 18, 2022	4.880%	\$ 28,861
Dell Chromebooks/HVAC	August 1, 2022	2.290%	<u>62,752</u>
Total			<u>91,613</u>

The following is a schedule of the future minimum payments under these financed purchases, and the present value of the net minimum payments at June 30, 2022:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 91,613	\$ 2,845	\$ 94,458
	<u>\$ 91,613</u>	<u>\$ 2,845</u>	<u>\$ 94,458</u>

Leases Payable - The School District has entered into agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

On January 1, 2022, the School District entered a 60-month lease as lessee for the use of copiers. An initial lease liability was recorded in the amount of \$225,396. The School District is required to make monthly payments of \$4,150. The lease has an interest rate of 3.99%. The value of the right to use asset as of June 30, 2022, was \$202,857 with accumulated amortization of \$22,541.

On July 1, 2017, the School District entered a 120-month lease as lessee for the use of a building. As of July 1, 2021, an initial lease liability was recorded in the amount of \$142,037. The School District is required to make quarterly payments of \$6,250. This increases to \$6,375 starting July 1, 2022. The lease has an interest rate of 2.50%. The value of the right to use asset as of June 30, 2022, was \$118,364 with accumulated amortization of \$23,673.

As of June 30, 2022, the District had leases outstanding as follows:

<u>Purpose</u>	<u>Commencement</u> <u>Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Total Value</u>
Copiers	January 1, 2022	December 1, 2026	3.99%	\$ 204,823
Building	July 1, 2017	June 30, 2027	2.50%	<u>120,235</u>
Total				<u>\$ 325,058</u>

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

8. LONG-TERM OBLIGATIONS (Continued)

The future annual lease obligations as of June 30, 2022, are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 65,259	\$ 10,041	\$ 75,300
2024	67,560	7,740	75,300
2025	69,945	5,355	75,300
2026	72,419	2,881	75,300
2027	49,875	525	50,400
Total	<u>\$ 325,058</u>	<u>\$ 26,542</u>	<u>\$ 351,600</u>

9. PENSION PLANS

Description of Plans – Substantially all of the School District's employees participate in one of the following pension plans which have been established by State statute and are administered by the New Jersey Division of Pensions and Benefits (Division): the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS). In addition, several School District employees participate in the Defined Contribution Retirement Program (DCRP), which is a defined contribution pension plan. This plan is administered by Prudential Financial for the Division. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. 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>.

Teachers' Pension and Annuity Fund (TPAF)

Plan Description - The Teachers' Pension and Annuity Fund is a cost-sharing multiple-employer defined benefit pension plan, with a special funding situation, which was established on January 1, 1955, under the provisions of N.J.S.A. 18A:66. The State of New Jersey (the "State") is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF's designated purpose is to provide retirement, death and disability, and medical benefits to qualified members. Membership in the TPAF is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, who have titles that are unclassified, professional and certified. The TPAF's Board of Trustees is primarily responsible for the administration of the TPAF.

Vesting and Benefit Provisions – 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 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, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

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

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

9. PENSION PLANS (Continued)

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

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

Contributions - The contribution requirements of plan members are determined by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the member contribution rate was 7.50% in State fiscal year 2022. 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.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over the several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, *Accounting and Financial Reporting for Pensions*.

The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2022 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2021, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2022 was \$3,135,381 and was paid by April 1, 2022. School District employee contributions to the pension plan during the fiscal year ended June 30, 2022 were \$905,525.

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

At June 30, 2022, the School District was not required to report a liability for its proportionate share of the net pension liability because of a 100% special funding situation by the State of New Jersey.

For the year ended June 30, 2022, the School District recognized pension expense of \$1,210,313 and revenue of \$1,210,313 for support provided by the State. Although the School District does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the School District.

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

9. PENSION PLANS (Continued)

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

The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

	<u>06/30/21</u>	<u>06/30/20</u>
Collective deferred outflows of resources	\$ 6,230,825,389	\$ 9,458,881,999
Collective deferred inflows of resources	27,221,092,460	14,424,322,612
Collective net pension liability (Non-Employer – State of New Jersey)	48,165,991,182	65,993,498,688
State's portion of the net pension liability that was associated with the School District	51,436,061	70,785,306
State's portion of the net pension liability that was associated with the School District as a percentage of the collective net pension liability	.1069908660%	.1074967342%

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

This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality tables 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-2020.

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

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

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

9. PENSION PLANS (Continued)

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

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	.95%
Risk Mitigation Strategies	3.00%	3.35%
	<u>100.00%</u>	

Discount rate. The discount rate used to measure the State's total pension liability was 7.000% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers (State of New Jersey) 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 rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the net pension liability to changes in the discount rate. As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2021, the pension plans measurement date, attributable to the School District is \$0.00, and the State of New Jersey's proportionate share of the net pension liability, attributable to the School District, using a discount rate of 7.00%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) that the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	<u>60,857,452</u>	<u>51,436,061</u>	<u>43,522,685</u>
	<u>\$ 60,857,452</u>	<u>\$ 51,436,061</u>	<u>\$ 43,522,685</u>

Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report.

**Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS)

Plan Description - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established on January 1, 1955. The PERS provides retirement, death and disability, and medical benefits to certain qualified members. Vesting Membership in the PERS is mandatory for substantially all full-time employees of the Authority, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS. For additional information about PERS, please refer to Division's annual financial statements, which can be found at <http://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

Vesting and Benefit Provisions – 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 medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

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

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

Contributions - The contribution requirements of plan members are determined by N.J.S.A 43:15A and requires contributions by active members and contributing employers. The School District's 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.

Based on the most recent PERS measurement date of June 30, 2021, the School Districts contractually required contribution to the pension plan for the fiscal year ended June 30, 2022 was \$307,955 and was paid by April 1, 2022. School District employee contributions to the pension plan during the fiscal year ended June 30, 2022 were \$151,584.

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

The School District is billed annually for its normal contribution plus any accrued liability. The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

<u>Fiscal Year</u>	<u>Normal Contributions</u>	<u>Adjustment</u>	<u>Accrued Liability</u>	<u>Non Contributory Life</u>	<u>Longterm Disability</u>	<u>Total Liability Paid by District</u>
2022	\$ 37,289	\$ -	\$ 256,471	\$ 14,195	\$ -	\$ 307,955
2021	36,100	-	264,829	15,284	-	316,213
2020	25,872	-	239,412	14,295	594	280,173

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

At June 30, 2022, the School District reported a liability of \$3,115,138 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The School District's proportion of the of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

For the year ended June 30, 2022, the School District recognized pension expense of (\$667,635). At June 30, 2022, the School District reported a liability of \$3,115,138 for its proportionate share of the PERS net pension liability and deferred outflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 49,130	\$ 22,301
Changes of assumptions	16,224	1,109,009
Net Difference between projected and actual earnings on pension plan investments		820,609
Changes in proportion	40,844	711,298
District contributions subsequent to the measurement date	353,232	
Total	\$ 459,430	\$ 2,663,217

\$353,232 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2022, the plan measurement date is June 30, 2021) will be recognized as a reduction of the net liability in the year ended June 30, 2022.

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the year ended:	Net Deferred Outflows (Inflows) of Resources
2023	\$ (925,340)
2024	(774,253)
2025	(486,286)
2026	(368,607)
2027	(2,533)
Total	\$ (2,557,019)

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience		
Year of Pension Plan Deferral:		
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	5.21	
June 30, 2020	5.16	-
June 30, 2021	5.13	5.13
Changes of assumptions		
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	5.13	
Differences between projected and actual investment earnings on pension plan investments		
June 30, 2016	-	5.00
June 30, 2017	-	5.00
June 30, 2018	-	5.00
June 30, 2019	-	5.00
June 30, 2020	-	5.00

**Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Additional Information

Collective balances at June 30, 2021 and 2020 are as follows:

	<u>6/30/2021</u>	<u>6/30/2020</u>
Collective deferred outflows of resources	\$ 818,359,815	\$ 2,590,600,991
Collective deferred inflows of resources	\$ 11,243,411,487	\$ 12,009,239,423
Collective net pension liability	\$ 11,972,782,878	\$ 16,435,616,426
School District's Proportion	.0262958529%	.0289056288%

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

This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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

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

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

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

**Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.95%
Risk Mitigation Strategies	3.00%	3.35%
Total	<u>100.00%</u>	

Discount rate. The discount rate used to measure the State's total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and nonemployer contributing entity will be made 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 all projected benefit payments to determining the total pension liability.

Sensitivity of the School District's proportionate share of the net pension liability to changes in the discount rate. The following presents the School District's proportionate share of the net pension liability measured as of June 30, 2021, calculated using the discount rate of 7.00%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
School District's proportionate share of the net pension liability	\$ 4,242,186	\$ 3,115,138	\$ 2,158,678

Pension Plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report.

Defined Contribution Retirement Program (DCRP)

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

**Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

9. PENSION PLANS (Continued)

Defined Contribution Retirement Program (DCRP) (Continued)

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

The School District’s contributions, equal to the required contribution for each fiscal year, were as follows:

Fiscal Year	Total Liability	Paid by School District
2022	\$ 25,585	\$ 25,585
2021	25,986	25,986
2020	24,239	24,239

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description and Benefits Provided

The State Health Benefit State Retired Employees Plan (State Retired OPEB Plan) is a single-employer defined benefit OPEB plan with a special funding situation. The State Retired OPEB Plan is administered on a “pay-as-you-go” basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The State Retired OPEB Plan covers the State, State colleges and universities, the Palisades Interstate Park Commission, and the New Jersey Building Authority (referred to collectively as “the employers”) for which the State is legally obligated to pay for benefits. The State Retired OPEB Plan is treated as a cost-sharing multiple employer plan with a special funding situation for allocating the total OPEB liability and related OPEB amounts since each employer mentioned above is required to issue stand-alone financial statements. The State Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of the employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

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

The State Health Benefit Local Education Retired Employees Plan (Local Education Retired OPEB Plan) is a multiple-employer defined benefit OPEB plan with a special funding situation. The Local Education Retired OPEB Plan is administered on a “pay-as-you-go” basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Local Education Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of local education employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

**Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

The Division issues a publicly available financial report that includes financial statements and required supplementary information which can be obtained by writing to or at the following website:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<https://www.nj.gov/treasury/pensions/financial-reports.shtml>

Contributions

The employer contributions for the participating local education employers are legally required to be funded by the State in accordance with N.J.S.A. 52:14-17.32f. According to this law, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: 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 State is legally required to pay for the OPEB benefit coverage for the participating local education employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. The State, as a nonemployer contributing entity, reported a Fiscal Year 2021 total OPEB liability of \$60,007,650,970 for this special funding situation.

Plan Membership

As of June 30, 2020, the program membership consisted of the following:

Active Plan Members	213,901
Retirees	150,427
	364,328

Total Non-Employer OPEB Liability

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

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

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

Inflation rate	2.50%		
	TPAF/ABP	PERS	PFRS
Salary Increases Through 2026	1.55 – 4.45% based on service years	2.00 – 6.00% based on service years	3.25 – 15.25% based on service years
Thereafter	2.75 – 5.65% based on service years	3.00 - 7.00% based on service years	Not Applicable

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

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

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

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

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Changes in the Total Nonemployer OPEB Liability

The table below summarizes the State's proportionate share of the change in the total nonemployer OPEB liability associated with the School District:

	Total OPEB Liability
Balance as of June 30, 2020	\$ 78,058,576
Changes for the years'	
Service Cost	3,274,211
Interest	1,729,677
Changes of benefit terms	(70,970)
Differences between expected and actual experience	(15,061,774)
Changes in assumptions	65,782
Gross Benefit Payments	(1,362,501)
Contributions from the Non-employer	N/A
Contributions from the Member	44,219
Net Investment Income	N/A
Administrative Expense	N/A
Net Changes	\$ (11,381,356)
Balance at 06/30/2021	\$ 66,677,220

Sensitivity of the total nonemployer OPEB liability to changes in the discount rate - The following presents the total nonemployer OPEB liability as of June 30, 2021, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
State of New Jersey's Proportionate Share of the Total Nonemployer OPEB Liability Associated with the School District	\$ 79,868,842	\$ 66,677,220	\$ 56,289,609

Sensitivity of the total nonemployer OPEB liability to changes in the healthcare cost trend rate - The following presents the total nonemployer OPEB liability as of June 30, 2021 calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State of New Jersey's Proportionate Share of the Total Nonemployer OPEB Liability Associated with the School District	\$ 53,975,426	\$ 66,677,220	\$ 83,734,790

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

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

For the year ended June 30, 2021, the School District recognized \$3,028,368 in OPEB expense and revenue, in the government-wide financial statements, for the State's proportionate share of the OPEB Plan's OPEB Expense, associated with the School District. This expense and revenue were based on the OPEB Plan's June 30, 2021 measurement date.

In accordance with GASBS No. 75, the School District's proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources by the School District.

At June 30, 2021, the State's proportionate share of the total nonemployer OPEB liability's deferred outflows of resources and deferred inflows of resources, associated with the School District, from the following sources are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion	\$ 129,869	\$ (3,449,951)
Differences between expected and actual experience	10,051,295	(20,011,019)
Changes of assumptions	11,310,945	(7,153,844)
Total	\$ 21,492,109	\$ (30,614,814)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to State's proportionate share of the total nonemployer OPEB Liability, associated with the School District, will be recognized in OPEB expense as follows:

For the year ended:	
2022	\$ (2,065,375)
2023	(2,065,375)
2024	(2,065,375)
2025	(2,065,375)
2026	(1,468,453)
Thereafter	607,248
Total	\$ (9,122,705)

Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report.

11. ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2022, the School District has recognized as revenues and expenditures on-behalf payments made by the state for normal retirement costs, post-retirement medical costs and long-term disability insurance related to TPAF, in the fund statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, post-retirement medical costs and long-term disability insurance were \$4,343,982, \$1,014,930, and \$1,491, respectively. In addition, \$884,156 on-behalf payments were made by the state for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

**Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

12. RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee health and accident claims; and natural disasters.

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

Joint Insurance Pool - The School District is a member of the School Alliance Insurance Fund. Insurance coverage as provided by the Fund can be found in the Statistical Section of this Annual Comprehensive Financial Report.

Annual contributions to the Fund are determined by the Fund's Board of Trustees. The School District is jointly and personally liable for claims insured by the Fund and its members during the period of its membership, including liability for supplemental assessments, if necessary. The Fund's Board of Trustees may authorize refunds to its members in any fund year for which contributions exceed the amount necessary to fund all obligations for that year.

The Fund publishes its own financial report which can be obtained at: School Alliance Insurance Fund, c/o PEGAS, 51 Everett Drive, Suite B-40 West Windsor, New Jersey, 08550.

New Jersey Unemployment Compensation Insurance - The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the School 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 School District is billed quarterly for amounts due to the State.

The following is a summary of the School District's unemployment compensation contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the current and previous two fiscal years:

<u>Year</u>	<u>Earned</u>	<u>Contributions</u>	<u>Reimbursed</u>	<u>Balance</u>
2022	\$ 859	\$ -	\$ -	\$ 326,832
2021	1,467	-	-	325,973
2020	859	3,526	86,406	324,506

13. DEFERRED COMPENSATION

The School District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, available to all permanent School District employees, permit participants to defer a portion of their current salary to future years. Participation in the plans is optional. The deferred compensation is not available to the participants until termination, retirement, death, or an unforeseeable emergency occurs. The plan assets are held in trust for the benefit of the employee and are administered by a third party therefore they are not reflected on the financial statements of the School District.

