

CLEMENTON SCHOOL DISTRICT



**CLEMENTON BOARD OF EDUCATION
CAMDEN COUNTY, NEW JERSEY**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

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

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INTRODUCTORY SECTION

Clementon School District

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March 15, 2023

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

Dear Board Members:

The annual comprehensive financial report of the Clementon School District ("District") for the fiscal year ended June 30, 2022 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education ("Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operation of the various funds 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 basic 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 a Single Audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and the State of New Jersey Circular 15-08 OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this Single Audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the Single Audit section of this report.

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

The District provided educational services for grades Pre-Kindergarten through grade 8 in our building. Through a send/receive relationship with the Pine Hill School District, we provide programs for our students in grades 9-12, including Special Education. The District completed the 2021-2022 fiscal year with an average enrollment of 552 students. The following details the changes in the student enrollment of the District over the last thirteen (14) years.

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AVERAGE DISTRICT ENROLLMENT

FISCAL YEAR	STUDENT ENROLLMENT	INCREASE/ DECREASE	PERCENT CHANGE
2021-2022	552	-6	1.07
2020-2021	558	61	10.9
2019-2020	497	12	2.4
2018-2019	485	39	8.7
2017-2018	446	0	0
2016-2017	446	-18	4.2
2015-2016	465	36	8.6
2014-2015	428	-26	5.0
2013-2014	454	2	.01
2012-2013	452	-4	.01
2011-2012	456	-22	.05
2010-2011	478	-18	.04
2009-2010	496	-23	.05
2008-2009	519	6	0.1

2. ECONOMIC CONDITION AND OUTLOOK: The Borough of Clementon is considered to be small in size with an area of only two square miles. The Borough comprised approximately 1280 acres and is estimated to be 90% developed with 85% of the developed area being residential, 10% commercial and 5% industrial.

The history of the Borough of Clementon centers on its six lakes. In the early 1900's it was a favorite spot for summer vacationers with a bustling downtown area and its famed amusement park, Clementon Lake Park. The Clementon Lake Park has recently closed operations and the status of the ownership is unknown as of this report. Many stores and businesses have left the Borough in favor of shopping malls and large commercial office buildings, as well as online purchasing. This has resulted in the majority of the land becoming residential. Population estimates of the Borough and the 2000 census reveal a decrease in the number of residents in recent years. Estimates of July 1, 1998 place the population at 5,399, while the 2000 census shows 4,850, a decrease of 10.1%. Borough officials cite the possibility of an inaccurate accounting from apartment residents as a cause for the decrease. An indication of this can be seen in the increase of students enrolled at Clementon School District.

Clementon educates students in preschool through high school, entering into a send/receive relationship with the Pine Hill School District for the programs for 9th through 12th graders. Our enrollment of Pre-K - 8th grade students has increased for the 2021-22 school year. Clementon students enrolled at Overbrook High School in Pine Hill number is 147. Clementon students enrolled at Camden County Vocational School number is 56.

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2. ECONOMIC CONDITION AND OUTLOOK (CONT'D): A projection study was completed each year for determining preschool enrollment in an effort to reach universe. The Hispanic population is continuing to grow and the Bangladesh population is rising within the community. In the past 5 years, Clementon school district enrollment has increased by over 100 students with the Hispanic population increasing by 62%. Additionally, in the past 5 years, the low-income families have increased by 8%.

3. MAJOR INITIATIVES: Clementon School District was awarded the Preschool Expansion Award in the fall of 2020. On February 1, 2021, Clementon School District implemented full day Pre-K for three and four year old students. Since this time we have increased our preschool enrollment within Clementon Elementary School by 30 students and have a total of 3 classrooms. We are currently looking into long term solutions to reach our preschool universe or 7 classrooms. Due to the increase in our youngest learners, we installed a new playground specifically designed for 3-6 year old children.

Facilities and safety improvements

- Ongoing project to install security bollards through the School Security Grant
- Updating locks/fobs to gain compliance with police and fire code and uniformity
- Part one of a twostep camera upgrade has been completed (PT 2, Summer 2023)
- Technology department has completed software upgrades, and Multi-Factor enhancements
- All HVAC units have been repaired and are in working order

Projects to be completed within the upcoming year include:

- HVAC replacement
- security bollards
- replacement of carpet with VCT flooring (starting summer of 2023 with a completion date of 2024)
- LED lighting
- upgrading of cameras/software
- Windows
- PA and fire systems replacements
- Upgrades to media center and technology access is on-going

As the community grows and technology increases, we will continue to upgrade the building and grounds for the safety and security of the students and staff of Clementon.

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 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 recognized that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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4. INTERNAL ACCOUNTING CONTROLS (CONT'D): 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 these 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. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for capital improvements and accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

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

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

8. RISK MANAGEMENT: The 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.

9. OTHER INFORMATION: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman & Company LLP was selected by the Board. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Uniform Guidance and State Treasury Circular Letter 15-08 OMB. The auditor's report on the basic financial statements 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 the report.

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Respectfully submitted,

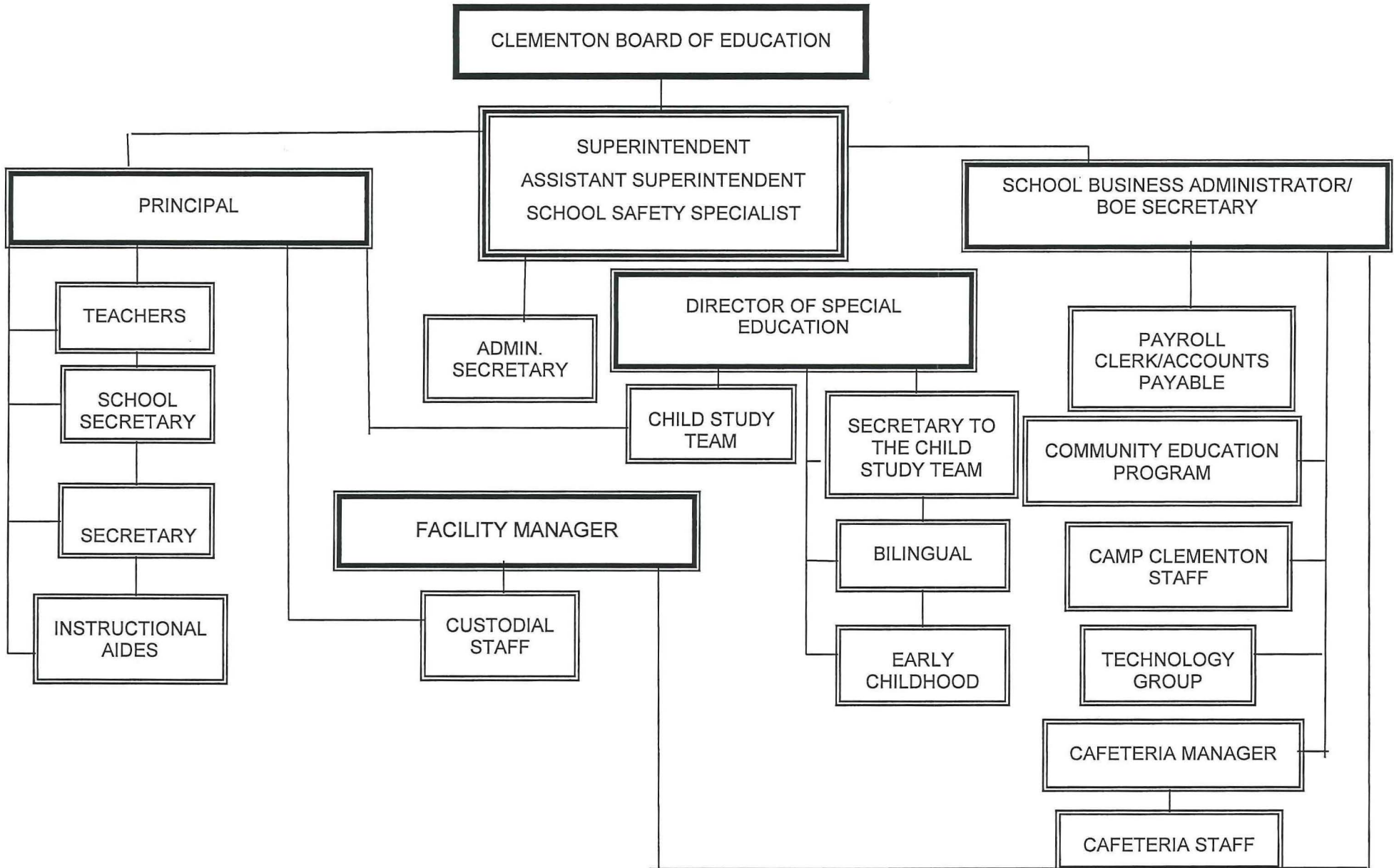


Kathleen Haines
Superintendent



Bruno Berenato
School Business Administrator/
Board Secretary

CLEMENTON BOARD OF EDUCATION
ORGANIZATIONAL CHART



**CLEMENTON SCHOOL DISTRICT
CLEMENTON, NJ**

Roster of Officials

June 30, 2022

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Katherine Anderson, President	2023
Randall Freiling, Vice President	2023
Jordan Busch	2022
Danielle Aubry	2022
Tiara Farmer	2023
Christy Weaver	2024
Gilbert Geary	2024
Rebecca Hallaway	2022
Michael Nichols	2022

Other Officials

Kathleen Haines, Superintendent of Schools
Donna L. Phillips, School Business Administrator / Board Secretary
Frank Cavallo, Jr., Esq., Attorney

**CLEMENTON SCHOOL DISTRICT
CLEMENTON, NJ**

Consultants and Advisors

June 30, 2022

Auditor

Bowman & Company LLP
601 White Horse Road
Voorhees, New Jersey 08043

Attorney

Frank Cavallo, Jr., Esq.
Greentree Center, Suite 401
Route 73 & Greentree Road
Marlton, New Jersey 08053

Official Depository

TD Bank, N.A.
1701 Route 70 East
Cherry Hill, New Jersey 08034

Medical

Family Medicine Association
979 N. Black Horse Pike
Williamstown, New Jersey 08094

Insurance Broker

Brown & Brown Consulting Group
24 Arnett Avenue
Lambertville, New Jersey 08530

Burlington County Joint Insurance Pool
6000 Sagemore Drive, Suite 6203
P.O. Box 489
Marlton, New Jersey 08053

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Clementon School District
Clementon, New Jersey 08021

Report on the Audit of the Financial Statements

Qualified and Unmodified Opinions

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Clementon School 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 School District's basic financial statements as listed in the table of contents.

Qualified Opinion on the Business-Type Activities and Camp Clementon Community Education Enterprise Fund

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified and Unmodified Opinions* section of our report, the financial statements referred to above present fairly, in all material respects, the respective financial position of the *Business-Type Activities and Camp Clementon Community Education Enterprise Fund* of the Clementon School District, in the County of Camden, State of New Jersey, as of June 30, 2022, and the changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Governmental Activities, General Fund, Special Revenue Fund, and Food Service Fund

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the *Governmental Activities, General Fund, Special Revenue Fund, and Food Service Enterprise Fund* of the Clementon School District, in the County of Camden, State of New Jersey, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified Opinions

Matter Giving Rise to the Qualified Opinion on the Business-Type Activities and Camp Clementon Community Education Enterprise Fund

Management could not provide original supporting documentation to substantiate revenues for the Camp Clementon Community Education Fund for the fiscal year ended June 30, 2022. As a result of not being able to obtain sufficient appropriate audit evidence about the recorded amount of the School District's Camp Clementon Community Education Fund's revenue for the fiscal year ended June 30, 2022, we were unable to determine whether any adjustments were necessary to the aforementioned revenues on the statement of activities for the business-type activities and on the statement of revenues, expenses, and changes in fund net position for the Camp Clementon Community Education Enterprise Fund for the fiscal year ended June 30, 2022.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clementon School District's basic financial statements. The combining statements and related major fund supporting statements and schedules, 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 expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, are also presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, except for the effects on the supplementary information of the qualified opinion on the basic financial statements as explained in the *Basis for Qualified and Unmodified Opinions* section, the 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 the relation to the basic financial statements as a whole.

Other Information

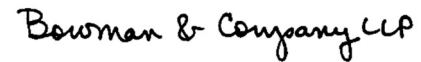
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover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

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report. We were unable to consider management's determination of the recorded balance of tuition and fees revenue for the Camp Clementon Community Education Enterprise Fund in the other information with respect to which the auditor's opinion on the financial statements has been qualified, as explained in the *Basis for Qualified and Unmodified Opinions* section.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2023 on our consideration of the Clementon School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Clementon School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clementon School District's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Carol A. McAllister
Certified Public Accountant
Public School Accountant No. CS 238400

Voorhees, New Jersey
March 15, 2023

Exhibit K-1

**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
Clementon School District
Clementon, New Jersey 08021

We 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 *Government Auditing Standards* issued by the Comptroller General of the United States, and in compliance with 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, and each major fund of the Clementon School 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 School District's basic financial statements, and have issued our report thereon dated March 15, 2023. Our opinion was modified to include a qualified opinion on the business-type activities and the Camp Clementon Community Education Enterprise Fund because of the lack of supporting documentation to substantiate revenues for the Camp Clementon Community Education Fund.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify deficiencies in internal control, described in the accompanying *Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance*, as *Findings No. 2022-002 and 2022-003* that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Clementon School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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, and which are described in the accompanying *Schedule of Findings and Questioned Costs* and *Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance as Findings No. 2022-001 and 2022-002*.

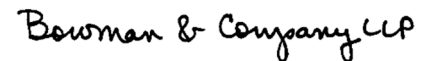
The Clementon School District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the School District's response to the findings identified in our audit and described in the accompanying *Schedule of Findings and Questioned Costs*. The School District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Carol A. McAllister
Certified Public Accountant
Public School Accountant No. CS 238400

Voorhees, New Jersey
March 15, 2023

REQUIRED SUPPLEMENTARY INFORMATION
PART I
MANAGEMENT'S DISCUSSION AND ANALYSIS

CLEMENTON SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(Unaudited)

As management of the Clementon School District (hereafter referred to as the "School District"), we offer readers of the School District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the information furnished in our letter of transmittal, notes to the basic financial statements, and financial statements to enhance their understanding of the School District's financial performance.

FINANCIAL HIGHLIGHTS

- The net position of the School District, which represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources, totaled \$7,886,932.73 at the close of the current fiscal year. Of this amount, \$7,329,010.42 represents net position of governmental activities and \$557,922.31 for business-type activities.
- As of the close of the current fiscal year, the School District's governmental funds reported combined ending fund balances of \$3,477,779.38, an increase of \$664,861.38, or twenty-four percent (24%), in comparison with the prior fiscal year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was a deficit of \$293,664.41, which represents a sixty-four percent (64%) decrease from that of the prior fiscal year. Maintaining fund balance is vital for the School District's cash flow. Additional information as to the cause of this unassigned deficit fund balance can be found in note 17 to the financial statements.

USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT

This annual comprehensive financial report consists of a series of financial statements. The statement of net position and the statement of activities provide information about the activities of the School District as a whole and present a longer-term view of the School District's finances. Fund financial statements for the governmental activities tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the School District's operations in more detail than the government-wide statements by providing information about the School District's most significant funds.

Reporting the School District as a Whole

One of the most important questions asked about the School District's finances is, "Is the School District as a whole better off or worse off as a result of the fiscal year's activities?". The statement of net position and the statement of activities report information about the School District as a whole and about its activities in a way that helps answer this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current fiscal year's revenues and expenses are taken into account regardless of when cash is received or paid.

CLEMENTON SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(Unaudited)

USING ANNUAL COMPREHENSIVE FINANCIAL REPORT (CONT'D)

Reporting the School District as a Whole (Cont'd)

These two statements report the School District's net position and changes in it. You can think of the School District's net position - which represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources - as one way to measure the School District's financial health, or financial position. Over time, increases or decreases in the School District's net position is one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the School District's property tax base and the condition of the School District's capital assets, to assess the overall health of the School District.

In the statement of net position and the statement of activities, we divide the School District into two kinds of activities, those being governmental activities and business-type activities. In the governmental activities, this is where all of the School District's basic services are reported and are supported from property taxes and intergovernmental revenues. The business-type activities of the School District include a food service program and a Camp Clementon Community Education program and are supported from user fees and charges.

Reporting the School District's Most Significant Funds

The fund financial statements provide detailed information about the most significant funds, not the School District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the School District can be divided into two categories: governmental funds and proprietary funds.

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

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

The School District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and special revenue fund, which are considered to be major funds.

The School District adopts an annual budget for its general fund and special revenue fund. Budgetary comparison schedules have been provided to demonstrate compliance with these budgets.

CLEMENTON SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(Unaudited)

USING ANNUAL COMPREHENSIVE FINANCIAL REPORT (CONT'D)

Reporting the School District's Most Significant Funds (Cont'd)

Proprietary Funds - The School District maintains one type of proprietary fund; that being an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The School District uses an enterprise fund to account for its food service and Camp Clementon Community Education programs.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the food service and Camp Clementon Community Education school programs, which are all considered to be major funds.

Notes to the Financial Statements - the notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

THE SCHOOL DISTRICT AS A WHOLE

During fiscal year 2022, the School District's net position increased by \$819,060.06, increasing from \$7,067,872.67 in fiscal year 2021 to \$7,886,932.73 in fiscal year 2022. Our analysis that follows focuses on the net position (Table 1) and changes in net position (Table 2) of the School District's governmental-type activities and business-type activities.

In total, assets increased by \$966,916.26, deferred outflows of resources decreased by \$54,362.00, liabilities increased by \$93,492.20, and deferred inflows of resources increased by \$2.00. The decrease in deferred outflows of resources, was primarily attributable to the changes in the School District's pension liabilities (pensions - see note 8).

TABLE 1 NET POSITION								
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Government-wide Totals</u>		<u>Government-wide</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>Change</u>	<u>% Change</u>
Current and Other Assets	\$ 4,103,997.90	\$ 3,085,444.64	\$ 548,407.12	\$ 412,501.12	\$ 4,652,405.02	\$ 3,497,945.76	\$ 1,154,459.26	33.0%
Capital Assets	5,063,614.61	5,249,142.61	32,236.00	34,251.00	5,095,850.61	5,283,393.61	(187,543.00)	-3.5%
Total Assets	9,167,612.51	8,334,587.25	580,643.12	446,752.12	9,748,255.63	8,781,339.37	966,916.26	11.0%
Deferred Outflows of Resources	102,272.00	156,634.00	-	-	102,272.00	156,634.00	(54,362.00)	-34.7%
Other Liabilities	719,228.45	356,452.12	22,720.81	23,031.06	741,949.26	379,483.18	362,466.08	95.5%
Long-Term Liabilities Outstanding	759,075.64	1,028,049.52	-	-	759,075.64	1,028,049.52	(268,973.88)	-26.2%
Total Liabilities	1,478,304.09	1,384,501.64	22,720.81	23,031.06	1,501,024.90	1,407,532.70	93,492.20	6.6%
Deferred Inflows of Resources	462,570.00	462,568.00	-	-	462,570.00	462,568.00	2.00	0.0%
Net Investment in Capital Assets	5,063,614.61	5,249,142.61	32,236.00	34,251.00	5,095,850.61	5,283,393.61	(187,543.00)	-3.5%
Restricted	3,764,608.49	2,937,511.50	-	-	3,764,608.49	2,937,511.50	827,096.99	28.2%
Unrestricted (Deficit)	(1,499,212.68)	(1,542,502.50)	525,686.31	389,470.06	(973,526.37)	(1,153,032.44)	179,506.07	15.6%
Net Position	<u>\$ 7,329,010.42</u>	<u>\$ 6,644,151.61</u>	<u>\$ 557,922.31</u>	<u>\$ 423,721.06</u>	<u>\$ 7,886,932.73</u>	<u>\$ 7,067,872.67</u>	<u>\$ 819,060.06</u>	11.6%

CLEMENTON SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(Unaudited)

THE SCHOOL DISTRICT AS A WHOLE (CONT'D)

\$5,095,850.61 of the School District's total net position at the end of the current fiscal year reflects its net investment in capital assets (i.e., land, buildings, and equipment). This component represents capital assets, net of accumulated depreciation, and net of outstanding balances of borrowings used for the acquisition, construction, or improvements of those assets. The School District uses these assets to provide educational services to students; consequently, these assets are not available for future spending. Although the School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional component of the School District's net position in the amount of \$3,764,608.49 represents resources that are restricted. These amounts consist of amounts restricted for emergencies, maintenance, excess surplus, legal reserves, unemployment, and capital projects. Additional information on the School District's restricted net position can be found in note 18 in the notes to the financial statements.

The third and final component of net position is unrestricted. This component represents resources and uses that do not meet the criteria of the aforementioned two components of net position. At the end of the current fiscal year, the School District's unrestricted net position was in a deficit in the amount of \$973,526.37. The deficit is primarily due to the delay of the June state aid payments and the recording of long-term liabilities for compensated absences and net pension liability.

Such long-term liabilities are funded by the School District on a pay-as-you-go basis, meaning these liabilities are funded only to the extent that the current fiscal year's contractual obligations can be satisfied. See note 7 in the notes to the financial statements for further detail regarding long-term liabilities.

Table 2 illustrates the changes in net position of the School District's governmental-type activities and business-type activities.

During fiscal year 2022, the School District's total revenues increased by \$979,510.12, increasing from \$15,288,589.30 in fiscal year 2021 to \$16,268,099.42 in fiscal year 2022. The net change in total revenues is largely attributable to the following:

- federal and state aid – unrestricted increased from fiscal year 2021 by \$1,211,741.38, 14.7%

Property taxes constituted approximately twenty-nine percent (27%) of total revenues for the School District for the fiscal year 2022. In addition, unrestricted federal and state aid constituted approximately fifty-eight percent (58%) of total revenues for the School District.

Lastly, charges for services, operating grants and contributions interest and investment earnings, and miscellaneous income constituted approximately fourteen percent (14%) of total revenues for the School District.

CLEMENTON SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(Unaudited)

THE SCHOOL DISTRICT AS A WHOLE (CONT'D)

TABLE 2 CHANGES IN NET POSITION								
	Governmental Activities		Business-Type Activities		Government-wide Totals		Government-wide	
	2022	2021	2022	2021	2022	2021	Change	% Change
REVENUES:								
Program Revenues:								
Charges for Services	\$ 97,669.98	\$ 14,217.47	\$ 142,168.19	\$ 2,325.42	\$ 239,838.17	\$ 16,542.89	\$ 223,295.28	1349.8%
Operating Grants and Contributions	1,596,106.56	2,253,087.71	358,087.62	239,747.94	1,954,194.18	2,492,835.65	(538,641.47)	-21.6%
General Revenues:								
Property Taxes:								
Levied for General Purposes	4,457,911.00	4,457,911.00			4,457,911.00	4,457,911.00	-	
Federal and State Aid - Unrestricted	9,460,137.01	8,248,395.63			9,460,137.01	8,248,395.63	1,211,741.38	14.7%
Interest and Investment Earnings - Unrestricted	7,445.41	33,467.83	403.65	3,800.37	7,849.06	37,268.20	(29,419.14)	-78.9%
Interest and Investment Earnings - Restricted	653.43	6,170.04			653.43	6,170.04	(5,516.61)	100.0%
Miscellaneous	147,516.57	29,465.89			147,516.57	29,465.89	118,050.68	400.6%
Total Revenues	15,767,439.96	15,042,715.57	500,659.46	245,873.73	16,268,099.42	15,288,589.30	979,510.12	6.4%
EXPENSES:								
Instruction	5,075,717.03	4,177,325.71			5,075,717.03	4,177,325.71	898,391.32	21.5%
Support Services	9,945,029.70	10,398,012.92			9,945,029.70	10,398,012.92	(452,983.22)	-4.4%
Transfer of Funds to Charter School	31,078.00	48,940.00			31,078.00	48,940.00	(17,862.00)	-36.5%
Unallocated Depreciation	30,756.42	30,029.41			30,756.42	30,029.41	727.01	2.4%
Food Service			307,246.49	210,989.85	307,246.49	210,989.85	96,256.64	45.6%
Camp Clementon Community Education			59,211.72	5,685.28	59,211.72	5,685.28	53,526.44	941.5%
Total Expenses	15,082,581.15	14,654,308.04	366,458.21	216,675.13	15,449,039.36	14,870,983.17	578,056.19	3.9%
Change in Net Position	684,858.81	388,407.53	134,201.25	29,198.60	819,060.06	417,606.13	\$ 401,453.93	96.1%
Net Position, July 1, as Previously Reported	6,644,151.61	6,088,442.79	423,721.06	394,522.46	7,067,872.67	6,482,965.25		
Prior Period Adjustment	-	167,301.29			-	167,301.29		
Net Position, July 1, as Restated	6,644,151.61	6,255,744.08	423,721.06	394,522.46	7,067,872.67	6,650,266.54		
Net Position, June 30	\$ 7,329,010.42	\$ 6,644,151.61	\$ 557,922.31	\$ 423,721.06	\$ 7,886,932.73	\$ 7,067,872.67		

During fiscal year 2022, the School District's total expenses increased by \$578,056.19, increasing from \$14,870,983.17 in fiscal year 2021 to \$15,449,039.36 in fiscal year 2022. The net increase is largely attributable to the following:

- an increase of costs for instruction in the amount of \$898,391.32, or 21.5%, attributable to increase in staffing and salary increases.

THE SCHOOL DISTRICT'S FUNDS

Governmental Funds

As the School District completed the fiscal year, its governmental funds reported a combined fund balance of \$3,477,779.38, which is an increase over last fiscal year's total of \$664,861.38. Of the combined ending fund balances of \$3,477,779.38, the deficit unassigned fund balance was \$293,664.41 (see note 17 for cause of deficit). The remainder of fund balance is restricted / assigned to indicate that it is not available for new spending because it has already been assigned as follows: (1) restricted for capital reserve (\$587,029.00), (2) restricted for legal reserves (\$583,685.10), (3) restricted for emergency reserve (\$167,797.94), (4) restricted for maintenance reserve (\$480,984.01), (5) restricted for unemployment compensation (\$144,455.99), (6) restricted for excess surplus (\$1,777,124.66), and (6) assigned to liquidate contracts and purchase orders of the prior period (\$6,835.30).

