# Board of Education of the

# Folsom School District

PROUD TO BE A CHOICE SCHOOL

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

of the

Borough of Folsom Board of Education

Folsom, New Jersey

For the Fiscal Year Ended June 30, 2022

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

#### of the

# Borough of Folsom Board of Education Folsom, New Jersey

For the Fiscal Year Ended June 30, 2022

Prepared by

Borough of Folsom Board of Education
Finance Department

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## **INTRODUCTORY SECTION**



#### **FOLSOM ELEMENTARY SCHOOL**

1357 MAYS LANDING ROAD FOLSOM, NJ 08037 Phone: 609-561-8666 / Fax: 609-567-8751 www.folsomschool.org Kevin J. Fricke
Superintendent
Christopher R. Veneziani
Business Administrator
Michele L. Hetzel
Director of Curriculum & Instruction
& Special Education

February 17, 2023

Honorable President and Members of the Board of Education Borough of Folsom School District Folsom, New Jersey 08037

#### Dear Board Members:

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

The comprehensive annual 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 an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), "Audits of States, Local Governments, and Non-Profit Organizations" and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

#### 1. REPORTING ENTITY AND ITS SERVICES:

The Borough of Folsom Public School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14. All funds of the District are included in this report. The Borough of Folsom Board of Education and its school constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular as well as special education for students with disabilities. The District completed the 2021-2022 fiscal year with an enrollment of 374 students. The following details the changes in the student enrollment of the District over the last ten years.

#### **Annual Enrollment**

Fiscal <u>Year</u>	Student <u>Enrollment</u>	Percent <u>Change</u>
2021-22	374	(3.3%)
2020-21	387	0.5%
2019-20	385	(3.9%)
2018-19	401	0.75%
2017-18	398	(1.24%)
2016-17	403	0.75%
2015-16	400	(4.8%)
2014-15	419	(3.6%)
2013-14	434	3.5%
2012-13	419	(1.2%)

#### 2. ECONOMIC CONDITION AND OUTLOOK:

The current economic condition of the District is stable due to the state aid revenue generated by the Interdistrict Public School Choice Program. For the 2021-2022 school year, the District had a total of 208 students enrolled in the Choice Program.

Increased mobility in resident enrollment is expected to continue due to economic and social factors similar to the experience in neighboring districts, however resident enrollment is not expected to increase due to limitations on growth in the Borough of Folsom influenced by restrictions of the NJ Pinelands Protection Act. New Choice student intake is primarily in grades K and 1.

#### 3. MAJOR INITIATIVES:

Folsom School District is committed to providing resources and support for teachers with the goal of strengthening educator practice and student learning. For instance, a leadership team made up of teachers and administrators called the Folsom Leadership Team (FLT) continued to make school-wide decisions such as in the areas of educator evaluations, professional development, and assessments. The goal of the FLT was to meet twice a month to support the vision and mission of Folsom School District.

In addition to the Folsom Leadership Team (FLT), teachers continued to meet weekly during common planning periods to address grade level and district goals. Folsom staff continued to receive training in the areas of mathematics, English Language Arts, resiliency, and other components of Achieve NJ provided in-district using resources available through the NJDOE.

The district continued to purchase and install upgraded hardware and software, in accordance with the adopted Technology Plan. The district implemented digital content to support the instructional program and provided opportunities of differentiated learning for diverse student learners. Folsom School District supported a 1:1 technology device to student initiative for students in K-8. Furthermore, Google Applications for Education (GAFE) was successfully implemented to support student learning and will continue to provide a learning platform for our students.

Assessment is a vital step to measuring student progress at Folsom School District. The implementation of Strategies GOLD in PK and K programs has been a valuable tool to progress monitor students in the early grade levels. Furthermore, Folsom continued to use the NWEA MAP assessment 3 times per year to identify students'

growth in the areas of mathematics and ELA. Lastly, student reading levels are assessed at least 2 times each year using Fountas & Pinnell screening tools up to grade 5 for general education students and grade up to grade 8 for students with IEPs or in a Title I Basic Skills program.