14. COMPENSATED ABSENCES

The School 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.

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

**Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

14. COMPENSATED ABSENCES (Continued)

The liability for vested compensated absences is recorded within those funds as the benefits accrued to the employees. As of June 30, 2022, the liability for compensated absences in the governmental activities was \$820,916.

15. INTERFUND BALANCES AND TRANSFERS

Interfund receivables/payables are recorded to cover temporary cash shortages and/or timing differences in the respective funds. There are no interfund balances that are not expected to be repaid by June 30, 2023. The following interfund balances were recorded on the various balance sheets as of June 30, 2022:

Fund	Interfunds Receivable	Interfunds Payable
General Fund	\$ 182,449	\$ 9,109
Special Revenue		139,129
Capital Projects	9,109	9,835
Debt Service	9,835	
Enterprise Fund	-	43,320
	\$ 201,393	\$ 201,393

16. CONTINGENCIES

The School District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the School District may be required to reimburse the grantor government.

At June 30, 2022, significant amounts of grant expenditures have not been audited by the granting agency, but the School District believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the School District. Additionally, unearned revenues are recognized in those funds that have received grant monies in advance of future, reimbursable expenditures.

17. FLEXIBLE BENEFITS PROGRAM

The School District offers its employees a Flexible Benefits Program. The purpose of the program is to provide a tax incentive for plan participants incurring health premium expenses, dependent care expenses and other medical expenses not covered by other insurance. The School District, who is the plan administrator, has contracted with a third party to act as its agent to furnish reimbursement services. The plan participants redirect a prescribed amount of their gross pay (tax-free) into a reimbursement account and then in-turn submit claims to the third party for repayment.

Because of Internal Revenue Service regulations, if at the end of any plan year unexpended funds remain, these funds will be forfeited by the participants and returned to the School District.

The following is a summary of School District contributions, employee contributions, reimbursements to the plan participants for benefits paid and the ending balance for the current and prior two years.

Year	Interest	Contributions	Reimbursed	Balance
2022	\$ 16	\$ 25,200	\$ 23,159	\$ 2,820
2021	42	31,700	33,867	763
2020	63	35,460	35,238	2,888

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

18. TAX ABATEMENTS

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements,

and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

As of December 31, 2021, the Borough of Audubon had no tax abatements.

19. DEFICIT UNASSIGNED FUND BALANCE

The School District has a deficit unassigned fund balance of \$44,032 in the Special Revenue Fund as of June 30, 2022 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenues, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable.

Due to the timing difference of recording the June state aid payments, the general fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned special revenue fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of \$44,032 is equal to or less than the June state aid payments.

**Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

20. DEFICIT UNRESTRICTED NET POSITION

As of June 30, 2022, a deficit of \$5,906,715 existed in the Unrestricted Net Position of the Governmental Activities. A reconciliation of Unreserved Fund Balance reported on Exhibit B-1 to Unrestricted Net Position reported on Exhibited A-1 as follows:

Balances, June 30, 2022:	
Fund Balance (Deficit) - Unassigned (Exclusive of Capital Projects and Debt Service Funds)	\$ 215,038
Assigned	687,882
Liabilities:	
Accrued Interest Payable	(353,232)
Net Pension Difference	(5,635,487)
Compensated Absences	(820,916)
Unrestricted Net Position (Deficit)	<u>\$ (5,906,715)</u>

21. FUND BALANCES

RESTRICTED

As stated in Note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Specific restrictions of the School District’s fund balance are summarized as follows:

General Fund:

Capital Reserve – As of June 30, 2022, the balance in the capital reserve account is \$776,293. The entire amount is restricted for future capital outlay expenditures for capital projects in the School District’s approved Long-Range Facilities Plan.

Maintenance Reserve Account – As of June 30, 2022, the balance in the maintenance reserve account is \$776,150. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

Emergency Reserve – As of June 30, 2022, the balance in the emergency reserve is \$250,000. These funds are restricted for the purpose of financing unanticipated general fund expenditures required for a through and efficient education in accordance with N.J.S.A. 18A:7F-41c(1).

Unemployment Compensation Reserve – As of June 30, 2022, the balance in the unemployment compensation reserve is \$326,832. These funds are restricted for the purpose of financing unemployment claims.

Special Revenue Fund:

Student Activities – As of June 30, 2022, the balance in student activities is \$509,174.

Scholarships – As of June 30, 2022, the balance in student activities is \$230,841.

Capital Projects Fund – As of June 30, 2022, the balance is \$23,903,068.

Debt Service Fund – As of June 30, 2022, the balance is \$9,835.

**Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

21. FUND BALANCES (Continued)

ASSIGNED

As stated in Note 1, 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. Specific assignments of the School District's fund balance are summarized as follows:

General Fund:

Other Purposes – As of June 30, 2022, the School District has \$87,882 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

Designated for Subsequent Year's Expenditures – The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2022, \$600,000 of general fund balance.

Capital Projects Fund:

Other Purposes – As of June 30, 2022, the School District has \$1,254,482 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

UNASSIGNED

As stated in Note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

General Fund – As of June 30, 2022, the unassigned fund balance of the general fund is \$259,070.

Special Revenue Fund – As of June 30, 2022, the unassigned fund balance of the special revenue fund is a deficit of \$44,032. The deficit is a result of the delay in the recording of the payment of state aid until the following fiscal year (See Note 19).

22. PRIOR PERIOD ADJUSTMENT

GASB Statement No. 87, *Leases* was implemented during the fiscal year ended June 30, 2022. As a result of this implementation, a right-to-use asset and a lease liability were created. The ending balances as of June 30, 2021, were restated due to this implementation as follows:

	Balance June 30, 2021 as Previously Reported	Retroactive Adjustments	Balance June 30, 2021 as Restated
<u>Statement of Net Position - Governmental Activities:</u>			
Assets:			
Right-to-Use Lease Assets, Net	\$ -	\$ 367,433	\$ 367,433
Total Assets	20,365,842	367,443	20,733,285
Noncurrent Liabilities:			
Due Within One Year	984,755	42,375	1,027,130
Due Beyond One Year	8,126,953	325,058	8,452,011
Total Liabilities	9,601,001	367,443	9,968,444

Required Supplementary Information - Part II

Budgetary Comparison Schedules

AUDUBON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local Tax Levy	\$ 12,867,184	\$ -	\$ 12,867,184	\$ 12,867,184	\$ -
Tuition from other LEA's	2,326,515		2,326,515	2,326,515	
Capital reserve interest	50		50	676	626
Maintenance reserve interest	50		50	675	625
Emergency reserve interest	50		50		(50)
Other restricted miscellaneous revenues				859	859
Unrestricted misc. revenues	230,085		230,085	227,711	(2,374)
Total local sources	15,423,934		15,423,934	15,423,620	(314)
State sources:					
Categorical special education aid	1,046,915		1,046,915	1,046,915	
Equalization aid	6,777,216		6,777,216	6,777,216	
Categorical security aid	200,391		200,391	200,391	
Adjustment aid	328,370		328,370	328,370	
Transportation aid	73,419		73,419	73,419	
School choice aid	1,002,960		1,002,960	1,002,960	
Extraordinary aid	200,000		200,000	376,877	176,877
On-behalf TPAF pension contrib. (non-budgeted)				4,343,982	4,343,982
On-behalf TPAF post ret.medical (non-budgeted)				1,014,930	1,014,930
On-behalf TPAF LTDI (non-budgeted)				1,491	1,491
Reimbursed TPAF social security contribution (non-budgeted)				884,156	884,156
Total state sources	9,629,271		9,629,271	16,050,707	6,421,436
Federal sources:					
Medicaid Initiative (SEMI)	35,644		35,644	33,546	(2,098)
Total federal sources	35,644		35,644	33,546	(2,098)
TOTAL REVENUES	25,088,849		25,088,849	31,507,873	6,419,024
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of teachers					
Kindergarten	403,477	(11,900)	391,577	387,915	3,662
Grades 1-5	1,935,564	178,600	2,114,164	2,113,406	758
Grades 6-8	1,576,170	(174,820)	1,401,350	1,400,694	656
Grades 9-12	3,101,118	88,170	3,189,288	3,188,843	445
Regular Programs - Home Instruction:					
Salaries of teachers	15,000	(10,400)	4,600	4,260	340
Purchased professional - educational services	8,242	10,400	18,642	18,581	61
Regular Programs - Undistributed Instruction:					
Other salaries for instruction	251,255	(14,500)	236,755	236,300	455
Purchased professional - educational services	1,500		1,500		1,500
Purchased technical services	119,250	(5,900)	113,350	113,238	112
Other purchased services	169,333	(11,900)	157,433	132,729	24,704
General supplies	724,328	(17,360)	706,968	533,370	173,598
Textbooks	12,164		12,164	6,488	5,676
Total - Regular Programs - Instruction	8,317,401	30,390	8,347,791	8,135,824	211,967

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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AUDUBON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2022

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Special Education Instruction:					
Learning and/or Language Disabilities:					
Salaries of teachers	\$ 299,464	\$ 17,100	\$ 316,564	\$ 316,368	\$ 196
Other salaries for instruction	83,477	(2,000)	81,477	75,073	6,404
General supplies	8,000		8,000	6,750	1,250
Total learning and/or language disab.	<u>390,941</u>	<u>15,100</u>	<u>406,041</u>	<u>398,191</u>	<u>7,850</u>
Behavioral Disabilities:					
Salaries of teachers					
Other salaries for instruction					
General supplies					
Total behavioral disabilities					
Resource room/resource center:					
Salaries of teachers	1,715,242	(60,800)	1,654,442	1,639,424	15,018
Other salaries for instruction	167,906	(15,000)	152,906	123,987	28,919
General supplies	8,550		8,550	4,864	3,686
Total resource room/resource center	<u>1,891,698</u>	<u>(75,800)</u>	<u>1,815,898</u>	<u>1,768,275</u>	<u>47,623</u>
Preschool Disabilities - Part-Time:					
Salaries of teachers	71,197	(60,150)	11,047	8,670	2,377
Other salaries for instruction	34,845	(27,850)	6,995	6,356	639
General supplies					
Total preschool disabilities - part-time	<u>106,042</u>	<u>(88,000)</u>	<u>18,042</u>	<u>15,026</u>	<u>3,016</u>
Home Instruction					
Salaries of teachers	20,000		20,000	1,620	18,380
Purchased professional - educational services	7,700	10	7,710	2,701	5,009
Total home instruction	<u>27,700</u>	<u>10</u>	<u>27,710</u>	<u>4,321</u>	<u>23,389</u>
Total Special Education - Instruction	<u>2,416,381</u>	<u>(148,690)</u>	<u>2,267,691</u>	<u>2,185,813</u>	<u>81,878</u>
Basic Skills/Remedial - Instruction					
Salaries of teachers	516,890	(58,400)	458,490	444,233	14,257
Other salaries for instruction					
General supplies					
Total basic skills/remedial - instruction	<u>516,890</u>	<u>(58,400)</u>	<u>458,490</u>	<u>444,233</u>	<u>14,257</u>
School-Sponsored Cocurricular Act - Instruction:					
Salaries of teachers	299,155	38,500	337,655	337,357	298
Supplies and materials	43,160	(14,900)	28,260	22,546	5,714
Transfer to Cover Deficit		2,000	2,000	1,999	1
Total school-sponsored cocurr. act. - instruct.	<u>342,315</u>	<u>25,600</u>	<u>367,915</u>	<u>361,902</u>	<u>6,013</u>
School-Sponsored Athletics - Instruction:					
Salaries of teachers	375,047	(5,000)	370,047	365,725	4,322
Purchased services	47,000	3,000	50,000	43,520	6,480
Supplies and materials	98,650	1,100	99,750	85,483	14,267
Other objects	8,900		8,900	8,024	876
Total school-sponsored athletics - instruct.	<u>529,597</u>	<u>(900)</u>	<u>528,697</u>	<u>502,752</u>	<u>25,945</u>
Community Services Programs/Operations					
Salaries	15,146		15,146	12,023	3,123
Total Community Services Programs/Operations	<u>15,146</u>		<u>15,146</u>	<u>12,023</u>	<u>3,123</u>
Total Instruction	<u>12,137,730</u>	<u>(152,000)</u>	<u>11,985,730</u>	<u>11,642,547</u>	<u>343,183</u>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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AUDUBON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2022

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Instruction					
Tuition to other LEAs within the state - regular	\$ 15,000	\$ 85,207	\$ 100,207	\$ 100,118	\$ 89
Tuition to other LEAs within the state - spec	78,804	(9,743)	69,061	68,234	827
Tuition to county vocational school - reg	57,905		57,905	57,905	
Tuition to CSSD & regional day school	171,770	(133,370)	38,400	15,001	23,399
Tuition to priv. sch. for the disabled in state	681,042	207,906	888,948	881,110	7,838
Tuition to priv. sch. for the disabled out of state					
Total undistributed expenditures - instruction	1,004,521	150,000	1,154,521	1,122,368	32,153
Attendance and Social Work Services:					
Salaries	55,430	22,000	77,430	76,866	564
Total	55,430	22,000	77,430	76,866	564
Health Services:					
Salaries	202,290	20,360	222,650	222,330	320
Purchased professional and technical services	15,500	4,200	19,700	19,627	73
Other purchased services	300		300		300
Supplies and materials	11,900		11,900	3,162	8,738
Total health services	229,990	24,560	254,550	245,119	9,431
Speech, OT, PT & Related Services:					
Salaries	360,450		360,450	291,064	69,386
Purchased professional - educational services	43,060	(32,032)	11,028	9,650	1,378
Supplies and materials	4,000		4,000	3,972	28
Total speech, ot, pt, & related services	407,510	(32,032)	375,478	304,686	70,792
Other Supp. Service STD - Extra Services					
Purchased professional - educational services	219,715	(48,000)	171,715	147,157	24,558
Total Supp. Service STD - Extra Services	219,715	(48,000)	171,715	147,157	24,558
Guidance:					
Salaries of other professional staff	652,850	(12,024)	640,826	632,493	8,333
Salaries of secretarial and clerical assistants	77,221	(18,100)	59,121	53,083	6,038
Purchased professional - educational services	36,000	1,710	37,710	36,610	1,100
Other purchased prof. and tech services	32,450	(4,200)	28,250	22,642	5,608
Other purchased services (400-500 series)	10,150	(100)	10,050	2,647	7,403
Supplies and materials	9,000		9,000	5,328	3,672
Other objects	1,910	100	2,010	1,990	20
Total guidance	819,581	(32,614)	786,967	754,793	32,174
Child Study Teams:					
Salaries of other professional staff	636,078	(31,110)	604,968	594,318	10,650
Salaries of secretarial and clerical assistants	108,772	3,060	111,832	110,892	940
Purchased professional - educational services	11,000	50,500	61,500	61,047	453
Other purchased services (400-500 series)	14,400	(2,000)	12,400	11,372	1,028
Supplies and materials	6,500	(25)	6,475	4,143	2,332
Other Objects	1,040	25	1,065	1,065	
Total child study teams	777,790	20,450	798,240	782,837	15,403
Improvement of Instruction Services:					
Salaries of supervisors of instruction	218,834	470	219,304	219,295	9
Salaries of other professional staff	43,060	(4,500)	38,560	24,875	13,685
Salaries of secretarial and clerical assistants	56,635	865	57,500	57,000	500
Purchased professional - educational services	4,000		4,000		4,000
Other purchase services (400-500)	2,400		2,400		2,400
Supplies and materials	4,125		4,125	2,918	1,207
Other objects	1,245		1,245	845	400
Total improvement of instructional services	330,299	(3,165)	327,134	304,933	22,201