CLEMENTON SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(Unaudited)

THE SCHOOL DISTRICT'S FUNDS (CONT'D)

Governmental Funds (Cont'd)

General fund - The general fund is the general operating fund of the School District and is used to account for the inflows and outflows its of financial resources. The acquisition of certain capital assets, such as equipment, is accounted for in the general fund when it is responsible for the financing of such expenditures. At the end of the current fiscal year, unassigned fund balance of the general fund was in a deficit in the amount of \$293,664.41. As previously stated, the deficit is primarily due to the delay of the June state aid payments (see note 17 to the financial statements).

During the current fiscal year, the fund balance of the School District's general fund increased by \$668,904.39, or twenty-four percent (24%).

Special revenue fund - The special revenue fund is used to account for and report the proceeds of specific revenue sources, such as state or federal government grants, that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Total expenditures, resulting from these programs totaled \$1,437,541.80, which was an increase of \$642,603.34 compared to the expenditures of the previous fiscal year, which totaled \$794,938.46, which is mainly due to additional preschool education aid and education stabilization funds received.

Proprietary Funds (Enterprise Funds)

Food service fund - as the School District completed the fiscal year, the School District's total net position of the food service fund was \$239,109.77, which was comprised of \$32,236.00 of net investment in capital assets and \$206,873.77 of unrestricted net position.

During the current fiscal year, the net position of the School District's food service fund increased by \$85,176.64, or fifty-five percent (55.0%). The increase in net position primarily resulted from the increase in nonoperating revenues of \$118,339.68 due to an increase in meals served.

Camp Clementon Community Education Fund - as the School District completed the fiscal year, the School District's total net position of the Camp Clementon Community Education Fund was unrestricted in the amount of \$318,812.54.

During the current fiscal year, the net position of the School District's Camp Clementon Community Education Fund increased by \$49,024.61. The camp did not operate the entire fiscal year 2021 due to COVID-19 but continued operations in fiscal year 2022.

CLEMENTON SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(Unaudited)

THE SCHOOL DISTRICT'S FUNDS (CONT'D)

General Fund Budgetary Highlights

The final budgetary basis revenue estimate was \$12,521,949.00, which was the same as the original budgeted estimate. Total budgeted revenues realized equaled \$14,460,335.17, which was \$1,938,386.17 in excess of the budget estimate. This excess was directly attributable to the School District's on-behalf T.P.A.F. pension contributions (normal cost, post-retirement medical, and long-term disability) and reimbursed T.P.A.F. social security contributions, which totaled \$1,628,333.00 and \$315,090.08, respectively. In addition, the School District realized \$52,189.00 unbudgeted state aid from the Department of Children and Families Education Services for tuition.

The final budgetary basis expenditure appropriation estimate was \$13,209,968.77, which increased from the original budgeted estimate of \$13,172,572.00. The increase of \$37,396.77 was related to prior year encumbrances. Actual expenditures incurred of \$13,707,712.78 were over the final budget estimate by \$497,744.01. This overall negative variance resulted mainly from monies budgeted for construction services that were not expended netted with the School District's on-behalf T.P.A.F. pension contributions and reimbursed T.P.A.F. social security contributions discussed in the paragraph above.

Special Revenue Fund Budgetary Highlights

The final budgetary basis revenue estimate was \$2,378,199.32, which was an increase of \$21,031.31 from the original budgeted estimate mainly attributable additional federal funding awarded . Likewise, this was the same for the final budgetary basis appropriation estimate.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The School District's net investment in capital assets for its governmental and business-type activities as of June 30, 2022 amounts to a historical cost of \$13,071,226.61 or \$5,095,850.61, net of accumulated depreciation (see Table 3). This net investment in capital assets includes land, construction in progress, land improvements, buildings and building improvements, and machinery and equipment. Net capital assets decreased by \$187,543.00 in fiscal year 2022 from fiscal year 2021. The primary factors affecting the net change in net capital assets are as follows:

- current year depreciation expense was \$307,558.00 and \$2,015.00 for the governmental and business-type activities, respectively.

TABLE 3						
CAPITAL ASSETS AT FISCAL YEAR END						
(NET OF ACCUMULATED DEPRECIATION)						
	Governmental		Business-Type		Government-wide	
	Activities		Activities		Totals	
	2022	2021	2022	2021	2022	2021
Land	\$ 178,131.00	\$ 178,131.00			\$ 178,131.00	\$ 178,131.00
Construction in Progress	436,238.70	436,238.70			436,238.70	436,238.70
Land Improvements	53,322.56	58,884.56			53,322.56	58,884.56
Buildings and Building Improvements	4,021,857.30	4,295,483.30			4,021,857.30	4,295,483.30
Machinery and Equipment	374,065.05	280,405.05	\$ 32,236.00	\$ 34,251.00	406,301.05	314,656.05
Total	\$ 5,063,614.61	\$ 5,249,142.61	\$ 32,236.00	\$ 34,251.00	\$ 5,095,850.61	\$ 5,283,393.61

Additional information on the School District's capital assets can be found in note 6.

CLEMENTON SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(Unaudited)

CAPITAL ASSET AND DEBT ADMINISTRATION (CONT'D)

Debt

General Serial Bonds. At the end of the current fiscal year, the School District had no total bonded debt outstanding.

Net Pension Liability. At the end of the current fiscal year, the liability for pension was \$651,311.00. The School District's annual required contribution to the Public Employees' Retirement System are budgeted and paid on an annual basis. For additional details on the net pension liability, see note 8 to the financial statements.

Compensated Absences. At the end of the current fiscal year, the liability for compensated absences was \$122,243.57. Compensated absences are those absences for which employees will be paid, such as sick leave. Additional information on compensated absences can be found in note 13 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

For the fiscal year 2022, the School District was able to sustain its budget through property taxes, federal and state sources, and other various revenue sources. Approximately twenty-seven percent (27%) of total revenue is from property taxes, while fifty-eight percent (58%) of the School District's revenue is from federal, state, and local sources.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Clementon School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Bruno Berenato, School Business Administrator / Board Secretary, at the Clementon School District, 4 Audubon Avenue, Clementon, New Jersey 08012, or email at clemboe@clementon.k12.nj.us.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CLEMENTON 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	\$ 2,373,241.82	\$ 542,068.87	\$ 2,915,310.69
Internal Balances	19,168.04	(19,168.04)	
Accounts Receivable, net	1,313,082.22	20,234.64	1,333,316.86
Inventory		5,271.65	5,271.65
Restricted Assets:			
Cash and Cash Equivalents	398,505.82		398,505.82
Capital Assets, net	<u>5,063,614.61</u>	<u>32,236.00</u>	<u>5,095,850.61</u>
Total Assets	<u>9,167,612.51</u>	<u>580,643.12</u>	<u>9,748,255.63</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions	<u>102,272.00</u>		<u>102,272.00</u>
LIABILITIES:			
Accounts Payable:			
Other	294,453.42	22,720.81	317,174.23
Pensions	78,531.00		78,531.00
Unearned Revenue	331,765.10		331,765.10
Noncurrent Liabilities:			
Due within One Year	14,478.93		14,478.93
Due beyond One Year	<u>759,075.64</u>		<u>759,075.64</u>
Total Liabilities	<u>1,478,304.09</u>	<u>22,720.81</u>	<u>1,501,024.90</u>
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions	<u>462,570.00</u>		<u>462,570.00</u>
NET POSITION:			
Net Investment in Capital Assets	5,063,614.61	32,236.00	5,095,850.61
Restricted for:			
Unemployment Compensation	144,455.99		144,455.99
Scholarships	2,717.39		2,717.39
Student Activities	20,814.40		20,814.40
Other Purposes	3,596,620.71		3,596,620.71
Unrestricted (Deficit)	<u>(1,499,212.68)</u>	<u>525,686.31</u>	<u>(973,526.37)</u>
Total Net Position	<u>\$ 7,329,010.42</u>	<u>\$ 557,922.31</u>	<u>\$ 7,886,932.73</u>

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

CLEMENTON 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	\$ 3,677,745.69		\$ 1,053,794.72	\$ 122,030.00	\$ (2,501,920.97)		\$ (2,501,920.97)
Special Education	1,144,129.68	\$ 91,537.67			(1,052,592.01)		(1,052,592.01)
Other Special Instruction	91,432.75				(91,432.75)		(91,432.75)
Other Instruction	40,378.91				(40,378.91)		(40,378.91)
Support Services:							
Tuition	3,606,208.75				(3,606,208.75)		(3,606,208.75)
Student and Instruction Related Services	1,274,968.78	6,132.31	373,571.76		(895,264.71)		(895,264.71)
Other Administrative Services	443,960.13				(443,960.13)		(443,960.13)
School Administrative Services	349,585.94				(349,585.94)		(349,585.94)
Plant Operations and Maintenance	540,414.52				(540,414.52)		(540,414.52)
Pupil Transportation	511,864.29				(511,864.29)		(511,864.29)
Personal Services - Employee Benefits	3,127,734.29		78,447.08		(3,049,287.21)		(3,049,287.21)
Capital Outlay	122,030.00				(122,030.00)		(122,030.00)
Transfer of Funds to Charter School	31,078.00				(31,078.00)		(31,078.00)
Unallocated Depreciation	30,756.42				(30,756.42)		(30,756.42)
Total Governmental Activities	14,992,288.15	97,669.98	1,505,813.56	122,030.00	(13,266,774.61)	\$ -	(13,266,774.61)
Business-Type Activities:							
Food Service	307,246.49	34,335.51	358,087.62			85,176.64	85,176.64
Camp Clementon Community Education	59,211.72	107,832.68				48,620.96	48,620.96
Total Business-Type Activities	366,458.21	142,168.19	358,087.62	-	-	133,797.60	133,797.60
Total Government	\$ 15,358,746.36	\$ 239,838.17	\$ 1,863,901.18	\$ 122,030.00	(13,266,774.61)	133,797.60	(13,132,977.01)
General Revenues:							
Property Taxes:							
Levied for General Purposes					4,457,911.00		4,457,911.00
Federal and State Aid - Unrestricted					9,460,137.01		9,460,137.01
Interest and Investment Earnings - Unrestricted					7,445.41	403.65	7,849.06
Interest and Investment Earnings - Restricted					653.43		653.43
Miscellaneous					25,486.57		25,486.57
Total General Revenues					13,951,633.42	403.65	13,952,037.07
Change in Net Position					684,858.81	134,201.25	819,060.06
Net Position, July 1					6,644,151.61	423,721.06	7,067,872.67
Net Position, June 30					\$ 7,329,010.42	\$ 557,922.31	\$ 7,886,932.73

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

FUND FINANCIAL STATEMENTS

CLEMENTON SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2022

	General Fund	Special Revenue Fund	Total Governmental Funds
ASSETS:			
Cash and Cash Equivalents	\$ 2,373,241.82	\$ 23,531.79	\$ 2,396,773.61
Cash and Cash Equivalents - Capital Reserve	374,974.03		374,974.03
Property Tax Levy Receivable	371,493.50		371,493.50
Interfunds Account Receivable:			
Special Revenue Fund	275,176.58		275,176.58
Enterprise Fund	19,168.04		19,168.04
Intergovernmental Accounts Receivable, net:			
Federal		757,428.25	757,428.25
State	138,144.44	46,016.03	184,160.47
Total Assets	\$ 3,552,198.41	\$ 826,976.07	\$ 4,379,174.48
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Interfunds Account Payable:			
General Fund		\$ 275,176.58	\$ 275,176.58
Accounts Payable	\$ 66,986.35	196,502.60	263,488.95
Payroll Deductions and Withholdings Payable	14,338.36		14,338.36
Unemployment Compensation Claims Payable	16,626.11		16,626.11
Unearned Revenue		331,765.10	331,765.10
Total Liabilities	97,950.82	803,444.28	901,395.10
Fund Balances:			
Restricted:			
Capital Reserve	587,029.00		587,029.00
Emergency Reserve	167,797.94		167,797.94
Maintenance Reserve	480,984.01		480,984.01
Excess Surplus -- Designated for Subsequent Year's Expenditures	613,817.00		613,817.00
Excess Surplus -- Current Year	1,163,307.66		1,163,307.66
Unemployment Compensation	144,455.99		144,455.99
Scholarships		2,717.39	2,717.39
Student Activities		20,814.40	20,814.40
Legal Reserve	583,685.10		583,685.10
Assigned:			
Other Purposes	6,835.30		6,835.30
Unassigned (Deficit)	(293,664.41)		(293,664.41)
Total Fund Balances	3,454,247.59	23,531.79	3,477,779.38
Total Liabilities and Fund Balances	\$ 3,552,198.41	\$ 826,976.07	

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 fund financial statements. The cost of the capital assets is \$12,899,448.61 and the accumulated depreciation is \$7,835,834.00.	5,063,614.61
Deferred outflows and deferred inflows related to pensions represent the consumption and acquisition, respectively, of resources that relate to future periods; therefore, such amounts are not reported in the fund financial statements.	(360,298.00)
Accounts payable related to pensions are not liquidated with current financial resources; therefore, such amounts are not recorded in the fund financial statements.	(78,531.00)
Long-term liabilities, including compensated absences payable and pension liability are not due and payable in the current period and therefore are not reported in the fund financial statements.	(773,554.57)
Net Position of Governmental Activities	\$ 7,329,010.42

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

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

	General Fund	Special Revenue Fund	Total Governmental Funds
REVENUES:			
Local Tax Levy	\$ 4,457,911.00		\$ 4,457,911.00
Tuition Charges	91,537.67		91,537.67
Interest Earned on Restricted Funds	454.18		454.18
Other Restricted Miscellaneous Revenues	199.25		199.25
Miscellaneous Revenues	32,931.98		32,931.98
Federal Sources	31,504.01	\$ 1,033,282.06	1,064,786.07
State Sources	9,762,079.08	391,084.42	10,153,163.50
Local Sources		9,132.31	9,132.31
Total Revenues	<u>14,376,617.17</u>	<u>1,433,498.79</u>	<u>15,810,115.96</u>
EXPENDITURES:			
Current:			
Regular Instruction	2,526,512.60	935,807.73	3,462,320.33
Special Education Instruction	1,144,129.68		1,144,129.68
Other Special Instruction	91,432.75		91,432.75
Other Instruction	40,378.91		40,378.91
Support Services and Undistributed Costs:			
Tuition	3,606,208.75		3,606,208.75
Student and Instruction Related Services	895,264.71	379,704.07	1,274,968.78
Other Administrative Services	413,204.73		413,204.73
School Administrative Services	349,585.94		349,585.94
Plant Operations and Maintenance	509,659.13		509,659.13
Pupil Transportation	511,864.29		511,864.29
Personal Services - Employee Benefits	3,588,393.29		3,588,393.29
Capital Outlay		122,030.00	122,030.00
Transfer of Funds to Charter Schools	31,078.00		31,078.00
Total Expenditures	<u>13,707,712.78</u>	<u>1,437,541.80</u>	<u>15,145,254.58</u>
Net Change in Fund Balances	668,904.39	(4,043.01)	664,861.38
Fund Balance (Deficit), July 1	<u>2,785,343.20</u>	<u>27,574.80</u>	<u>2,812,918.00</u>
Fund Balance, June 30	<u>\$ 3,454,247.59</u>	<u>\$ 23,531.79</u>	<u>\$ 3,477,779.38</u>

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

CLEMENTON 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

Amounts reported for governmental activities in the statement of activities are different because:

Net Change in Fund Balances - Governmental Funds	\$	664,861.38
<p>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 period.</p>		
Depreciation Expense	\$	(307,558.00)
Capital Outlays		<u>122,030.00</u>
		(185,528.00)
<p>In the statement of activities, certain operating expenses, (e.g., compensated absences), are measured by the amounts incurred during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). This amount is the net effect of these differences in the treatment of these items.</p>		
		(134.57)
<p>Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.</p>		
		<u>205,660.00</u>
Change in Net Position of Governmental Activities	\$	<u><u>684,858.81</u></u>

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

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

	<u>Food Service</u>	<u>Camp Clementon Community Education</u>	<u>Totals</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 186,428.55	\$ 355,640.32	\$ 542,068.87
Intergovernmental Accounts Receivable:			
Federal	19,844.35		19,844.35
State	390.29		390.29
Inventory:			
Food	1,133.94		1,133.94
Supplies	1,221.23		1,221.23
Commodities	2,916.48		2,916.48
Total Current Assets	<u>211,934.84</u>	<u>355,640.32</u>	<u>567,575.16</u>
Noncurrent Assets:			
Capital Assets:			
Machinery and Equipment	171,778.00		171,778.00
Less: Accumulated Depreciation	<u>(139,542.00)</u>		<u>(139,542.00)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>32,236.00</u>	<u>-</u>	<u>32,236.00</u>
Total Noncurrent Assets	<u>32,236.00</u>	<u>-</u>	<u>32,236.00</u>
Total Assets	<u>244,170.84</u>	<u>355,640.32</u>	<u>599,811.16</u>
LIABILITIES:			
Current Liabilities:			
Accounts Payable - Due to Students	1,812.34		1,812.34
Accounts Payable - Due to State		20,908.47	20,908.47
Interfund Accounts Payable:			
General Fund	<u>3,248.73</u>	<u>15,919.31</u>	<u>19,168.04</u>
Total Current Liabilities	<u>5,061.07</u>	<u>36,827.78</u>	<u>41,888.85</u>
Total Liabilities	<u>5,061.07</u>	<u>36,827.78</u>	<u>41,888.85</u>
NET POSITION:			
Net Investment in Capital Assets	32,236.00		32,236.00
Unrestricted	<u>206,873.77</u>	<u>318,812.54</u>	<u>525,686.31</u>
Total Net Position	<u>\$ 239,109.77</u>	<u>\$ 318,812.54</u>	<u>\$ 557,922.31</u>

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

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

	<u>Food Service</u>	<u>Camp Clementon Community Education</u>	<u>Totals</u>
OPERATING REVENUES:			
Charges for Services:			
Daily Sales - Non-Reimbursable Programs			
Adult and Alacarte Sales	\$ 34,335.51		\$ 34,335.51
Tuition and Fees		\$ 107,832.68	107,832.68
Total Operating Revenues	<u>34,335.51</u>	<u>107,832.68</u>	<u>142,168.19</u>
OPERATING EXPENSES:			
Food Service Management Company Salaries	109,611.13		109,611.13
Personnel Services - Salaries		45,860.88	45,860.88
Food Service Management Company Employee Benefits	33,133.64		33,133.64
Personnel Services - Employee Benefits		3,798.98	3,798.98
Purchased Professional and Technical Services	16,346.00		16,346.00
Purchased Professional - Educational Services		5,568.75	
Other Purchased Services	4,613.15		4,613.15
Supplies and Materials	13,867.04	3,983.11	17,850.15
Cleaning, Repairs and Maintenance			
Depreciation	2,015.00		2,015.00
Cost of Sales:			
Reimbursable Program	106,509.20		106,509.20
Non-Reimbursable Program	10,533.88		10,533.88
Miscellaneous Expenditures	10,617.45		10,617.45
Total Operating Expenses	<u>307,246.49</u>	<u>59,211.72</u>	<u>366,458.21</u>
Operating Income (Loss)	<u>(272,910.98)</u>	<u>48,620.96</u>	<u>(224,290.02)</u>
NONOPERATING REVENUES (EXPENSES):			
State Sources:			
State School Lunch Program	6,743.73		6,743.73
Federal Sources:			
After School Snack Program	6,957.00		6,957.00
Seamless Summer Option - Breakfast	39,324.96		39,324.96
Seamless Summer Option - Lunch	286,916.42		286,916.42
Summer Food Service Program	1,516.62		1,516.62
Food Distribution Program	16,628.89		16,628.89
Interest and Investment Revenue		403.65	403.65
Total Nonoperating Revenues (Expenses)	<u>358,087.62</u>	<u>403.65</u>	<u>358,491.27</u>
Change in Net Position	85,176.64	49,024.61	134,201.25
Net Position, July 1	<u>153,933.13</u>	<u>269,787.93</u>	<u>423,721.06</u>
Net Position, June 30	<u>\$ 239,109.77</u>	<u>\$ 318,812.54</u>	<u>\$ 557,922.31</u>

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

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

	<u>Food Service</u>	<u>Camp Clementon Community Education</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers and Users	\$ 34,025.26	\$ 107,832.68	\$ 141,857.94
Payments to Suppliers	(304,367.40)	(9,551.86)	(313,919.26)
Payments to Employees		(45,860.88)	(45,860.88)
Net Cash Provided by (Used in) Operating Activities	<u>(270,342.14)</u>	<u>48,620.96</u>	<u>(221,721.18)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Federal Sources	359,308.09		359,308.09
State Sources	6,353.44		6,353.44
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>365,661.53</u>	<u>-</u>	<u>365,661.53</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and Dividends		403.65	403.65
Net Cash Provided by (Used in) Investing Activities	<u>-</u>	<u>403.65</u>	<u>403.65</u>
Net Increase in Cash and Cash Equivalents	95,319.39	49,024.61	144,344.00
Cash and Cash Equivalents, July 1	91,109.16	306,615.71	397,724.87
Cash and Cash Equivalents, June 30	<u>\$ 186,428.55</u>	<u>\$ 355,640.32</u>	<u>\$ 542,068.87</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Operating Income (Loss)	\$ (272,910.98)	\$ 48,620.96	\$ (224,290.02)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Depreciation	2,015.00		2,015.00
(Increase) Decrease in Inventories for Resale	864.09		864.09
Increase (Decrease) in Accounts Payable	(310.25)		(310.25)
Total Adjustments	<u>2,568.84</u>	<u>-</u>	<u>2,568.84</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (270,342.14)</u>	<u>\$ 48,620.96</u>	<u>\$ (221,721.18)</u>

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

CLEMENTON SCHOOL DISTRICT
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2022

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Clementon School District (the "School District") have been prepared to conform 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 following is a summary of the more significant of these policies.

Description of the Financial Reporting Entity

The 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"). The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades K through 8 at its one school. The School District has an approximate enrollment at June 30, 2022 of 569.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board *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 financial statements include all funds of the School District over which the Board exercises operating control.

Government-wide and Fund Financial Statements

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Government-wide and Fund Financial Statements (Cont'd)**

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Property taxes are recognized as revenues in the year for which they are levied. The Camden County Board of Taxation is responsible for the assessment of properties, and the respective municipal tax collector is responsible for the collection of property taxes. Assessments are certified and property taxes are levied on January 1. Property tax payments are due February 1, May 1, August 1 and November 1. Unpaid property taxes are considered delinquent the following January 1 and are then subject to municipal lien. In accordance with New Jersey State Statute, the School District is entitled to receive moneys under an established payment schedule, and any unpaid amount is considered as an accounts receivable. The governing body of each municipality is required to pay over to the School District, within forty (40) days after the beginning of the school year, twenty percent (20%) of the moneys from school tax due. Thereafter, but prior to the last day of the school year, the municipality must pay the balance of moneys from school tax due for school purposes in such amounts as requested, with certain limitations, from time to time by the School District, within thirty days after each request.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are deemed both available and measurable. Available means when revenues are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal year. Measurable means that the amount of revenue can be determined. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, tuition, reimbursable-type grants, and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the School District.

The School District reports the following major governmental funds:

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

The School District reports the following major governmental funds (cont'd):

General Fund (Cont'd) - Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, ad valorem tax revenues, 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 revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Proprietary funds are used to account for the School District's ongoing organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All items not meeting this definition are reported as nonoperating revenues and expenses.

The School District reports the following major proprietary funds:

Enterprise Funds

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

Camp Clementon Community Education Fund - This fund accounts for the financial activity related to the providing of day care services for students before and after school, and during the summer months.

As a rule, the effect of internal/interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes.

Budgets / Budgetary Control

Annual appropriated budgets are prepared in the spring of each fiscal year for the general and special revenue funds, and are submitted to the county office of education. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012, to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2(f)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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Budgets / Budgetary Control (Cont'd)**

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

The accounting records of the special revenue fund are maintained on the 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 and exhibit C-2 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 fiscal year-end as expenditures in the general fund since the general fund budget follows the modified accrual basis of accounting, with the exception of the aforementioned revenue recognition policy for the one or more June state aid payments.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to assign a portion of the applicable appropriation, is utilized for budgetary control purposes. 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 the 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.

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, are reflected on the balance sheet as unearned revenues at fiscal year-end.

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

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Cash, Cash Equivalents and Investments (Cont'd)**

New Jersey school districts are limited as to the types of investments and types of financial institutions in which they may invest. 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. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional 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 amount of their deposits to the governmental units.

Inventories

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

The cost of inventories in the governmental fund financial statements is recorded as expenditures when purchased rather than when consumed.

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

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.

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. The School District had no prepaid expenses for the fiscal year ended June 30, 2022.

In the governmental fund financial statements, however, payments for prepaid items are fully recognized as expenditures 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.

Short-Term Interfund Receivables / Payables

Short-term interfund receivables / payables (internal balances) represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund within the School District, and that are due within one year. Such balances are eliminated in the statement of net position to minimize the grossing up of internal balances, thus leaving a net amount due between the governmental and business-type activities that are eliminated in the total government column.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Capital Assets**

Capital assets represent the cumulative amount of capital assets used by the School District. Purchased capital assets are recorded as expenditures in the governmental fund financial statements and are capitalized at cost on the government-wide statement of net position and proprietary fund statement of net position. Intangible right to use assets (lease assets) are recorded as expenditures in the governmental fund financial statements. Lease assets are measured on the government-wide statement of net position and proprietary fund statement of net position at the amount of the initial measurement of the related lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. In the case of gifts or contributions, such capital assets are recorded at acquisition value at the time received.

The School District's capitalization threshold is \$2,000.00. Other costs incurred for repairs and maintenance are expensed as incurred. All reported capital assets, except land and construction in progress, are depreciated. Amortization on lease assets and depreciation on other capital assets is computed using the straight-line method over the shorter of the lease term or the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	15 - 30 Years
Buildings and Improvements	5 - 50 Years
Machinery and Equipment	5 - 25 Years

The School District does not possess any infrastructure assets.

Deferred Outflows of Resources and Deferred Inflows of Resources

The statement of net position and the balance sheet for governmental funds reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources, reported after total assets, represents a reduction of net position that applies to a future period(s) and will be recognized as an outflow of resources (expense) at that time. Deferred inflows of resources, reported after total liabilities, represents an acquisition of net position that applies to a future period(s) and will be recognized as an inflow of resources (revenue) at that time.

Transactions are classified as deferred outflows of resources and deferred inflows of resources only when specifically prescribed by the Governmental Accounting Standards Board (GASB) standards. The School District is required to report the following as deferred outflows of resources and deferred inflows of resources: defined benefit pension plans.