The district uses Realtime for Student Information System, Teacher Evaluation, Student Support management (IEP, I&RS, 504), and Notification systems. The teaching staff continues to use Realtime for digital submission of lesson plans in the 2021-2022 school year. Teachers utilize web-based platforms such as Google Classroom to maintain consistent communication between school and home.

The teaching staff, under the guidance of administration, continued to develop and improve all content areas of the curriculum. The curriculum PK-8 subject matter can be accessed from the school website under the curriculum tab. ELA and Math curricula are completely aligned to the New Jersey Student Learning Standards. Science in Grades 5-8 have been aligned to the Next Generation Science Standards (2014). Additions to the Visual & Performing Arts (2014) and 21st Century Career Standards in grades 6-8 have also been completed. Revisions to Career and Technical Education were recently completed that included addition of Audio-Visual Production, Computer Applications, and Computer Technology.

College and Career ready standards were integrated throughout grades PK-5 instruction, with additional programs such as Junior Achievement and the Gifted & Talented program. In grades 6 through 8, 21st century skills and college and career readiness were supported through the following programs: Financial Literacy, Technology, Graphic Design, and Computer Applications.

Programs – Folsom School District returned to offering a wealth of extracurricular programs during the 2021-2022 SY which consisted of sports, service clubs, academic support, and the arts.

The Gifted & Talented Program for students in grades 6-8 was infused into the computer science class for students meeting the program eligibility criteria using multiple measures.

The Title I Basic Skills Instruction (BSI) program continued to support students with skills deficits as identified through the Intervention and Referral Services (I&RS) referral process. The identified BSI teachers used progress monitoring to track student progress throughout the school year

Students received electives in a 60-minute period each day consisting of music, art, physical education, spanish, financial literacy, and digital arts. In addition to the elective period, the students received social and emotional learning (SEL) lessons from the school counselor throughout the school year. Weekly lessons during morning meeting and health in grades PK-5 included similar, age and developmentally appropriate instruction.

Folsom is focused on improving student success in the content area of mathematics and English Language Arts. Folsom is addressing the curriculum and instruction through the services of a math and ELA consultant, respectively.

#### 4. <u>INTERNAL ACCOUNTING CONTROLS</u>:

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

As a recipient of federal awards and state financial assistance, the District also is responsible for ensuring that an adequate internal control process is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control process 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 process, including that portion related to federal awards and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

#### 5. **BUDGETARY CONTROLS:**

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

An encumbrance accounting system is used to record outstanding purchase orders on a line item basis. Open encumbrances at year-end are either canceled or included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 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 2.

#### 7. <u>DEBT ADMINISTRATION</u>:

At June 30, 2022 the District's outstanding debt included \$405,000 of general obligation bonds. The amount of unvoted debt available is \$4,984,795, as shown on Exhibit J-13.

#### 8. 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 3. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit funds in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

#### 9. 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.

#### 10. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nightlinger, Colavita and Volpa, Pa. was appointed 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 Title 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards(Uniform Guidance), and State of New Jersey Treasury Circular 15-08 OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. The auditor's report on the basic financial statements and combining and individual fund statements and schedules are included in the financial section of this report. The auditor's report related specifically to the single audit are included in the single audit section of this report.