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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AUDUBON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2022

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Educational Media Services/School Library:					
Salaries	\$ 164,476	\$ 20,912	\$ 185,388	\$ 182,374	\$ 3,014
Salaries of Technology Coordinators	104,000		104,000	104,000	
Purchased professional - technical services	22,490	(300)	22,190	14,183	8,007
Supplies and materials	7,500	300	7,800	6,169	1,631
Other objects					
Total educational media services/school library	298,466	20,912	319,378	306,726	12,652
Instructional Staff Training Services:					
Salaries of supervisors of instruction					
Salaries of other professional staff					
Other salaries	3,240		3,240	120	3,120
Purchased professional - educational services	26,500		26,500	14,420	12,080
Other purchased services (400-500 series)	15,200		15,200	5,389	9,811
Supplies and materials					
Total instructional staff training services	44,940		44,940	19,929	25,011
Support Services - General Administration:					
Salaries	212,726	12,810	225,536	225,325	211
Legal services	54,000	77,000	131,000	130,552	448
Audit Fees	25,000		25,000	24,700	300
Other purchased professional services	62,820	(5,000)	57,820	57,612	208
Purchased technical services	10,030	5,000	15,030	8,191	6,839
Communications / telephone	57,449	(23,060)	34,389	32,746	1,643
Other purchased services	95,304	(15,900)	79,404	76,845	2,559
General supplies	12,600	(4,215)	8,385	6,464	1,921
Miscellaneous expenditures	3,400	6,215	9,615	9,208	407
BOE Membership dues and fees	10,587		10,587	10,379	208
Total support services - general administration	543,916	52,850	596,766	582,022	14,744
Support Services - School Administration:					
Salaries of principals/assist. principals	605,186	(18,000)	587,186	561,022	26,164
Salaries of secretarial and clerical assistants	254,192		254,192	238,357	15,835
Other purchased services (400-500 series)	20,600	(3,000)	17,600	1,669	15,931
Supplies and materials	3,500	2,900	6,400	5,492	908
Other objects	11,400	100	11,500	8,404	3,096
Total support services - school administration	894,878	(18,000)	876,878	814,944	61,934
Central Services:					
Salaries	333,686	6,715	340,401	340,370	31
Purchased technical services	25,265	6,985	32,250	32,209	41
Misc. purchased services	3,890	(900)	2,990	750	2,240
Supplies and materials	6,000	(3,500)	2,500	1,879	621
Interest on lease purchase	10,516		10,516	5,672	4,844
Miscellaneous expenditures	1,440	10	1,450	1,450	
Total central services	380,797	9,310	390,107	382,330	7,777
Admin. Informational Technology					
Salaries	59,349	(10)	59,339	59,234	105
Other purchased services (400-500 series)	2,550		2,550		2,550
Total admin. informational technology	61,899	(10)	61,889	59,234	2,655
Required Maintenance School Facilities:					
Salaries	304,021	(48,020)	256,001	255,196	805
Cleaning, Repair, and Maintenance Services	364,338	36,000	400,338	364,338	36,000
General supplies	10,000		10,000	9,221	779
Total required maintenance school facilities	678,359	(12,020)	666,339	628,755	37,584

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

(CONTINUED TO NEXT PAGE)

AUDUBON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2022

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Operation & Maintenance of Plant:					
Salaries	\$ 725,400	\$ 21,056	\$ 746,456	\$ 734,190	\$ 12,266
Rental of Land & Bldg. Oth. Than Lease Pur.	46,000		46,000	27,250	18,750
Other purchased property services	56,300	200	56,500	56,488	12
Insurance	142,207	(6,620)	135,587	134,799	788
Misc. Purchased Services	47,838	6,000	53,838	53,820	18
General Supplies	156,595	2,600	159,195	151,000	8,195
Energy (Natural Gas)	78,733	(8,696)	70,037	64,922	5,115
Energy (Electricity)	287,806	396	288,202	285,853	2,349
Other objects	2,930		2,930	1,938	992
Total other operations & maint. of plant	1,543,809	14,936	1,558,745	1,510,260	48,485
Care & Upkeep of Grounds:					
Salaries	109,899	1,082	110,981	110,980	1
General Supplies	48,421	5,000	53,421	52,166	1,255
Total care and upkeep of grounds	158,320	6,082	164,402	163,146	1,256
Total operation & maint. of plant services	2,380,488	8,998	2,389,486	2,302,161	87,325
Student Transportation Services:					
Salaries for Pupil Trans (other than between home and school)	73,676	(15,100)	58,576	52,853	5,723
Management fee - ESC Transp. programs	18,000	4,000	22,000	21,941	59
Cleaning, repair and maintenance services	1,000	5,550	6,550	3,563	2,987
Rental payments - School buses					
Lease purchase payments - School buses	101,799		101,799	101,799	
Contr. serv. (not between home & sch) - vendor	25,000	(5,000)	20,000	6,995	13,005
Contr. Serv. (Spl. Ed. Students) - ESC	347,000	125,650	472,650	472,237	413
Misc. purchased services - transportation	7,500	(3,500)	4,000	2,688	1,312
Supplies and materials	1,800	5,300	7,100	6,901	199
Total student transportation services	575,775	116,900	692,675	668,977	23,698
Unallocated Benefits - Employee Benefits:					
Social security contributions	315,000	70,000	385,000	384,182	818
Other retirement contributions - PERS	341,463	2,000	343,463	338,064	5,399
Unemployment compensation		600	600	567	33
Workmen's compensation	156,221	(600)	155,621	146,279	9,342
Health benefits	3,429,399	(437,207)	2,992,192	2,775,352	216,840
Tuition reimbursement	50,000		50,000	48,622	1,378
Other employee benefits	150,000	14,000	164,000	163,791	209
Unused Sick Payment to Terminated/Retired Staff	73,652	33,900	107,552	106,304	1,248
Total unallocated benefits - employee benefits	4,515,735	(317,307)	4,198,428	3,963,161	235,267
On-behalf TPAF pension contr. (non-budgeted)				4,343,982	(4,343,982)
On-behalf TPAF post ret. medical (non-budgeted)				1,014,930	(1,014,930)
On-behalf TPAF LTDI (non-budgeted)				1,491	(1,491)
Reimbursed TPAF social security contr. (non-budgeted)				884,156	(884,156)
Total Undistributed Expenditures	13,541,730	(25,148)	13,516,582	19,082,802	(5,566,220)
Total General Current Expense	25,679,460	(177,148)	25,502,312	30,725,349	(5,223,037)

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

(CONTINUED TO NEXT PAGE)

**AUDUBON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2022**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY:					
Equipment:					
Grades 9-12	\$ 2,300	\$ -	\$ 2,300	\$ 2,157	\$ 143
Undist. expend. - care and upkeep of grounds					
Total Equipment	2,300		2,300	2,157	143
Facilities Acquisition and Construction Services:					
Lease purchase agreements - principal	61,347		61,347	61,346	1
Assessment on SDA Funding	101,451		101,451	101,451	
Total Facilities Acquisition and Constr. Services	162,798		162,798	162,797	1
Assets acquired under leases (non-budgeted):					
Equipment					
Total Assets acquired under leases					
Total Capital Outlay	165,098		165,098	164,954	144
Transfer of Funds to Charter Schools	41,758	17,032	58,790	58,790	
TOTAL EXPENDITURES	25,886,316	(160,116)	25,726,200	30,949,093	(5,222,893)
Excess (Deficiency) of Revenues					
Over (Under) Expenditures:	(797,467)	160,116	(637,351)	558,780	1,196,131
Other Financing Sources:					
Operating transfers out - Food Service	(25,000)		(25,000)		25,000
Operating transfers out - Special Revenue		(160,116)	(160,116)	(160,116)	
Proceeds from leases					
Total other financing sources	(25,000)	(160,116)	(185,116)	(160,116)	25,000
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses):	(822,467)		(822,467)	398,664	1,221,131
Fund Balance, July 1	3,589,371		3,589,371	3,589,371	
Fund Balance - June 30	\$ 2,766,904	\$ -	\$ 2,766,904	\$ 3,988,035	\$ 1,221,131
Recapitulation:					
Restricted:					
Capital Reserve:					
Designated for Subsequent Year's Expenditures				\$ -	
Capital Reserve				776,293	
Maintenance Reserve				776,150	
Emergency Reserve				250,000	
Excess Surplus:					
Designated for Subsequent Year's Expenditures					
Current Year				-	
Unemployment Compensation				326,832	
Assigned:					
Year-end encumbrances				87,882	
Designated for Subsequent Year's Expenditures				600,000	
Unassigned				1,170,878	
				3,988,035	
Reconciliation on Governmental Fund Statements (GAAP):					
Less: State Aid Payment not Recognized on GAAP Basis				(911,808)	
Fund Balance per Government Fund (GAAP)				\$ 3,076,227	

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

AUDUBON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal sources	\$ 1,214,850	\$ 1,229,513	\$ 2,444,363	\$ 718,806	\$(1,725,557)
State sources		637,235	637,235	342,048	(295,187)
Local sources				447,677	447,677
Total Revenues	<u>1,214,850</u>	<u>1,866,748</u>	<u>3,081,598</u>	<u>1,508,531</u>	<u>(1,573,067)</u>
EXPENDITURES:					
Instruction:					
Salaries of teachers	22,306	490,938	513,244	291,964	221,280
Other salaries for instruction		89,261	89,261	82,158	7,103
Purchased prof. - technical services		19,800	19,800		19,800
Other purchased services		417,597	417,597	351,115	66,482
General supplies	10,223	431,759	441,982	215,086	226,896
Other objects					
Total Instruction	<u>32,529</u>	<u>1,449,355</u>	<u>1,481,884</u>	<u>940,323</u>	<u>541,561</u>
Support Services:					
Salaries - other professional staff		182,254	182,254	131,794	50,460
Salaries - secretaries/clerical		9,750	9,750	9,750	
Salaries - family/parent liaison		2,000	2,000		2,000
Salaries - facilitator/coach		20,000	20,000	18,420	1,580
Personal services - employee benefits		206,575	206,575	56,602	149,973
Purchased prof. - technical services		67,297	67,297	24,678	42,619
Purchased prof. - educational services					
Cleaning, repair, maintenance		8,000	8,000	8,000	
Rentals		25,000	25,000	18,750	6,250
Other purchased services		2,500	2,500	2,500	
Supplies and materials	1,182,321	(915,999)	266,322	10,153	256,169
Scholarships awarded				10,600	(10,600)
Student Act/Ath				404,638	(404,638)
Total Support Services	<u>1,182,321</u>	<u>(392,623)</u>	<u>789,698</u>	<u>695,885</u>	<u>93,813</u>
Facilities Acquisition and Construction Services:					
Buildings		810,016	810,016		810,016
Total Facilities Acq. and Const. Services		<u>810,016</u>	<u>810,016</u>		<u>810,016</u>
Total Expenditures	<u>1,214,850</u>	<u>1,866,748</u>	<u>3,081,598</u>	<u>1,636,208</u>	<u>1,445,390</u>
Other financing sources (uses)					
Transfer from General Fund				160,116	160,116
Total other financing sources (uses)				<u>160,116</u>	<u>160,116</u>
Total Outflows	<u>1,214,850</u>	<u>1,866,748</u>	<u>3,081,598</u>	<u>1,476,092</u>	<u>1,605,506</u>
Excess (Deficiency) of Revenues over (under) Expenditures and other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,439</u>	<u>32,439</u>
Fund Balance, July 1				<u>707,576</u>	
Fund Balance, June 30				<u>\$ 740,015</u>	
Recapitulation:					
Restricted:					
Scholarships				\$ 230,841	
Student Act/Ath				<u>509,174</u>	
Total Fund Balance				<u>\$ 740,015</u>	

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

AUDUBON SCHOOL DISTRICT
Notes to Required Supplementary Information
Budgetary Comparison
For the Fiscal Year Ended June 30, 2022

**Explanation of Differences between Budgetary Inflows and Outflows and GAAP
Revenues and Expenditures**

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	\$ 31,507,873	\$ 1,508,531
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	(43,988)
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	858,969	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(911,808)	(44,032)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 31,455,034</u>	<u>\$ 1,420,511</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 30,949,093	\$ 1,636,208
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.	-	(43,988)
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.	-	160,116
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 30,949,093</u>	<u>\$ 1,752,336</u>

Required Supplementary Information - Part III
Schedules Related to Accounting and Reporting
For Pensions and
Other Post Employment Benefits

AUDUBON SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employees Retirement System
Last Nine Fiscal Years

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.0262958529%	0.0289056288%	0.0287422060%	0.0286639807%	0.0325394227%	0.0319741746%	0.0324191799%	0.0304165923%	0.0307947299%
District's proportionate share of the net pension liability (asset)	\$ 3,115,138	\$ 4,713,752	\$ 5,178,909	\$ 5,643,795	\$ 7,574,657	\$ 9,469,833	\$ 7,277,456	\$ 5,694,818	\$ 5,885,485
District's covered-employee payroll	2,006,489	1,929,735	1,929,235	2,045,963	2,116,345	2,011,105	2,210,636	2,131,870	2,087,000
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	155.25%	244.27%	268.44%	275.85%	357.91%	470.88%	329.20%	267.13%	282.01%
Plan fiduciary net position as a percentage of the total pension liability	51.51%	42.90%	42.04%	40.45%	36.78%	31.20%	38.21%	42.74%	40.71%

This schedule does not contain ten years of information as GASB 68 was implemented during the fiscal year ended June 30, 2015.

**AUDUBON SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Contributions
Public Employees Retirement System
Last Nine Fiscal Years**

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Contractually required contribution	\$ 353,232	\$ 307,955	\$ 316,213	\$ 280,173	\$ 285,618	\$ 302,571	\$ 284,054	\$ 278,718	\$ 250,750
Contributions in relation to the contractually required contributions	<u>(353,232)</u>	<u>(307,955)</u>	<u>(316,213)</u>	<u>(280,173)</u>	<u>(285,618)</u>	<u>(302,571)</u>	<u>(284,054)</u>	<u>(278,718)</u>	<u>(250,750)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 2,006,489	\$ 1,929,735	\$ 1,929,235	\$ 2,045,963	\$ 2,116,345	\$ 2,011,105	\$ 2,210,636	\$ 2,131,870	\$ 2,087,000
Contributions as a percentage of covered-employee payroll	17.60%	15.96%	16.39%	13.69%	13.50%	15.05%	12.85%	13.07%	12.01%

This schedule does not contain ten years of information as GASB 68 was implemented during the fiscal year ended June 30, 2015.