Tuition Payable

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

Unearned Revenue

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

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 entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Compensated Absences**

Compensated absences are payments to employees for accumulated time such as paid vacation, paid holidays, sick pay, and sabbatical leave. A liability for compensated absences that is 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 School District uses the vesting method to calculate the compensated absences amount. The entire compensated absence liability, including the employer's share of applicable taxes, is reported on the government-wide financial statements. The portion related to employees in the proprietary funds is recorded at the fund level. The current portion is the amount estimated to be used in the following fiscal year. Expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of employee resignations and retirements. Compensated absences not recorded at the fund level represent a reconciling item between the fund level and government-wide presentations.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in 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 governmental 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 or amortization of intangible capital assets, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Fund Balance**

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

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

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

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

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

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

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

Interfund Activity

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Accounting Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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.

Impact of Recently Issued Accounting Principles**Recently Issued Accounting Pronouncements**

The GASB has issued the following Statement that will become effective for the School District for fiscal years ending after June 30, 2024:

Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Statement will become effective for the School District in the fiscal year ending June 30, 2025. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the School District.

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is 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 Act (GUDPA). Under the Act, the first \$250,000.00 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 agency funds such as salary withholdings, and student activity funds, or funds that may pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of June 30, 2022, the School District's bank balances of \$3,736,487.15 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	<u>\$ 3,736,487.15</u>
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Note 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 Department, 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. A school district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(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 follows:

Beginning Balance, July 1, 2021	\$ 586,574.82
Increased by:	
Interest Earnings	<u>454.18</u>
Ending Balance, June 30, 2022	<u>\$ 587,029.00</u>

The June 30, 2022 LRFP balance of local support costs of uncompleted projects at June 30, 2022 is \$7,011,775.75.

Note 4: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2022 consisted of accounts (fees for services), taxes, and intergovernmental awards / grants. Most receivables are considered collectible in full due to the stable condition of federal and state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey. An allowance for uncollectible tuition receivable was established in the general fund in the amount of \$70,378.64 based on management's estimates.

Accounts receivable as of fiscal year end for the School District's individual major funds, in the aggregate, are as follows:

<u>Description</u>	<u>Governmental Funds</u>		<u>Total Governmental Activities</u>	<u>Proprietary Funds</u>		<u>Total</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>		<u>Food Service Fund</u>	<u>Total Business-Type Activities</u>	
Federal Awards		\$ 757,428.25	\$ 757,428.25	\$ 19,844.35	\$ 19,844.35	\$ 777,272.60
State Awards	\$ 138,144.44	46,016.03	184,160.47	390.29	390.29	184,550.76
Tax Levy Receivable	371,493.50		371,493.50			371,493.50
Total	<u>\$ 509,637.94</u>	<u>\$ 803,444.28</u>	<u>\$ 1,313,082.22</u>	<u>\$ 20,234.64</u>	<u>\$ 20,234.64</u>	<u>\$ 1,333,316.86</u>

Note 5: INVENTORY

Inventory recorded at June 30, 2022 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

Food	\$	1,133.94
Supplies		1,221.23
Commodities		2,916.48
	\$	<u>5,271.65</u>

Note 6: CAPITAL ASSETS

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

	<u>Balance</u> <u>July 1, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2022</u>
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 178,131.00			\$ 178,131.00
Construction in Progress	436,238.70			436,238.70
Total Capital Assets, not being Depreciated	<u>614,369.70</u>	<u>\$ -</u>	<u>\$ -</u>	<u>614,369.70</u>
Capital Assets, being Depreciated:				
Land Improvements	247,495.30			247,495.30
Buildings and Building Improvements	11,046,121.18			11,046,121.18
Machinery and Equipment	869,432.43	122,030.00		991,462.43
Total Capital Assets, being Depreciated	<u>12,163,048.91</u>	<u>122,030.00</u>	<u>-</u>	<u>12,285,078.91</u>
Total Capital Assets, Cost	<u>12,777,418.61</u>	<u>122,030.00</u>	<u>-</u>	<u>12,899,448.61</u>
Less Accumulated Depreciation for:				
Land Improvements	(188,610.74)	(5,562.00)		(194,172.74)
Buildings and Building Improvements	(6,750,637.88)	(273,626.00)		(7,024,263.88)
Machinery and Equipment	(589,027.38)	(28,370.00)		(617,397.38)
Total Accumulated Depreciation	<u>(7,528,276.00)</u>	<u>(307,558.00)</u>	<u>-</u>	<u>(7,835,834.00)</u>
Total Capital Assets, being Depreciated, Net	<u>4,634,772.91</u>	<u>(185,528.00)</u>	<u>-</u>	<u>4,449,244.91</u>
Governmental Activities Capital Assets, Net	<u>\$ 5,249,142.61</u>	<u>\$ (185,528.00)</u>	<u>\$ -</u>	<u>\$ 5,063,614.61</u>
	<u>Balance</u> <u>July 1, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2022</u>
Business-Type Activities:				
Capital Assets, being Depreciated:				
Machinery and Equipment	\$ 171,778.00			\$ 171,778.00
Total Capital Assets, being Depreciated	<u>171,778.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>171,778.00</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(137,527.00)	(2,015.00)		(139,542.00)
Total Accumulated Depreciation	<u>(137,527.00)</u>	<u>(2,015.00)</u>	<u>-</u>	<u>(139,542.00)</u>
Total Capital Assets, being Depreciated, Net	<u>34,251.00</u>	<u>(2,015.00)</u>	<u>-</u>	<u>32,236.00</u>
Business-Type Activities Capital Assets, Net	<u>\$ 34,251.00</u>	<u>\$ (2,015.00)</u>	<u>\$ -</u>	<u>\$ 32,236.00</u>

Note 6: CAPITAL ASSETS (CONT'D)

Depreciation expense was charged to functions / programs of the School District as follows:

Governmental Activities:	
Regular Instruction	\$ 215,290.79
Other Administrative Services	30,755.40
Plant Operations and Maintenance	30,755.39
Unallocated	<u>30,756.42</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 307,558.00</u>
Business-Type Activities:	
Food Service	<u>\$ 2,015.00</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 2,015.00</u>

Note 7: LONG-TERM LIABILITIES

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

	<u>Balance</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2022</u>	<u>Due within</u> <u>One Year</u>
Governmental Activities:					
Other Liabilities:					
Compensated Absences	\$ 122,109.00	\$ 10,065.28	\$ (9,930.71)	\$ 122,243.57	\$ 14,478.93
Net Pension Liability	925,479.00	345,036.00	(619,204.00)	651,311.00	
Total Other Liabilities	<u>1,047,588.00</u>	<u>355,101.28</u>	<u>(629,134.71)</u>	<u>773,554.57</u>	<u>14,478.93</u>
Governmental Activities Long-Term Liabilities	<u>\$ 1,047,588.00</u>	<u>\$ 355,101.28</u>	<u>\$ (629,134.71)</u>	<u>\$ 773,554.57</u>	<u>\$ 14,478.93</u>

The compensated absences and net pension liability are liquidated by the general fund.

Bonds Authorized but not Issued - As of June 30, 2022, the School District had no authorizations to issue additional bonded debt.

Compensated Absences - As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid, which is the general fund. Refer to note 13 for a description of the School District's policy.

Net Pension Liability - For details on the net pension liability, refer to note 8. The School District's annual required contribution to the Public Employees' Retirement System is budgeted and paid from the general fund on an annual basis.

Postemployment Benefits - For details on other postemployment benefits, refer to note 9. The School District's contributions to the postemployment benefits plan are budgeted and paid from the general fund.

Note 8: PENSION PLANS

A substantial number of the School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), which are administered by the New Jersey Division of Pensions and Benefits (the "Division"). In addition, several School District employees participate in the Defined Contribution Retirement Program, which is a defined contribution pension plan. The DCRP is administered by Empower (formerly Prudential Financial).

Each of the aforementioned plans have a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements, required supplementary information, and detailed information about the PERS and TPAF plans' fiduciary net position that can be obtained by writing to or at the following website:

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

General Information about the Pension Plans**Plan Descriptions**

Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund is a cost-sharing multiple-employer defined benefit pension plan, with a special funding situation, which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The State of New Jersey ("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 benefits, death, disability and medical benefits to certain 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 Board of Trustees is primarily responsible for the administration of the Plan.

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan that was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS' designated purpose is to provide retirement, death, disability, and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the School District, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS' Board of Trustees is primarily responsible for the administration of the PERS.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Plan Descriptions (Cont'd)**

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of P.L. 2007, c. 92 and P.L. 2007, c. 103, and expanded under the provisions of P.L. 2008, c. 89 and P.L. 2010, c. 1. The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

Vesting and Benefit Provisions

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

The following represents the membership tiers for TPAF:

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

Note 8: PENSION PLANS (CONT'D)**General Information About the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

Public Employees' Retirement System - 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 10 years of service.

The membership tiers for PERS are the same as previously noted for TPAF.

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more 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 the respective tier.

Defined Contribution Retirement Program - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and nonforfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and nonforfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Contributions

Teachers' Pension and Annuity Fund - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2021. The State's contribution is based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. For fiscal year 2021, the State's pension contribution was less than the actuarial determined amount.

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 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's contractually required contribution rate for the fiscal year ended June 30, 2022 was 21.66% of the School District's covered payroll, of which 0.00% of payroll was required from the School District and 100.00% of payroll was required from the State of New Jersey. The School District was not required to contribute 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.

Note 8: PENSION PLANS (CONT'D)**General Information About the Pension Plans (Cont'd)****Contributions (Cont'd)**

Teachers' Pension and Annuity Fund (Cont'd) - 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 \$931,050.00, and was paid by April 1, 2022. School District employee contributions to the Plan during the fiscal year ended June 30, 2022 were \$324,901.72.

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2021. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2022 was 15.84% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2021, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2022 was \$64,387.00, and was paid by April 1, 2022. School District employee contributions to the Plan during the fiscal year ended June 30, 2022 were \$38,729.84.

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with P.L. 2007, C. 92, and P.L. 2007, C. 103, Plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District contributes 3% of the employees' base salary, for each pay period.

For the fiscal year ended June 30, 2022, employee contributions totaled \$2,914.80, and the School District recognized pension expense, which equaled the required contributions, of \$1,335.00. There were no forfeitures during the fiscal year.

Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**Teachers' Pension and Annuity Fund**

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

The State's proportionate share of net pension liability, however, attributable to the School District is as follows:

School District's Proportionate Share of Net Pension Liability	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	15,273,914.00
	<u>\$ 15,273,914.00</u>

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Teachers' Pension and Annuity Fund (Cont'd)**

Pension Liability (Cont'd) - 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 total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2021. For the June 30, 2021 measurement date, the School District's proportion 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 and the State of New Jersey, actuarially determined. At the June 30, 2021 measurement date, the School District proportion was 0.00% due to the 100% special funding situation with the State of New Jersey; however, the State's proportionate share of the TPAF net pension liability associated with the School District was 0.0317708870%, which was a decrease of 0.0000870618% from its proportion measured as of June 30, 2020.

Pension (Benefit) Expense - For the fiscal year ended June 30, 2022, the State's proportionate share of the pension (benefit) expense, associated with the School District, calculated by the Plan as of June 30, 2021 measurement date, was \$359,402.00. This on-behalf expense has been recognized by the School District in the government-wide financial statements.

Public Employees' Retirement System

Pension Liability - At June 30, 2022, the School District reported a liability of \$651,311.00 for its proportionate share of the net pension liability for PERS. 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 total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2021. The School District's proportion 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 June 30, 2021 measurement date, the School District's proportion was 0.0054979172%, which was a decrease of 0.0001772987% from its proportion measured as of June 30, 2020.

Pension (Benefit) Expense - For the fiscal year ended June 30, 2022, the School District recognized pension (benefit) expense of \$(141,274.00), in the government-wide financial statements. This pension expense was based on the pension plan's June 30, 2021 measurement date.

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System (Cont'd)**

Deferred Outflows and Inflows of Resources - At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 10,272.00	\$ 4,663.00
Changes of Assumptions	3,392.00	231,871.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	171,572.00
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	10,077.00	54,464.00
School District Contributions Subsequent to the Measurement Date	78,531.00	-
	<u>\$ 102,272.00</u>	<u>\$ 462,570.00</u>

Deferred outflows of resources in the amount of \$78,531.00 will be included as a reduction of the net pension liability in the subsequent fiscal year, June 30, 2023. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30,</u>	
2023	\$ (177,163.00)
2024	(125,210.00)
2025	(72,058.00)
2026	(63,444.00)
2027	(954.00)
	<u>\$ (438,829.00)</u>

Note 8: PENSION PLANS (CONT'D)Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Public Employees' Retirement System (Cont'd)

Deferred Outflows and Inflows of Resources (Cont'd) - The other deferred outflows of resources and deferred inflows of resources related to pensions will be amortized 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
Changes of Assumptions		
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	-
Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2017	-	5.00
June 30, 2018	-	5.00
June 30, 2019	-	5.00
June 30, 2020	-	5.00
June 30, 2021	-	5.00
Changes in Proportion		
Year of Pension Plan Deferral:		
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16
June 30, 2021	5.13	5.13

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions**

The net pension liabilities were measured as of June 30, 2021 and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation as of July 1, 2020. The total pension liabilities were calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2021. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>TPAF</u>	<u>PERS</u>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases: ⁽¹⁾		
Through 2026	1.55% - 4.45%	2.00% - 6.00%
Thereafter	2.75% - 5.65%	3.00% - 7.00%
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2015 - June 30, 2018	July 1, 2014 - June 30, 2018

⁽¹⁾ based on years of service

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

For PERS, 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.

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-US Developed Markets 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%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
	100.00%	

Discount Rate -

Teachers' Pension and Annuity Fund - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.16% as of the June 30, 2021 measurement date based on 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. 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 would be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to projected benefit payments in determining the total pension liability.

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)****Discount Rate (Cont'd) -**

Public Employees' Retirement System - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.16% as of the June 30, 2021 measurement date based on 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. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity would be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments in determining the total pension liability.

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

Teachers' Pension and Annuity Fund (TPAF) - 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 Plan's measurement date, attributable to the School District is \$0.00. The following, however, presents the net pension liability of the State as of June 30, 2021 (Plan's measurement date), attributable to the School District, calculated using the discount rate of 7.00% as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	18,071,592.00	15,273,914.00	12,924,041.00
	<u>\$ 18,071,592.00</u>	<u>\$ 15,273,914.00</u>	<u>\$ 12,924,041.00</u>

Public Employees' Retirement System (PERS) - The following presents the School District's proportionate share of the net pension liability at June 30, 2021, the Plan's measurement date, calculated 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% lower or 1% higher than the current rates used:

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
School District's Proportionate Share of the Net Pension Liability	\$ 886,953.00	\$ 651,311.00	\$ 451,335.00

Note 8: PENSION PLANS (CONT'D)**Pension Plan Fiduciary Net Position**

For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions, and pension expense, information about the respective fiduciary net position of the TPAF and PERS and additions to/deductions from TPAF and PERS' respective fiduciary net position have been determined on the same basis as they are reported by TPAF and PERS. Accordingly, 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.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN****General Information about the OPEB Plan**

Plan Description and Benefits Provided - The State Health Benefit Local Education Retired Employees Plan (the "OPEB Plan") is a multiple-employer defined benefit OPEB plan, with a special funding situation, that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75 - *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*. The OPEB Plan is administered by the State of New Jersey Division of Pensions and Benefits (the "Division") and is part of the New Jersey State Health Benefits Program (SHBP). 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>

The OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

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

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****General Information about the OPEB Plan (Cont'd)**

Employees Covered by Benefit Terms - At June 30, 2021, the OPEB Plan's measurement date, the entire State Health Benefit Local Education Retired Employees OPEB Plan consisted of the following members.

Active Plan Members	213,901
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	150,427
Inactive Plan Members Entitled to but Not Yet Receiving Benefit Payments	-
	<u>364,328</u>

Total Non-Employer OPEB Liability

The State of New Jersey, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to the OPEB Plan for qualified retired TPAF, PERS, PFRS and ABP pension participants. The School District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS 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.

The State's proportionate share of the net OPEB liability associated with the School District as of June 30, 2022 was \$23,926,267.00. Since the OPEB liability associated with the School District is 100% attributable to the State, the OPEB liability will be referred to as the total non-employer OPEB liability.

The total non-employer OPEB liability was measured as of June 30, 2021, and was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. For the June 30, 2021 measurement date, the State's proportionate share of the non-employer OPEB liability associated with the School District was 0.0398720273%, which was a decrease of 0.0013724608% from its proportion measured as of June 30, 2020.

Actuarial Assumptions and Other Inputs - The actuarial assumptions and other inputs vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2020, which was rolled forward to June 30, 2021, used the following actuarial assumptions, applied to all periods in the measurement:

Salary Increases -

	<u>TPAF/ABP</u> *	<u>PERS</u> *	<u>PFRS</u> *
Salary Increases:			
Through 2026	1.55 - 4.45%	2.00 - 6.00%	3.25 - 15.25% *
Thereafter	1.55 - 5.65%	3.00 - 7.00%	Not Applicable

* based on service years

Inflation Rate - 2.50%.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Total Non-Employer OPEB Liability (Cont'd)****Actuarial Assumptions and Other Inputs (Cont'd) -**

Mortality Rates - Current and future retiree healthy mortality rates were based on the PUB-2010 "General" classification and PUB-2010 Health "Teachers" classification headcount-weighted mortality tables with fully generational mortality improvement projections from the central year using Scale MP-2021.

Disabled mortality was based on the PUB-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Experience Studies - The actuarial assumptions used in the June 30, 2020 valuation, which was rolled forward to June 30, 2021, 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 4.50% 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 measurement date was 2.16%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the Total Non-Employer OPEB Liability

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

Balance at June 30, 2021		\$ 27,967,872.00
Changes for the Year:		
Service Cost	\$ 1,187,300.00	
Interest Cost	620,673.00	
Changes in Benefit Terms	(25,467.00)	
Difference between Expected and Actual Experience	(5,374,668.00)	
Changes in Assumptions	23,605.00	
Member Contributions	15,868.00	
Gross Benefit Payments	(488,916.00)	
		<u>(4,041,605.00)</u>
Net Changes		<u>(4,041,605.00)</u>
Balance at June 30, 2022		<u>\$ 23,926,267.00</u>

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Changes in the Total Non-Employer OPEB Liability (Cont'd)**

Benefit changes: the change in liability for the measurement period from June 30, 2020 to June 30, 2021 is due to employers adopting Chapter 44 provisions.

Differences between expected and actual experience reflect a decrease in liability for the measurement period from June 30, 2020 to June 30, 2021 due to changes in the census.

Changes in assumptions reflect an increase in the liability for the measurement period from June 30, 2020 to June 30, 2021 is due to the combined effect of the decrease in the assumed discount rate from 2.21% as of June 30, 2020 to 2.16% as of June 30, 2021; and changes in the trend, salary scale, and updated mortality projection scale.

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2021, associated with the School District, using a discount rate of 2.16%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used is as follows:

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District	\$ 28,659,912.00	\$ 23,926,267.00	\$ 20,198,806.00

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Healthcare Cost Trend Rates - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2021, associated with the School District, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used is as follows:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District	\$ 19,368,391.00	\$ 23,926,267.00	\$ 30,047,158.00

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Total Non-Employer OPEB Liability

OPEB Expense - For the fiscal year ended June 30, 2022, the School District recognized \$1,013,242.00 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 was based on the OPEB Plan's June 30, 2021 measurement date.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Total Non-Employer OPEB Liability (Cont'd)**

Deferred Outflows and Inflows of Resources - 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; however, at June 30, 2022, the State's proportionate share of the total non-employer OPEB liability's deferred outflows of resources and deferred inflows of resources, associated with School District, from the following sources are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ 3,606,778.00	\$ 7,180,698.00
Changes of Assumptions	4,058,788.00	2,567,066.00
Changes in Proportion	<u>409,163.00</u>	<u>1,977,397.00</u>
	<u>\$ 8,074,729.00</u>	<u>\$ 11,725,161.00</u>

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

Fiscal Year Ending June 30,	
2023	\$ (688,676.00)
2024	(688,676.00)
2025	(688,676.00)
2026	(688,676.00)
2027	(541,019.00)
Thereafter	<u>(354,709.00)</u>
	<u>\$ (3,650,432.00)</u>

Note 10: 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 costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance were \$1,301,026.00, \$18,356.00, \$308,261.00, and \$690.00, respectively.

Note 11: 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; injuries to employees; and natural disasters.

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 activity of the School District's private-purpose trust fund for the unemployment claims for the current and previous two fiscal years:

Fiscal Year Ended June 30,	School District Contributions	Employee Contributions	Interest Income	Claims Incurred	Transfers	Ending Balance	
						Claims Payable	Restricted Fund Balance
2022	\$ -	\$ 9,216.85	\$ 199.25	\$ 145.50	\$ -	\$ 16,626.11	\$ 144,455.99
2021	-	8,348.93	1,923.23	794.17	-	7,554.76	144,256.74
2020	-	8,162.90	1,810.62	6,606.13	116.01	-	142,333.51

Joint Insurance Fund - The School District is a member of the Burlington County Municipal Joint Insurance Fund. The Fund provides its members with the following coverage:

- Building and Contents
- General and Automobile Liability
- Workers' Compensation
- Boiler and Machinery
- Blanket Crime including Public Employee Dishonesty
- Educators Legal Liability
- Pollution Liability
- Cyber Liability
- Crisis Protection & Disaster Management Services

The following coverages are provided to the Fund's member local units by their membership in the School Pool for Excess Liability Limits Joint Insurance Fund (SPELL JIF):

- Excess Property and Crime
- Excess General Liability and Automobile Liability
- Excess Workers' Compensation
- Excess Educators Legal Liability

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Banking and Insurance may order additional assessments to supplement the Fund's claim, loss retention, or administrative accounts to assure the payment of the Fund's obligations.

The School District's agreement with the Fund provides that the Fund will be self-sustaining through member premiums and will reinsure through the School Pool for Excess Liability Limits Joint Insurance Fund, which is an insurance pool formed by all the other joint insurance funds.

For more information regarding claims, coverages and deductibles, the Fund publishes its own financial report that can be obtained from:

Burlington County Municipal Joint Insurance Fund
6000 Sagemore Drive, Suite 6203
Marlton, New Jersey 08053

Note 12: DEFERRED COMPENSATION

The School District offers its employees a choice of four deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457. The plans permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. The plan administrator is The Omni Financial Group.

Note 13: 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, *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. 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.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2022, the liability for compensated absences reported on the government-wide statement of net position was \$122,243.57. At June 30, 2022, no liability existed for compensated absences in the proprietary fund.

Note 14: INTERFUND RECEIVABLES AND PAYABLES

Interfunds - The composition of interfund balances as of June 30, 2022 is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 294,344.62	
Special Revenue		\$ 275,176.58
Enterprise		19,168.04
Totals	<u>\$ 294,344.62</u>	<u>\$ 294,344.62</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2023, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 15: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the School District expects such amount, if any, to be immaterial.

Note 15: CONTINGENCIES (CONT'D)

Litigation - The School District is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the School District, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 16: CONCENTRATIONS

The School District depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the School District is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

Note 17: DEFICIT FUND BALANCES

The School District has a deficit fund balance of \$293,664.41 in the general 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 revenue, 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 and special revenue 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 general 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 \$293,664.41 is less than the June state aid payments.

Note 18: 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: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

General Fund

For Capital Reserve Account - As of June 30, 2022, the balance in the capital reserve account is \$587,029.00. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

Note 18: FUND BALANCES (CONT'D)**RESTRICTED (CONT'D)****General Fund (Cont'd)**

For Emergency Reserve - As of June 30, 2022, the balance in the emergency reserve is \$167,797.94. These funds are restricted for the purpose of financing unanticipated general fund expenditures required for a thorough and efficient education in accordance with N.J.S.A. 18A:7F-41c(1). The balance of the restricted fund balance is not permitted to exceed \$250,000.00, or one percent (1%) of the School District's general fund budget up to a maximum of \$1,000,000.00, whichever is greater. Deposits may be made to the emergency reserve account at budget time, or by board resolution at year end of any unanticipated revenue or unexpended line item appropriation, or both. Withdrawals from the emergency reserve require approval by the Commissioner.

For Maintenance Reserve Account - As of June 30, 2022, the balance in the maintenance reserve account is \$480,984.01. 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).

For Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation. New Jersey school districts are required to restrict general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2022 is \$1,163,307.66. Additionally, \$613,817.00 of excess fund balance generated during 2020-2021 has been restricted and designated for utilization in the 2022-2023 budget.

For Unemployment Compensation - Pursuant to N.J.S.A. 43:21-7.3(g), the School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method" (see note 11). As a result, there exists at June 30, 2021 a restricted fund balance from employer contributions in the amount of \$144,455.99 for future unemployment claims.

For Legally Restricted Appropriations - In accordance with N.J.A.C. 6A:23A-8.5(j), the School District adopted a resolution to legally restrict fund balance in the amount of \$583,685.10 which represents funds received from the Estate of John Zawinski. These funds are restricted to be used for the benefit of the students of Clementon School District. These funds have been restricted by the Board to be used for the purchase of solar panels, an electronic sign for the school, playground equipment and science lab equipment. As of June 30, 2022, \$583,685.10 has been restricted for this purpose.

Special Revenue Fund

For Scholarships - The School District reports fund balance resulting from the receipt of an endowment to be used for scholarships for future teachers. These funds are required to be used as restricted by the donor. The balance of these funds as of June 30, 2022 is \$2,717.39.

For Student Activities - In accordance with N.J.A.C. 6A:23A-16.12(c), each school district shall ensure through adoption of a formal board policy that all financial and bookkeeping controls are adequate to ensure appropriate fiscal accountability and sound business practices for funds collected for student activities. As such, borrowing from student activity funds is prohibited. The balance of these funds as of June 30, 2022 is \$20,814.40.

Note 18: FUND BALANCES (CONT'D)**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 had \$6,835.30 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 was a deficit of \$293,664.41. The deficit is a result from a delay in the payment of state aid until the following fiscal year. As stated in note 17, 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. The unassigned deficit on the GAAP financial statements of \$293,664.41 is less than the last state aid payment.