#### 11. <u>ACKNOWLEDGMENTS</u>:

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

Respectfully submitted,

Kevin J. Fricke

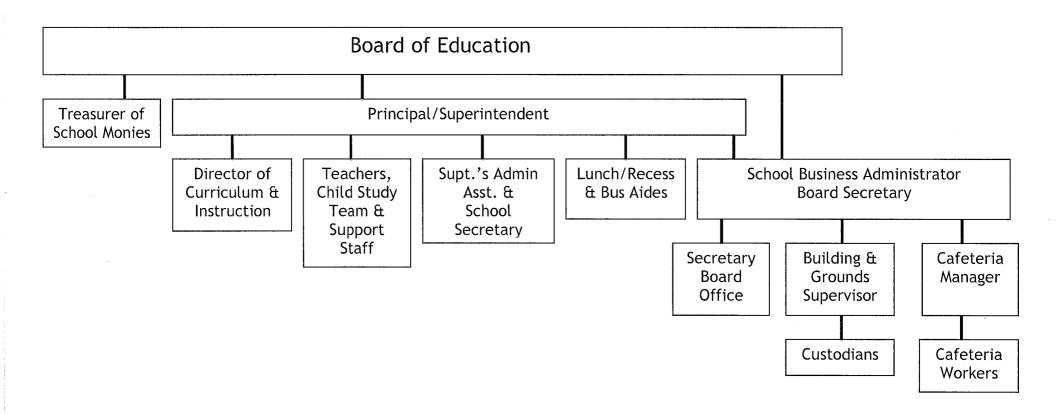
Kevin J. Fricke, Chief School Administrator

Christopher R. Veneziani

Christopher R. Veneziani, School Business Administrator

#### Borough of Folsom School District Atlantic County Folsom, New Jersey

#### ORGANIZATIONAL CHART



# BOROUGH OF FOLSOM BOARD OF EDUCATION FOLSOM, NEW JERSEY

#### **ROSTER OF OFFICIALS**

#### **JUNE 30, 2022**

MEMBERS OF THE BOARD OF EDUCATION	_	TERM EXPIRES
Glenn Smith, President		2023
Lisa O'Toole, Vice President		2023
Daria DeStefano		2024
Marisa Scibilia		2022
Tiffani Dych		2024
John Thomas		2024
Andrea Way		2022
OTHER OFFICIALS	<u>Amo</u>	ount of Bond
Dr. Matthew Mazzoni, Chief School Administrator		
Christopher Veneziani, School Business Administrator	\$	25,000
Beverly Mateo		180,000
Kasi Marie Gifford, Board Attorney		

## BOROUGH OF FOLSOM BOARD OF EDUCATION CONSULTANTS AND ADVISORS

#### **AUDIT FIRM**

Raymond Colavita, CPA, RMA
Nightlinger, Colavita and Volpa, P. A.
Certified Public Accountants
991 S. Black Horse Pike
P.O. Box 799
Williamstown, NJ 08094

#### **ATTORNEY**

Kasi Marie Gifford, Esq.
Cooper Levenson Attorneys at Law
1125 Atlantic Avenue
Atlantic City, NJ 08401

#### OFFICIAL DEPOSITORY

Ocean First 702 12<sup>th</sup> Street Hammonton, New Jersey 08037

#### Risk Management Consultant

Hardenbergh Insurance Group 800 Sagemore Drive Marlton, NJ 08053

## **FINANCIAL SECTION**

#### NIGHTLINGER, COLAVITA & VOLPA

#### A Professional Association

Certified Public Accountants

991 S. Black Horse Pike P.O. Box 799 Williamstown, NJ 08094 (856) 629-3111 Fax (856) 728-2245 www.colavita.net

#### **INDEPENDENT AUDITOR'S REPORT**

The Honorable President and Members of the Board of Education Folsom Borough School District County of Atlantic, New Jersey 08037

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Folsom Borough School District in the County of Atlantic, State of New Jersey, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Board of Education of the Folsom Borough School District in the County of Atlantic, State of New Jersey's basic financial statements as listed in the table of contents.

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

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Board of Education of the Folsom Borough School District in the County of Atlantic, State of New Jersey, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 Board of Education of the Folsom Borough School District in the County of Atlantic, State of New Jersey's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, 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 Board of Education of the Folsom Borough School District in the County of Atlantic,
  State of New Jersey'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 Board of Education of the Folsom Borough School District in the
  County of Atlantic, State of New Jersey'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 and budgetary comparison information 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 Board of Education of the Folsom Borough School District in the County of Atlantic, State of New Jersey's basic financial statements. The combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and is also not a required part of the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and related major fund supporting financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### Other Information

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

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

#### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 2023 on our consideration of the Folsom Borough Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Folsom Borough Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governments Auditing Standards* in considering Folsom Borough School District's internal control over financial reporting and compliance.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.