AUDUBON SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers' Pension and Annuity Fund
Last Nine Fiscal Years

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.1069908660%	0.1074967342%	0.1053822239%	0.1074819793%	0.1073812693%	0.1065269046%	0.1041246558%	0.1038926042%	0.1041246558%
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	<u>\$ 51,436,061</u>	<u>\$ 70,785,306</u>	<u>\$ 64,674,065</u>	<u>\$ 68,377,727</u>	<u>\$ 72,400,324</u>	<u>\$ 83,800,846</u>	<u>\$ 65,811,229</u>	<u>\$ 55,527,216</u>	<u>\$ 54,600,007</u>
Total	<u><u>\$ 51,436,061</u></u>	<u><u>\$ 70,785,306</u></u>	<u><u>\$ 64,674,065</u></u>	<u><u>\$ 68,377,727</u></u>	<u><u>\$ 72,400,324</u></u>	<u><u>\$ 83,800,846</u></u>	<u><u>\$ 65,811,229</u></u>	<u><u>\$ 55,527,216</u></u>	<u><u>\$ 54,600,007</u></u>
District's covered-employee payroll	\$ 11,924,838	\$ 11,579,268	\$ 11,822,250	\$ 11,740,309	\$ 11,300,909	\$ 11,440,992	\$ 11,054,820	\$ 10,903,883	\$ 10,674,384
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

This schedule does not contain ten years of information as GASB 68 was implemented during the fiscal year ended June 30, 2015.

AUDUBON SCHOOL DISTRICT
Required Supplementary Information
Schedule of the State's Proportionate Share of the Net OPEB Liability Associated with the District
and Changes in the Total OPEB Liability and Related Ratios
Public Employee's Retirement System and Teachers' Pension and Annuity Fund
Last Five Fiscal Years

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
State's proportion of the net OPEB liability (asset) associated with the District	0.11%	0.12%	0.11%	0.12%	0.12%
District's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the District	<u>\$ 66,677,220</u>	<u>\$ 78,058,576</u>	<u>\$ 47,922,118</u>	<u>\$ 53,603,023</u>	<u>\$ 63,286,990</u>
Total proportionate share of the net OPEB liability (asset) associated with the District	<u>\$ 66,677,220</u>	<u>\$ 78,058,576</u>	<u>\$ 47,922,118</u>	<u>\$ 53,603,023</u>	<u>\$ 63,286,990</u>
Plan fiduciary net position as a percentage of the total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%
	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability					
Service Cost	\$ 3,274,211	\$ 1,832,654	\$ 1,745,077	\$ 2,055,210	\$ 2,483,848
Interest	1,729,677	1,718,555	2,114,612	2,314,699	1,997,012
Changes of benefit terms	(70,970)				
Difference between expected and actual experiences	(15,061,774)	13,644,377	(8,827,657)	(6,518,873)	
Changes of assumptions and other inputs	65,782	14,258,619	714,523	(6,151,215)	(8,069,702)
Member Contributions	44,219	41,189	43,606	49,538	53,977
Benefit payments	<u>(1,362,501)</u>	<u>(1,358,936)</u>	<u>(1,471,066)</u>	<u>(1,433,326)</u>	<u>(1,465,861)</u>
Net Change in total OPEB Liability	\$ (11,381,356)	\$ 30,136,458	\$ (5,680,905)	\$ (9,683,967)	\$ (5,000,726)
Total OPEB Liability - beginning	<u>\$ 78,058,576</u>	<u>\$ 47,922,118</u>	<u>\$ 53,603,023</u>	<u>\$ 63,286,990</u>	<u>\$ 68,287,716</u>
Total OPEB Liability - ending	<u>\$ 66,677,220</u>	<u>\$ 78,058,576</u>	<u>\$ 47,922,118</u>	<u>\$ 53,603,023</u>	<u>\$ 63,286,990</u>
District's covered-employee payroll	13,931,327	13,509,003	13,751,485	13,786,272	13,417,254
Total OPEB Liability as a percentage of covered-employee payroll	478.61%	577.83%	348.49%	388.81%	471.68%

This schedule does not contain ten years of information as GASB 75 was implemented during the fiscal year ended June 30, 2018.

Audubon School District
Notes to Required Supplementary Information – Part III
For the Fiscal Year Ended June 30, 2022

Teacher’s Pension and Annuity Fund (TPAF)

Changes of benefit term: There were none.

Changes of assumptions: The discount rate changed from 5.40% as of June 30, 2020, to 7.00% as of June 30, 2021.

Public Employees’ Retirement System (PERS)

Changes of benefit term: There were none.

Changes of assumptions: The discount rate remained at 7.00% as of June 30, 2020, and June 30, 2021.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes of benefit term: There were none.

Changes of assumptions: The discount rate changed from 2.21% as of June 30, 2020 to 2.16% as of June 30, 2021.

Other Supplementary Information

Special Revenue Fund

AUDUBON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2022

	Title I	IDEA Basic	IDEA Preschool	ARP ESSER III	Preschool Expansion	SDA Emergent Needs/Cap.Maint.	Total E1 (a)	Total
REVENUES:								
Federal sources	\$ 175,363	\$ 365,115	\$ 12,648	\$ 2,014	\$ -	\$ -	\$ 163,666	\$ 718,806
State sources					305,248	36,800		342,048
Local sources							447,677	447,677
Total Revenues	175,363	365,115	12,648	2,014	305,248	36,800	611,343	1,508,531
EXPENDITURES:								
Instruction:								
Salaries of teachers	120,464				171,500			291,964
Other salaries for instruction	24,693				57,465			82,158
Purchased prof tech services		351,115						351,115
Other purchased services						36,800		36,800
General supplies	900	6,000	12,648	2,014	47,733		108,991	215,086
Total instruction	146,057	357,115	12,648	2,014	276,698	36,800	108,991	940,323
Support services:								
Salaries - other professional staff	18,596				87,854		25,344	131,794
Salaries - secretaries/clerical					9,750			9,750
Salaries - facilitator/coach					18,420			18,420
Personal services-employee benefits	10,710				45,892			56,602
Purchased prof tech services		2,500					22,178	24,678
Cleaning, Repair, Maint.					8,000			8,000
Rentals					18,750			18,750
Other purchased services		2,500						2,500
Supplies and materials		3,000					7,153	10,153
Scholarship Awards							10,600	10,600
Student Activities							404,638	404,638
Total support services	29,306	8,000			188,666		469,913	695,885
Facilities acquisition and const. serv.:								
Instructional equipment								
Total facilities acq. and const. serv.								
Total Expenditures	175,363	365,115	12,648	2,014	465,364	36,800	578,904	1,636,208
Other financing sources (uses)								
Transfer from General Fund					160,116			160,116
Total other financing sources (uses)					160,116			160,116
Total Outflows	175,363	365,115	12,648	2,014	305,248	36,800	578,904	1,476,092
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	-	-	-	-	-	-	32,439	32,439
Fund Balance, July 1	-	-	-	-	-	-	707,576	707,576
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 740,015	\$ 740,015

AUDUBON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2022

	ESSER I CARES	CRRSA Mental Health	CRRSA ESSER II	CRRSA Learning Acceleration	Student Act/Ath	Scholarships	Total
REVENUES:							
Federal sources	\$ 7,153	\$ 13,693	\$ 133,635	\$ 9,185	\$ -	\$ -	\$ 163,666
Local sources					413,639	34,038	447,677
Total Revenues	7,153	13,693	133,635	9,185	413,639	34,038	611,343
EXPENDITURES:							
Instruction:							
Salaries of teachers							
Other salaries for instruction							
Purchased prof tech services							
Other purchased services							
General supplies			105,241	3,750			108,991
Total instruction			105,241	3,750			108,991
Support services:							
Salaries - other professional staff			25,344				25,344
Personal services-employee benefits							
Purchased prof tech services		13,693	3,050	5,435			22,178
Other purchased services							
Supplies and materials	7,153						7,153
Scholarship Awards						10,600	10,600
Student Activities					404,638		404,638
Total support services	7,153	13,693	28,394	5,435	404,638	10,600	469,913
Facilities acquisition and const. serv.:							
Instructional equipment							
Total facilities acq. and const. serv.							
Total Expenditures	7,153	13,693	133,635	9,185	404,638	10,600	578,904
Other financing sources (uses)							
Transfer from General Fund							
Total other financing sources (uses)							
Total Outflows							
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	-	-	-	-	9,001	23,438	32,439
Fund Balance, July 1	-	-	-	-	500,173	207,403	707,576
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ 509,174	\$ 230,841	\$ 740,015

**Audubon School District
Special Revenue Fund
Schedule of Preschool Education Aid Expenditures
Preschool - All Programs
Budgetary Basis
For the Fiscal Year Ended June 30, 2022**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ -	\$ 171,500	\$ 171,500	\$ 171,500	\$ -
Other Salaries for Instruction	-	64,568	64,568	57,465	7,103
Purchased Educational Services	-	7,800	7,800	-	7,800
General Supplies	-	47,733	47,733	47,733	-
Total instruction	-	291,601	291,601	276,698	14,903
Support services:					
Salaries of Other Professional Staff	-	87,854	87,854	87,854	-
Salaries of Secretaries	-	9,750	9,750	9,750	-
Salaries Family/Parent Liaison	-	2,000	2,000	-	2,000
Salaries of Facilitator/Coach	-	20,000	20,000	18,420	1,580
Personal Services - Employee Benefits	-	156,230	156,230	45,892	110,338
Cleaning/Repair/Maintenance	-	8,000	8,000	8,000	-
Rentals	-	25,000	25,000	18,750	6,250
Total support services	-	308,834	308,834	188,666	120,168
Facilities acquisition and cont. serv:					
Instructional equipment	-	-	-	-	-
Total Facilities acquisition and cont. serv.	-	-	-	-	-
Total Expenditures	\$ -	\$ 600,435	\$ 600,435	\$ 465,364	\$ 135,071

CALCULATION OF BUDGET & CARRYOVER

Total 2021-22 PreK Aid Allocation	\$ 440,319
Add: Actual PreK/ECPA Aid Carryover June 30, 2021	-
Add: Budgeted Transfer From General Fund	160,116
Total Funds Available for 2021-22 Budget	600,435
Less: 2021-22 Budgeted PreK/ECPA (Including prior year budgeted carryover)	(600,435)
Available & Unbudgeted Funds as of June 30, 2022	-
Add: June 30, 2022 Unexpended PreK Aid	135,071
2022- Actual Carryover - PreK Aid	\$ 135,071
2021-22 PreK Aid Carryover Budgeted in 2022-23	\$ -

**Audubon School District
Special Revenue Fund
Schedule of Preschool Education Aid Expenditures
Preschool - Full Day 3yr & 4 yr - Regular
Budgetary Basis
For the Fiscal Year Ended June 30, 2022**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ -	\$ 171,500	\$ 171,500	\$ 171,500	\$ -
Other Salaries for Instruction	-	64,568	64,568	57,465	7,103
Purchased Educational Services	-	7,800	7,800	-	7,800
General Supplies	-	47,733	47,733	47,733	-
Total instruction	-	291,601	291,601	276,698	14,903
Support services:					
Salaries of Other Professional Staff	-	87,854	87,854	87,854	-
Salaries of Secretaries	-	9,750	9,750	9,750	-
Salaries Family/Parent Liaison	-	2,000	2,000	-	2,000
Salaries of Facilitator/Coach	-	20,000	20,000	18,420	1,580
Personal Services - Employee Benefits	-	156,230	156,230	45,892	110,338
Cleaning Repair/Maintenance	-	8,000	8,000	8,000	-
Rentals	-	25,000	25,000	18,750	6,250
Total support services	-	308,834	308,834	188,666	120,168
Facilities acquisition and cont. serv:					
Instructional equipment	-	-	-	-	-
Total Facilities acquisition and cont. serv.	-	-	-	-	-
Total Program Expenditures	\$ -	\$ 600,435	\$ 600,435	\$ 465,364	\$ 135,071

Capital Projects Fund
Detail Statements

AUDUBON SCHOOL DISTRICT
Capital Projects Fund
Summary Statement of Revenues, Expenditures,
and Changes in Fund Balance - Budgetary Basis
For the Fiscal Year ended June 30, 2022

Revenues and Other Financing Sources:

Bond proceeds	\$ 26,810,000
Earnings on investments	9,835
Total revenues and other financing sources	<u>26,819,835</u>

Expenditures and Other Financing (Uses):

Purchased professional services	290,585
Construction services	1,361,865
Transfer to Debt Service Fund	9,835
Total expenditures and other financing (uses)	<u>1,662,285</u>

Excess (deficiency) or revenues over (under) expenditures	25,157,550
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Fund Balance - July 1, 2021	<u>-</u>
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Fund Balance - June 30, 2022	<u>\$ 25,157,550</u>
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AUDUBON SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Roof and Roof-Top HVAC Haviland Elementary School
From Inception and for the Fiscal Year ended June 30, 2022

	Prior Periods	Current Year	Total	Revised Authorized Costs
Revenues and Other Financing Sources:				
State sources - SCC Grant	\$ 312,000	\$ -	\$ 312,000	\$ 312,000
Capital lease proceeds	500,000		500,000	500,000
Total revenues	812,000	-	812,000	812,000
Expenditures and Other Financing Uses:				
Purchased professional services	89,610		89,610	89,610
Construction services	722,390		722,390	722,390
	812,000	-	812,000	812,000
Excess (deficiency) or revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -
Additional project information:				
Project Number	0150-040-13-1002-GO4			
Grant Date	01/06/14			
Lease Authorization Date	07/01/14			
Capital Lease Authorized	\$ 500,000			
Capital Lease Issued	\$ 500,000			
Original Authorized Cost	\$ 780,000			
Additional Authorized Cost	\$ 32,000			
Revised Authorized Cost	\$ 812,000			
Percentage Increase over Original Authorized Cost	4.10%			
Percentage Completion	100.00%			
Original target completion date	09/30/15			
Revised target completion date	09/30/15			

AUDUBON SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Various Capital Improvements
From Inception and for the Fiscal Year ended June 30, 2022

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources:				
Bond proceeds	\$ -	\$ 26,810,000	\$ 26,810,000	\$ 26,810,000
	-			
Total revenues	<u> </u>	<u>26,810,000</u>	<u>26,810,000</u>	<u>26,810,000</u>
Expenditures and Other Financing Uses:				
Purchased professional services		290,585	290,585	290,585
Construction services		1,361,865	1,361,865	1,361,865
	<u> </u>	<u>1,652,450</u>	<u>1,652,450</u>	<u>1,652,450</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 25,157,550</u>	<u>\$ 25,157,550</u>	<u>\$ 25,157,550</u>
Additional project information:				
Bond Authorization Date	12/14/21			
Bonds Authorized	\$ 26,810,000			
Bonds Issued	\$ 26,810,000			
Original Authorized Cost	\$ 26,810,000			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 26,810,000			
Percentage Increase over Original Authorized Cost				
Percentage Completion				
Original target completion date	08/30/24			
Revised target completion date	N/A			

Proprietary Funds

AUDUBON SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Net Position
June 30, 2022