Note 19: SUBSEQUENT EVENTS

COVID-19 - On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the School District's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the School District is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2023.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II
BUDGETARY COMPARISON SCHEDULES**

CLEMENTON SCHOOL DISTRICT
 Required Supplementary Information - Part II
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Modifications / Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 4,457,911.00	\$ -	\$ 4,457,911.00	\$ 4,457,911.00	\$ -
Tuition	100,000.00		100,000.00	91,537.67	(8,462.33)
Other Restricted Miscellaenous Revenues				199.25	199.25
Unrestricted Miscellaneous Revenues	100,000.00		100,000.00	32,931.98	(67,068.02)
Interest Earned on Current Expense Emergency Reserve	5.00		5.00		(5.00)
Interest Earned on Maintenance Reserve	25.00		25.00		(25.00)
Interest Earned on Capital Reserve	50.00		50.00	454.18	404.18
Total - Local Sources	<u>4,657,991.00</u>	<u>-</u>	<u>4,657,991.00</u>	<u>4,583,034.08</u>	<u>(74,956.92)</u>
Federal Sources:					
P-EBT				628.00	628.00
Medicaid Reimbursement	18,509.00		18,509.00	30,876.01	12,367.01
Total - Federal Sources	<u>18,509.00</u>	<u>-</u>	<u>18,509.00</u>	<u>31,504.01</u>	<u>12,995.01</u>
State Sources:					
Categorical Special Education Aid	371,383.00		371,383.00	371,383.00	
Equalization Aid	7,164,863.00		7,164,863.00	7,164,863.00	
Categorical Security Aid	135,485.00		135,485.00	135,485.00	
Categorical Transportation Aid	78,718.00		78,718.00	78,718.00	
Extraordinary Aid	95,000.00		95,000.00	93,304.00	(1,696.00)
Other State Aids:					
Additional Nonpublic School Transportation Aid				6,432.00	6,432.00
Department of Children and Families Education Services - Tuition				52,189.00	52,189.00
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)				1,301,026.00	1,301,026.00
On-behalf TPAF Non-Contributory Group Insurance (non-budgeted)				18,356.00	18,356.00
On-Behalf T.P.A.F. Pension Contributions - Post-Retirement Medical (non-budgeted)				308,261.00	308,261.00
On-Behalf T.P.A.F. Pension Contributions - Long-Term Disability Insurance (non-budgeted)				690.00	690.00
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				315,090.08	315,090.08
Total - State Sources	<u>7,845,449.00</u>	<u>-</u>	<u>7,845,449.00</u>	<u>9,845,797.08</u>	<u>2,000,348.08</u>
Total Revenues	<u>12,521,949.00</u>	<u>-</u>	<u>12,521,949.00</u>	<u>14,460,335.17</u>	<u>1,938,386.17</u>

(Continued)

CLEMENTON SCHOOL DISTRICT
 Required Supplementary Information - Part II
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Modifications / Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 324,311.00	\$ (9,004.45)	\$ 315,306.55	\$ 315,306.15	\$ 0.40
Grades 1-5 - Salaries of Teachers	1,085,667.00	(14,440.38)	1,071,226.62	1,066,679.09	4,547.53
Grades 6-8 - Salaries of Teachers	804,883.00	67,831.83	872,714.83	872,714.20	0.63
Regular Programs - Home Instruction:					
Salaries of Teachers	45,000.00	(32,102.00)	12,898.00	12,897.50	0.50
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	23,000.00	499.00	23,499.00	22,561.50	937.50
Purchased Professional - Educational Services	90,000.00	28,722.70	118,722.70	118,721.38	1.32
Purchased Technical Services	34,000.00	(27,458.77)	6,541.23	5,911.10	630.13
Other Purchased Services (400-500 Series)	45,790.00	(21,572.00)	24,218.00	23,402.30	815.70
General Supplies	127,511.00	(35,507.92)	92,003.08	82,342.13	9,660.95
Textbooks	16,000.00	(9,277.00)	6,723.00	6,723.00	0.00
Other Objects	9,000.00	(6,500.00)	2,500.00	2,337.25	162.75
Total Regular Programs - Instruction	2,605,162.00	(55,168.99)	2,549,993.01	2,526,512.60	23,480.41
Special Education - Instruction:					
Behavioral Disabilities:					
Salaries of Teachers	57,971.00	1,040.00	59,011.00	59,011.00	0.00
Purchased Professional - Education Services	32,000.00	1,000.00	33,000.00	8,969.67	24,030.33
General Supplies	300.00		300.00	78.54	221.46
Total Behavioral Disabilities	90,271.00	2,040.00	92,311.00	68,059.21	24,251.79
Multiple Disabilities:					
Salaries of Teachers	228,414.00	4,365.70	232,779.70	232,484.50	295.20
Other Salaries for Instruction	23,000.00		23,000.00	23,000.00	0.00
Purchased Professional - Education Services	71,000.00	289,387.30	360,387.30	321,976.49	38,410.81
General Supplies	700.00		700.00	409.55	290.45
Total Multiple Disabilities	323,114.00	293,753.00	616,867.00	577,870.54	38,996.46

(Continued)

CLEMENTON SCHOOL DISTRICT
 Required Supplementary Information - Part II
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Modifications / Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Special Education - Instruction (Cont'd):					
Resource Room / Resource Center:					
Salaries of Teachers	\$ 479,285.00	\$ 17.50	\$ 479,302.50	\$ 469,672.34	\$ 9,630.16
Other Salaries for Instruction	23,000.00		23,000.00	23,000.00	
Purchased Professional-Educational Services	55,000.00	(16,817.50)	38,182.50	5,014.83	33,167.67
General Supplies	1,500.00		1,500.00	409.26	1,090.74
Total Resource Room / Resource Center	<u>558,785.00</u>	<u>(16,800.00)</u>	<u>541,985.00</u>	<u>498,096.43</u>	<u>43,888.57</u>
Home Instruction:					
Salaries of Teachers	6,000.00		6,000.00		6,000.00
Purchased Professional - Educational Services	4,000.00	(2,000.00)	2,000.00		2,000.00
General Supplies	300.00		300.00	103.50	196.50
Total Home Instruction	<u>10,300.00</u>	<u>(2,000.00)</u>	<u>8,300.00</u>	<u>103.50</u>	<u>8,196.50</u>
Total Special Education - Instruction	<u>982,470.00</u>	<u>276,993.00</u>	<u>1,259,463.00</u>	<u>1,144,129.68</u>	<u>115,333.32</u>
Bilingual Education - Instruction:					
Salaries of Teachers	110,262.00		110,262.00	90,816.90	19,445.10
General Supplies	3,500.00		3,500.00	615.85	2,884.15
Other Objects	800.00		800.00		800.00
Total Bilingual Education - Instruction	<u>114,562.00</u>	<u>-</u>	<u>114,562.00</u>	<u>91,432.75</u>	<u>23,129.25</u>
School-Sponsored Cocurricular / Extracurricular Activities - Instruction:					
Salaries	16,500.00		16,500.00	14,865.00	1,635.00
Purchased Services (300-500 Series)	800.00		800.00	146.00	654.00
Supplies and Materials	6,500.00		6,500.00	38.95	6,461.05
Total School-Sponsored Cocurricular / Extracurricular Activities - Instruction	<u>23,800.00</u>	<u>-</u>	<u>23,800.00</u>	<u>15,049.95</u>	<u>8,750.05</u>
School-Sponsored Athletics - Instruction:					
Salaries	26,500.00	(88.22)	26,411.78	20,305.00	6,106.78
Purchased Services (300-500 Series)	9,000.00	(1,128.11)	7,871.89	3,551.00	4,320.89
Supplies and Materials	300.00	1,216.33	1,516.33	1,472.96	43.37
Total School-Sponsored Athletics - Instruction	<u>35,800.00</u>	<u>(0.00)</u>	<u>35,800.00</u>	<u>25,328.96</u>	<u>10,471.04</u>
Total Instruction	<u>3,761,794.00</u>	<u>221,824.01</u>	<u>3,983,618.01</u>	<u>3,802,453.94</u>	<u>181,164.07</u>

(Continued)

CLEMENTON SCHOOL DISTRICT
 Required Supplementary Information - Part II
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Modifications / Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Instruction:					
Tuition to Other LEA's Within the State - Regular	\$ 2,571,195.00	\$ 31,797.99	\$ 2,602,992.99	\$ 2,602,956.34	\$ 36.65
Tuition to Other LEA's Within the State - Special	125,200.00	138,061.00	263,261.00	263,261.00	
Tuition to County Vocational School District - Regular	288,745.00	(77,999.00)	210,746.00	210,746.00	
Tuition to CSSD and Regional Day Schools	180,852.00	(167,795.99)	13,056.01	9,783.60	3,272.41
Tuition to Private Schools for the Disabled - Within State	803,681.00	(46,298.00)	757,383.00	514,961.81	242,421.19
Tuition - State Facilities	4,500.00		4,500.00	4,500.00	
Total Undistributed Expenditures - Instruction	3,974,173.00	(122,234.00)	3,851,939.00	3,606,208.75	245,730.25
Undistributed Expenditures - Attendance and Social Work:					
Salaries	14,464.00	(3,005.66)	11,458.34	11,455.00	3.34
Purchased Professional and Technical Services	20,181.00	31,008.00	51,189.00	46,661.80	4,527.20
Supplies and Materials	150.00	(150.00)			
Other Objects	400.00	(400.00)			
Total Undistributed Expenditures - Attendance and Social Work	35,195.00	27,452.34	62,647.34	58,116.80	4,530.54
Undistributed Expenditures - Health Services:					
Salaries	54,871.00	(53,392.00)	1,479.00	1,479.00	
Purchased Professional and Technical Services	9,500.00	82,708.29	92,208.29	92,194.79	13.50
Supplies and Materials	3,000.00	(1,286.00)	1,714.00	1,714.00	
Other Objects	1,000.00	(1,000.00)			
Total Undistributed Expenditures - Health Services	68,371.00	27,030.29	95,401.29	95,387.79	13.50
Undistributed Expenditures - Speech, OT, PT and Related Services:					
Salaries	61,381.00	13,665.61	75,046.61	71,260.41	3,786.20
Purchased Professional - Educational Services	65,000.00	(12,800.00)	52,200.00	47,020.00	5,180.00
Supplies and Materials	1,500.00	(1,306.46)	193.54	193.54	
Total Undistributed Expenditures - Speech, OT, PT and Related Services	127,881.00	(440.85)	127,440.15	118,473.95	8,966.20
Undistributed Expenditures - Other Support Services - Students - Extraordinary Services:					
Purchased Professional - Educational Services	355,944.00	(151,184.15)	204,759.85	158,266.11	46,493.74
Supplies and Materials	5,000.00		5,000.00	5,000.00	
Total Undistributed Expenditures - Other Support Services - Students - Extraordinary Services	360,944.00	(151,184.15)	209,759.85	158,266.11	51,493.74

(Continued)

CLEMENTON SCHOOL DISTRICT
 Required Supplementary Information - Part II
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Modifications / Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Guidance:					
Students - Regular:					
Salaries of Other Professional Staff	\$ 58,681.00	\$ -	\$ 58,681.00	\$ 57,366.41	\$ 1,314.59
Supplies and Materials	1,500.00	(650.03)	849.97	825.15	24.82
Other Objects	650.00	(650.00)			
Total Undistributed Expenditures - Guidance	<u>60,831.00</u>	<u>(1,300.03)</u>	<u>59,530.97</u>	<u>58,191.56</u>	<u>1,339.41</u>
Undistributed Expenditures - Child Study Team:					
Salaries of Other Professional Staff	257,214.00	38,969.18	296,183.18	296,183.18	
Salaries of Secretarial and Clerical Assistants		14,750.00	14,750.00	14,735.66	14.34
Purchased Professional - Educational Services	25,000.00	(10,415.02)	14,584.98	14,405.08	179.90
Misc Purchased Services (400-500 Series) Other than Residence		270.00	270.00	270.00	
Supplies and Materials	2,500.00	8,347.89	10,847.89	10,387.89	460.00
Other Objects	800.00	(325.00)	475.00		475.00
Total Undistributed Expenditures - Child Study Team	<u>285,514.00</u>	<u>51,597.05</u>	<u>337,111.05</u>	<u>335,981.81</u>	<u>1,129.24</u>
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Other Professional Staff	<u>2,500.00</u>		<u>2,500.00</u>		<u>2,500.00</u>
Total Undistributed Expenditures - Improvement of Instruction Services	<u>2,500.00</u>	<u>-</u>	<u>2,500.00</u>	<u>-</u>	<u>2,500.00</u>
Undistributed Expenditures - Educational Media Services / School Library:					
Salaries	57,281.00		57,281.00	57,281.00	
Purchased Professional and Technical Services	17,000.00	(7,061.69)	9,938.31	9,938.31	
Other Purchased Services (400-500 Series)	6,000.00	(6,000.00)			
Supplies and Materials	1,500.00	(675.94)	824.06	793.38	30.68
Total Undistributed Expenditures - Educational Media Services / School Library	<u>81,781.00</u>	<u>(13,737.63)</u>	<u>68,043.37</u>	<u>68,012.69</u>	<u>30.68</u>
Undistributed Expenditures - Instructional Staff Training Services:					
Purchased Professional - Educational Services	4,800.00		4,800.00	1,000.00	3,800.00
Other Purchased Services (400-500 Series)	1,000.00	750.00	1,750.00	750.00	1,000.00
Other Objects	1,600.00		1,600.00	1,084.00	516.00
Total Undistributed Expenditures - Instructional Staff Training Services	<u>7,400.00</u>	<u>750.00</u>	<u>8,150.00</u>	<u>2,834.00</u>	<u>5,316.00</u>

(Continued)

CLEMENTON SCHOOL DISTRICT
 Required Supplementary Information - Part II
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Modifications / Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Support Services - General Administration:					
Salaries	\$ 181,991.00	\$ (25,295.00)	\$ 156,696.00	\$ 156,519.57	\$ 176.43
Legal Services	10,000.00	25,952.66	35,952.66	32,080.56	3,872.10
Audit Fees	10,000.00	22,374.50	32,374.50	32,374.50	
Other Purchased Professional Services	1,000.00	(1,000.00)			
Purchased Technical Services	1,000.00	6,387.20	7,387.20	7,387.20	
Communications / Telephone	20,000.00	26,691.76	46,691.76	46,641.69	50.07
Travel	1,250.00	(1,250.00)			
BOE Other Purchased Services	1,250.00	(1,243.42)	6.58		6.58
Miscellaneous Purchased Services (400-500)	1,500.00	5,825.19	7,325.19	7,325.19	
General Supplies	250.00	1,467.58	1,717.58	1,666.58	51.00
BOE In-House Training / Meeting Supplies	250.00	211.61	461.61	458.37	3.24
Miscellaneous Expenditures	1,000.00	1,627.00	2,627.00	2,627.00	
BOE Membership Dues and Fees	1,000.00	4,282.95	5,282.95	5,282.95	
Total Undistributed Expenditures - Support Services - General Administration	230,491.00	66,032.03	296,523.03	292,363.61	4,159.42
Undistributed Expenditures - Support Services - School Administration:					
Salaries of Principals / Assistant Principals	94,500.00		94,500.00	94,500.00	
Salaries of Secretarial and Clerical Assistants	50,975.00	(13,759.62)	37,215.38	37,214.72	0.66
Other Purchased Services (400-500 Series)		239.00	239.00	239.00	
Supplies and Materials	200.00	1,561.41	1,761.41	1,761.41	
Other Objects	200.00	645.00	845.00	845.00	
Total Undistributed Expenditures - Support Services - School Administration	145,875.00	(11,314.21)	134,560.79	134,560.13	0.66
Undistributed Expenditures - Central Services:					
Salaries	146,975.00	31,650.40	178,625.40	178,624.36	1.04
Purchased Technical Services	25,000.00	5,406.90	30,406.90	30,403.14	3.76
Miscellaneous Purchased Services (400-500 Series)	2,000.00	(1,100.00)	900.00	900.00	
Supplies and Materials	1,000.00	3,998.50	4,998.50	4,998.31	0.19
Miscellaneous Expenditures	1,000.00	(900.00)	100.00	100.00	
Total Undistributed Expenditures - Central Services	175,975.00	39,055.80	215,030.80	215,025.81	4.99
Undistributed Expenditures - Administration Information Technology:					
Salaries	50,000.00	12,310.00	62,310.00	62,310.00	
Supplies and Materials	10,000.00	22,667.12	32,667.12	23,527.12	9,140.00
Total Undistributed Expenditures - Administration Information Technology	60,000.00	34,977.12	94,977.12	85,837.12	9,140.00

(Continued)

CLEMENTON SCHOOL DISTRICT
 Required Supplementary Information - Part II
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Modifications / Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Operation and Maintenance of Plant Services:					
Undistributed Expenditures - Required Maintenance for School Facilities:					
Cleaning, Repair, and Maintenance Services	\$ 30,500.00	\$ 11,340.78	\$ 41,840.78	\$ 35,623.25	\$ 6,217.53
General Supplies	6,500.00	2,030.76	8,530.76	8,530.71	0.05
Total Undistributed Expenditures - Required Maintenance for School Facilities	<u>37,000.00</u>	<u>13,371.54</u>	<u>50,371.54</u>	<u>44,153.96</u>	<u>6,217.58</u>
Undistributed Expenditures - Custodial Services:					
Salaries	191,433.00	(17,762.31)	173,670.69	173,670.09	0.60
Purchased Professional and Technical Services	1,500.00	12,068.27	13,568.27	13,568.27	
Cleaning, Repair, and Maintenance Services	45,000.00	(9,292.38)	35,707.62	35,213.44	494.18
Other Purchased Property Services	16,200.00	29.00	16,229.00	16,228.45	0.55
Insurance	41,005.00	(10,165.15)	30,839.85	30,797.77	42.08
General Supplies	45,000.00	(17,824.80)	27,175.20	26,287.54	887.66
Energy (Electricity)	130,000.00	9,272.01	139,272.01	139,271.70	0.31
Other Objects	1,500.00	(1,500.00)			
Total Undistributed Expenditures - Custodial Services	<u>471,638.00</u>	<u>(35,175.36)</u>	<u>436,462.64</u>	<u>435,037.26</u>	<u>1,425.38</u>
Undistributed Expenditures - Care and Upkeep of Grounds:					
Cleaning, Repair, and Maintenance Services	1,000.00	1,034.43	2,034.43	946.14	1,088.29
General Supplies	2,000.00	27,521.77	29,521.77	29,521.77	
Total Undistributed Expenditures - Care and Upkeep of Grounds	<u>3,000.00</u>	<u>28,556.20</u>	<u>31,556.20</u>	<u>30,467.91</u>	<u>1,088.29</u>
Total Undistributed Expenditures - Operation and Maintenance of Plant Services	<u>511,638.00</u>	<u>6,752.38</u>	<u>518,390.38</u>	<u>509,659.13</u>	<u>8,731.25</u>

(Continued)

CLEMENTON SCHOOL DISTRICT
 Required Supplementary Information - Part II
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Modifications / Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Student Transportation Services:					
Management Fee - ESC and CTSA Transportation Program	\$ 33,600.00	\$ -	\$ 33,600.00	\$ 24,582.52	\$ 9,017.48
Contracted Services - (Between Home and School) - Vendors	127,050.00	(23,675.06)	103,374.94	9,990.00	93,384.94
Contracted Services - (Other than Between Home and School) - Vendors	20,000.00		20,000.00	212.00	19,788.00
Contracted Services (Between Home and School) - Joint Agreements	89,250.00	(25,654.00)	63,596.00	54,651.08	8,944.92
Contracted Services (Regular Students) - ESCs and CTSA	90,300.00	79,760.66	170,060.66	170,002.89	57.77
Contracted Services (Special Education Students) - ESCs and CTSA	437,720.00	(34,870.60)	402,849.40	239,705.80	163,143.60
Contracted Services - Aid in Lieu Payments - Nonpublic Schools	25,000.00		25,000.00	12,720.00	12,280.00
Contracted Services - Aid in Lieu Payments - Charter Schools	5,000.00		5,000.00		5,000.00
Contracted Services - Aid in Lieu Payments - Choice Schools	12,000.00		12,000.00		12,000.00
Total Undistributed Expenditures - Student Transportation Services	839,920.00	(4,439.00)	835,481.00	511,864.29	323,616.71
Personal Services - Employee Benefits:					
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	96,000.00	25,764.43	121,764.43	98,065.33	23,699.10
Other Retirement Contributions - PERS	99,613.00	(30,000.00)	69,613.00	66,189.24	3,423.76
Other Retirement Contributions	15,700.00		15,700.00		15,700.00
Unemployment Compensation	21,350.00		21,350.00		21,350.00
Workmen's Compensation	54,985.00		54,985.00	48,201.04	6,783.96
Health Benefits	1,646,514.00	(112,022.81)	1,534,491.19	1,345,014.70	189,476.49
Tuition Reimbursements	12,550.00		12,550.00	6,705.20	5,844.80
Other Employee Benefits	92,000.00	(10,025.00)	81,975.00	70,769.70	11,205.30
Unused Sick Payment to Terminated/Retired Staff		10,025.00	10,025.00	10,025.00	
Total Unallocated Benefits - Employee Benefits	2,038,712.00	(116,258.38)	1,922,453.62	1,644,970.21	277,483.41
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)				1,301,026.00	(1,301,026.00)
On-behalf TPAF Non-Contributory Group Insurance (non-budgeted)				18,356.00	(18,356.00)
On-Behalf T.P.A.F. Pension Contributions - Post-Retirement Medical (non-budgeted)				308,261.00	(308,261.00)
On-Behalf T.P.A.F. Pension Contributions - Long-Term Disability Insurance (non-budgeted)				690.00	(690.00)
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				315,090.08	(315,090.08)
Total On-Behalf Contributions	-	-	-	1,943,423.08	(1,943,423.08)
Total Personal Services - Employee Benefits	2,038,712.00	(116,258.38)	1,922,453.62	3,588,393.29	(1,665,939.67)
Total Undistributed Expenditures	9,007,201.00	(167,261.24)	8,839,939.76	9,839,176.84	(999,237.08)

(Continued)

CLEMENTON SCHOOL DISTRICT
 Required Supplementary Information - Part II
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Modifications / Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Interest on Maintenance Reserve	\$ 25.00	\$ -	\$ 25.00	\$ -	\$ 25.00
Interest on Current Expense Emergency Reserve	5.00		5.00		5.00
Total General Current Expense	<u>12,769,025.00</u>	<u>54,562.77</u>	<u>12,823,587.77</u>	<u>13,641,630.78</u>	<u>(818,043.01)</u>
Capital Outlay:					
Interest Deposit to Capital Reserve	<u>50.00</u>		<u>50.00</u>		<u>50.00</u>
Facilities Acquisition and Construction Services:					
Construction Services	300,000.00		300,000.00		300,000.00
Assessment for Debt Service on SDA Funding	<u>35,004.00</u>		<u>35,004.00</u>	35,004.00	
Total Facilities Acquisition and Construction Services	<u>335,004.00</u>	-	<u>335,004.00</u>	<u>35,004.00</u>	<u>300,000.00</u>
Total Capital Outlay	<u>335,054.00</u>	-	<u>335,054.00</u>	<u>35,004.00</u>	<u>300,050.00</u>
Transfer of Funds to Charter Schools	<u>68,493.00</u>	<u>(17,166.00)</u>	<u>51,327.00</u>	<u>31,078.00</u>	<u>20,249.00</u>
Total Expenditures	<u>13,172,572.00</u>	<u>37,396.77</u>	<u>13,209,968.77</u>	<u>13,707,712.78</u>	<u>(497,744.01)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(650,623.00)	(37,396.77)	(688,019.77)	752,622.39	1,440,642.16
Fund Balances, July 1	<u>3,472,293.20</u>	-	<u>3,472,293.20</u>	<u>3,472,293.20</u>	-
Fund Balances, June 30	<u>\$ 2,821,670.20</u>	<u>\$ (37,396.77)</u>	<u>\$ 2,784,273.43</u>	<u>\$ 4,224,915.59</u>	<u>\$ 1,440,642.16</u>

(Continued)

CLEMENTON SCHOOL DISTRICT
 Required Supplementary Information - Part II
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Modifications / Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Recapitulation:					
Restricted:					
Capital Reserve				\$ 587,029.00	
Emergency Reserve				167,797.94	
Maintenance Reserve				480,984.01	
Excess Surplus:					
Prior Year - Designated for Subsequent Year's Expenditures				613,817.00	
Current Year				1,163,307.66	
Legal Reserve				583,685.10	
Unemployment Compensation				144,455.99	
Assigned:					
Year-End Encumbrances				6,835.30	
Unassigned				<u>477,003.59</u>	
				4,224,915.59	
Reconciliation to Governmental Funds Statements (GAAP):					
Fiscal Year 2022 Last State Aid Payments not Recognized on GAAP Basis				<u>(770,668.00)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 3,454,247.59</u>	

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

	<u>Original Budget</u>	<u>Budget Transfers / Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Revenue from Local Sources	\$ 5.29	\$ 9,132.31	\$ 9,137.60	\$ 9,132.31	\$ (5.29)
Total - Local Sources	5.29	9,132.31	9,137.60	9,132.31	(5.29)
Federal Sources:					
Title I, Part A	369,157.00		369,157.00	267,982.69	(101,174.31)
Title II, Part A	41,750.00		41,750.00	24,700.00	(17,050.00)
I.D.E.A. Part B, Basic	147,041.00		147,041.00	147,041.00	
I.D.E.A. Part B, Basic, ARP	28,858.00		28,858.00	28,858.00	
I.D.E.A. Part B, Preschool	6,364.00		6,364.00	6,364.00	
I.D.E.A. Part B, Preschool, ARP	2,452.00		2,452.00	1,665.00	
Education Stabilization Fund:					
CARES Act - ESSER	118,068.72	11,899.00	129,967.72	81,333.75	(48,633.97)
CRSSA - ESSER II	892,337.00		892,337.00	439,684.99	(452,652.01)
Learning Acceleration	57,265.00		57,265.00	9,438.25	(47,826.75)
Mental Health	45,000.00		45,000.00	26,214.38	(18,785.62)
Total - Federal Sources	1,708,292.72	11,899.00	1,720,191.72	1,033,282.06	(686,122.66)
State Sources:					
Preschool Education Aid	648,870.00		648,870.00	391,084.42	(257,785.58)
Total - State Sources	648,870.00	-	648,870.00	391,084.42	(257,785.58)
Total Revenues	2,357,168.01	21,031.31	2,378,199.32	1,433,498.79	(943,913.53)