Raymond Colavita, C.P.A., R.M.A. Licensed Public School Accountant

No. 915

February 17, 2023

### **REQUIRED SUPPLEMENTARY INFORMATION - PART I**

# BOROUGH OF FOLSOM SCHOOL DISTRICT BOROUGH OF FOLSOM MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

#### **UNAUDITED**

This section of the Borough of Folsom School District's (the District) annual financial report presents our discussion and analysis of the District's financial performance during the year ended June 30, 2019. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

The Management's Discussion and Analysis (MD & A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 - Basic Financial Statements-and Management's Discussion and Analysis - for State and Local Governments. Certain comparative information is required to be presented.

#### FINANCIAL HIGHLIGHTS

Key financial highlights for the year ended June 30, 2022 year include the following:

- Net Position for Governmental and Business-Type activities was \$7,204,297 and \$212,330 totaling \$7,416,627.
- Net Position increased by \$332,124 in Governmental Activities and increased by \$114,032 in the Business-Type activities.
- The fund balance of the General Fund as of June 30, 2022 was \$2,379,487, which is a increase of \$239,811 when compared with the beginning balance of \$2,139,676.
- The District's outstanding bonded debt at June 30, 2022 is \$405,000.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operation in more detail than the government-wide statements.
  - a. The governmental funds statements tell how basic services such as regular and special education were financed in short term as well as what remains for future spending.
  - b. Proprietary funds statements offer short-term and long-term financial information about the activities that the District operates like businesses.
  - c. Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. Table A-1 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Table A-1 MAJOR FEATURES OF THE GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

			<b>.</b>	1
	Government-Wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except Fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as regular and special education, building maintenance and transportation	Activities the District operates similar to private businesses: Food Service Fund, School Age Child Care	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities
Required Financial Statements	Statements of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures, and Changes in Fund Balance	Statement of Net Position  Statement of Revenues, Expenses, and Changes in Net Position  Statement of Cash Flows	Statement of Net Position Statement of Changes in Net Position
Accounting Basics and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used and liabilities that come due during the year or soon thereafter; no capital assets or long term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term
Type of Inflow/Outflow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

#### Government-wide Statements

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

The two government-wide statements report the District's net position and how they have changed. Net position - the District's assets and deferred outflows of resources, less deferred inflows of resources and liabilities - is a measure of the District's financial health or position.

- Over a period of time, increases or decreases in the District's net position are an indicator of whether the financial position is improving or deteriorating, respectively.
- To assess the overall health of the District, additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities should be considered.

In the government-wide financial statements the District's activities are shown in two categories:

- Governmental activities Most of the District's basic services are included here, such as regular and special education, transportation, administration, and maintenance. Aid from the State of New Jersey and from the Federal government along with local property taxes finances most of these activities.
- Business-type activities The district charges fees to customers to help it cover the costs of certain services it provides. The District's Food Service Fund and Community Program Fund are included here.

#### **Fund Financial Statements**

The fund financial statements provide more detailed information about the District's funds - focusing on the most significant or "major" funds - not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The District uses other funds, established in accordance with the State of New Jersey Uniform Chart of Accounts, to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal grants).

#### The District has three kinds of funds:

• Governmental funds - Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statements that explain the relationship (or differences) between them.

- **Proprietary funds** Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide statements.
- **Fiduciary funds** The District is the trustee, or fiduciary, for assets that belong to others. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the government-wide financial statements because the District cannot use these assets to finance its operations.

#### FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

#### **Net Position**

The Statement of Net Position reports all financial and capital resources. The difference between the District's assets and liabilities is its net position.