	<u>Food Service Fund</u>	<u>Community Education Program</u>	<u>After School Program</u>	<u>Total</u>
ASSETS:				
Current Assets:				
Cash and cash equivalents	\$ 155,091	\$ 93,361	\$ 232,043	\$ 480,495
Accounts receivable:				
State	644	-	-	644
Federal	31,064	-	-	31,064
Other	2,917	-	-	2,917
Inventories	10,402	-	-	10,402
Total Current Assets	<u>200,118</u>	<u>93,361</u>	<u>232,043</u>	<u>525,522</u>
Noncurrent Assets:				
Equipment	202,851	-	-	202,851
Less - accumulated depreciation	<u>(193,741)</u>	<u>-</u>	<u>-</u>	<u>(193,741)</u>
Total Noncurrent Assets	<u>9,110</u>	<u>-</u>	<u>-</u>	<u>9,110</u>
Total Assets	<u>209,228</u>	<u>93,361</u>	<u>232,043</u>	<u>534,632</u>
LIABILITIES:				
Current Liabilities:				
Interfund payable	43,320	-	-	43,320
Accounts payable	44,297	-	-	44,297
Unearned revenue	<u>10,574</u>	<u>-</u>	<u>-</u>	<u>10,574</u>
Total Current Liabilities	<u>98,191</u>	<u>-</u>	<u>-</u>	<u>98,191</u>
NET POSITION:				
Net investment in capital assets	9,110	-	-	9,110
Unrestricted	<u>101,927</u>	<u>93,361</u>	<u>232,043</u>	<u>427,331</u>
Total Net Position	<u>\$ 111,037</u>	<u>\$ 93,361</u>	<u>\$ 232,043</u>	<u>\$ 436,441</u>

AUDUBON SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Revenues, Expenses
and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2022

	<u>Food Service Fund</u>	<u>Community Education Program</u>	<u>After School Program</u>	<u>Totals</u>
OPERATING REVENUES:				
Charges for Services:				
Daily sales reimbursable programs:				
School lunch	\$ 1,258	\$ -	\$ -	\$ 1,258
School breakfast	41	-	-	41
Daily sales non-reimbursable programs:				
Adult and ala carte sales	47,437	-	-	47,437
Program fees	-	22,403	122,168	144,571
Total Operating Revenues	<u>48,736</u>	<u>22,403</u>	<u>122,168</u>	<u>193,307</u>
OPERATING EXPENSES:				
Salaries	238,335	2,717	99,802	340,854
Employee benefits	36,299	-	6,473	42,772
Management fee	31,500	-	-	31,500
Supplies and materials	71,487	12,607	1,870	85,964
Other costs	17,156	-	-	17,156
Depreciation	1,261	-	-	1,261
Cost of sales - reimbursable programs	263,588	-	-	263,588
Cost of sales - nonreimbursable programs	20,096	-	-	20,096
Total Operating Expenses	<u>679,722</u>	<u>15,324</u>	<u>108,145</u>	<u>803,191</u>
Operating Income (Loss)	<u>(630,986)</u>	<u>7,079</u>	<u>14,023</u>	<u>(609,884)</u>
Non-Operating Revenues:				
State sources:				
State school lunch program	13,400	-	-	13,400
Federal sources:				
National school lunch program	569,315	-	-	569,315
National school breakfast program	36,376	-	-	36,376
P-EBT administrative cost	1,242	-	-	1,242
Emergency operational cost program - schools	547	-	-	547
Food distribution program	48,427	-	-	48,427
Local sources:				
Interest earned	-	65	-	65
Total Non-Operating Revenues	<u>669,307</u>	<u>65</u>	<u>-</u>	<u>669,372</u>
Income (Loss) before Contributions and Transfers	38,321	7,144	14,023	59,488
Operating Transfers In	-	-	-	-
Changes in Net Position	38,321	7,144	14,023	59,488
Net Position - July 1, 2021	<u>72,716</u>	<u>86,217</u>	<u>218,020</u>	<u>376,953</u>
Net Position - June 30, 2022	<u>\$ 111,037</u>	<u>\$ 93,361</u>	<u>\$ 232,043</u>	<u>\$ 436,441</u>

AUDUBON SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2022

	<u>Food Service Fund</u>	<u>Community Education Program</u>	<u>After School Program</u>	<u>Total</u>
Cash Flows from Operating Activities:				
Cash receipts from customers	\$ 47,870	\$ 22,403	\$ 122,168	\$ 192,441
Cash payments to employees for services	(274,634)	(2,717)	(106,275)	(383,626)
Cash payments to suppliers for goods and services	<u>(315,302)</u>	<u>(12,607)</u>	<u>(1,870)</u>	<u>(329,779)</u>
Net cash provided by (used for) operating activities	<u>(542,066)</u>	<u>7,079</u>	<u>14,023</u>	<u>(520,964)</u>
Cash Flows from Noncapital Financing Activities:				
Cash received from state sources	13,581	-	-	13,581
Cash received from federal sources	594,756	-	-	594,756
Operating transfer in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by noncapital financing activities	<u>608,337</u>	<u>-</u>	<u>-</u>	<u>608,337</u>
Cash Flow Provided by Investing Activities:				
Interest on cash equivalents	<u>-</u>	<u>65</u>	<u>-</u>	<u>65</u>
Net increase (decrease) in cash and cash equivalents	66,271	7,144	14,023	87,438
Cash and cash equivalents - July 1, 2021	<u>88,820</u>	<u>86,217</u>	<u>218,020</u>	<u>393,057</u>
Cash and cash equivalents - June 30, 2022	<u>\$ 155,091</u>	<u>\$ 93,361</u>	<u>\$ 232,043</u>	<u>\$ 480,495</u>
Reconciliation of Operating Income (Loss) to Net Cash provided by (used for)				
Operating Activities:				
Operating income (loss)	\$ (630,986)	\$ 7,079	\$ 14,023	\$ (609,884)
Adjustments to reconcile operating income (loss) to cash provided by (used for) operating activities:				
Depreciation	1,261	-	-	1,261
Commodities	48,427	-	-	48,427
Change in assets and liabilities:				
(Increase) decrease in accounts receivables	959	-	-	959
(Increase) decrease in inventories	(3,140)	-	-	(3,140)
Increase (decrease) in unearned revenue	(1,826)	-	-	(1,826)
Increase (decrease) in accounts payable	43,239	-	-	43,239
Increase (decrease) in interfund payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by (used for) operating activities	<u>\$ (542,066)</u>	<u>\$ 7,079</u>	<u>\$ 14,023</u>	<u>\$ (520,964)</u>

Long-Term Debt Schedules

AUDUBON SCHOOL DISTRICT
Schedule of Serial Bonds
For the Fiscal Year Ended June 30, 2022

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Amount	Interest Rate	Balance July 1, 2021	Issued	Retired	Balance June 30, 2022
Refunding bonds of 2012 Issue	1/15/2012	\$ 8,870,000	1/15/2023	\$ 815,000	4.000%	\$ 3,380,000	\$ -	\$ 785,000	\$ 2,595,000
			1/15/2024	880,000	4.000%				
			1/15/2025	900,000	4.000%				
School Bonds, Series 2022	2/24/2022	26,810,000	8/15/2023	720,000	2.500%		26,810,000		26,810,000
			8/15/2024	580,000	2.625%				
			8/15/2025	1,150,000	2.750%				
			8/15/2026	1,160,000	2.750%				
			8/15/2027	1,160,000	2.750%				
			8/15/2028	1,160,000	2.750%				
			8/15/2029	1,160,000	2.750%				
			8/15/2030	1,160,000	2.750%				
			8/15/2031	1,160,000	2.750%				
			8/15/2032	1,160,000	2.750%				
			8/15/2033	1,160,000	2.750%				
			8/15/2034	1,160,000	2.750%				
			8/15/2035	1,160,000	2.750%				
			8/15/2036	1,160,000	2.750%				
			8/15/2037	1,160,000	2.750%				
			8/15/2038	1,160,000	2.750%				
			8/15/2039	1,160,000	2.750%				
			8/15/2040	1,160,000	3.000%				
			8/15/2041	1,160,000	3.000%				
			8/15/2042	1,160,000	3.000%				
8/15/2043	1,160,000	3.000%							
8/15/2044	1,160,000	3.000%							
8/15/2045	1,160,000	3.000%							
8/15/2046	1,160,000	3.000%							
						<u>\$ 3,380,000</u>	<u>\$ 26,810,000</u>	<u>\$ 785,000</u>	<u>\$ 29,405,000</u>

AUDUBON SCHOOL DISTRICT
Schedule of Obligations Under Financed Purchases
For the Fiscal Year Ended June 30, 2022

Series	Commencement Date	Maturity Date	Interest Rate	Original Issue	Balance June 30, 2021	Issued	Retired	Balance June 30, 2022
Chromebooks/HVAC	08/01/17	08/01/22	2.290%	\$ 380,000	\$ 124,098	\$ -	\$ 61,346	\$ 62,752
Chromebooks	01/02/20	01/02/22	3.951%	106,931	35,625	-	35,625	
Chromebooks	12/18/20	12/18/22	4.880%	106,931	56,380	-	27,519	28,861
					\$ 216,103	\$ -	\$ 124,490	\$ 91,613

**AUDUBON SCHOOL DISTRICT
Schedule of Obligations Under Leases
For the Fiscal Year Ended June 30, 2022**

Purpose	Interest Rate	Original Issue	(Restated) Balance June 30, 2021	Issued	Retired	Balance June 30, 2022
Audubon Park Preschool Lease	2.500%	\$ 223,999	\$ 142,037	\$ -	\$ 21,802	\$ 120,235
Copiers	3.990%	225,396	225,396		20,573	204,823
			<u>\$ 367,433</u>	<u>\$ -</u>	<u>\$ 42,375</u>	<u>\$ 325,058</u>

AUDUBON SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local sources:					
Local tax levy	\$ 920,200	\$ -	\$ 920,200	\$ 920,200	\$ -
Total Revenues	<u>920,200</u>		<u>920,200</u>	<u>920,200</u>	
EXPENDITURES:					
Regular debt service:					
Interest	135,200		135,200	135,200	
Redemption of principal	<u>785,000</u>		<u>785,000</u>	<u>785,000</u>	
Total regular debt service	<u>920,200</u>		<u>920,200</u>	<u>920,200</u>	
Excess (Deficiency) of revenues over (under) expenditures					
Other Financing Sources:					
Operating transfers in				9,835	9,835
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)				9,835	9,835
Fund Balance - July 1, 2021					
Fund Balance - June 30, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,835</u>	<u>\$ 9,835</u>

Statistical Section

Audubon School District
Net Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

EXHIBIT J-1

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities:										
Net investment in capital assets	\$ 11,049,885	\$ 11,602,230	\$ 12,095,981	\$ 12,196,150	\$ 12,417,712	\$ 12,542,115	\$ 12,898,505	\$ 13,007,217	\$ 13,212,390	\$ (13,330,940)
Restricted for:										
Special revenue	-	-	-	-	-	-	-	-	707,576	740,015
Capital projects	145,790	145,905	146,090	146,291	146,657	85,140	25,140	175,266	675,617	25,933,843
Debt service	-	-	-	-	-	-	-	-	-	9,835
Other purposes	626,114	696,463	481,177	331,499	145,925	132,322	182,599	929,204	1,503,128	1,352,982
Unrestricted	(1,394,258)	(1,312,237)	(7,002,443)	(7,119,250)	(8,064,793)	(8,490,128)	(8,326,353)	(8,474,289)	(6,959,912)	(5,906,715)
Total governmental activities net position	<u>\$ 10,427,531</u>	<u>\$ 11,132,361</u>	<u>\$ 5,720,805</u>	<u>\$ 5,554,690</u>	<u>\$ 4,645,501</u>	<u>\$ 4,269,449</u>	<u>\$ 4,779,891</u>	<u>\$ 5,637,398</u>	<u>\$ 9,138,799</u>	<u>\$ 8,799,020</u>
Business-type activities:										
Net investment in capital assets	\$ 23,888	\$ 18,548	\$ 14,558	\$ 11,738	\$ 9,098	\$ 6,788	\$ 12,893	\$ 11,632	\$ 10,371	\$ 9,110
Unrestricted	165,767	187,347	164,077	182,882	241,992	303,465	348,387	370,372	366,582	427,331
Total business-type activities net position	<u>\$ 189,655</u>	<u>\$ 205,895</u>	<u>\$ 178,635</u>	<u>\$ 194,620</u>	<u>\$ 251,090</u>	<u>\$ 310,253</u>	<u>\$ 361,280</u>	<u>\$ 382,004</u>	<u>\$ 376,953</u>	<u>\$ 436,441</u>
District-wide:										
Net investment in capital assets	\$ 11,073,773	\$ 11,620,778	\$ 12,110,539	\$ 12,207,888	\$ 12,426,810	\$ 12,548,903	\$ 12,911,398	\$ 13,018,849	\$ 13,222,761	\$ (13,321,830)
Restricted:										
Special revenue	-	-	-	-	-	-	-	-	707,576	740,015
Capital projects	145,790	145,905	146,090	146,291	146,657	85,140	25,140	175,266	675,617	25,933,843
Debt service	-	-	-	-	-	-	-	-	-	9,835
Other purposes	626,114	696,463	481,177	331,499	145,925	132,322	182,599	929,204	1,503,128	1,352,982
Unrestricted	(1,228,491)	(1,124,890)	(6,838,366)	(6,936,368)	(7,822,801)	(8,186,663)	(7,977,966)	(8,103,917)	(6,593,330)	(5,479,384)
Total district net position	<u>\$ 10,617,186</u>	<u>\$ 11,338,256</u>	<u>\$ 5,899,440</u>	<u>\$ 5,749,310</u>	<u>\$ 4,896,591</u>	<u>\$ 4,579,702</u>	<u>\$ 5,141,171</u>	<u>\$ 6,019,402</u>	<u>\$ 9,515,752</u>	<u>\$ 9,235,461</u>