(Continued)

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

EXPENDITURES:	Original Budget	Budget Transfers / Modifications	Final Budget	Actual	Variance Final to Actual
Instruction:					
Salaries of Teachers	\$ 573,142.82	\$ 115,830.00	\$ 688,972.82	\$ 498,913.80	\$ 190,059.02
Other Salaries for Instruction	58,500.00	4,800.00	63,300.00	41,151.19	22,148.81
Purchased Professional - Educational Services	6,000.00	(5,300.00)	700.00	495.00	205.00
Other Purchased Services (400-500 series)	250,899.00	(250,899.00)			
Tuition		175,899.00	175,899.00	175,899.00	
Supplies and Materials	423,833.00	(37,931.00)	385,902.00	239,599.88	146,302.12
General Supplies	33,941.19	115,931.00	149,872.19	101,778.86	48,093.33
Other Objects	11,890.00	(7,390.00)	4,500.00		4,500.00
Total Instruction	1,358,206.01	110,940.00	1,469,146.01	1,057,837.73	411,308.28
Support Services:					
Salaries	153,500.00		153,500.00	81,952.15	71,547.85
Salaries of Supervisors of Instruction	16,000.00		16,000.00	16,000.00	
Salaries of Program Directors	10,500.00		10,500.00	10,500.00	
Salaries of Other Professional Staff	26,236.00	4,170.00	30,406.00	4,650.00	25,756.00
Other Salaries	2,644.00	2,356.00	5,000.00	4,864.03	135.97
Preschool Education Aid SS Family Liasion		8,000.00	8,000.00		
Personnel Services - Employee Benefits	271,862.00	4,832.00	276,694.00	139,077.97	137,616.03
Purchased Professional and Technical Services	188,628.00		188,628.00	5,667.80	182,960.20
Purchased Professional - Educational Services					
Services - Contracted Pre-K	244,470.00	(122,235.00)	122,235.00	99,417.80	22,817.20
Other Purchased Professional Services - Educational Services	1,500.00	(1,500.00)			
Other Purchased Professional Services	1,500.00	(500.00)	1,000.00		1,000.00
Other Purchased Services (400-500 series)	22,020.00	(3,800.00)	18,220.00	5,030.00	13,190.00
Contracted Services - Transportation (Between Home and School)	50,000.00	(50,000.00)			
Contracted Services - Transportation Other than Between Home and School - Grant Agreements	2,000.00	500.00	2,500.00	537.00	1,963.00
Travel	400.00	(200.00)	200.00	172.00	28.00
Supplies and Materials	6,500.00	(4,000.00)	2,500.00	1,660.00	840.00
Other Objects	200.00	(200.00)			
Scholarships Awarded				1,000.00	(1,000.00)
Student Activities		6,132.31	6,132.31	9,175.32	(3,043.01)
Total Support Services	997,960.00	(156,444.69)	841,515.31	379,704.07	453,811.24
Facilities Acquisition and Construction Services:					
Building	1,002.00		1,002.00		1,002.00
Instructional Equipment		40,000.00	40,000.00		40,000.00
Non-Instructional Equipment		26,536.00	26,536.00		26,536.00
Total Facilities Acquisition and Construction Services	1,002.00	66,536.00	67,538.00		67,538.00
Total Expenditures	2,357,168.01	21,031.31	2,378,199.32	1,437,541.80	932,657.52
Excess of Revenues Over Expenditures	\$ -	\$ -	\$ -	(4,043.01)	\$ (11,256.01)
Fund Balance, July 1				27,574.80	
Fund Balance, June 30				\$ 23,531.79	
Recapitulation:					
Restricted:					
Scholarships				\$ 2,717.39	
Student Activities				20,814.40	
Total Fund Balance				\$ 23,531.79	
Reconciliation to Governmental Funds Statements (GAAP):					
Fiscal Year 2022 Last State Aid Payments Not Recognized on GAAP Basis				(56,881.00)	
Unearned Fiscal Year 2022 Restricted State Aid Last State Aid Payments Not Recognized on GAAP Basis				56,881.00	
Fund Balance per Governmental Funds (GAAP)				\$ 23,531.79	

CLEMENTON SCHOOL DISTRICT
 Required Supplementary Information - Part II
 Budgetary Comparison Schedule
 Note to Required Supplementary Information
 For the Fiscal Year Ended June 30, 2022

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-series)	\$ 14,460,335.17	\$ 1,433,498.79
The Restricted State Aids recorded in the Special Revenue Fund are realized utilizing the budgetary basis which dictates that revenue must equal expenditures and differs from GAAP which recognizes the revenue once the eligibility criteria are met as specified in Note 1 and GASB 33.		
Current Year		56,881.00
Prior Year		(38,469.00)
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July 2021.	686,950.00	38,469.00
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July 2022.	<u>(770,668.00)</u>	<u>(56,881.00)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 14,376,617.17</u>	<u>\$ 1,433,498.79</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule (C-series)	\$ 13,707,712.78	\$ 1,437,541.80
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 13,707,712.78</u>	<u>\$ 1,437,541.80</u>

**REQUIRED SUPPLEMENTARY INFORMATION
PART III**

**SCHEDULES RELATED TO ACCOUNTING
AND REPORTING FOR PENSIONS**

CLEMENTON SCHOOL DISTRICT
 Required Supplementary Information - Part III
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 Public Employees' Retirement System (PERS)
 Last Nine Plan Years

	Measurement Date Ended June 30,				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
School District's Proportion of the Net Pension Liability	0.0054979172%	0.0056752159%	0.0056273974%	0.0055911622%	0.0057389238%
School District's Proportionate Share of the Net Pension Liability	\$ 651,311.00	\$ 925,479.00	\$ 1,013,972.00	\$ 1,100,872.00	\$ 1,335,930.00
School District's Covered Payroll (Plan Measurement Period)	\$ 413,972.00	\$ 423,532.00	\$ 394,188.00	\$ 382,580.00	\$ 409,736.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	157.33%	218.51%	257.23%	287.75%	326.05%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.33%	58.32%	56.27%	53.60%	48.10%
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	
School District's Proportion of the Net Pension Liability	0.0064557544%	0.0071451352%	0.0078618552%	0.0076870033%	
School District's Proportionate Share of the Net Pension Liability	\$ 1,912,009.00	\$ 1,603,940.00	\$ 1,471,954.00	\$ 1,469,139.00	
School District's Covered Payroll (Plan Measurement Period)	\$ 466,980.00	\$ 509,880.00	\$ 547,948.00	\$ 548,980.00	
School District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	409.44%	314.57%	268.63%	267.61%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%	

This schedule is presented to illustrate the requirement to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

CLEMENTON SCHOOL DISTRICT
 Required Supplementary Information - Part III
 Schedule of the School District's Contributions
 Public Employees' Retirement System (PERS)
 Last Nine Fiscal Years

	Fiscal Year Ended June 30,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually Required Contribution	\$ 78,531.00	\$ 64,387.00	\$ 62,084.00	\$ 54,738.00	\$ 55,614.00
Contributions in relation to the Contractually Required Contribution	<u>(78,531.00)</u>	<u>(64,387.00)</u>	<u>(62,084.00)</u>	<u>(54,738.00)</u>	<u>(55,614.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll (Fiscal Year)	\$ 495,716.00	\$ 437,724.00	\$ 404,463.00	\$ 399,619.00	\$ 384,723.00
Contributions as a Percentage of School District's Covered Payroll	15.84%	14.71%	15.35%	13.70%	14.46%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Contractually Required Contribution	\$ 53,165.00	\$ 57,352.00	\$ 61,429.00	\$ 64,812.00	
Contributions in relation to the Contractually Required Contribution	<u>(53,165.00)</u>	<u>(57,352.00)</u>	<u>(61,429.00)</u>	<u>(64,812.00)</u>	
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
School District's Covered Payroll (Fiscal Year)	\$ 377,234.00	\$ 395,592.00	\$ 463,393.00	\$ 459,303.00	
Contributions as a Percentage of School District's Covered Payroll	14.09%	14.50%	13.26%	14.11%	

This schedule is presented to illustrate the requirement to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

CLEMENTON SCHOOL DISTRICT
 Required Supplementary Information - Part III
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 Teachers' Pension and Annuity Fund (TPAF)
 Last Nine Plan Years

	Measurement Date Ended June 30,				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability associated with the School District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability associated with the School District	<u>15,273,914.00</u>	<u>20,978,076.00</u>	<u>20,712,426.00</u>	<u>21,399,120.00</u>	<u>20,381,989.00</u>
	<u>\$ 15,273,914.00</u>	<u>\$ 20,978,076.00</u>	<u>\$ 20,712,426.00</u>	<u>\$ 21,399,120.00</u>	<u>\$ 20,381,989.00</u>
School District's Covered Payroll (Plan Measurement Period)	\$ 4,255,340.00	\$ 4,170,472.00	\$ 4,284,792.00	\$ 4,044,256.00	\$ 4,010,992.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	358.94%	503.01%	483.39%	529.12%	508.15%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	35.52%	24.60%	26.95%	26.49%	25.41%

	Measurement Date Ended June 30,			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability associated with the School District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability associated with the School District	<u>25,317,979.00</u>	<u>21,584,095.00</u>	<u>18,182,444.00</u>	<u>17,452,316.00</u>
	<u>\$ 25,317,979.00</u>	<u>\$ 21,584,095.00</u>	<u>\$ 18,182,444.00</u>	<u>\$ 17,452,316.00</u>
School District's Covered Payroll (Plan Measurement Period)	\$ 3,654,788.00	\$ 3,813,492.00	\$ 3,912,944.00	\$ 3,833,004.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	692.73%	565.99%	464.67%	455.32%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	22.33%	28.71%	33.64%	33.76%

This schedule is presented to illustrate the requirement to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

CLEMENTON SCHOOL DISTRICT
Required Supplementary Information - Part III
Schedule of the School District's Contributions
Teachers' Pension and Annuity Fund (TPAF)
Last Ten Fiscal Years

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

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

CLEMENTON SCHOOL DISTRICT
 Required Supplementary Information - Part III
 Notes to Required Supplementary Information - Part III
 For the Fiscal Year Ended June 30, 2022

Teachers' Pension and Annuity Fund (TPAF)

Changes in Benefit Terms:

None.

Changes in Assumptions:

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2021	7.00%	2017	4.25%
2020	5.40%	2016	3.22%
2019	5.60%	2015	4.13%
2018	4.86%	2014	4.68%

The long-term expected rate of return used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2021	7.00%	2017	7.00%
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%

The mortality assumption was updated upon direction from the Division of Pension and Benefits.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms:

The June 30, 2021 measurement date included one change to the plan provisions. Chapter 140, P.L. 2021 reopened the Worker's Compensation Judges (WCJ) Part of PERS and transferred WCJs from the Defined Contribution Retirement Program (DCRP) and regular part of PERS into the WCJ Part of PERS.

Changes in Assumptions:

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2021	7.00%	2017	5.00%
2020	7.00%	2016	3.98%
2019	6.28%	2015	4.90%
2018	5.66%	2014	5.39%

The long-term expected rate of return used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2021	7.00%	2017	7.00%
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%

The mortality assumption was updated upon direction from the Division of Pension and Benefits.

**REQUIRED SUPPLEMENTARY INFORMATION
PART IV**

**SCHEDULE RELATED TO ACCOUNTING
AND REPORTING FOR POSTEMPLOYMENT BENEFITS**

CLEMENTON SCHOOL DISTRICT
 Required Supplementary Information - Part IV
 Schedule of Changes in the School District's
 Total OPEB Liability and Related Ratios
 Last Five Plan Years

	Measurement Date Ending June 30,				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>Total Non-Employer OPEB Liability - State's Proportionate Share of the Total OPEB Liability Associated with the School District</u>					
Changes for the Year:					
Service Cost	\$ 1,187,300.00	\$ 623,036.00	\$ 637,264.00	\$ 711,381.00	\$ 862,128.00
Interest Cost	620,673.00	603,451.00	754,858.00	848,891.00	739,138.00
Changes in Benefit Terms	(25,467.00)				
Difference Between Expected and Actual Experience	(5,374,668.00)	5,252,291.00	(3,405,671.00)	(3,001,541.00)	
Changes in Assumptions	23,605.00	5,108,769.00	251,272.00	(2,193,740.00)	(3,167,442.00)
Gross Benefit Payments	15,868.00	14,758.00	(517,320.00)	(511,174.00)	(538,409.00)
Member Contributions	(488,916.00)	(486,898.00)	15,335.00	17,667.00	19,826.00
Net Change in Total Non-Employer OPEB Liability	(4,041,605.00)	11,115,407.00	(2,264,262.00)	(4,128,516.00)	(2,084,759.00)
Total Non-Employer OPEB Liability - July 1	<u>27,967,872.00</u>	<u>16,852,465.00</u>	<u>19,116,727.00</u>	<u>23,245,243.00</u>	<u>25,330,002.00</u>
Total Non-Employer OPEB Liability - June 30	<u>\$ 23,926,267.00</u>	<u>\$ 27,967,872.00</u>	<u>\$ 16,852,465.00</u>	<u>\$ 19,116,727.00</u>	<u>\$ 23,245,243.00</u>
School District's Covered Payroll (Plan Measurement Period)	<u>\$ 4,192,730.00</u>	<u>\$ 4,013,208.00</u>	<u>\$ 3,783,443.00</u>	<u>\$ 3,898,215.00</u>	<u>\$ 3,790,590.00</u>
State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District as a Percentage of Covered Payroll	570.66%	696.90%	445.43%	490.40%	613.24%

This schedule is presented to illustrate the requirement to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

CLEMENTON SCHOOL DISTRICT
 Required Supplementary Information - Part IV
 Notes to Required Supplementary Information - Part IV
 For the Fiscal Year Ended June 30, 2022

Changes in Benefit Terms:

The actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021, included changes due to employers adopting Chapter 44 provisions.

Changes in Assumptions:

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2021	2.16%	2018	3.87%
2020	2.21%	2017	3.58%
2019	3.50%		

In addition to changes in the discount rate, other factors that affected the valuation of the net OPEB liability included changes in trend update, mortality projection scale update, and salary scale.

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 4.50% 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%.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

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

	Every Student Succeeds Act (E.S.S.A.)							Education Stabilization Fund 1 - Elementary and Secondary Education							Total
	Title I, Part A	Title II, Part A, Improving Teacher Quality	I.D.E.A. Part B, Basic	I.D.E.A. Part B, Preschool	I.D.E.A. Part B, Basic ARP	I.D.E.A. Part B, Preschool ARP	Preschool Education Aid	Education Stabilization Fund (CARES Act)	CRRSA-ESSER II	CRRSA Act Learning Acceleration	CRRSA Act Mental Health	Donation Mem Sherman	Scholarship Fund	Student Activity Fund	
REVENUES:															
Federal Sources	\$ 267,982.69	\$ 24,700.00	\$ 147,041.00	\$ 6,364.00	\$ 28,858.00	\$ 1,665.00		\$ 81,333.75	\$ 439,684.99	\$ 9,438.25	\$ 26,214.38				\$ 1,033,282.06
State Sources							\$ 391,084.42								391,084.42
Local Sources												\$ 3,000.00		\$ 6,132.31	9,132.31
Total Revenues	267,982.69	24,700.00	147,041.00	6,364.00	28,858.00	1,665.00	391,084.42	81,333.75	439,684.99	9,438.25	26,214.38	3,000.00	\$ -	6,132.31	1,433,498.79
EXPENDITURES:															
Instruction:															
Salaries of Teachers	178,253.35	14,000.00		6,364.00		1,665.00	183,143.00	19,538.75	74,208.45	5,591.25	16,150.00				498,913.80
Other Salaries for Instruction							41,151.19								41,151.19
Purchased Professional - Educational Services							495.00								495.00
Tuition			147,041.00		28,858.00										175,899.00
Supplies and Materials									227,302.50	3,847.00	8,450.38				239,599.88
General Supplies	9,119.46						27,864.40	61,795.00				3,000.00			101,778.86
Total Instruction	187,372.81	14,000.00	147,041.00	6,364.00	28,858.00	1,665.00	252,653.59	81,333.75	301,510.95	9,438.25	24,600.38	3,000.00	-	-	1,057,837.73
Support Services:															
Salaries									81,952.15						81,952.15
Salaries of Supervisors of Instruction							16,000.00								16,000.00
Salaries of Program Directors							10,500.00								10,500.00
Salaries of Other Professional Staff							4,650.00								4,650.00
Other Salaries							4,864.03								4,864.03
Personnel Services - Employee Benefits	80,609.88	6,300.00							52,168.09						139,077.97
Purchased Professional and Technical Services									4,053.80		1,614.00				5,667.80
Purchased Professional - Educational Services							99,417.80								99,417.80
Purchased Property Services - PEA SS Cleaning							630.00								630.00
Other Purchased Services (400-500 series)		4,400.00													4,400.00
Between Home and School - Grant Agreements							537.00								537.00
Travel							172.00								172.00
Supplies and Materials							1,660.00								1,660.00
Scholarships Awarded												1,000.00			1,000.00
Student Activities														9,175.32	9,175.32
Total Support Services	80,609.88	10,700.00	-	-	-	-	138,430.83	-	138,174.04	-	1,614.00	-	1,000.00	9,175.32	379,704.07
Total Expenditures	267,982.69	24,700.00	147,041.00	6,364.00	28,858.00	1,665.00	391,084.42	81,333.75	439,684.99	9,438.25	26,214.38	3,000.00	1,000.00	9,175.32	1,437,541.80
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	(1,000.00)	(3,043.01)	(4,043.01)
Fund Balance, July 1	-	-	-	-	-	-	-	-	-	-	-	-	3,717.39	23,857.41	27,574.80
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,717.39	\$ 20,814.40	\$ 23,531.79

CLEMENTON SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid
Budgetary Basis
For the Fiscal Year Ended June 30, 2022

	<u>Original Budgeted</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 132,862.00	\$ 61,931.00	\$ 194,793.00	\$ 183,143.00	\$ 11,650.00
Other Salaries for Instruction	58,500.00	4,800.00	63,300.00	41,151.19	22,148.81
Purchased Professional - Educational Services	6,000.00	(5,300.00)	700.00	495.00	205.00
Other Purchased Services (400-500 series)	5,000.00	(5,000.00)			
General Supplies	10,000.00	35,000.00	45,000.00	27,864.40	17,135.60
Other Objects	7,390.00	(7,390.00)			
Total Instruction	<u>219,752.00</u>	<u>84,041.00</u>	<u>303,793.00</u>	<u>252,653.59</u>	<u>51,139.41</u>
Support Services:					
Salaries of Supervisors of Instruction	16,000.00		16,000.00	16,000.00	
Salaries of Program Directors	10,500.00		10,500.00	10,500.00	
Salaries of Other Professional Staff	26,236.00	4,170.00	30,406.00	4,650.00	25,756.00
Other Salaries	2,644.00	2,356.00	5,000.00	4,864.03	135.97
PEA SS Family/Parent Liaison		8,000.00	8,000.00		8,000.00
Personnel Services - Employee Benefits	59,168.00	16,832.00	76,000.00		76,000.00
Purchased Professional Educational Services - Contracted Pre-K	244,470.00	(122,235.00)	122,235.00	99,417.80	22,817.20
Other Purchased Professional Services - Educational Services	1,500.00	(1,500.00)			
Other Purchased Professional Services	1,500.00	(500.00)	1,000.00		1,000.00
Other Purchased Services (400-500 series)	8,000.00	(3,800.00)	4,200.00	630.00	3,570.00
Contracted Services - Transportation (Between Home and School)	50,000.00	(50,000.00)			
Contracted Services - Transportation Other than Between Home and School	2,000.00	500.00	2,500.00	537.00	1,963.00
Travel	400.00	(200.00)	200.00	172.00	28.00
Supplies and Materials	6,500.00	(4,000.00)	2,500.00	1,660.00	840.00
Other Objects	200.00	(200.00)			
Total Support Services	<u>429,118.00</u>	<u>(150,577.00)</u>	<u>278,541.00</u>	<u>138,430.83</u>	<u>140,110.17</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment		40,000.00	40,000.00		40,000.00
Non-Instructional Equipment		26,536.00	26,536.00		26,536.00
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>66,536.00</u>	<u>66,536.00</u>	<u>-</u>	<u>66,536.00</u>
Total Expenditures	<u>\$ 648,870.00</u>	<u>\$ -</u>	<u>\$ 648,870.00</u>	<u>\$ 391,084.42</u>	<u>\$ 257,785.58</u>

Calculation of Budget and Carryover

Total Revised 2021-2022 Preschool Education Aid Allocation	\$ 568,812.00
Add: Actual Preschool Education Aid Carryover (June 30, 2021)	208,067.72
Total Preschool Education Aid Funds Available for 2021-2022 Budget	776,879.72
Less: 2021-2022 Budgeted Preschool Education Aid (Including Prior Year Budgeted Carryover)	(648,870.00)
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2022	128,009.72
Add: June 30, 2022 Unexpended Preschool Education Aid	257,785.58
2021-2022 Carryover - Preschool Education Aid	<u>\$ 385,795.30</u>
2021-2022 Preschool Education Aid Carryover Budgeted in 2022-2023	<u>\$ 276,058.00</u>

PROPRIETARY FUNDS

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

	<u>Food Service</u>	<u>Camp Clementon Community Education</u>	<u>Total</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 186,428.55	\$ 355,640.32	\$ 542,068.87
Intergovernmental Accounts Receivable:			
Federal	19,844.35		19,844.35
State	390.29		390.29
Inventory:			
Food	1,133.94		1,133.94
Supplies	1,221.23		1,221.23
Commodities	2,916.48		2,916.48
Total Current Assets	<u>211,934.84</u>	<u>355,640.32</u>	<u>567,575.16</u>
Noncurrent Assets:			
Capital Assets:			
Machinery and Equipment	171,778.00		171,778.00
Less: Accumulated Depreciation	(139,542.00)		(139,542.00)
Total Capital Assets (Net of Accumulated Depreciation)	<u>32,236.00</u>	<u>-</u>	<u>32,236.00</u>
Total Noncurrent Assets	<u>32,236.00</u>	<u>-</u>	<u>32,236.00</u>
Total Assets	<u>244,170.84</u>	<u>355,640.32</u>	<u>599,811.16</u>
LIABILITIES:			
Current Liabilities:			
Accounts Payable - Due Students	1,812.34		1,812.34
Accounts Payable - Due to State		20,908.47	20,908.47
Interfund Accounts Payable:			
General Fund	3,248.73	15,919.31	19,168.04
Total Current Liabilities	<u>5,061.07</u>	<u>36,827.78</u>	<u>41,888.85</u>
Total Liabilities	<u>5,061.07</u>	<u>36,827.78</u>	<u>41,888.85</u>
NET POSITION:			
Net Investment in Capital Assets	32,236.00		32,236.00
Unrestricted	206,873.77	318,812.54	525,686.31
Total Net Position	<u>\$ 239,109.77</u>	<u>\$ 318,812.54</u>	<u>\$ 557,922.31</u>

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

	<u>Food Service</u>	<u>Camp Clementon Community Education</u>	<u>Total</u>
OPERATING REVENUES:			
Daily Sales - Non-Reimbursable Programs			
Adult and Alacarte Sales	\$ 34,335.51		\$ 34,335.51
Tuition and Fees		\$ 107,832.68	107,832.68
Total Operating Revenues	34,335.51	107,832.68	142,168.19
OPERATING EXPENSES:			
Food Service Management Company Salaries	109,611.13		109,611.13
Personnel Services - Salaries		45,860.88	45,860.88
Food Service Management Company Employee Benefits	33,133.64		33,133.64
Personnel Services - Employee Benefits		3,798.98	3,798.98
Purchased Professional and Technical Services	16,346.00		16,346.00
Purchased Professional - Educational Services		5,568.75	5,568.75
Other Purchased Services	4,613.15		4,613.15
Supplies and Materials	13,867.04	3,983.11	17,850.15
Depreciation	2,015.00		2,015.00
Cost of Sales:			
Reimbursable Program	106,509.20		106,509.20
Non-Reimbursable Program	10,533.88		10,533.88
Miscellaneous Expenditures	10,617.45		10,617.45
Total Operating Expenses	307,246.49	59,211.72	366,458.21
Operating Income (Loss)	(272,910.98)	48,620.96	(224,290.02)
NONOPERATING REVENUES (EXPENSES):			
State Sources:			
Seamless Summer Option - State	6,743.73		6,743.73
Federal Sources:			
After School Snack Program	6,957.00		6,957.00
Seamless Summer Option - Breakfast	39,324.96		39,324.96
Seamless Summer Option - Lunch	286,916.42		286,916.42
Summer Food Service Program	1,516.62		1,516.62
Food Distribution Program	16,628.89		16,628.89
Interest and Investment Revenue		403.65	403.65
Total Nonoperating Revenues (Expenses)	358,087.62	403.65	358,491.27
Change in Net Position	85,176.64	49,024.61	134,201.25
Net Position, July 1	153,933.13	269,787.93	423,721.06
Net Position, June 30	\$ 239,109.77	\$ 318,812.54	\$ 557,922.31

CLEMENTON SCHOOL DISTRICT
Proprietary Funds
Business-Type Activities - Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2022

	<u>Food Service</u>	<u>Camp Clementon Community Education</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers and Users	\$ 34,025.26	\$ 107,832.68	\$ 141,857.94
Payments to Suppliers	(304,367.40)	(9,551.86)	(313,919.26)
Payments to Employees		(45,860.88)	(45,860.88)
Payments for Employee Benefits		(3,798.98)	(3,798.98)
	<u>(270,342.14)</u>	<u>48,620.96</u>	<u>(221,721.18)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Federal Sources	359,308.09		359,308.09
State Sources	6,353.44		6,353.44
	<u>365,661.53</u>	<u>-</u>	<u>365,661.53</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and Dividends Received		403.65	403.65
	<u>-</u>	<u>403.65</u>	<u>403.65</u>
Net Increase in Cash and Cash Equivalents	95,319.39	49,024.61	144,344.00
Cash and Cash Equivalents, July 1	91,109.16	306,615.71	397,724.87
Cash and Cash Equivalents, June 30	<u>\$ 186,428.55</u>	<u>\$ 355,640.32</u>	<u>\$ 542,068.87</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Operating Income (Loss)	\$ (272,910.98)	\$ 48,620.96	\$ (224,290.02)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Depreciation	2,015.00		2,015.00
(Increase) Decrease in Inventories	864.09		864.09
Increase (Decrease) in Accounts Payable	(310.25)		(310.25)
	<u>2,568.84</u>	<u>-</u>	<u>2,568.84</u>
Total Adjustments	<u>2,568.84</u>	<u>-</u>	<u>2,568.84</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (270,342.14)</u>	<u>\$ 48,620.96</u>	<u>\$ (221,721.18)</u>

STATISTICAL SECTION

FINANCIAL TRENDS INFORMATION

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance.