#### **Summary of Net Position**

Juninary of Net 1 Osition	Government Activities				Business Activities			
	June 30,				June 30,			
		2022		2021		2022	2021	
Current and Other Assets	\$	2,497,037	\$	2,252,519	\$	213,398	\$	111,659
Capital Assets		6,555,118		6,840,067		24,548		8,068
Deferred Outflows		282,093		350,228				
Total Assets	\$	9,334,248	\$	9,442,814	\$	237,946	\$	119,727.00
Long-Term Liabilities		1,408,596		1,690,278		5,664		
Other Liabilities		89,224		290,675		19,952		21,429
Deferred Inflows		632,131		589,688				
Total Liabilities	\$	2,129,951	\$	2,570,641	\$	25,616	\$	21,429.00
Net Position								
Invested in Capital Assets		6,136,691		6,245,067		24,548		8,068
Restricted		2,548,654		2,219,791				
Unrestricted		(1,481,048)		(1,592,685)		187,782		90,230
Total Net Position	\$	7,204,297	\$	6,872,173	\$	212,330	\$	98,298

#### Summary of Changes in Net Position

	Governmen	tal Activities	Business	Activities	Total		
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	
Revenues							
Program Revenue							
Charges for Services	35,082	\$ 21,845	\$ 83,069	\$ 23,394 \$	118,151 \$	45,239	
<b>Grants and Entitlements</b>	876,890	928,487	344,531	263,139	1,221,421	1,191,626	
General Revenue							
Property Taxes	2,030,436	1,997,216			2,030,436	1,997,216	
Grants and Entitlements	7,283,167	8,102,652			7,283,167	8,102,652	
Other	72,594	86,490	258	(52,003)	72,852	34,487	
Total Revenues	10,298,169	11,136,690	427,858	234,530	10,726,027	11,371,220	
Expenses							
Instruction	4,736,858	5,158,214			4,736,858	5,158,214	
Support Services	3,525,705	3,695,174			3,525,705	3,695,174	
Tuition	1,283,514	1,694,412			1,283,514	1,694,412	
Interest on Debt	59,426	66,867			59,426	66,867	
Unallocated Depreciation	360,542	358,540			360,542	358,540	
Business-Type Activities			313,826	220,426	313,826	220,426	
Total Expenses	9,966,045	10,973,207	313,826	220,426	10,279,871	11,193,633	
Change in Net Position	332,124	\$ 163,483	\$ 114,032	\$ 14,104 \$	446,156 \$	177,587	

#### Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. The District's total Governmental Activity revenues were \$10,298,169 for the fiscal year ended June 30, 2022. Property taxes made up 19.7% percent of revenues for governmental activities for the Borough of Folsom School District for fiscal year 2022. Federal, state and local grants accounted for \$8,160,057 or another 79.2% and miscellaneous sources accounted for 1.1%. The total cost of all program and services was \$10,279,871. Instruction expenses of \$4,736,858 comprised 46.1% of District expenses.

#### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is also reflected in the governmental funds which are accounted for by using the modified accrual basis of accounting. As of the end of the current fiscal year, the District's governmental funds reported combining ending fund balances of:

#### **Fund Balances**

		June 30, 2022	 June 30, 2021	 Change
Restricted				
Capital Reserve	\$	685,932	\$ 584,771	\$ 101,161
Maintenance Reserve		216,299	215,869	430
Emergency Reserve		119,600	119,361	239
Student Activities		35,563	30,209	5,354
Inemployment Compensa	tion	24,696	14,207	10,489
Excess Surplus		1,333,524	1,155,023	178,501
Assigned				
Encumbrances		27,576	67,313	(39,737)
Designated for Budget		133,040	100,351	32,689
Unassigned				
Special Revenues		(3,862)	(5,967)	2,105
General		(161,180)	(117,219)	(43,961)
Total	\$	2,411,188	\$ 2,163,918	\$ 247,270

#### The School District's Major Funds

Information about the School District's major funds starts on page 22. These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., general fund, special revenue fund and debt service fund presented in the fund-based statements) had total revenues of \$10,184,965 and expenditures of \$9,937,695. The net positive/negative change in fund balance for the year was an increase of \$247,270 which was attributed to the appropriation of surplus.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2022, and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenue		Amount	Percent of Total		Increase/ (Decrease) from 2021	Percent/ Increase (Decrease)
Local Sources State Sources Federal Sources	\$	2,128,401 7,762,768 293,796	21% 76% 3%	\$	55,835 253,497 (66,538)	3% 3% -18%
Total	\$ =	10,184,965	100%	 \$ = :	242,794	2.44%

The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2022.