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses:										
Governmental activities:										
Instruction:										
Regular	\$ 6,732,336	\$ 7,186,016	\$ 7,227,391	\$ 7,583,364	\$ 7,452,116	\$ 7,567,373	\$ 7,762,123	\$ 7,530,387	\$ 7,851,764	\$ 8,727,095
Special education	2,135,574	2,140,613	2,207,045	2,253,829	2,469,216	2,425,795	2,453,374	2,511,702	2,630,254	2,557,590
Other instruction	1,104,222	1,120,653	1,180,005	1,133,322	1,222,567	1,325,674	1,106,870	1,222,750	1,169,049	1,320,910
Support Services:										
Tuition	913,270	918,019	881,553	892,113	982,256	943,195	1,105,154	1,096,222	946,924	1,122,368
Student & instruction related services	2,270,838	2,404,025	2,590,979	2,635,317	2,758,572	2,890,303	3,017,368	3,123,343	3,145,379	3,538,341
General administrative services	400,541	346,080	440,310	402,459	472,822	437,176	458,789	479,440	502,578	613,127
School administrative services	1,015,206	1,000,431	985,567	1,020,320	881,659	833,710	928,661	857,246	867,893	814,944
Central administrative services	525,491	541,492	584,814	560,121	525,996	515,821	490,205	414,088	424,147	442,691
Plant operations and maintenance	1,753,205	1,928,504	1,861,450	2,109,641	1,972,186	2,039,379	2,025,500	1,921,134	1,939,849	4,123,178
Pupil transportation	350,664	366,696	410,566	525,864	557,287	511,212	491,847	401,254	368,279	669,618
Unallocated employee benefits	5,909,433	5,697,808	6,303,817	6,642,863	8,150,827	17,623,729	14,702,736	13,470,539	16,269,414	12,735,286
Transfer of funds to charter school	22,128	-	-	-	-	-	35,567	37,739	48,024	58,790
Interest on long-term debt	70,205	274,846	256,000	241,000	218,679	203,717	188,596	170,162	147,713	389,795
Unallocated depreciation	874,409	624,744	661,596	662,534	666,103	680,632	662,578	633,072	619,384	602,672
Total governmental activities expenses	<u>24,077,522</u>	<u>24,549,927</u>	<u>25,591,093</u>	<u>26,662,747</u>	<u>28,330,286</u>	<u>37,997,716</u>	<u>35,429,368</u>	<u>33,869,078</u>	<u>36,930,651</u>	<u>37,716,405</u>
Business-type activities:										
Food service	437,162	448,963	460,429	501,262	476,277	448,327	474,657	413,456	215,029	679,722
Community education	100,834	101,462	114,221	78,619	84,452	84,877	70,393	70,732	342	15,324
After school program	104,917	105,705	116,343	126,586	116,114	102,994	137,323	121,190	51,490	108,145
Total business-type activities expense	<u>642,913</u>	<u>656,130</u>	<u>690,993</u>	<u>706,467</u>	<u>676,843</u>	<u>636,198</u>	<u>682,373</u>	<u>605,378</u>	<u>266,861</u>	<u>803,191</u>
Total district expenses	<u>\$ 24,720,435</u>	<u>\$ 25,206,057</u>	<u>\$ 26,282,086</u>	<u>\$ 27,369,214</u>	<u>\$ 29,007,129</u>	<u>\$ 38,633,914</u>	<u>\$ 36,111,741</u>	<u>\$ 34,474,456</u>	<u>\$ 37,197,512</u>	<u>\$ 38,519,596</u>
Program Revenues:										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ 2,749,838	\$ 2,679,181	\$ 2,544,829	\$ 2,845,523	\$ 2,869,004	\$ 2,875,966	\$ 2,759,800	\$ 2,576,099	\$ 2,389,600	\$ 2,326,515
Operating grants and contributions	2,919,690	2,661,888	3,229,974	3,289,702	3,626,555	13,298,972	10,837,967	9,402,379	14,048,483	11,236,116
Total governmental activities program revenues	<u>5,669,528</u>	<u>5,341,069</u>	<u>5,774,803</u>	<u>6,135,225</u>	<u>6,495,559</u>	<u>16,174,938</u>	<u>13,597,767</u>	<u>11,978,478</u>	<u>16,438,083</u>	<u>13,562,631</u>

Audubon School District
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

EXHIBIT J-2

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Business-type activities:										
Charges for services:										
Food service	\$ 245,537	\$ 246,017	\$ 243,854	\$ 252,643	\$ 272,077	\$ 246,649	\$ 293,441	\$ 231,306	\$ 1,023	\$ 48,736
Community education	105,679	108,971	99,142	78,630	70,413	70,509	66,025	60,955	-	22,403
After school program	106,566	105,481	120,490	152,488	188,817	178,220	184,519	125,340	16,267	122,168
Capital grants and contributions	5,360	-	-	-	-	-	-	-	-	-
Operating grants and contributions	162,848	173,809	180,209	185,654	179,310	174,731	163,993	183,097	244,397	669,307
Total business type activities program revenues	<u>625,990</u>	<u>634,278</u>	<u>643,695</u>	<u>669,415</u>	<u>710,617</u>	<u>670,109</u>	<u>707,978</u>	<u>600,698</u>	<u>261,687</u>	<u>862,614</u>
Total district program revenues	<u>\$ 6,295,518</u>	<u>\$ 5,975,347</u>	<u>\$ 6,418,498</u>	<u>\$ 6,804,640</u>	<u>\$ 7,206,176</u>	<u>\$ 16,845,047</u>	<u>\$ 14,305,745</u>	<u>\$ 12,579,176</u>	<u>\$ 16,699,770</u>	<u>\$ 14,425,245</u>
Net (Expense)/Revenue:										
Governmental activities	\$ (18,407,994)	\$ (19,208,858)	\$ (19,816,290)	\$ (20,527,522)	\$ (21,834,727)	\$ (21,822,778)	\$ (21,831,601)	\$ (21,890,600)	\$ (20,492,568)	\$ (24,153,774)
Business-type activities	(16,923)	(21,852)	(47,298)	(37,052)	33,774	33,911	25,605	(4,680)	(5,174)	59,423
Total district-wide net expense	<u>\$ (18,424,917)</u>	<u>\$ (19,230,710)</u>	<u>\$ (19,863,588)</u>	<u>\$ (20,564,574)</u>	<u>\$ (21,800,953)</u>	<u>\$ (21,788,867)</u>	<u>\$ (21,805,996)</u>	<u>\$ (21,895,280)</u>	<u>\$ (20,497,742)</u>	<u>\$ (24,094,351)</u>
General Revenues and Other Changes in Net Position:										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 10,110,372	\$ 10,312,579	\$ 10,518,831	\$ 10,729,208	\$ 11,153,792	\$ 11,599,944	\$ 12,125,034	\$ 12,367,535	\$ 12,614,886	\$ 12,867,184
Taxes levied for debt service	938,312	1,163,570	987,503	1,011,000	980,600	950,500	970,700	910,200	928,300	920,200
Unrestricted grants and contributions	7,455,220	8,196,226	8,302,588	8,391,845	8,502,226	8,582,551	9,009,569	9,288,897	9,307,322	9,786,855
Restricted interest earnings	-	-	-	-	-	-	-	-	1,466	2,210
Miscellaneous income	263,243	279,313	269,265	282,314	311,420	338,731	261,740	206,475	131,250	237,546
Transfers	(30,000)	(38,000)	(20,000)	(52,960)	(22,500)	(25,000)	(25,000)	(25,000)	-	-
Total governmental activities	<u>18,737,147</u>	<u>19,913,688</u>	<u>20,058,187</u>	<u>20,361,407</u>	<u>20,925,538</u>	<u>21,446,726</u>	<u>22,342,043</u>	<u>22,748,107</u>	<u>22,983,224</u>	<u>23,813,995</u>
Business-type activities:										
Investment earnings	443	92	38	77	196	252	422	404	123	65
Transfers	30,000	38,000	20,000	52,960	22,500	25,000	25,000	25,000	-	-
Total business-type activities	<u>30,443</u>	<u>38,092</u>	<u>20,038</u>	<u>53,037</u>	<u>22,696</u>	<u>25,252</u>	<u>25,422</u>	<u>25,404</u>	<u>123</u>	<u>65</u>
Total district-wide	<u>\$ 18,767,590</u>	<u>\$ 19,951,780</u>	<u>\$ 20,078,225</u>	<u>\$ 20,414,444</u>	<u>\$ 20,948,234</u>	<u>\$ 21,471,978</u>	<u>\$ 22,367,465</u>	<u>\$ 22,773,511</u>	<u>\$ 22,983,347</u>	<u>\$ 23,814,060</u>
Change in Net Position:										
Governmental activities	\$ 329,153	\$ 704,830	\$ 241,897	\$ (166,115)	\$ (909,189)	\$ (376,052)	\$ 510,442	\$ 857,507	\$ 2,490,656	\$ (339,779)
Business-type activities	13,520	16,240	(27,260)	15,985	56,470	59,163	51,027	20,724	(5,051)	59,488
Total district-wide	<u>\$ 342,673</u>	<u>\$ 721,070</u>	<u>\$ 214,637</u>	<u>\$ (150,130)</u>	<u>\$ (852,719)</u>	<u>\$ (316,889)</u>	<u>\$ 561,469</u>	<u>\$ 878,231</u>	<u>\$ 2,485,605</u>	<u>\$ (280,291)</u>

Audubon School District
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

EXHIBIT J-3

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund:										
Restricted for:										
Capital reserve	\$ 115,113	\$ 115,228	\$ 115,413	\$ 115,614	\$ 115,980	\$ 85,140	\$ 25,140	\$ 175,266	\$ 675,617	\$ 776,293
Maintenance reserve	-	-	-	-	-	-	25,000	175,125	675,475	776,150
Emergency reserve	-	-	-	-	-	-	-	150,000	250,000	250,000
Excess surplus	112,272	192,856	85,637	45,925	-	-	7,599	251,680	251,680	-
Excess surplus - designated for subsequent year	302,713	112,272	192,856	85,637	45,925	-	-	7,599	-	-
Unemployment Compensation	-	-	-	-	-	-	-	-	325,973	326,832
Assigned to:										
Year-end Encumbrances	-	-	-	-	-	-	-	202,399	558,977	87,882
Designated for subsequent year's budget	192,632	372,838	202,684	199,937	100,000	132,322	150,000	142,401	23,200	600,000
Unassigned	(217,959)	(267,154)	(341,078)	(328,925)	(365,392)	(396,784)	(347,817)	(367,478)	(30,640)	259,070
Total general fund	\$ 504,771	\$ 526,040	\$ 255,512	\$ 118,188	\$ (103,487)	\$ (179,322)	\$ (140,078)	\$ 736,992	\$ 2,730,282	\$ 3,076,227
All Other Governmental Funds										
Unreserved, reported in:										
Special revenue fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 707,576	\$ 695,983
Capital projects fund	30,677	30,677	30,677	30,677	30,677	-	-	-	-	25,157,550
Debt service fund	18,497	18,497	-	-	-	-	-	-	-	9,835
Total all other governmental funds	\$ 49,174	\$ 49,174	\$ 30,677	\$ 30,677	\$ 30,677	\$ -	\$ -	\$ -	\$ 707,576	\$ 25,863,368

Audubon School District
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

EXHIBIT J-4

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Tax levy	\$ 11,048,684	\$ 11,476,149	\$ 11,506,334	\$ 11,740,208	\$ 12,134,392	\$ 12,550,444	\$ 13,095,734	\$ 13,277,735	\$ 13,543,186	\$ 13,787,384
Tuition charges	2,749,838	2,679,181	2,544,829	2,845,523	2,869,004	2,875,966	2,759,800	2,576,099	2,389,600	2,326,515
Miscellaneous - Restricted									1,466	2,210
Miscellaneous	263,243	279,313	269,265	282,314	311,420	338,731	261,740	206,475	131,250	237,546
Local Sources									385,179	447,677
State sources	9,811,571	10,206,082	10,844,166	11,009,236	11,484,857	12,014,365	12,901,754	13,390,284	14,249,957	16,263,451
Federal sources	563,339	652,032	688,396	672,311	643,924	634,446	630,035	622,540	876,703	740,797
Total revenue	24,436,675	25,292,757	25,852,990	26,549,592	27,443,597	28,413,952	29,649,063	30,073,133	31,577,341	33,805,580
Expenditures										
Instruction										
Regular Instruction	6,732,283	7,279,627	7,245,205	7,651,790	7,466,250	7,461,221	7,793,194	7,578,048	7,819,079	8,704,370
Special education instruction	2,135,574	2,140,613	2,207,045	2,253,829	2,469,216	2,425,795	2,453,374	2,511,702	2,630,254	2,557,590
Other instruction	1,104,222	1,120,653	1,180,005	1,133,322	1,222,567	1,325,674	1,106,870	1,222,750	1,169,049	1,320,910
Support Services:										
Tuition	913,270	918,019	881,553	892,113	982,256	943,195	1,105,154	1,096,222	946,924	1,122,368
Student & instruction related services	2,270,838	2,404,025	2,590,979	2,635,317	2,758,572	2,890,303	3,017,368	3,123,343	3,145,379	3,538,341
General administration	400,261	345,800	440,030	402,179	451,409	415,763	458,363	450,991	472,903	582,022
School administrative services	1,015,206	1,000,431	985,567	1,020,320	881,659	833,710	928,661	857,246	867,893	814,944
Central services	525,491	541,492	584,814	560,121	525,996	515,821	490,205	414,088	424,147	441,564
Plant operations and maintenance	1,665,454	1,746,430	1,737,874	1,771,100	1,760,372	1,793,141	1,803,545	1,768,039	1,833,418	2,302,161
Pupil transportation	340,979	350,902	394,772	510,070	557,007	510,932	485,426	400,535	367,560	668,977
Employee benefits	5,909,433	5,697,808	6,291,850	6,421,304	7,206,401	8,083,320	8,451,705	8,604,412	9,039,761	10,264,322
Transfer of funds to charter school	22,128	-	-	-	-	-	35,567	37,739	48,024	58,790
Capital outlay	456,426	418,608	1,076,321	548,078	460,467	726,089	584,687	302,679	281,059	1,817,404
Debt service:										
Principal	770,000	970,000	750,000	770,000	755,000	740,000	775,000	730,000	770,000	785,000
Interest and other charges	257,179	289,080	256,000	241,000	225,600	210,500	195,700	180,200	158,300	135,200
Total expenditures	24,518,744	25,223,488	26,622,015	26,810,543	27,722,772	28,875,464	29,684,819	29,277,994	29,973,750	35,113,963
Excess (Deficiency) of revenues over (under) expenditures	(82,069)	69,269	(769,025)	(260,951)	(279,175)	(461,512)	(35,756)	795,139	1,603,591	(1,308,383)
Other Financing sources (uses)										
Proceeds of Bonds	-	-	-	-	-	-	-	-	-	26,810,000
Capital lease (nonbudgeted)	-	-	500,000	176,587	80,000	380,000	100,000	106,931	86,550	-
Transfers in	-	-	-	-	-	32,713	-	-	-	169,951
Transfers out	(30,000)	(38,000)	(20,000)	(52,960)	(22,500)	(57,713)	(25,000)	(25,000)	-	(169,951)
Total other financing sources (uses)	(30,000)	(38,000)	480,000	123,627	57,500	355,000	75,000	81,931	86,550	26,810,000
Net change in fund balances	\$ (112,069)	\$ 31,269	\$ (289,025)	\$ (137,324)	\$ (221,675)	\$ (106,512)	\$ 39,244	\$ 877,070	\$ 1,690,141	\$ 25,501,617
Debt service as a percentage of noncapital expenditures	4.27%	5.08%	3.94%	3.85%	3.60%	3.38%	3.34%	3.14%	3.13%	2.76%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

Audubon School District
General Fund - Other Local Revenue by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

EXHIBIT J-5

Fiscal Year Ending June 30,	Interest on Investments	Prior Year Refunds	Rentals	Other Refunds	Miscellaneous	Total
2013	\$ 2,904	\$ 37,987	\$ 162,419	\$ 14,728	\$ 45,205	\$ 263,243
2014	958	22,754	171,572	43,485	40,429	279,198
2015	1,034	47,522	164,096	31,000	25,613	269,265
2016	1,203	17,844	165,993	41,382	55,892	282,314
2017	2,282	9,185	170,043	30,000	99,543	311,053
2018	5,489	63,763	166,443	38,000	65,036	338,731
2019	7,015	69,474	105,591	38,000	41,660	261,740
2020	10,298	30,417	74,296	65,612	25,852	206,475
2021	4,655	18,636	29,466	68,445	9,347	130,549
2022	2,146	114,377	36,066	30,000	45,122	227,711
	<u>\$ 60,457</u>	<u>\$ 398,145</u>	<u>\$ 1,299,843</u>	<u>\$ 370,652</u>	<u>\$ 430,951</u>	<u>\$ 2,560,048</u>