CLEMENTON SCHOOL DISTRICT
 Net Position by Component
 Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30.									
	2022	2021#	2020	2019	2018	2017	2016	2015*	2014	2013
Governmental Activities:										
Net Investment in Capital Assets	\$ 5,063,614.61	\$ 5,249,142.61	\$ 5,540,325.41	\$ 5,729,908.86	\$ 5,637,348.25	\$ 3,824,343.91	\$ 3,482,552.28	\$ 3,323,614.12	\$ 3,037,931.25	\$ 2,913,510.38
Restricted	3,764,608.49	2,937,511.50	1,918,394.33	2,305,364.66	2,709,827.49	3,427,861.70	2,871,048.01	2,439,948.99	1,801,261.39	1,696,504.64
Unrestricted (Deficit)	<u>(1,499,212.68)</u>	<u>(1,542,502.50)</u>	<u>(1,370,276.95)</u>	<u>(1,840,940.29)</u>	<u>(1,333,780.07)</u>	<u>(1,154,633.92)</u>	<u>(1,790,250.71)</u>	<u>(1,950,556.20)</u>	<u>(1,935,272.61)</u>	<u>(610,570.45)</u>
Total Governmental Activities Net Position	<u>\$ 7,329,010.42</u>	<u>\$ 6,644,151.61</u>	<u>\$ 6,088,442.79</u>	<u>\$ 6,194,333.23</u>	<u>\$ 7,013,395.67</u>	<u>\$ 6,097,571.69</u>	<u>\$ 4,563,349.58</u>	<u>\$ 3,813,006.91</u>	<u>\$ 2,903,920.03</u>	<u>\$ 3,999,444.57</u>
Business-Type Activities:										
Net Investment in Capital Assets	\$ 32,236.00	\$ 34,251.00	\$ 39,235.00	\$ 40,275.00	\$ 34,105.00	\$ 42,580.00	\$ 39,957.00	\$ 47,705.00	\$ 55,521.00	\$ 63,407.00
Unrestricted	<u>525,686.31</u>	<u>389,470.06</u>	<u>355,287.46</u>	<u>298,812.40</u>	<u>285,915.78</u>	<u>205,167.14</u>	<u>162,897.12</u>	<u>117,431.07</u>	<u>124,788.24</u>	<u>109,198.66</u>
Total Business-Type Activities Net Position	<u>\$ 557,922.31</u>	<u>\$ 423,721.06</u>	<u>\$ 394,522.46</u>	<u>\$ 339,087.40</u>	<u>\$ 320,020.78</u>	<u>\$ 247,747.14</u>	<u>\$ 202,854.12</u>	<u>\$ 165,136.07</u>	<u>\$ 180,309.24</u>	<u>\$ 172,605.66</u>
Government-Wide:										
Net Investment in Capital Assets	\$ 5,095,850.61	\$ 5,283,393.61	\$ 5,579,560.41	\$ 5,770,183.86	\$ 5,671,453.25	\$ 3,866,923.91	\$ 3,522,509.28	\$ 3,371,319.12	\$ 3,093,452.25	\$ 2,976,917.38
Restricted	3,764,608.49	2,937,511.50	1,918,394.33	2,305,364.66	2,709,827.49	3,427,861.70	2,871,048.01	2,439,948.99	1,801,261.39	1,696,504.64
Unrestricted (Deficit)	<u>(973,526.37)</u>	<u>(1,153,032.44)</u>	<u>(1,014,989.49)</u>	<u>(1,542,127.89)</u>	<u>(1,047,864.29)</u>	<u>(949,466.78)</u>	<u>(1,627,353.59)</u>	<u>(1,833,125.13)</u>	<u>(1,810,484.37)</u>	<u>(501,371.79)</u>
Total Government-Wide Net Position	<u>\$ 7,886,932.73</u>	<u>\$ 7,067,872.67</u>	<u>\$ 6,482,965.25</u>	<u>\$ 6,533,420.63</u>	<u>\$ 7,333,416.45</u>	<u>\$ 6,345,318.83</u>	<u>\$ 4,766,203.70</u>	<u>\$ 3,978,142.98</u>	<u>\$ 3,084,229.27</u>	<u>\$ 4,172,050.23</u>

* The implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, was effective beginning with the fiscal year ended June 30, 2015.

For the fiscal year ended June 30, 2021, the School District implemented GASBS No. 84, and because of this implementation the School District has determined that certain activities that were previously reported in the fiduciary fund now meet the criteria for reporting as governmental activities. Balances prior to June 30, 2021 are shown as originally reported and have not been restated for this adoption.

Source: Annual Comprehensive Financial Report Exhibit A-1.

CLEMENTON SCHOOL DISTRICT
 Changes in Net Position
 Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2022	2021 #	2020	2019	2018	2017	2016	2015 *	2014	2013
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 3,677,745.69	\$ 3,245,493.42	\$ 2,982,827.39	\$ 3,039,360.91	\$ 2,992,142.08	\$ 3,017,969.92	\$ 2,854,815.19	\$ 2,821,858.53	\$ 2,845,950.63	\$ 2,889,736.57
Special Education	1,144,129.68	867,030.33	884,987.01	730,938.95	632,035.47	717,919.36	758,730.08	720,609.51	653,593.97	633,144.98
Other Special Instruction	91,432.75	55,828.49	54,435.60	56,520.76	54,295.19	7,921.49	31,795.67	82,410.57	76,755.00	1,000.00
Other Instruction	40,378.91	8,973.47	38,100.57	45,085.34	42,993.84	41,031.02	42,687.21	36,370.18	39,002.15	34,531.68
Support Services:										
Tuition	3,606,208.75	3,509,889.81	3,606,633.83	3,674,111.41	3,177,266.96	2,991,727.96	3,329,269.36	3,363,785.42	3,731,577.35	3,795,588.99
Student and Instruction Related Services	1,274,968.78	934,304.39	1,037,910.78	1,046,658.31	964,116.34	999,211.81	838,316.18	812,623.24	782,578.79	806,058.08
Other Administrative Services	443,960.13	389,508.93	386,058.41	371,901.08	367,156.78	445,153.24	340,974.56	314,274.25	283,565.67	386,628.47
School Administrative Services	349,585.94	328,351.37	321,782.38	321,564.65	339,414.71	316,789.44	337,847.31	377,780.71	355,526.98	353,764.89
Plant Operations and Maintenance	540,414.52	640,499.29	472,875.90	434,502.73	467,719.20	451,146.25	487,696.41	461,712.18	519,051.17	517,495.86
Pupil Transportation	511,864.29	355,491.90	661,686.78	1,003,319.45	602,152.19	669,000.31	572,523.78	432,337.03	575,282.42	442,717.23
Personal Services - Employee Benefits	3,127,734.29	4,239,967.23	3,133,109.29	4,842,441.89	4,255,315.41	3,882,449.25	3,269,088.52	2,857,537.59	1,894,955.88	1,954,284.45
Capital Outlay	122,030.00									
Transfer of Funds to Charter School	31,078.00	48,940.00	45,836.00	229,180.53	150,249.00	165,573.00	51,507.00	59,369.00	19,386.00	34,141.00
Interest on Long-term Debt					15,982.71	26,656.13	33,659.89	40,561.02	51,735.35	86,173.01
Unallocated Depreciation	30,756.42	30,029.41	34,108.59	37,960.64	34,022.02	30,225.71	33,210.28	29,585.11	29,354.50	29,109.40
Total Governmental Activities Expenses	14,992,288.15	14,654,308.04	13,660,352.53	15,833,546.65	14,094,861.90	13,762,774.89	12,982,121.44	12,410,814.34	11,858,315.86	11,964,374.61
Business-Type Activities:										
Food Service	307,246.49	210,989.85	236,623.40	258,773.53	236,351.53	243,719.71	234,792.20	237,690.00	246,356.61	255,227.12
Camp Clementon Community Education	59,211.72	5,685.28	101,742.50	118,259.37	62,726.50	67,660.28	67,410.28	77,906.70	44,167.83	45,508.40
Total Business-Type Activities Expense	366,458.21	216,675.13	338,365.90	377,032.90	299,078.03	311,379.99	302,202.48	315,596.70	290,524.44	300,735.52
Total Government-Wide Expenses	\$ 15,358,746.36	\$ 14,870,983.17	\$ 13,998,718.43	\$ 16,210,579.55	\$ 14,393,939.93	\$ 14,074,154.88	\$ 13,284,323.92	\$ 12,726,411.04	\$ 12,148,840.30	\$ 12,265,110.13
Program Revenues:										
Governmental Activities:										
Charges for Services	\$ 97,669.98	\$ 14,217.47	\$ 58,235.70	\$ 91,532.84	\$ 75,125.00	\$ 164,803.78	\$ 129,958.73	\$ 87,815.55	\$ 80,870.39	\$ 1,324.00
Operating Grants and Contributions	1,505,813.56	2,253,087.71	1,185,649.22	3,899,213.46	3,511,420.72	3,067,622.78	2,371,018.47	2,036,553.42	1,159,245.92	1,274,180.80
Capital Grants and Contributions	122,030.00							97,831.90		
Total Governmental Activities Program Revenues	1,725,513.54	2,267,305.18	1,243,884.92	3,990,746.30	3,586,545.72	3,232,426.56	2,500,977.20	2,222,200.87	1,240,116.31	1,275,504.80
Business-Type Activities:										
Charges for services:										
Food Service	34,335.51	2,325.42	49,453.65	64,798.68	61,382.42	57,967.44	56,797.56	51,291.50	58,527.87	67,379.42
Camp Clementon Community Education	107,832.68		132,579.54	132,540.65	131,460.66	118,672.79	102,073.80	71,178.07	68,476.54	75,654.24
Operating Grants and Contributions	358,087.62	239,747.94	208,398.66	195,842.65	178,279.87	179,632.78	181,049.17	177,952.77	171,000.64	172,113.86
Total Business-Type Activities Program Revenues	500,255.81	242,073.36	390,431.85	393,181.98	371,122.95	356,273.01	339,920.53	300,422.34	298,005.05	315,147.52
Total Government-Wide Program Revenues	\$ 2,225,769.35	\$ 2,509,378.54	\$ 1,634,316.77	\$ 4,383,928.28	\$ 3,957,668.67	\$ 3,588,699.57	\$ 2,840,897.73	\$ 2,522,623.21	\$ 1,538,121.36	\$ 1,590,652.32
Net (Expense) / Revenue:										
Governmental Activities	\$ (13,266,774.61)	\$ (12,387,002.86)	\$ (12,416,467.61)	\$ (11,842,800.35)	\$ (10,508,316.18)	\$ (10,530,348.33)	\$ (10,481,144.24)	\$ (10,188,613.47)	\$ (10,618,199.55)	\$ (10,688,869.81)
Business-Type Activities	133,797.60	25,398.23	52,065.95	16,149.08	72,044.92	44,893.02	37,718.05	(15,174.36)	7,480.61	14,412.00
Total Government-Wide Net Expense	\$ (13,132,977.01)	\$ (12,361,604.63)	\$ (12,364,401.66)	\$ (11,826,651.27)	\$ (10,436,271.26)	\$ (10,485,455.31)	\$ (10,443,426.19)	\$ (10,203,787.83)	\$ (10,610,718.94)	\$ (10,674,457.81)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes, Levied for General Purposes	\$ 4,457,911.00	\$ 4,457,911.00	\$ 4,370,501.00	\$ 4,284,805.00	\$ 4,200,789.00	\$ 4,159,197.03	\$ 4,118,079.04	\$ 4,076,653.00	\$ 3,997,359.00	\$ 3,918,979.00
Property Taxes, Levied for Debt Service					456,409.00	446,537.01	432,389.00	445,380.01	328,678.00	335,512.00
Federal and State Aid - Unrestricted	9,460,137.01	8,248,395.63	7,705,412.25	6,597,777.53	6,462,178.70	6,497,913.76	6,450,408.88	6,518,714.99	6,431,998.98	6,303,600.34
Federal and State Aid - Restricted									97,195.50	84,966.42
Interest and Investment Earnings - Unrestricted	7,445.41	33,467.83	12,240.81	28,076.68	12,283.79	6,276.89		1.27	7,243.76	10,695.10
Interest and Investment Earnings - Restricted	653.43	6,170.04	7,326.66	9,557.96	1,368.14			1.15	1,352.37	1,163.76
Miscellaneous	25,486.57	29,465.89	150,903.45	103,520.74	261,111.53	955,244.75	230,609.99	56,949.93	127,986.40	82,759.97
Cancellation of Prior Year Liability			64,193.00							
Gain (Loss) on Disposal of Capital Assets						(599.00)		(4,805.00)		
Transfers					30,000.00					
Total Governmental Activities	13,951,633.42	12,775,410.39	12,310,577.17	11,023,737.91	11,424,140.16	12,064,570.44	11,231,486.91	11,092,895.35	10,991,814.01	10,737,676.59

(Continued)

CLEMENTON SCHOOL DISTRICT
 Changes in Net Position
 Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2022	2021 #	2020	2019	2018	2017	2016	2015 *	2014	2013
General Revenues and Other Changes in Net Position (Cont'd):										
Business-Type Activities:										
Interest and Investment Earnings - Unrestricted	\$ 403.65	\$ 3,800.37	\$ 3,369.11	\$ 2,917.54	\$ 228.72	\$ -	\$ -	\$ 1.19	\$ 222.97	\$ 218.57
Total Business-Type Activities	<u>403.65</u>	<u>3,800.37</u>	<u>3,369.11</u>	<u>2,917.54</u>	<u>228.72</u>	<u>-</u>	<u>-</u>	<u>1.19</u>	<u>222.97</u>	<u>218.57</u>
Total Government-Wide	<u>\$ 13,952,037.07</u>	<u>\$ 12,779,210.76</u>	<u>\$ 12,313,946.28</u>	<u>\$ 11,026,655.45</u>	<u>\$ 11,424,368.88</u>	<u>\$ 12,064,570.44</u>	<u>\$ 11,231,486.91</u>	<u>\$ 11,092,896.54</u>	<u>\$ 10,992,036.98</u>	<u>\$ 10,737,895.16</u>
Change in Net Position:										
Governmental Activities	\$ 684,858.81	\$ 388,407.53	\$ (105,890.44)	\$ (819,062.44)	\$ 915,823.98	\$ 1,534,222.11	\$ 750,342.67	\$ 904,281.88	\$ 373,614.46	\$ 48,806.78
Business-Type Activities	<u>134,201.25</u>	<u>29,198.60</u>	<u>55,435.06</u>	<u>19,066.62</u>	<u>72,273.64</u>	<u>44,893.02</u>	<u>37,718.05</u>	<u>(15,173.17)</u>	<u>7,703.58</u>	<u>14,630.57</u>
Total Government-Wide	<u>\$ 819,060.06</u>	<u>\$ 417,606.13</u>	<u>\$ (50,455.38)</u>	<u>\$ (799,995.82)</u>	<u>\$ 988,097.62</u>	<u>\$ 1,579,115.13</u>	<u>\$ 788,060.72</u>	<u>\$ 889,108.71</u>	<u>\$ 381,318.04</u>	<u>\$ 63,437.35</u>

* The implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, was effective beginning with the fiscal year ended June 30, 2015.

For the fiscal year ended June 30, 2021, the School District implemented GASBS No. 84, and because of this implementation the School District has determined that certain activities that were previously reported in the fiduciary fund now meet the criteria for reporting as governmental activities. Balances prior to June 30, 2021 are shown as originally reported and have not been restated for this adoption.

Source: Annual Comprehensive Financial Report Exhibit A-2.

CLEMENTON SCHOOL DISTRICT
Fund Balances, Governmental Funds
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	<u>2022</u>	<u>2021*</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Fund:										
Restricted	\$ 3,741,076.70	\$ 2,909,936.70	\$ 1,918,394.33	\$ 2,305,364.66	\$ 2,709,826.98	\$ 3,427,861.19	\$ 2,871,047.51	\$ 2,426,498.09	\$ 1,741,447.40	\$ 1,686,744.27
Committed					557,823.88	836,442.68				
Assigned	6,835.30	54,476.77	530,075.50	199,133.45	206,640.69	120,077.47	313,617.70	111,248.56	205,348.28	109,771.39
Unassigned (Deficit)	(293,664.41)	(179,070.27)	(377,245.00)	(373,921.50)	(316,811.40)	(300,499.10)	(325,882.70)	(288,099.70)	(340,671.00)	(341,800.43)
Total General Fund	<u>\$ 3,454,247.59</u>	<u>\$ 2,785,343.20</u>	<u>\$ 2,071,224.83</u>	<u>\$ 2,130,576.61</u>	<u>\$ 3,157,480.15</u>	<u>\$ 4,083,882.24</u>	<u>\$ 2,858,782.51</u>	<u>\$ 2,249,646.95</u>	<u>\$ 1,606,124.68</u>	<u>\$ 1,454,715.23</u>
All Other Governmental Funds:										
Restricted	\$ 23,531.79	\$ 27,574.80	\$ -	\$ -	\$ 0.51	\$ 0.51	\$ 0.50	\$ 13,450.90	\$ 59,813.99	\$ 9,760.37
Unassigned (Deficit)			(2,620.64)	(6,212.50)	(10,491.60)	(1,830.98)	(9,617.30)	(8,824.30)	(5,985.99)	(6,216.49)
Total All Other Governmental Funds	<u>\$ 23,531.79</u>	<u>\$ 27,574.80</u>	<u>\$ (2,620.64)</u>	<u>\$ (6,212.50)</u>	<u>\$ (10,491.09)</u>	<u>\$ (1,830.47)</u>	<u>\$ (9,616.80)</u>	<u>\$ 4,626.60</u>	<u>\$ 53,828.00</u>	<u>\$ 3,543.88</u>

* For the fiscal year ended June 30, 2021, the School District implemented GASBS No. 84, and because of this implementation the School District has determined that certain activities that were previously reported in the fiduciary fund now meet the criteria for reporting as governmental activities. Balances prior to June 30, 2021 are shown as originally reported and have not been restated for this adoption.

Source: Annual Comprehensive Financial Report Exhibit B-1.

CLEMENTON SCHOOL DISTRICT
 Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues:										
Local Tax Levy	\$ 4,457,911.00	\$ 4,457,911.00	\$ 4,370,501.00	\$ 4,284,805.00	\$ 4,657,198.00	\$ 4,605,734.04	\$ 4,550,468.04	\$ 4,522,033.01	\$ 4,326,037.00	\$ 4,254,491.00
Tuition Charges	91,537.67	5,786.82	58,235.70	91,532.84	75,125.00	164,803.78	129,958.73	87,815.55	80,870.39	1,324.00
Interest Earned on Capital Reserve Funds	454.18	4,246.81	7,326.66	9,557.96	1,368.14			1.15	1,352.37	1,163.76
Interest Earnings										
Textbook Sales and Rentals										93,455.07
Other Restricted Miscellaneous Revenues	199.25	1,923.23								
Unrestricted Miscellaneous Revenues	32,931.98	62,933.72	163,144.26	131,597.42	273,395.32	961,521.64	230,609.99	61,756.20	135,230.16	428,749.49
Federal Sources	1,064,786.07	649,849.82	475,621.04	527,740.76	509,180.16	542,751.66	411,118.78	492,818.49	478,774.54	7,233,998.07
State Sources	10,153,163.50	8,679,135.52	8,032,530.72	7,877,749.74	7,635,662.26	7,460,515.88	7,350,083.57	7,366,521.82	7,209,665.86	
Local Sources	9,132.31	8,930.65	2,994.71	4,154.49						
Total Revenue	15,810,115.96	13,870,717.57	13,110,354.09	12,927,138.21	13,151,928.88	13,735,327.00	12,672,239.11	12,530,946.22	12,231,930.32	12,013,181.39
Expenditures:										
Current:										
Instruction:										
Regular Instruction	3,584,350.33	3,013,667.44	2,722,132.80	2,782,807.98	2,748,063.92	2,799,056.38	2,610,277.74	2,610,783.78	2,639,611.93	2,684,144.72
Special Education Instruction	1,144,129.68	867,030.33	884,987.01	730,938.95	632,035.47	717,919.36	751,033.10	719,759.08	650,525.95	636,778.17
Other Special Instruction	91,432.75	55,828.49	54,435.60	56,520.76	54,295.19	7,921.49	31,795.67	82,410.57	76,755.00	1,000.00
Other Instruction	40,378.91	8,973.47	38,100.57	45,085.34	42,993.84	41,031.02	42,687.21	36,370.18	39,002.15	34,531.68
Support Services and Undistributed Costs:										
Tuition	3,606,208.75	3,509,889.81	3,606,633.83	3,674,111.41	3,177,266.96	2,991,727.96	3,329,269.36	3,363,785.42	3,731,577.35	3,795,588.99
Student and Instruction Related Services	1,274,968.78	934,304.39	1,037,910.78	1,046,658.31	964,116.34	999,211.81	838,316.18	812,623.24	782,578.79	806,058.08
Other Administrative Services	413,204.73	359,480.53	351,950.97	333,941.73	332,759.14	430,645.45	303,593.97	284,690.15	254,212.17	308,725.07
School Administrative Services	349,585.94	328,351.37	321,782.38	337,712.15	339,011.02	316,392.21	337,621.25	375,503.91	355,526.98	353,764.89
Plant Operations and Maintenance	509,659.13	610,470.89	443,924.75	396,543.36	433,789.61	423,361.12	453,776.54	429,840.52	442,831.69	455,390.30
Pupil Transportation	511,864.29	355,491.90	661,686.78	1,003,319.45	602,152.19	669,000.31	572,523.78	432,337.03	575,282.42	442,717.23
Personal Services - Employee Benefits	3,588,393.29	3,192,171.23	2,850,393.29	2,840,783.89	2,469,206.41	2,267,521.07	2,228,510.35	2,100,538.47	1,942,363.16	2,017,492.46
Capital Outlay		9,105.20	146,339.25	472,159.30	1,714,643.50	226,542.76	82,935.30	183,234.00	85,108.00	45,693.16
Transfer of Funds to Charter Schools	31,078.00	48,940.00	45,836.00	229,180.53	150,249.00	165,573.00	51,507.00	59,369.00	19,386.00	34,141.00
Debt Service:										
Principal					449,000.00	432,000.00	422,000.00	417,000.00	393,000.00	345,000.00
Interest and Other Charges					7,409.00	14,537.00	21,499.50	23,380.00	42,475.16	100,857.50
Total Expenditures	15,145,254.58	13,293,705.05	13,166,114.01	13,949,763.16	14,116,991.59	12,502,440.94	12,077,346.95	11,931,625.35	12,030,236.75	12,061,883.25
Excess (Deficiency) of Revenues	664,861.38	577,012.52	(55,759.92)	(1,022,624.95)	(965,062.71)	1,232,886.06	594,892.16	599,320.87	201,693.57	(48,701.86)
Other Financing Sources (Uses):										
Proceeds of Refunding Bonds										1,753,000.00
Payment to Refunded Bond Escrow Agent										(1,721,347.24)
Transfers In					30,000.00		(2,339.90)		66,708.00	
Transfers Outs							2,339.90		(66,708.00)	
Total Other Financing Sources (Uses)	-	-	-	-	30,000.00	-	-	-	-	31,652.76
Net Change in Fund Balances	\$ 664,861.38	\$ 577,012.52	\$ (55,759.92)	\$ (1,022,624.95)	\$ (935,062.71)	\$ 1,232,886.06	\$ 594,892.16	\$ 599,320.87	\$ 201,693.57	\$ (17,049.10)
Debt Service as a Percentage of										
Noncapital Expenditures	-	-	-	-	3.7%	3.6%	3.7%	3.7%	3.6%	3.7%

Source: Annual Comprehensive Financial Report Exhibit B-2.

CLEMENTON SCHOOL DISTRICT
 General Fund - Unrestricted Miscellaneous Revenues by Source
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
E-Rate Reimbursements	\$ 12,544.80		\$ 7,987.20	\$ 12,992.10	\$ 14,858.31	\$ 56,536.68	\$ 25,175.69	\$ 12,368.09	\$ 15,590.62	\$ 21,053.94
Book Fine								109.00		
Cancellation of Accrued Wages							139,001.24			
Endowment Donation						840,442.68				
Insurance Reimbursements / Surplus		\$ 3,000.00						7,227.00		6,170.00
Interest on Investments		35,279.68	22,352.39	3,404.38	12,283.79	6,276.89		1.27	7,243.76	10,695.10
Miscellaneous	8,867.26	6,168.87	25,079.28	16,360.61	3,529.31	33.60	927.09	225.50	1,818.79	3,231.08
Refunds					3,990.17	1,527.00	10,216.10	9,981.44	1,829.08	6,494.28
Rent			19,618.24	24,000.00						4,400.00
Refund of Prior Year's Expenditures	3,667.31	15,941.35	21,944.66	7,960.94	218,971.49	32,809.07	10,086.54	5,000.00	36,173.81	14,370.67
Solar Renewable Energy Credits	407.20	1,708.80	66,162.49	26,872.81	19,762.25	23,895.72	37,061.68	22,038.90	26,462.50	27,040.00
Tuition		835.02					8,141.65		46,111.60	
	<u>\$ 25,486.57</u>	<u>\$ 62,933.72</u>	<u>\$ 163,144.26</u>	<u>\$ 91,590.84</u>	<u>\$ 273,395.32</u>	<u>\$ 961,521.64</u>	<u>\$ 230,609.99</u>	<u>\$ 56,951.20</u>	<u>\$ 135,230.16</u>	<u>\$ 93,455.07</u>

Source: School District records.