Source: District records

**Audubon School District
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years**

EXHIBIT J-6

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate b	Estimated Actual (County Equalized) Value
2013	\$ 1,897,000	\$ 621,118,700	\$ 94,902,804	\$ 590,000	\$ 14,307,500	\$ 732,816,004	\$ 1,520,417	\$ 734,336,421	\$ 56,945,600	\$ 1.515	\$ 750,311,856
2014	1,532,100	619,210,500	94,165,104	350,000	14,401,400	729,659,104	1,361,953	731,021,057	57,043,900	1.569	712,557,462
2015	1,537,300	614,309,900	92,964,504	350,000	14,041,400	723,203,104	1,391,805	724,594,909	57,238,600	1.612	676,151,844
2016	1,465,800	612,163,600	92,464,704	350,000	14,041,400	720,485,504	1,394,324	721,879,828	57,541,100	1.677	706,053,569
2017	1,615,800	608,443,000	91,511,504	350,000	14,041,400	715,961,704	1,374,552	717,336,256	58,017,900	1.744	708,393,534
2018	1,598,200	607,138,900	90,833,104	350,000	13,973,400	713,893,604	1,376,377	715,269,981	57,913,100	1.781	721,987,012
2019	1,573,000	605,465,000	90,593,504	350,000	13,973,400	711,954,904	1,372,350	713,327,254	58,700,600	1.811	734,283,528
2020	1,508,400	605,623,100	90,299,504	350,000	13,973,400	711,754,404	1,375,008	713,129,412	59,027,600	1.848	737,858,627
2021	1,778,400	606,029,600	88,217,204	350,000	14,003,400	710,378,604	1,393,036	711,771,640	59,202,400	1.885	738,461,296
2022	1,778,400	606,503,500	87,848,004	350,000	14,003,400	710,483,304	1,290,847	711,774,151	58,841,700	2.012	800,696,290

Source:
Municipal Tax Assessor

Note:
Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when ordered by the County Board of Taxation

- a** Taxable Value of Machinery, Improvements and Equipment of Telephone, Telegraph and Messenger System Companies
- b** Tax rates are per \$100 of assessed valuation.
- c** Information not available.
- R** Reassessment

Audubon School District
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)

EXHIBIT J-7

Fiscal Year Ended June 30,	Audubon School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	Borough of Audubon	Library	Camden County	
2012	\$ 1.339	\$ 0.120	\$ 1.459	\$ 0.775	\$ 0.034	\$ 0.742	\$ 3.010
2013	1.362		1.362	0.807	0.034	0.802	3.005
2014	1.396	0.173	1.569	0.825	0.032	0.785	3.211
2015	1.435	0.177	1.612	0.825	0.031	0.755	3.223
2016	1.499	0.178	1.677	0.823	0.033	0.818	3.351
2017	1.569	0.175	1.744	0.835	0.033	0.829	3.441
2018	1.645	0.136	1.781	0.849	0.033	0.851	3.514
2019	1.683	0.128	1.811	0.873	0.034	0.840	3.558
2020	1.718	0.130	1.848	0.898	0.034	0.826	3.606
2021	1.756	0.129	1.885	0.898	0.034	0.824	3.641
2022	1.779	0.233	2.012	0.922	0.037	0.828	3.799

Source: Municipal Tax Collector

**Audubon School District
Principal Property Tax Payers,
Current Year and Nine Years Ago**

EXHIBIT J-8

<u>Taxpayer</u>	<u>2022</u>	
	<u>Taxable Assessed Value</u>	<u>% of Total District Net Assessed Value</u>
Wolfson Group, LLC	\$ 32,634,700	4.58%
Albertsons Co	9,000,000	1.26%
Public Service Electric & Gas	3,430,000	0.48%
Imperial Reality Associates, LLC	1,900,000	0.27%
Audubon Equities, LLC	1,780,000	0.25%
Oak Terrace Apartments, LLC	1,700,000	0.24%
Bromley Enterprises, LLC	1,458,000	0.20%
AH Knoettner & Sons	1,434,600	0.20%
Bellevue Court Apartments, LLC	1,378,200	0.19%
Bell Atlantic NJ	1,290,847	0.18%
Total	\$ 56,006,347	7.87%

<u>Taxpayer</u>	<u>2013</u>	
	<u>Taxable Assessed Value</u>	<u>% of Total District Net Assessed Value</u>
Wolfson Group, LLC	\$ 32,121,100	4.37%
Supervalu	9,000,000	1.23%
PSE&G	3,500,000	0.48%
Imperial Reality Association	1,900,000	0.26%
Oak Terrace Apartments, LLC	1,800,000	0.25%
Audubon Equities, LLC	1,750,000	0.24%
Bell Atlantic	1,497,000	0.20%
Lee Associates	1,378,200	0.19%
Audubon Savings Bank	1,264,100	0.17%
622 Castle Arms	1,200,000	0.16%
Total	\$ 55,410,400	7.55%

Source: Municipal Tax Assessor

**Audubon School District
Property Tax Levies and Collections,
Last Ten Fiscal Years**

EXHIBIT J-9

Fiscal Year Ended June 30,	Taxes Levied for the Calendar Year	Collected within the Fiscal Year of the Levy^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2012	\$ 11,053,185	\$ 11,053,185	100.00%	\$ -
2013	11,048,684	11,048,684	100.00%	-
2014	11,476,149	10,312,579	89.86%	1,163,570
2015	11,506,334	11,506,334	100.00%	-
2016	12,015,208	12,015,208	100.00%	-
2017	12,103,703	12,103,703	100.00%	-
2018	12,550,444	12,550,444	100.00%	-
2019	13,095,734	13,095,734	100.00%	-
2020	13,277,735	13,277,735	100.00%	-
2021	13,543,186	13,543,186	100.00%	-
2022	13,787,384	13,787,384	100.00%	-

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 Statutes, 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.

Audubon School District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(dollars in thousands, except per capita)

EXHIBIT J-10

Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income ^b	Per Capita ^c
	General Obligation Bonds ^a	Financed Purchases/Leases			
2013	\$ 9,640,000	\$ 242,869	\$ 9,882,869	2.55%	\$ 1,134
2014	8,670,000	184,338	8,854,338	2.21%	1,019
2015	7,920,000	624,373	8,544,373	2.05%	985
2016	7,150,000	572,205	7,722,205	1.80%	890
2017	6,395,000	394,902	6,789,902	1.53%	784
2018	5,655,000	551,884	6,206,884	1.35%	717
2019	4,880,000	334,250	5,214,250	1.10%	604
2020	4,150,000	287,257	4,437,257	0.88%	515
2021	3,380,000	583,536	3,963,536	d	457
2022	29,405,000	416,671	29,821,671	d	d

Sources:

- a District Records.
- b Personal Income has been estimated based upon the municipal population and per cap personal income.
- c Per Capita Personal Income Data provided by the NJ Dept. of Labor and Workforce.
- d Not available.

Audubon School District
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
(dollars in thousands, except per capita)

EXHIBIT J-11

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable ^b	Per Capita ^c
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding ^a		
2013	\$ 9,640,000	\$ -	\$ 9,640,000	1.31%	\$ 1,106
2014	8,670,000	-	8,670,000	1.19%	998
2015	7,920,000	-	7,920,000	1.09%	913
2016	7,150,000	-	7,150,000	0.99%	824
2017	6,395,000	-	6,395,000	0.89%	738
2018	5,655,000	-	5,655,000	0.79%	653
2019	4,880,000	-	4,880,000	0.68%	565
2020	4,150,000	-	4,150,000	0.58%	482
2021	3,380,000	-	3,380,000	0.47%	d
2022	29,405,000	-	29,405,000	4.13%	d

Sources:

- a District Records
- b Net Assessed Valuation provided by Abstract of Ratables, County Board of Taxation
- c Per Capita Personal Income Data provided by the NJ Dept. of Labor and Workforce.
- d Not available.

**Audubon School District
Ratios of Overlapping Governmental Activities Debt
As of December 31, 2021**

EXHIBIT J-12

<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 Audubon	\$ 7,083,934 (1)	100.000%	\$ 7,083,934
Borough of Audubon Park	678,750 (1)	100.000%	678,750
Camden County General Obligation Debt	492,918,930 (1)	1.812% (2)	8,931,691
Subtotal, overlapping debt			<u>16,694,375</u>
Audubon School District Direct Debt			<u>3,380,000</u>
Total direct and overlapping debt			<u><u>\$ 20,074,375</u></u>

Sources:

- (1) Municipal Annual Debt Statement.
- (2) The County percentage is based upon a calculation reflecting the Borough's share of the 2020 Equalized Valuation. The source for this computation was the 2020 County Abstract of Ratables, provided by the County Board of Taxation.

Legal Debt Margin Calculation for Fiscal Year 2022

	Equalized valuation basis (1)
	2019 \$ 732,388,544
	2020 734,221,584
	2021 795,051,599
	<u>\$ 2,261,661,727</u>
Average equalized valuation of taxable property	<u>\$ 753,887,242</u>
Debt limit (4% of average equalized valuation) (2)	30,155,490
Net bonded school debt (3)	<u>29,405,000</u>
Legal debt margin	<u>\$ 750,490</u>

	Fiscal Year									
	<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	\$ 29,912,234	\$ 29,403,427	\$ 28,427,506	\$ 27,845,493	\$ 27,818,448	\$ 28,381,647	\$ 28,748,875	\$ 29,085,776	\$ 29,295,713	\$ 30,155,490
Total net debt applicable to limit (3)	<u>9,640,000</u>	<u>8,670,000</u>	<u>7,920,000</u>	<u>7,150,000</u>	<u>6,395,000</u>	<u>5,655,000</u>	<u>4,880,000</u>	<u>4,150,000</u>	<u>3,380,000</u>	<u>29,405,000</u>
Legal debt margin	<u>\$ 20,272,234</u>	<u>\$ 20,733,427</u>	<u>\$ 20,507,506</u>	<u>\$ 20,695,493</u>	<u>\$ 21,423,448</u>	<u>\$ 22,726,647</u>	<u>\$ 23,868,875</u>	<u>\$ 24,935,776</u>	<u>\$ 25,915,713</u>	<u>\$ 750,490</u>
Total net debt applicable to the limit as a percentage of debt limit	32.23%	29.49%	27.86%	25.68%	22.99%	19.92%	16.97%	14.27%	11.54%	97.51%

Sources:

- (1) Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.
- (2) Limit set by NJSA 18A:24-19 for a K through 12 district.
- (3) District Records

**Audubon School District
Demographic and Economic Statistics
Last Ten Fiscal Years**

EXHIBIT J-14

Year	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2013	8,718	\$ 387,576,126	\$ 44,457	7.8%
2014	8,686	401,232,398	46,193	7.5%
2015	8,677	416,513,354	48,002	6.3%
2016	8,677	428,574,384	49,392	4.2%
2017	8,661	442,542,456	51,096	3.7%
2018	8,655	458,940,030	53,026	3.1%
2019	8,638	474,727,204	54,958	2.8%
2020	8,615	506,820,450	58,830	8.1%
2021	8,674	e	e	4.6%
2022	e	e	e	e

Source:

- ^a Population information provided by the NJ Dept of Labor and Workforce Development
- ^b Personal income has been established based upon the municipal population and per capita personal income presented.
- ^c Per Capita personal income provided by the NJ Dept. of Labor and Workforce Development.
- ^d Unemployment data provided by the NJ Dept of Labor and Workforce Development
- ^e Information not available

**Audubon School District
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years**

EXHIBIT J-16

<u>Function/Program</u>	<u>Fiscal Year Ending June 30,</u>									
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Instruction										
Regular	124	124	124	108	108	108	100	103	104	104
Special education	19	19	19	30	30	30	30	26	28	26
Other special education	1	1	1	20	20	20	11	14	13	14
Other instruction	15	15	15	17	17	17	13	9	9	9
Support Services:										
Student & instruction related services	16	16	16	29	29	29	27	25	24	25
School administrative services	10	10	10	13	13	13	15	17	15	15
General and business administrative services	9	9	9	7	7	7	7	7	7	7
Plant operations and maintenance	25	25	25	25	25	25	26	23	22	26
Pupil transportation	3	3	3	1	1	1	1	1	1	1
Business and other support services	5	5	5	4	4	4	5	5	5	5
Total	<u>227</u>	<u>227</u>	<u>227</u>	<u>254</u>	<u>254</u>	<u>254</u>	<u>235</u>	<u>230</u>	<u>228</u>	<u>232</u>

Source:
District Personnel Records

Fiscal Year	Resident Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Masion Avenue School	Havilnd Avenue School	Senior High School				
2012	1,439	\$ 22,249,718	\$ 15,462	7.11%	149	1:22	1:20	1:20	1,402.0	1,337.0	-2.64%	95.36%
2013	1,485	23,035,139	15,512	0.32%	159	1:22	1:20	1:20	1,410.0	1,334.0	0.57%	94.61%
2014	1,476	23,545,800	15,952	2.84%	159	1:22	1:20	1:20	1,410.0	1,337.9	0.00%	94.89%
2015	1,553	24,539,694	15,801	-0.95%	159	1:22	1:20	1:20	1,548.0	1,465.0	9.79%	94.64%
2016	1,531	25,251,465	16,493	4.38%	175	1:22	1:20	1:20	1,545.0	1,467.0	-0.19%	94.95%
2017	1,553	26,281,705	16,923	2.61%	175	1:22	1:20	1:20	1,549.0	1,476.1	0.26%	95.29%
2018	1,539	27,198,875	17,673	4.43%	175	1:22	1:20	1:20	1,528.6	1,444.4	-1.32%	94.49%
2019	1,249	28,129,432	22,522	27.43%	154	1:22	1:20	1:20	1,498.2	1,420.8	-1.99%	94.83%
2020	1,234	28,065,115	22,743	0.98%	152	1:22	1:20	1:20	1,471.2	1,419.0	-1.80%	96.45%
2021	1,227	28,764,391	23,443	3.08%	154	1:22	1:20	1:20	1,426.1	1,375.8	-3.07%	96.47%
2022	1,271	32,376,359	25,473	8.66%	153	1:22	1:20	1:20	1,404.8	1,319.4	-3.07%	93.92%

Sources: 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).

**Audubon School District
School Building Information
Last Ten Fiscal Years**

EXHIBIT J-18

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>District Building</u>										
<u>Elementary</u>										
Haviland Avenue School										
Square Feet	41,702	41,702	41,702	41,702	41,702	41,702	41,702	41,702	41,702	41,702
Capacity (students)	400	400	400	400	400	400	400	400	400	400
Enrollment	255	249	284	305	332	330	316	275	246	246
Mansion Avenue School										
Square Feet	48,439	48,439	48,439	48,439	48,439	48,439	48,439	48,439	48,439	48,439
Capacity (students)	575	575	575	575	575	575	575	575	575	575
Enrollment	323	292	358	371	355	377	383	391	370	360
Audubon Jr/Sr High School										
Square Feet	187,024	187,024	187,024	187,024	187,024	187,024	187,024	187,024	187,024	187,024
Capacity (students)	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Enrollment	832	869	823	869	848	822	799	805	810	777
Audubon Park Preschool										
Capacity (students)	-	-	-	-	-	-	-	-	-	60
Enrollment	-	-	-	-	-	-	-	-	-	23
Number of Schools at June 30, 2022										
Preschool	1									
Elementary	2									
Jr/Sr High School	1									

Source: District Facilities Office

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

	Fiscal Year Ending June 30,										Total
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
* School Facilities											
High School	\$ 203,422	\$ 189,110	\$ 202,847	\$ 215,592	\$ 175,100	\$ 186,629	\$ 174,675	\$ 196,711	\$ 208,950	\$ 424,284	\$ 2,177,320
Haviland School	43,268	40,307	45,231	48,090	39,052	41,624	38,958	43,872	46,602	94,628	481,632
Mansion School	50,276	46,656	52,536	55,855	45,333	48,316	45,221	50,927	54,096	109,843	559,059
Total School Facilities	<u>\$ 296,966</u>	<u>\$ 276,073</u>	<u>\$ 300,614</u>	<u>\$ 319,537</u>	<u>\$ 259,485</u>	<u>\$ 276,569</u>	<u>\$ 258,854</u>	<u>\$ 291,510</u>	<u>\$ 309,648</u>	<u>\$ 628,755</u>	<u>\$ 3,218,011</u>

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

Source: District records

**Audubon School District
Insurance Schedule
June 30, 2022**

EXHIBIT J-20

	<u>Coverage</u>	<u>Self Insured Retention</u>	<u>Deductible</u>
School Package Policy (1)			
Building and Contents (All Locations)			
Limits of liability per occurrence	\$ 175,000,000	\$ 250,000	\$ 500
General and Automobile Liability	20,000,000	250,000	
Workers' Compensation	Statutory	250,000	
Crime Coverage - Blanket Surety Coverage	500,000	250,000	500
Educator's Legal Liability	20,000,000	250,000	
Pollution Legal Liability	3,000,000		25,000
Cyber Liability	2,000,000		10,000
Boiler and Machinery	125,000,000		1,000
Crisis Protection and Disaster Management Services	1,000,000		10,000
Student Accident (2)	1,000,000		
Catastrophic Student Athletic (3)	7,500,000		25,000
Surety Bonds (4)			
Board Secretary	250,000		

- (1) Burlington County Joint Insurance Fund
- (2) United States Fire Insurance
- (3) Federal Insurance Company
- (4) Western Surety

Source: District records

Single Audit Section

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

INDEPENDENT AUDITOR'S REPORT

The Honorable President and Members
of the Board of Education
Audubon School District
County of Camden
Audubon, New Jersey

I have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Audubon School District (the "District"), in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued my report thereon dated January 30, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, I do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of my 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* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant No. CS001095

Marlton, New Jersey
January 30, 2023

INVERSO & STEWART, LLC

Certified Public Accountants

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**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT
 ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE
 UNIFORM GUIDANCE AND STATE OF NEW JERSEY CIRCULAR 15-08-OMB**

INDEPENDENT AUDITOR'S REPORT

The Honorable President and Members
 of the Board of Education
 Audubon School District
 County of Camden
 Audubon, New Jersey

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

I have audited Audubon School District's (the "District"), in the County of Camden, State of New Jersey, compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement and the New Jersey State Grant Compliance Supplement that could have a direct and material effect on the District's major federal and state programs for the year ended June 30, 2022. The District's major federal and state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned costs.

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

Basis for Opinion on Each Major Federal and State Program

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

I am required to be independent of the District and to meet my other ethical responsibilities, in accordance with relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on compliance for each major federal and state program. My audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

My objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on my 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 the N.J. Circular 15-08-OMB 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, would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance, and N.J. Circular 15-08-OMB, I:

- 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 District's compliance with the compliance requirements referred to above and performing such other procedures as I considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and N.J. Circular 15-08-OMB, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

I am 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 I identified during the audit.

Report on Internal Control over Compliance

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

My consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during my audit I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

My 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.

Purpose of this Report

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

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant No. CS001095

Marlton, New Jersey
January 30, 2023

AUDUBON SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/ Program Title	Assistance Listing Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance June 30, 2021			Adjustment	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2022		
						(Accounts Receivable)	Unearned Revenue	Due to Grantor					(Accounts Receivable)	Unearned Revenue	Due to Grantor
U.S. Department of Education															
Passed-through State Department of Education:															
Special Revenue Fund:															
Title I:															
Fiscal Year 2022	84.010A	S010A210030	ESSA015022	\$ 175,363	7/1/21 - 9/30/22	\$ -	\$ -	\$ -	\$ -	\$ 140,000	\$ (175,363)	\$ -	\$ (35,363)	\$ -	\$ -
Fiscal Year 2021	84.010A	S010A200030	ESSA015021	183,724	7/1/20 - 9/30/21	(87,812)				87,812					
Title II A:															
Fiscal Year 2021	84.367A	S367A200029	ESSA015021	6,273	7/1/20 - 9/30/21	(5,675)				5,675					
Title IV:															
Fiscal Year 2021	84.424A	S424A200031	ESSA015021	12,027	7/1/20 - 9/30/21	(9,749)				9,749					
I.D.E.A. Part B - Basic:															
Fiscal Year 2022	84.027	H027A210100	IDEA015022	365,115	7/1/21 - 9/30/22					351,115	(365,115)		(14,000)		
Fiscal Year 2021	84.027	H027A200100	IDEA015021	375,906	7/1/20 - 9/30/21	(3,618)				3,618					
I.D.E.A. Part B - Preschool:															
Fiscal Year 2022	84.173	H173A210114	IDEA015022	12,648	7/1/21 - 9/30/22						(12,648)		(12,648)		
CARES Act - ESSER															
Fiscal Year 2022	84.425D	S425D210027	N/A	17,169	3/13/20 - 9/30/22						(7,153)		(7,153)		
Coronavirus Response and Relief Supplemental Act:															
CRRSA - ESSER II															
Fiscal Year 2022	84.425D	S425D210027	N/A	516,312	3/13/20 - 9/30/22	(20,375)					(133,635)		(154,010)		
CRRSA - Learning Acceleration															
Fiscal Year 2022	84.425D	S425D210027	N/A	34,442	3/13/20 - 9/30/22						(9,185)		(9,185)		
CRRSA - Mental Health															
Fiscal Year 2022	84.425D	S425D210027	N/A	45,000	3/13/20 - 9/30/22						(13,693)		(13,693)		
American Rescue Plan:															
ARP - ESSER III															
Fiscal Year 2022	84.425U	S425U210027	N/A	1,206,169	3/13/20 - 9/30/23						(2,014)		(2,014)		
Total U.S. Department of Education						(127,229)				597,969	(718,806)		(248,066)		
U.S. Department of Agriculture															
Passed-through State Department of Education:															
Enterprise Fund															
Food Distribution Program															
Fiscal Year 2021	10.555	221NJ304N1099	N/A	48,427	7/1/21 - 6/30/22					48,427	(48,427)				
National School Breakfast Program															
Fiscal Year 2022	10.553	221NJ304N1099	N/A	36,376	7/1/21 - 6/30/22					33,289	(36,376)		(3,087)		
Fiscal Year 2021	10.553	211NJ304N1099	N/A	84,981	7/1/20 - 6/30/21	(7,309)				7,309					
National School Lunch Program															
Fiscal Year 2022	10.555	221NJ304N1099	N/A	571,104	7/1/21 - 6/30/22					541,338	(569,315)		(27,977)		
Fiscal Year 2021	10.555	211NJ304N1099	N/A	134,615	7/1/20 - 6/30/21	(11,578)				11,578			-		
Emerg. Operational Cost Program - Schools															
P-EBT 21 Administrative Cost	10.649	2022225900941	N/A	614	7/1/21 - 6/30/22					614	(614)				
P-EBT 22 Administrative Cost	10.649	2022225900941	N/A	628	7/1/21 - 6/30/22					628	(628)				
Total U.S. Department of Agriculture						(18,887)				643,730	(655,907)		(31,064)		
U.S. Department of Health and Human Services															
Passed-through State Department of Human Services:															
General Fund:															
Medicaid Assistance Program															
Fiscal Year 2022	93.778	2205NJ5MAP	N/A	33,546	7/1/21 - 6/30/22					33,546	(33,546)		-		
Total Federal Awards						\$ (146,116)	\$ -	\$ -	\$ -	\$ 1,275,245	\$ (1,408,259)	\$ -	\$ (279,130)	\$ -	\$ -

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

AUDUBON SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2022

State Grantor / Program Title	Grant or State Project Number	Program or Award Amount	Local Share	Grant Period From - To	Balance June 30, 2021			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Canceled	Balance June 30, 2022		
					(Accounts Receivable)	Unearned Revenue	Due to Grantor					(Accounts Receivable)	Unearned Revenue	Due to Grantor
State Department of Education														
General Fund:														
Equalization Aid	22-495-034-5120-078	\$ 6,777,216	\$ -	7/1/21 - 6/30/22	\$ -	\$ -	\$ -	\$ 6,121,861	\$ (6,777,216)	\$ -	\$ -	\$ (655,355)	\$ -	\$ -
Equalization Aid	21-495-034-5120-078	6,211,922		7/1/20 - 6/30/21	(594,761)			594,761						
Special Education Categorical Aid	22-495-034-5120-089	1,046,915		7/1/21 - 6/30/22				945,679	(1,046,915)			(101,236)		
Special Education Categorical Aid	21-495-034-5120-089	1,046,915		7/1/20 - 6/30/21	(100,237)			100,237						
Security Aid	22-495-034-5120-084	200,391		7/1/21 - 6/30/22				181,013	(200,391)			(19,378)		
Security Aid	21-495-034-5120-084	200,391		7/1/20 - 6/30/21	(19,186)			19,186						
Transportation Aid	22-495-034-5120-014	73,419		7/1/21 - 6/30/22				66,319	(73,419)			(7,100)		
Transportation Aid	21-495-034-5120-014	73,419		7/1/20 - 6/30/21	(7,029)			7,029						
School Choice Aid	22-495-034-5120-068	1,002,960		7/1/21 - 6/30/22				905,974	(1,002,960)			(96,986)		
School Choice Aid	21-495-034-5120-068	1,048,646		7/1/20 - 6/30/21	(100,403)			100,403						
Adjustment Aid	22-495-034-5120-085	328,370		7/1/21 - 6/30/22				296,617	(328,370)			(31,753)		
Adjustment Aid	21-495-034-5120-085	390,126		7/1/20 - 6/30/21	(37,353)			37,353						
Extraordinary Special Education Cost Aid	22-495-034-5120-044	376,877		7/1/21 - 6/30/22					(376,877)			(376,877)		
Extraordinary Special Education Cost Aid	21-495-034-5120-044	282,426		7/1/20 - 6/30/21	(282,426)			282,426						
On behalf TPAF Pension Contribution	22-495-034-5094-002	4,343,982		7/1/21 - 6/30/22				4,343,982	(4,343,982)					
On behalf TPAF Post Retirement Medical	22-495-034-5094-001	1,014,930		7/1/21 - 6/30/22				1,014,930	(1,014,930)					
On behalf TPAF LTDI	22-495-034-5094-004	1,491		7/1/21 - 6/30/22				1,491	(1,491)					
Reimbursed TPAF Social Security Contr.	22-495-034-5094-003	884,156		7/1/21 - 6/30/22				796,509	(884,156)			(87,647)		
Reimbursed TPAF Social Security Contr.	21-495-034-5094-003	843,547		7/1/20 - 6/30/21	(41,684)			41,684						
Total General Fund					(1,183,079)			15,857,454	(16,050,707)			(1,376,332)		
Special Revenue:														
Preschool Expansion Aid	22-495-034-5120-086	440,319	160,116	7/1/21 - 6/30/22				556,403	(465,364)			(44,032)	135,071	
SDA Emergent Needs & Cap. Maint.	EG-0141-D02	36,800		7/1/21 - 6/30/22					(36,800)			(36,800)		
Total Special Revenue								556,403	(502,164)			(80,832)	135,071	
Total Department of Education					(1,183,079)			16,413,857	(16,552,871)			(1,457,164)	135,071	
New Jersey Schools Construction Corporation:														
Capital Projects Fund:														
EDA Educational Facilities Construction and Financing Act - Section 15: Roof and Roof-Top HVAC - Level I	#0150-040-13-1002	312,000		8/1/14- 12/31/14	(187,200)							(187,200)		
Total Educational Facilities Construction					(187,200)							(187,200)		
State Department of Agriculture														
National School Lunch Program (State Share)														
Fiscal Year 2022	22-100-010-3350-023	13,400		7/1/21 - 6/30/22				12,756	(13,400)			(644)		
Fiscal Year 2021	21-100-010-3350-023	6,119		7/1/20 - 6/30/21	(825)			825						
Total Department of Agriculture					(825)			13,581	(13,400)			(644)		
Total State Financial Assistance					\$ (1,371,104)	\$ -	\$ -	\$ 16,427,438	(16,566,271)	\$ -	\$ -	\$ (1,645,008)	\$ 135,071	\$ -
Less: State Financial Assistance Not Subject to New Jersey OMB Circular 15-08														
On-Behalf TPAF Contribution - Pension (Non-Budgeted) 4,343,982														
On-Behalf TPAF Contribution - Post Retirement Medical (Non-Budgeted) 1,014,930														
On-Behalf TPAF Contribution - LTDI (Non-Budgeted) 1,491														
Total State Financial Assistance Subject to New Jersey OMB Circular 15-08 \$ (11,205,868)														

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

**Audubon School District
Notes to the Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2022**

I. GENERAL

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

2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The school district has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

**Audubon School District
Notes to the Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2022
(Continued)**

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$52,839) for the general fund and (\$248,136) for the special revenue fund. See Exhibit C-3, Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 33,546	\$ 15,997,868	\$ 16,031,414
Special Revenue	707,251	265,583	972,834
Capital Projects			-
Food Service	<u>655,907</u>	<u>13,400</u>	<u>669,307</u>
Total	<u>\$ 1,396,704</u>	<u>\$ 16,276,851</u>	<u>\$ 17,673,555</u>

4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

5. OTHER

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

6. MAJOR PROGRAMS

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

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

Section I --Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: _____ Unmodified _____

Internal control over financial reporting:

 1) Material weaknesses identified? _____ yes X no

 2) Significant deficiencies identified? _____ yes X none reported

Noncompliance material to basic financial statements noted? _____ yes X no

Federal Awards

Internal Control over major programs:

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

 2) Significant deficiencies identified? _____ yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516 of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)? _____ yes X no

Identification of major programs:

<u>AL Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.555	221NJ304N1099	Child Nutrition Cluster: Food Distribution Program
10.553	221NJ304N1099	School Breakfast Program
10.555	221NJ304N1099	National School Lunch Program
10.555	202121H170341	Emergency Operational Cost Program - Schools
_____	_____	_____
_____	_____	_____
_____	_____	_____

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

Auditee qualified as low-risk auditee? _____ X _____ yes _____ no

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

Section 2 -- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

No findings and/or questioned costs identified.

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

**Section 3 -- Schedule of Federal Awards and State Financial Assistance
Findings and Questioned Costs**

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey Circular 15-08-OMB.

FEDERAL AWARDS:

No findings and/or questioned costs identified.

STATE AWARDS:

No findings and/or questioned costs identified.

**AUDUBON SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT**

This section identifies the status of prior year findings related to the financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey Circular 15-08-OMB.

FINANCIAL STATEMENT FINDINGS

There were no prior year audit findings.

FEDERAL AWARDS

There were no prior year audit findings.

STATE AWARDS

There were no prior year audit findings.