REVENUE CAPACITY INFORMATION

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

CLEMENTON SCHOOL DISTRICT
 Assessed Value and Actual Value of Taxable Property
 Last Ten Years
Unaudited

Year Ended Dec. 31	Vacant Land	Residential	Farm	Qfarm	Commercial	Apartment	Total Assessed Value	Public Utilities ⁽¹⁾	Net Valuation Taxable	Tax-Exempt Property	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ⁽²⁾
2022	\$ 3,942,000.00	\$ 197,729,770.00	\$ 160,600.00	\$ 6,300.00	\$ 33,866,000.00	\$ 15,709,300.00	\$ 251,413,970.00	\$ -	\$ 251,413,970.00	\$ 30,142,500.00	\$ 278,171,376.00	\$ 1.773
2021	4,183,500.00	196,121,490.00	160,600.00	6,300.00	33,737,200.00	15,709,300.00	249,918,390.00	-	249,918,390.00	31,629,600.00	257,938,255.00	1.784
2020	4,172,800.00	195,421,110.00	160,600.00	6,300.00	33,872,800.00	15,709,300.00	249,342,910.00	-	249,342,910.00	31,249,800.00	257,977,215.00	1.770
2019	4,119,300.00	195,228,760.00	160,600.00	6,300.00	33,984,900.00	15,709,300.00	249,209,160.00	-	249,209,160.00	31,058,100.00	253,419,658.00	1.737
2018	4,385,900.00	194,608,100.00	160,600.00	6,300.00	33,734,900.00	15,709,300.00	248,605,100.00	-	248,605,100.00	31,147,100.00	250,906,664.00	1.798
2017	5,410,700.00	216,159,900.00	179,500.00	6,000.00	36,902,600.00	14,435,000.00	273,093,700.00	-	273,093,700.00	40,491,100.00	248,107,958.00	1.695
2016	5,307,700.00	218,920,200.00	179,500.00	6,000.00	41,833,000.00	14,435,000.00	280,681,400.00	-	280,681,400.00	37,170,200.00	259,589,006.00	1.631
2015	4,691,700.00	219,444,600.00	179,500.00	6,000.00	41,939,500.00	14,435,000.00	280,696,300.00	-	280,696,300.00	37,092,300.00	238,590,125.00	1.616
2014	4,922,100.00	223,676,400.00	179,500.00	6,000.00	42,682,500.00	14,619,800.00	286,086,300.00	-	286,086,300.00	37,099,100.00	269,191,207.76	1.546
2013	4,505,400.00	224,319,000.00	179,500.00	6,000.00	44,053,800.00	14,619,800.00	287,683,500.00	495,251.00	288,178,751.00	38,090,800.00	281,392,416.00	1.488

⁽¹⁾ taxable value of communication equipment.

⁽²⁾ tax rates are per \$100.00 of assessed valuation.

Source: Camden County Board of Taxation.

CLEMENTON SCHOOL DISTRICT
 Direct and Overlapping Property Tax Rates
 Last Ten Years
 (Rate per \$100 of Assessed Value)
Unaudited

Year Ended <u>Dec. 31</u>	<u>School District Direct Rate</u>			<u>Overlapping Rates</u>		<u>Total Direct and Overlapping Tax Rate</u>
	<u>Basic Rate</u>	<u>General Obligation Debt Service</u>	<u>Total Direct School Tax Rate</u>	<u>Borough of Clementon</u>	<u>Camden County</u>	
2022	\$ 1.773	\$ -	\$ 1.773	\$ 1.697	\$ 0.868	\$ 4.338
2021	1.784	-	1.784	1.697	0.871	4.352
2020	1.770	-	1.770	1.650	0.879	4.299
2019	1.718	-	1.718	1.605	0.809	4.132
2018	1.706	0.092	1.798	1.597	0.901	4.296
2017	1.531	0.165	1.696	1.408	0.775	3.879
2016	1.474	0.157	1.631	1.292	0.814	3.737
2015	1.460	0.156	1.616	1.279	0.745	3.640
2014	1.411	0.135	1.545	1.263	0.803	3.611
2013	1.374	0.115	1.488	1.194	0.814	3.496

Source: Municipal Tax Collector.

CLEMENTON SCHOOL DISTRICT
Principal Property Tax Payers
Current Year and Nine Years Ago
Unaudited

<u>Taxpayer</u>	<u>2022</u>			<u>2013</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
Silver Lake Manor LLC	\$ 7,277,800.00	1	23.92%			
Clementon Lake Holding LLC	4,573,800.00	2	15.03%			
Chestnut Arm Realty LLC	4,261,200.00	3	14.00%			
Medici LLC	3,264,600.00	4	10.73%		Not Available	
First Northern Star	2,100,600.00	5	6.90%			
YF Lincoln Holdings & Lincoln Ct Apts	1,889,800.00	6	6.21%			
Daniel G. Kamin White Horse Pike LLC	1,865,100.00	7	6.13%			
Clementon Equities LLC	1,860,500.00	8	6.11%			
Three-B Sac Self Storage Limited	1,736,000.00	9	5.70%			
Liberty Manor Apts LLC & EX LLC	1,600,100.00	10	5.26%			
Total	\$ 30,429,500.00		100.00%	\$ -		-

Source: Municipal Tax Assessor.

CLEMENTON SCHOOL DISTRICT
 Property Tax Levies and Collections
 Last Ten Fiscal Years
Unaudited

Fiscal Year Ended <u>June 30,</u>	School District Taxes Levied for the <u>Fiscal Year</u>	Collected within the Fiscal Year of the <u>the Levy</u> ⁽¹⁾		Collections in <u>Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2022	\$ 4,457,911.00	\$ 4,086,417.50	91.67%	\$ 371,493.50
2021	4,457,911.00	4,414,206.00	99.02%	43,705.00
2020	4,370,501.00	4,370,501.00	100.00%	
2019	4,284,805.00	4,284,805.00	100.00%	
2018	4,657,198.00	4,657,198.00	100.00%	
2017	4,605,734.04	4,605,734.04	100.00%	
2016	4,550,468.04	4,550,468.04	100.00%	
2015	4,522,033.01	4,522,033.01	100.00%	
2014	4,326,037.00	3,965,533.88	91.67%	360,503.12
2013	4,254,491.00	3,899,950.09	91.67%	354,540.91

⁽¹⁾ School District taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the School District the entire property tax balance, in the amount voted or certified prior to the end of the school year.

Source: School District records.

DEBT CAPACITY INFORMATION

Debt capacity information is intended to assist users in understanding and assessing the School District's debt burden and its ability to issue additional debt. Please refer to the following exhibits for a historical view of the School District's outstanding debt and its debt capacity.

CLEMENTON SCHOOL DISTRICT
 Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years
Unaudited

Fiscal Year Ended <u>June 30.</u>	<u>Governmental Activities</u>		Total <u>School District</u>	Percentage of Personal <u>Income</u> ⁽³⁾	<u>Per Capita</u> ⁽⁴⁾
	General Obligation <u>Bonds</u> ⁽¹⁾	Business-Type <u>Activities</u> ⁽²⁾			
2022	-	-	-	-	-
2021	-	-	-	-	-
2020	-	-	-	-	-
2019	-	-	-	-	-
2018	-	-	-	-	-
2017	\$ 449,000.00	-	\$ 449,000.00	0.18%	\$ 91.54
2016	881,000.00	-	881,000.00	0.37%	179.69
2015	1,303,000.00	-	1,303,000.00	0.57%	265.32
2014	1,720,000.00	-	1,720,000.00	0.77%	348.74
2013	2,113,000.00	-	2,113,000.00	0.96%	426.09

Sources:

⁽¹⁾ School District records.

⁽²⁾ No outstanding debt exists for business-type activities.

⁽³⁾ Personal income has been estimated based upon the municipal population and per capita.

⁽⁴⁾ Per Capita calculation based upon population information provided by the New Jersey Department of Labor and Workforce Development.

CLEMENTON SCHOOL DISTRICT
 Ratios of Net General Bonded Debt Outstanding
 Last Ten Fiscal Years
Unaudited

Fiscal Year Ended <u>June 30.</u>	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation <u>Taxable</u> ⁽²⁾	<u>Per Capita</u> ⁽³⁾
	General Obligation <u>Bonds</u>	<u>Deductions</u>	Net General Bonded Debt Outstanding ⁽¹⁾		
2022	-	-	-	-	-
2021	-	-	-	-	-
2020	-	-	-	-	-
2019	-	-	-	-	-
2018	-	-	-	-	-
2017	\$ 449,000.00	-	\$ 449,000.00	0.16%	\$ 91.54
2016	881,000.00	-	881,000.00	0.31%	179.69
2015	1,303,000.00	-	1,303,000.00	0.46%	265.32
2014	1,720,000.00	-	1,720,000.00	0.60%	348.74
2013	2,113,000.00	-	2,113,000.00	0.73%	426.09

Sources:

⁽¹⁾ School District records.

⁽²⁾ Net Assessed Valuation provided by Abstract of Ratables, County Board of Taxation.

⁽³⁾ Per Capita calculation based upon population information provided by the New Jersey Department of Labor and Workforce Development.

CLEMENTON SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 June 30, 2022
Unaudited

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Clementon Borough</u>
Municipal Debt: ⁽¹⁾				
Clementon School District	\$ -	\$ -		
Self-Liquidating Purposes	4,486,033.09	4,486,033.09		
Municipal / County General Obligations	4,197,986.08		\$ 4,197,986.08	\$ 4,197,986.08
	<u>8,684,019.17</u>	<u>4,486,033.09</u>	<u>4,197,986.08</u>	<u>4,197,986.08</u>
Overlapping Debt Apportioned to the Municipality:				
County of Camden: ⁽²⁾				
General:				
Bonds	37,050,000.00	16,715,177.00 ⁽³⁾	20,334,823.00	137,888.39 ⁽⁵⁾
Notes	10,461,125.00		10,461,125.00	70,935.84
Loan Agreements	345,677,884.00		345,677,884.00	2,344,006.97 ⁽⁵⁾
Bonds Issued by Other Public Bodies				
Guaranteed by the County	239,049,706.00	239,049,706.00 ⁽⁴⁾		
	<u>632,238,715.00</u>	<u>255,764,883.00</u>	<u>376,473,832.00</u>	<u>2,552,831.19</u>
	<u>\$ 640,922,734.17</u>	<u>\$ 260,250,916.09</u>	<u>\$ 380,671,818.08</u>	<u>\$ 6,750,817.27</u>

Sources:

⁽¹⁾ December 31, 2021 Annual Debt Statement - Clementon Borough

⁽²⁾ County of Camden

⁽³⁾ includes reserve for payment of bonds, other accounts receivable, and general obligation pension refunding bonds

⁽⁴⁾ deductible in accordance with N.J.S. 40:37A-80

⁽⁵⁾ Such debt is allocated as a proportion of the Borough's share of the total 2021 Equalized Value, which is .68%.
 The source for this computation was the 2021 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

CLEMENTON SCHOOL DISTRICT
 Legal Debt Margin Information
 Last Ten Fiscal Years
Unaudited

Legal Debt Margin Calculation for Fiscal Year 2022:

Equalized Valuation Basis: ⁽¹⁾

2021	\$ 275,635,149.00
2020	\$ 256,446,477.00
2019	256,943,149.00

[A] \$ 789,024,775.00

Average equalized valuation of taxable property [A/3] \$ 263,008,258.33

Debt limit (4% of average equalization value) ⁽²⁾ [B] \$ 10,520,330.33

Total Net Debt Applicable to Limit [C] -

Legal Debt Margin [B-C] \$ 10,520,330.33

	Fiscal Year Ended June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Debt limit	\$ 10,520,330.33	\$ 10,204,269.47	\$ 10,128,339.40	\$ 10,116,351.79	\$ 10,179,588.88	\$ 9,616,208.71	\$ 9,393,048.25	\$ 8,846,081.72	\$ 9,314,712.49	\$ 9,188,457.77
Total net debt applicable to limit ⁽³⁾	-	-	-	-	-	449,000.00	881,000.00	1,303,000.00	1,720,000.00	2,113,000.00
Legal debt margin	<u>\$ 10,520,330.33</u>	<u>\$ 10,204,269.47</u>	<u>\$ 10,128,339.40</u>	<u>\$ 10,116,351.79</u>	<u>\$ 10,179,588.88</u>	<u>\$ 9,167,208.71</u>	<u>\$ 8,512,048.25</u>	<u>\$ 7,543,081.72</u>	<u>\$ 7,594,712.49</u>	<u>\$ 7,075,457.77</u>
Total net debt applicable to the limit as a percentage of debt limit	-	-	-	-	-	4.67%	9.38%	14.73%	18.47%	23.00%

Sources:

⁽¹⁾ 2021 Annual Debt Statement - Clementon Borough

⁽²⁾ Limit set by N.J.S.A. 18A:24-19 for a K through 12 district.

⁽³⁾ School District records.

DEMOGRAPHIC AND ECONOMIC INFORMATION

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within which the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

CLEMENTON SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended <u>June 30,</u>	<u>Population</u> ⁽¹⁾		<u>Personal Income</u> ⁽²⁾		<u>Per Capita Personal Income</u> ⁽³⁾		<u>Unemployment Rate</u> ⁽⁴⁾
2022	5,321		*		*		*
2021	4,951	\$	291,267,330.00		\$ 58,830.00		7.4%
2020	4,959		276,613,020.00		55,780.00		11.0%
2019	4,952		266,120,480.00		53,740.00		4.9%
2018	4,926		255,605,214.00		51,889.00		5.4%
2017	4,905		246,378,150.00		50,230.00		5.7%
2016	4,903		239,604,707.00		48,869.00		6.2%
2015	4,911		230,453,586.00		46,926.00		8.8%
2014	4,932		223,197,660.00		45,255.00		10.3%
2013	4,959		221,211,072.00		44,608.00		9.0%

Sources:

- ⁽¹⁾ *Population information provided by the NJ Dept. of Labor and Workforce Development*
- ⁽²⁾ *Personal income has been estimated based upon the municipal population and per capita personal income.*
- ⁽³⁾ *Per Capita personal income by municipality-estimated based upon the 2010/2000 Census published by the US Bureau of Economic Analysis.*
- ⁽⁴⁾ *Unemployment data provided by the NJ Dept. of Labor and Workforce Development*
- * information not available.*

CLEMENTON SCHOOL DISTRICT
Principal Non-Governmental Employers
Current Year and Nine Years Ago
Unaudited

<u>Employer</u>	<u>2022</u>			<u>2013</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
The Cooper Health System	7,000	1	34.73%	6,000	1	26.37%
Virtua Health System	2,500	2	12.40%	4,000	2	17.58%
Campbell Soup Company	2,300	3	11.41%	2,000	5	8.79%
Our Lady of Lourdes Medical Center	2,000	4	9.92%	2,300	4	10.11%
American Water	2,000	4	9.92%			
TD Bank	1,300	6	6.45%			
Jefferson Health System	1,256	7	6.23%			
Aluminum Shapes	1,000	8	4.96%	1,300	8	5.71%
Lockheed Martin	800	9	3.97%			
Kennedy Health System				1,500	7	6.59%
Bancroft NeuroHealth				1,950	6	8.57%
L-3 Communications Systems East				1,200	9	5.27%
United State Parcel Service				2,500	3	10.99%
	<u>20,156</u>		<u>100.00%</u>	<u>22,750</u>		<u>100.00%</u>

Source: County of Camden
Philadelphia Business Journal, Book of Lists
Employee information for the Borough is not available.

OPERATING INFORMATION

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

CLEMENTON SCHOOL DISTRICT
 Full-Time Equivalent School District Employees by Function/Program
 Last Ten Fiscal Years
Unaudited

<u>Function / Program</u>	Fiscal Year Ended June 30,									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Instruction:										
Regular Instruction	51	47	50	51	53	53	52	49	48	49
Support Services:										
Student and Instruction Related Services	17	12	12	12	11	11	11	15	17	18
School Administrative Services	3	3	3	3	3	3	3	3	3	3
General and Business Administrative Services	4	4	4	4	5	5	6	6	6	5
Plant Operations and Maintenance	6	5	5	5	5	5	4	4	4	4
Camp Clementon Community Education	5	5	5	5	5	5	5	6	6	6
Total	<u>86</u>	<u>76</u>	<u>79</u>	<u>80</u>	<u>82</u>	<u>82</u>	<u>81</u>	<u>83</u>	<u>84</u>	<u>85</u>

Source: School District records.

CLEMENTON SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years
Unaudited

<u>Fiscal Year Ended June 30.</u>	<u>Enrollment</u>	<u>Operating Expenditures *</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff (Certified)</u>	<u>Pupil / Teacher Ratio Elementary</u>	<u>Average Daily Enrollment (ADE)</u>	<u>Average Daily Attendance (ADA)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2022	569	\$ 15,114,176.58	\$ 26,562.70	11.99%	51	1:11	572.0	526.0	8.17%	91.96%
2021	558	13,235,659.85	23,719.82	-9.14%	47	1:12	528.8	507.6	6.51%	95.99%
2020	497	12,973,938.76	26,104.50	-4.44%	50	1:10	496.5	476.9	2.39%	96.05%
2019	485	13,248,423.33	27,316.34	3.05%	51	1:09	484.9	445.9	8.78%	91.96%
2018	445	11,795,690.09	26,507.17	1.13%	51	1:09	445.8	423.8	-0.01%	95.07%
2017	445	11,663,788.18	26,210.76	5.99%	51	1:09	445.8	423.8	-4.03%	95.07%
2016	465	11,499,405.15	24,729.90	-4.37%	50	1:07	464.5	438.2	7.20%	94.34%
2015	435	11,248,642.35	25,858.95	2.85%	49	1:12	433.3	409.2	-4.12%	94.44%
2014	457	11,490,267.59	25,142.82	2.00%	48	1:04	451.9	441.4	-1.20%	97.68%
2013	468	11,536,191.59	24,649.98	3.03	49	1:04	457.4	449.9	0.29%	98.36%

Sources: School District records.

* operating expenditures equal total expenditures less capital outlay, transfer to charter school, and debt service.

CLEMENTON SCHOOL DISTRICT
 School Building Information
 Last Ten Fiscal Years
Unaudited

	Fiscal Year Ended June 30,									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District Building:										
Elementary:										
Clementon Elementary School (1980)										
Square Feet	80,120	80,120	80,120	79,937	79,937	79,937	79,937	79,937	79,937	79,937
Functional Capacity (students)	700	700	700	700	700	700	700	700	700	700
Enrollment	569	558	497	485	445	445	435	435	457	468
Other:										
Central Administration (1946)										
Square Feet	850	850	850	850	850	850	850	850	850	850
Functional Capacity (students)	-	-	-	-	-	-	-	-	-	-
Enrollment	-	-	-	-	-	-	-	-	-	-

Number of Schools at June 30, 2022
 Elementary = 1

Note: Year of original construction is shown in parentheses. Enrollment is based on the annual October School District count. Function Capacity is based on the F.E.S. Formula utilizing New Jersey Department of Education guidelines.

Source: School District records.

CLEMENTON SCHOOL DISTRICT
 Schedule of Required Maintenance for School Facilities
 Last Ten Fiscal Years
Unaudited

Undistributed Expenditures - Required Maintenance for School Facilities

11-000-261-xxx

		Fiscal Year Ended June 30,									
		<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
* <u>School Facilities</u>	<u>Project # (s)</u>										
Clementon Elementary School	N/A	<u>\$ 44,153.96</u>	<u>\$ 165,158.07</u>	<u>\$ 38,598.00</u>	<u>\$ 36,438.44</u>	<u>\$ 21,712.42</u>	<u>\$ 27,637.43</u>	<u>\$ 40,700.66</u>	<u>\$ 44,813.06</u>	<u>\$ 61,746.64</u>	<u>\$ 32,044.00</u>
Total School Facilities		<u>\$ 44,153.96</u>	<u>\$ 165,158.07</u>	<u>\$ 38,598.00</u>	<u>\$ 36,438.44</u>	<u>\$ 21,712.42</u>	<u>\$ 27,637.43</u>	<u>\$ 40,700.66</u>	<u>\$ 44,813.06</u>	<u>\$ 61,746.64</u>	<u>\$ 32,044.00</u>

* School facilities as defined under EFCFA (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6:24-1.3).

Source: School District records.

CLEMENTON SCHOOL DISTRICT
 Insurance Schedule
 June 30, 2022
Unaudited

	<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	\$ 175,000,000.00	\$ 250,000.00	\$ 500.00
General and Automobile Liability	20,000,000.00	250,000.00	
Workers' Compensation	Statutory	250,000.00	
Boiler and Machinery	125,000,000.00		1,000.00
Crime	500,000.00	250,000.00	500.00
Educators Legal Liability	20,000,000.00	250,000.00	
Pollution Liability	3,000,000.00		25,000.00
Cyber Liability	2,000,000.00		50,000.00
Crisis Protection & Disaster Management Services	1,000,000.00		10,000.00
Surety Bonds ⁽²⁾			
Board Secretary	200,000.00		

⁽¹⁾ Burlington County Insurance Pool Joint Insurance Fund

⁽²⁾ Western Surety Company

Source: School District records.

SINGLE AUDIT SECTION

Exhibit K-2

**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
Clementon School District
Clementon, New Jersey 08021

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Clementon School District's, 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 each of the School District's major federal and state programs for the fiscal year ended June 30, 2022. The School District's major federal and state programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

In our opinion, the Clementon School District, in the County of Camden, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2022.

Basis for Opinion on Each Major Federal and State Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America; *Government Auditing Standards*; the Office of School Finance, Department of Education, State of New Jersey; Uniform Guidance; and State of New Jersey 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, it would influence the judgement made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB, we:

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the New Jersey Circular 15-08-OMB and which are described in the accompanying *Schedule of Findings and Questioned Costs* and *Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance as Findings No. 2022-004 and 2022-005*. Our opinion on each major state program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the Clementon School District's response to the noncompliance findings identified in our audit described in the accompanying *Schedule of Findings and Questioned Costs*. The School District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 and state program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying *Schedule of Findings and Questioned Costs* as *Findings No. 2022-004 and 2022-005* to be material weaknesses.

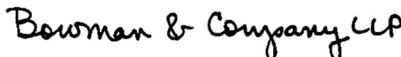
A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance,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

Our 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.

Government Auditing Standards requires the auditor to perform limited procedures on the Clementon School District's response to the internal control over compliance findings identified in our audit described in the accompanying *Schedule of Findings and Questioned Costs*. The School District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Respectfully submitted,



BOWMAN & COMPANY LLP
 Certified Public Accountants
 & Consultants



Carol A. McAllister
 Certified Public Accountant
 Public School Accountant No. CS 238400

Voorhees, New Jersey
 March 15, 2023

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

Federal Grantor / Pass-through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Additional Award Identification	Federal FAIN Number	Pass-Through Entity Identifying Number	Program or Award Amount	Grant Period From	Grant Period To	Balance June 30, 2021
General Fund:								
U.S. Department of Health and Human Services: Passed-through State Department of Education: Medical Assistance Program (Medicaid) Cluster	93.778	N/A	2205NJ5MAP	Unknown	\$ 30,876.01	07/01/21	06/30/22	\$ -
Total Medical Assistance Program (Medicaid) Cluster								-
U.S. Department of Agriculture: Passed-through State Department of Education: P-EBT Administrative Cost	10.649	COVID-19	2022225900941	495-001-3350-010	628.00	07/01/21	06/30/22	-
Total General Fund								-
Special Revenue Fund:								
U.S. Department of Education: Passed-through State Department of Education: E.S.S.A.:								
Title I Grants to Local Educational Agencies (Title I Reallocation)	84.010	84.010A	S010A200030	ESEA-2890-21	13,290.00	07/01/20	09/30/21	(13,290.00)
Title I Grants to Local Educational Agencies	84.010	N/A	S010A200030	ESEA-2890-21	312,150.00	07/01/20	09/30/21	(279,731.31)
Title I Grants to Local Educational Agencies	84.010	N/A	S010A210030	ESEA-2890-22	265,496.00	07/01/21	09/30/22	-
Total Title I Grants to Local Educational Agencies								(293,021.31)
Supporting Effective Instruction State Grants (Title II)	84.367	84.367A	S367A200029	ESEA-2890-21	19,573.00	07/01/20	09/30/21	(7,002.60)
Supporting Effective Instruction State Grants (Title II)	84.367	84.367A	S367A210029	ESEA-2890-22	29,180.00	07/01/21	09/30/22	-
Total Supporting Effective Instruction State Grants								(7,002.60)
Special Education Cluster (IDEA):								
Special Education Grants to States	84.027	84.027A	H027A200100	IDEA-2890-21	142,066.00	07/01/20	09/30/21	(61,988.00)
Special Education Grants to States	84.027	84.027A	H027A210100	IDEA-2890-22	147,041.00	07/01/21	09/30/22	-
ARP Special Education Grants to States (ARP IDEA Basic)	84.027	COVID-19, 84.027X	H027X210100	IDEA-2890-22	28,858.00	07/01/21	09/30/22	-
Total Special Education - Grants to States (IDEA, Part B)								(61,988.00)
Special Education Preschool Grants	84.173	N/A	H173A210114	IDEA-2890-22	3,578.00	07/01/21	09/30/22	-
ARP Special Education Grants to States (ARP IDEA Preschool)	84.173	COVID-19, 84.173X	H173A210114	IDEA-2890-22	2,452.00	07/01/21	09/30/22	-
Total Special Education - Preschool Grants (IDEA Preschool)								-
Total Special Education Cluster (IDEA)								(61,988.00)
Education Stabilization Fund (ESF):								
Elementary and Secondary School Emergency Relief Fund: CARES - ESSER I	84.425D	COVID-19, 84.425D	S425D200027	Unknown	229,721.00	03/13/20	09/30/22	(3,594.28)
CRSSA - ESSER II:								
CRSSA - Learning Acceleration	84.425D	COVID-19, 84.425D	S425D210027	Unknown	57,265.00	03/13/20	09/30/23	-
CRSSA - ESSER II	84.425D	COVID-19, 84.425D	S425D210027	Unknown	892,337.00	03/13/20	09/30/23	-
CRSSA - Mental Health	84.425D	COVID-19, 84.425D	S425D210027	Unknown	45,000.00	03/13/20	09/30/23	-
ARP-ESSER:								
ARP-ESSER	84.425U	COVID-19, 84.425U	S425U210027	Unknown	2,005,469.00	03/13/20	09/30/23	-
Accelerated Learning Coach and Educator Support	84.425U	COVID-19, 84.425U	S425U210027	Unknown	75,336.00	03/13/20	09/30/23	-
Evidence Based Summer Learning and Enrichment	84.425U	COVID-19, 84.425U	S425U210027	Unknown	40,000.00	03/13/20	09/30/23	-
Evidence Based Comprehensive Beyond the School Day	84.425U	COVID-19, 84.425U	S425U210027	Unknown	40,000.00	03/13/20	09/30/23	-
NJSS Mental Health Support Staff	84.425U	COVID-19, 84.425U	S425U210027	Unknown	45,000.00	03/13/20	09/30/23	-
Total Education Stabilization Fund (ESF)								(3,594.28)
Total U.S. Department of Education - Passed-through N.J. State Department of Education								(365,606.19)
Total Special Revenue Fund								(365,606.19)
Enterprise Fund:								
U.S. Department of Agriculture: Passed-through State Department of Agriculture: Child Nutrition Cluster:								
Non-Cash Assistance:								
National School Lunch Program - Commodities	10.555	N/A	221NJ304N1099	Unknown	16,628.89	07/01/21	09/30/22	-
Total Non-Cash Assistance								-
Cash Assistance:								
School Breakfast Program (SBP):								
Seamless Summer Option - Breakfast	10.553	COVID-19	221NJ304N1099	100-100-3350-010	39,324.96	05/01/20	06/30/20	-
National School Lunch Program (NSLP):								
Emergency Operational Cost Program - Schools	10.555	COVID-19	211NJ304N1099	100-028-3350-010	8,090.49	07/01/20	06/30/21	(8,090.49)
Seamless Summer Option - Lunch	10.555	COVID-19	221NJ304N1099	100-098-3350-010	293,873.42	09/01/21	06/30/22	-
Summer Food Service Program for Children (SFSPC)	10.559	COVID-19	211NJ314N1050	100-xxx-3350-010	216,239.39	07/01/20	06/30/21	(19,104.06)
Summer Food Service Program for Children (SFSPC)	10.559	COVID-19	221NJ314N1050	100-xxx-3350-010	1,516.62	07/01/21	08/31/21	-
Total Cash Assistance								(27,194.55)
Total Child Nutrition Cluster								(27,194.55)
P-EBT Administrative Cost	10.649	COVID-19	202121S900941	495-001-3350-010	614.00	07/01/20	06/30/21	(614.00)
Total Enterprise Fund								(27,808.55)
Total Federal Financial Assistance								\$ (393,414.74)

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

Carryover / (Walkover) Amount	Cash Received	Budgetary Expenditures			Passed- Through to Subrecipients	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2022		
		Pass-Through Funds	Direct Funds	Total Budgetary Expenditures				(Accounts Receivable)	Unearned Revenue	Due to Grantor
\$ -	\$ 30,876.01	\$ (30,876.01)	\$ -	\$ (30,876.01)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	30,876.01	(30,876.01)	-	(30,876.01)	-	-	-	-	-	-
-	628.00	(628.00)	-	(628.00)	-	-	-	-	-	-
-	31,504.01	(31,504.01)	-	(31,504.01)	-	-	-	-	-	-
279,731.31 (279,731.31)	13,290.00 261,765.00	(267,982.69)	-	(267,982.69)	-	-	-	(285,949.00)	-	-
-	275,055.00	(267,982.69)	-	(267,982.69)	-	-	-	(285,949.00)	-	-
7,002.60 (7,002.60)	22,003.00	(24,700.00)	-	(24,700.00)	-	-	-	(9,699.60)	-	-
(7,002.60)	22,003.00	(24,700.00)	-	(24,700.00)	-	-	-	(9,699.60)	-	-
-	61,988.00 43,987.00	(147,041.00) (28,858.00)	-	(147,041.00) (28,858.00)	-	-	-	(103,054.00) (28,858.00)	-	-
-	105,975.00	(175,899.00)	-	(175,899.00)	-	-	-	(131,912.00)	-	-
-	1,665.00	(6,364.00) (1,665.00)	-	(6,364.00) (1,665.00)	-	-	-	(6,364.00)	-	-
-	1,665.00	(8,029.00)	-	(8,029.00)	-	-	-	(6,364.00)	-	-
-	107,640.00	(183,928.00)	-	(183,928.00)	-	-	-	(138,276.00)	-	-
-	36,546.00	(81,333.75)	-	(81,333.75)	-	-	-	(48,382.03)	-	-
-	3,847.00	(9,438.25)	-	(9,438.25)	-	-	-	(5,591.25)	-	-
-	189,586.00	(439,684.99)	-	(439,684.99)	-	-	-	(250,098.99)	-	-
-	6,783.00	(26,214.38)	-	(26,214.38)	-	-	-	(19,431.38)	-	-
-	236,762.00	(556,671.37)	-	(556,671.37)	-	-	-	(323,503.65)	-	-
(7,002.60)	641,460.00	(1,033,282.06)	-	(1,033,282.06)	-	-	-	(757,428.25)	-	-
(7,002.60)	641,460.00	(1,033,282.06)	-	(1,033,282.06)	-	-	-	(757,428.25)	-	-
-	16,628.89	(16,628.89)	-	(16,628.89)	-	-	-	-	-	-
-	16,628.89	(16,628.89)	-	(16,628.89)	-	-	-	-	-	-
-	36,855.42	(39,324.96)	-	(39,324.96)	-	-	-	(2,469.54)	-	-
-	8,090.49	(293,873.42)	-	(293,873.42)	-	-	-	(17,374.81)	-	-
-	276,498.61	(1,516.62)	-	(1,516.62)	-	-	-	-	-	-
-	19,104.06	-	-	-	-	-	-	-	-	-
-	1,516.62	-	-	-	-	-	-	-	-	-
-	342,065.20	(334,715.00)	-	(334,715.00)	-	-	-	(19,844.35)	-	-
-	358,694.09	(351,343.89)	-	(351,343.89)	-	-	-	(19,844.35)	-	-
-	614.00	-	-	-	-	-	-	-	-	-
-	359,308.09	(351,343.89)	-	(351,343.89)	-	-	-	(19,844.35)	-	-
\$ (7,002.60)	\$ 1,032,272.10	\$ (1,416,129.96)	\$ -	\$ (1,416,129.96)	\$ -	\$ -	\$ -	\$ (777,272.60)	\$ -	\$ -

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

State Grantor / Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2021	
			From	To	Unearned Revenue / (Accounts Receivable)	Due to Grantor
General Fund:						
New Jersey Department of Education:						
Current Expense:						
State Aid - Public:						
Equalization Aid	495-034-5120-078	\$ 6,157,162.00	07/01/20	06/30/21	\$ (627,290.60)	
Equalization Aid	495-034-5120-078	7,164,863.00	07/01/21	06/30/22		
Categorical Special Education Aid	495-034-5120-089	371,383.00	07/01/20	06/30/21	(37,836.44)	
Categorical Special Education Aid	495-034-5120-089	371,383.00	07/01/21	06/30/22		
Categorical Security Aid	495-034-5120-084	135,485.00	07/01/20	06/30/21	(13,803.18)	
Categorical Security Aid	495-034-5120-084	135,485.00	07/01/21	06/30/22		
Total State Aid - Public					(678,930.22)	\$ -
Transportation Aid:						
Categorical Transportation Aid	495-034-5120-014	78,718.00	07/01/20	06/30/21	(8,019.78)	
Categorical Transportation Aid	495-034-5120-014	78,718.00	07/01/21	06/30/22		
Additional Nonpublic School Transportation Aid	495-034-5120-014	9,280.00	07/01/20	06/30/21	(9,280.00)	
Additional Nonpublic School Transportation Aid	495-034-5120-014	6,432.00	07/01/21	06/30/22		
Total Transportation Aid					(17,299.78)	-
Extraordinary Aid:						
Extraordinary Aid	495-034-5120-044	143,144.00	07/01/20	06/30/21	(143,144.00)	
Extraordinary Aid	495-034-5120-044	93,304.00	07/01/21	06/30/22		
Total Extraordinary Aid					(143,144.00)	-
Payments for Institutionalized Children	495-034-5120-005	52,189.00	07/01/21	06/30/22		
Total Payments for Institutionalized Children					-	-
Reimbursed TPAF Social Security Contributions	495-034-5094-003	315,090.08	07/01/21	06/30/22		
Total Reimbursed TPAF Social Security Contributions					-	-
New Jersey Department of the Treasury:						
On-Behalf T.P.A.F. Pension Contributions - Post-Retirement Medical (non-budgeted)						
	495-034-5094-001	308,261.00	07/01/21	06/30/22		
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)						
	495-034-5094-002	1,301,026.00	07/01/21	06/30/22		
On-Behalf T.P.A.F. Non-contributory Insurance						
	495-034-5094-004	18,356.00	07/01/21	06/30/22		
On-Behalf T.P.A.F. Pension Contributions - Long-Term Disability Insurance (non-budgeted)						
	495-034-5094-004	690.00	07/01/21	06/30/22		
Total On-Behalf TPAF Pension Contributions (non-budgeted)					-	-
Total General Fund					(839,374.00)	-
Special Revenue Fund:						
New Jersey Department of Education:						
Preschool Education Aid	495-034-5120-086	82,413.00	07/01/20	06/30/21	(8,242.05)	
Preschool Education Aid	495-034-5120-086	568,812.00	07/01/21	06/30/22		
Preschool Education Expansion Aid	495-034-5120-086	302,242.00	07/01/20	06/30/21	(30,226.95)	
Total Preschool Education Aid					(38,469.00)	-
Total Special Revenue Fund					(38,469.00)	-
Enterprise Fund:						
New Jersey Department of Agriculture:						
State School Lunch Program	100-010-3350-023	6,743.73	07/01/21	06/30/22		
Total State School Lunch Program					-	-
Total Enterprise Fund					-	-
Total State Financial Assistance					\$ (877,843.00)	\$ -
Less: State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:						
General Fund (Non-Cash Assistance):						
New Jersey Department of Education:						
On-Behalf T.P.A.F. Pension Contributions - Post-Retirement Medical (non-budgeted)						
	495-034-5094-001	308,261.00	07/01/21	06/30/22		
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)						
	495-034-5094-002	1,301,026.00	07/01/21	06/30/22		
On-Behalf T.P.A.F. Non-contributory Insurance						
	495-034-5094-004	18,356.00	07/01/21	06/30/22		
On-Behalf T.P.A.F. Pension Contributions - Long-Term Disability Insurance (non-budgeted)						
	495-034-5094-004	690.00	07/01/21	06/30/22		
Total General Fund (Non-Cash Assistance)						
Total State Financial Assistance subject to Major Program Determination for State Single Audit						

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

Carryover / (Walkover) Amount	Cash Received	Total Budgetary Expenditures	Passed- Through to Subrecipients	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2022			(Memo Only)	
						(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2022	Cumulative Total Expenditures
	\$ 627,290.60									
	6,452,422.90	\$ (7,164,863.00)				\$ (712,440.10)			\$ (712,440.10)	\$ (7,164,863.00)
	37,836.44									
	334,454.43	(371,383.00)				(36,928.57)			(36,928.57)	(371,383.00)
	13,803.18									
	122,013.02	(135,485.00)				(13,471.98)			(13,471.98)	(135,485.00)
\$ -	7,587,820.57	(7,671,731.00)	\$ -	\$ -	\$ -	(762,840.65)	\$ -	\$ -	(762,840.65)	(7,671,731.00)
	8,019.78									
	70,890.65	(78,718.00)				(7,827.35)			(7,827.35)	(78,718.00)
	9,280.00									
		(6,432.00)				(6,432.00)				(6,432.00)
-	88,190.43	(85,150.00)	-	-	-	(14,259.35)	-	-	(7,827.35)	(85,150.00)
	143,144.00									
		(93,304.00)				(93,304.00)				(93,304.00)
-	143,144.00	(93,304.00)	-	-	-	(93,304.00)	-	-	-	(93,304.00)
	52,189.00	(52,189.00)								(52,189.00)
	52,189.00	(52,189.00)	-	-	-	-	-	-	-	(52,189.00)
	299,584.15	(315,090.08)				(15,505.93)				(315,090.08)
	299,584.15	(315,090.08)	-	-	-	(15,505.93)	-	-	-	(315,090.08)
	308,261.00	(308,261.00)								(308,261.00)
	1,301,026.00	(1,301,026.00)								(1,301,026.00)
	18,356.00	(18,356.00)								(18,356.00)
	690.00	(690.00)								(690.00)
	1,628,333.00	(1,628,333.00)	-	-	-	-	-	-	-	(1,628,333.00)
-	9,799,261.15	(9,845,797.08)	-	-	-	(885,909.93)	-	-	(770,668.00)	(9,845,797.08)
(208,067.72)	8,242.05			208,067.72						
208,067.72	511,931.00	(391,084.42)				(56,881.00)	385,795.30		(56,881.00)	(391,084.42)
	30,226.95									
-	550,400.00	(391,084.42)	-	208,067.72	-	(56,881.00)	385,795.30	-	(56,881.00)	(391,084.42)
-	550,400.00	(391,084.42)	-	208,067.72	-	(56,881.00)	385,795.30	-	(56,881.00)	(391,084.42)
	6,353.44	(6,743.73)				(390.29)				(6,743.73)
-	6,353.44	(6,743.73)	-	-	-	(390.29)	-	-	-	(6,743.73)
-	6,353.44	(6,743.73)	-	-	-	(390.29)	-	-	-	(6,743.73)
\$ -	\$ 10,356,014.59	(10,243,625.23)	\$ -	\$ 208,067.72	\$ -	\$ (943,181.22)	\$ 385,795.30	\$ -	\$ (827,549.00)	\$ (10,243,625.23)

308,261.00
1,301,026.00
18,356.00
690.00
1,628,333.00
\$ (8,615,292.23)

CLEMENTON SCHOOL DISTRICT

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

Note 1: BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (“the schedules”) include federal and state award activity of the Clementon School District (hereafter referred to as the “School District”). The School District is defined in note 1 to the School District's basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. 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. Because these schedules present only a selected portion of the operations of the School District, it is not intended to and does not present the financial position and changes in operations of the School District.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedules are presented using the budgetary basis of accounting, with the following exception: programs recorded in the enterprise fund 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. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) 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*, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Note 3: INDIRECT COST RATE

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

Note 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

Note 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D)

The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is \$83,718.00 for the general 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 reported in the School District's basic financial statements on a GAAP basis with a reconciliation to the budgetary basis reported on the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 31,504.01	\$ 9,762,079.08	\$ 9,793,583.09
Special Revenue	1,033,282.06	391,084.42	1,424,366.48
Food Service	351,343.89	6,743.73	358,087.62
	<u>1,416,129.96</u>	<u>10,159,907.23</u>	<u>11,576,037.19</u>
GAAP Basis Revenues			
GAAP Adjustments:			
State Aid Payments	-	83,718.00	83,718.00
	<u>-</u>	<u>83,718.00</u>	<u>83,718.00</u>
Total Awards and Financial Assistance Expended	<u>\$ 1,416,129.96</u>	<u>\$ 10,243,625.23</u>	<u>\$ 11,659,755.19</u>

Note 5: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note 6: ADJUSTMENTS

Amounts reported in the column entitled "adjustments" represent prior year carryover not previously budgeted.

Note 7: REIMBURSED AND ON-BEHALF PAYMENTS

During the fiscal year ended June 30, 2022, the School District was the recipient of federal and state assistance that represented either a reimbursement to the School District or payments made on-behalf of the School District. Revenues and expenditures reported under the federal food distribution program represent the current year value received and the current year distribution, respectively, of American-grown United States Department of Agriculture foods utilized in the School District's food service program. 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 fiscal year. Lastly, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance related to TPAF members.

Note 8: MAJOR PROGRAMS

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

CLEMENTON SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended June 30, 2022

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Qualified and Unmodified

Internal control over financial reporting:

 Material weakness(es) identified? x yes no

 Significant deficiency(ies) identified? yes x none reported

Noncompliance material to financial statements noted? x yes no

Federal Awards

Internal control over major programs:

 Material weakness(es) identified? yes x no

 Significant deficiency(ies) identified? yes x none reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)? yes x no

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
		Special Education Cluster (IDEA):
<u>84.027</u>	<u>H027A200100</u>	<u>Special Education - Grants to States (IDEA, Part B)</u>
<u>84.173</u>	<u>H173A200114</u>	<u>Special Education - Preschool Grants (IDEA Preschool)</u>
84.425:		Education Stabilization Fund (ESF):
<u>84.425D</u>	<u>S425D200027</u>	Coronavirus Relief, and Economic Security Act - Elementary and Secondary School Emergency Relief Funds (CARES-ESSER I)
<u>84.425D</u>	<u>S425D210027</u>	Coronavirus Response and Relief Supplemental Act (CRRSA - ESSER II)

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000.00

Auditee qualified as low-risk auditee? yes x no

CLEMENTON SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2022

Section 1- Summary of Auditor's Results (Cont'd)

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? yes no

Significant deficiency(ies) identified? yes none reported

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

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

Identification of major programs:

GMIS Number(s)

Name of State Program

State Aid - Public: _____

495-034-5120-078

Equalization Aid

495-034-5120-089

Special Education Categorical Aid

495-034-5120-084

Security Aid

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000.00

Auditee qualified as low-risk auditee? yes no

CLEMENTON 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, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements related to financial statements for which *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, requires.

Finding No. 2022-001

Criteria or Specific Requirement

A Food Service Fund's Net Cash Resources should not exceed its three months average expenditures.

Condition

The School District's Food Service Fund Net Cash Resources exceeded its three months average expenditures by \$110,032.67.

Context

Per the calculation of the Food Service Fund's Net Cash Resources, Net Cash Resources at June 30, 2022 were \$201,602.12 and its three months average expenditures were \$91,569.45, resulting in an overage of \$110,032.67.

Effect or Potential Effect

Noncompliance with the requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Cause

The School District did not monitor the finances of its Food Service Fund to ensure its Net Cash Resources at the end of the fiscal year did not exceed the Fund's three months average expenditures.

Recommendation

That the School District develop a plan to reduce the Food Service Fund's Net Cash Resources below its three month average expenditures.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

CLEMENTON SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2022

Section 2- Schedule of Financial Statement Findings (Cont'd)

Finding No. 2022-002

Criteria or Specific Requirement

School Districts are required to accurately complete the Reimbursement to the State of New Jersey - NJSA 18A:66-90 (Pension and Social Security – Federally Funded Programs) form listing all federally funded contractual salaries per N.J.S.A. 18A:66-90.

Condition

The Reimbursement to the State of New Jersey - N.J.S.A. 18A:66-90 (Pension and Social Security – Federally Funded Programs) form was not prepared in accordance with N.J.S.A. 18A:66-90.

Context

Our examination of the Reimbursement to the State of New Jersey - N.J.S.A. 18A:66-90 (Pension and Social Security – Federally Funded Programs) form and the provided supporting documentation disclosed the following:

1. Contractual salaries related to a state funded program were included in the calculation for reimbursement (Preschool Education Aid).
2. Contractual salaries charged to the Education Stabilization Fund were not included in the calculation for reimbursement.
3. Part B of the form was not calculated in accordance with the statute.

Effect or Potential Effect

The School District did not remit the correct amount of reimbursement to the State.

Cause

Unknown.

Recommendation

That the School District should implement internal control procedures designed to ensure that the preparation of the Reimbursement to the State of New Jersey - N.J.S.A. 18A:66-90 (Pension and Social Security – Federally Funded Programs) form listing all eligible federally funded contractual salaries in completed in accordance with N.J.S.A. 18A:66-90 and retain on file the salary documentation in support of the calculation.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action.

CLEMENTON SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2022

Section 2- Schedule of Financial Statement Findings (Cont'd)

Finding No. 2022-003

Criteria or Specific Requirement

As a function of effective internal controls, billing and cash receipt registers should be generated and maintained for the revenue and receipts in the Camp Clementon Community Education Fund.

Condition

Supporting documentation, such as billing and cash receipt registers and a list of program attendees, was not available to substantiate revenue billed and collected for the Camp Clementon Community Education Fund. Additionally, the bank reconciliation did not agree to the cash activity in the general ledger.

Context

Monthly attendance sheets for fiscal year 2022 were not provided. The June 2022 cash balance per the bank reconciliation was \$355,640.32 and the bank balance per the general ledger was \$391,431.19.

Effect or Potential Effect

Without sufficient appropriate audit evidence the preparation of accurate and reliable financial statements and related disclosures may not be achieved.

Cause

Client records were not available for audit.

Recommendation

That the School District should implement internal control procedures designed to ensure that adequate supporting documentation is prepared and maintained for the revenue billed and collected in the Camp Clementon Community Education Fund; and that cash balances per client prepared bank reconciliations should agree to cash per the general ledger.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action.

CLEMENTON SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2022

Section 3- Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs, and significant instances of abuse related to the audit of major Federal 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).

None.

CLEMENTON SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended June 30, 2022

Section 4- Schedule of State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs, and significant instances of abuse related to the audit of major State programs, as required by State of New Jersey Circular 15-08-OMB.

Finding No. 2022-004

Information on the State Program

New Jersey Department of Education, State Aid Public, 7/1/2021 – 6/30/2022	
Equalization Aid	G.M.I.S. No. 495-034-5120-078
Special Education Categorical Aid	G.M.I.S. No. 495-034-5120-089
Security Aid	G.M.I.S. No. 495-034-5120-084

Criteria or Specific Requirement

Internal controls and written procedures should be in place to allow for the completion of the Application for State School Aid (A.S.S.A.) in accordance with the eligibility compliance requirement in the State Aid Public compliance supplement and the instructions provided by the Office of School Finance, Department of Education. Districts must complete a set of workpapers that document the compilation of data and retain supporting documentation that provides an audit trail for testing the information reported on the A.S.S.A. reports.

Condition

The School District did not follow controls and written procedures in place to ensure that workpapers and corresponding documentation agreed with the submitted A.S.S.A. report and as a result, differences were identified during testing. In addition, the School District did not maintain certain supporting workpapers, and as a result, certain audit procedures could not be performed with regards to A.S.S.A. testing of the eligibility requirements.

Questioned Costs

None.

Context

The test of on-roll students disclosed the following:

1. The A.S.S.A. report did not agree to the attendance register for twelve enrollment grades by a net total of 64 students.

The test of low-income students disclosed the following:

1. Benefit Issuance Document did not list application numbers for all low income students. As result, 43 out of 189 lunch applications could not be tested.
2. One lunch application was on file for a low income student who was reported in incorrect low income category on A.S.S.A.
3. 17 students reported as having direct certifications were not listed on the direct certification listing.

CLEMENTON SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended June 30, 2022

Section 4- Schedule of State Financial Assistance Findings and Questioned Costs (Cont'd)

Finding No. 2022-004 (Cont'd)

Context (Cont'd)

The test of limited English proficiency (LEP) or English language learner (ELL) students disclosed the following:

1. The A.S.S.A. report did not agree to the School District's supporting list of LEP students for three enrollment grades by a net total of three students.
2. In one instance, student reported as having a direct certification could not be traced to direct certification listing; therefore, it could not be determined whether the LEP student's low income status was classified correctly.
3. In two instances, lunch applications were not available for audit for students reported as free; therefore, it could not be determined whether the LEP student's low income status was classified correctly.
4. Benefit Issuance Document did not list application numbers for all low income students. As result, it could not be determined whether five LEP student's low income status was classified correctly.
5. In one instance, it was noted that a student reported as LEP was not part of program on A.S.S.A date.

The sample was not statistically valid.

Effect or Potential Effect

The number of differences could not be verified and may have an impact on the District's State Aid allocation.

Cause

Client Oversight.

Identification as a Repeat Finding

Prior Year Finding No. 2021-002.

Recommendation

That the School District implement adequate internal controls and written procedures that are designed to ensure the accurate recording and reporting of student enrollment data on the Application for State School Aid (A.S.S.A.) in accordance with the eligibility compliance requirement in the State Aid Public compliance supplement and the instructions provided by the Office of School Finance, Department of Education; and that the School District maintain all workpapers and supporting documentation for the enrollment categories reported on the A.S.S.A.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

CLEMENTON SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended June 30, 2022

Section 4- Schedule of State Financial Assistance Findings and Questioned Costs (Cont'd)

Finding No. 2022-005

Information on the State Program

New Jersey Department of Education, State Aid Public, 7/1/2021 – 6/30/2022

Equalization Aid	G.M.I.S. No. 495-034-5120-078
Special Education Categorical Aid	G.M.I.S. No. 495-034-5120-089
Security Aid	G.M.I.S. No. 495-034-5120-084

Criteria or Specific Requirement

Public School Contracts Law N.J.S.A. 18A:18A-1 provides the laws and regulations for purchases in excess of the bid threshold; all accounting records should be available for audit.

Condition

The School District did not follow Public School Contracts Law N.J.S.A. 18A:18A-1 for one contract that was awarded for an amount over the bid threshold. Additionally, 4 purchase orders included in the sample for testing and the supporting documentation for each of them were not available for audit.

Questioned Costs

None.

Context

Our expenditure testing disclosed the following:

1. The School District did not 49the amount of \$119,960.00 for the purchase of 40 Android displays.
2. A sample of 40 was selected for testing out of a total population of 696 purchase orders. The results of the test noted that 4 general fund purchase orders and supporting documentation could not be located for audit.

The sample was not statistically valid.

Effect

The School District was not in compliance with N.J.S.A. 18A:18A-1 and audit testing over expenditures could not be performed for a number of items selected for audit.

Cause

Unknown.

Recommendation

That the School District implement internal control procedures designed to ensure purchases in excess of the bid threshold are awarded in accordance with Public School Contracts Law; and that all purchase orders and supporting documentation are maintained and available for audit.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

CLEMENTON 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 awards and state financial assistance that are required to be reported in accordance with *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 State of New Jersey Circular 15-08-OMB.

FINANCIAL STATEMENT FINDINGS**Finding No. 2021-001****Condition**

The School District's Food Service Fund Net Cash Resources exceeded its three months average expenditures by \$51,744.64.

Current Status

The finding has not been resolved. See Finding No. 2022-001.

Planned Corrective Action

The School Business Administrator will monitor the expenditures allocated in the Food Service Fund to reduce the net cash resources to an amount below three months average expenditures.

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE PROGRAMS**Finding No. 2021-002****Condition**

The District's workpapers and corresponding documentation did not agree with the submitted A.S.S.A. report and as a result, differences were identified. In addition, the District failed to maintain certain supporting workpapers, as a result, certain audit procedures could not be performed with regards to A.S.S.A.

Current Status

The finding has not been resolved. See Finding No. 2022-004.

Planned Corrective Action

The Administration will establish a data collection and review process to assure the accuracy of the filing of the A.S.S.A. information and will assure all documentation is available for audit and/or review agrees with the reported A.S.S.A.