Expenditures		Amount	Percent of Total	Increase/ (Decrease) from 2021	Percent/ Increase (Decrease)		
Current:							
Instruction	\$	2,922,664	2 <del>9</del> % \$	154,199	5.6%		
Tuition		1,283,514	13%	(410,898)	-24.3%		
Undistributed Expenditures		5,436,937	<b>55</b> %	503,601	10.2%		
Capital Outlay		80,780	1%	36,063	80.6%		
Debt Service:							
Principal		190,000	2%	5,000	2.70%		
Interest		23,800	0%	(7,400)	-23.72%		
Total	\$	9,937,695	100% \$	280,565	2.91%		

#### **GENERAL FUND BUDGETARY HIGHLIGHTS**

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

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts.

#### Revenues

The General Fund proposed budget estimated revenues was \$7,852,821. Actual revenues, excluding on-behalf contributions for Pension and Social Security of \$1,575,912 (which are not budgeted), were \$8,023,269.

#### **Expenditures**

The General Fund adopted expenditures were budgeted at \$8,532,779. Actual expenditures, not including on-behalf contributions for Pension and Social Security (which are not budgeted), were \$7,736,355, excluding \$49,485 transferred to the Preschool Program.

#### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### **Capital Assets**

As of June 30, 2022 the District had \$13,044,088 invested in land, building, and equipment less \$6,464,422 in accumulated depreciation expense. For more detailed information, please refer to the Notes to the Financial Statements.

	Governmental Activities				Business	ctivities		Total			
	June 30, 2022	-	June 30, 2021	_	June 30, 2022		June 30, 202	1	June 30, 2022		June 30, 2021
Facilities and Improvements Equipment	\$ 5,660,109 895,009	\$	5,973,757 866,310	\$	24,548	\$	8,068	\$	5,660,109 919,557	\$	5,973,757 874,378
	\$ 6,555,118	\$	6,840,067	\$	24,548	- \$	8,068	- \$	6,579,666	\$	6,848,135

#### **Debt Administration**

At the end of fiscal year 2022, the School District had \$1,414,260 of outstanding debt. Of this amount, \$100,253 is for compensated absences and \$405,000 is for general obligation bonds, \$882,836 represents Net Pension Liability, \$13,427 was for Right-to-lease Liability and \$12,744 represents the unamortized premium on bonds. The amount of allowable unvoted debt is \$4,984,795. Additional information on the District's long-term obligations can be found in the notes the basic financial statements of this report.

#### CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a summary of the financial condition of the District. Questions concerning any of the information provided in this report should be addressed to:

School Business Administrator/Board Secretary Borough of Folsom School District 1357 Mays Landing Road Folsom, NJ 08037 609-561-8666

## **BASIC FINANCIAL STATEMENTS**

#### **DISTRICT WIDE FINANCIAL STATEMENTS**

The statement of net position and the statement of activities display information about the District.

These statements include the financial activities of the overall District, except for fiduciary activities.

Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

# BOROUGH OF FOLSOM SCHOOL DISTRICT STATEMENT OF NET POSITION JUNE 30, 2022

	Governmental Activities	E	Business-type Activities	_	Total
ASSETS					
Cash and Cash Equivalents Receivables, Net Restricted Assets:	\$ 1,273,454 201,752	\$	180,792 28,513	\$	1,454,246 230,265
Cash and Cash Equivalents Capital Assets, Net (Note 8) Inventory	1,021,831 6,555,118		24,548 4,093		1,021,831 6,579,666 4,093
Total Assets	9,052,155	_	237,946	_	9,290,101
DEFERRED OUTFLOWS OF RESOURCES:		_			
Deferred Pension Outflow	282,093	_		_	282,093
Total Deferred Outflows of Resources	282,093				282,093
LIABILITIES					
Accounts Payable	63,117		10,637		73,754
Accrued Interest Payable	3,375		0.245		3,375
Unearned Revenue Non-current Liabilities (Note 9):	22,732		9,315		32,047
Due Within One Year	236,713				236,713
Due Beyond One Year	1,171,883		5,664		1,177,547
Total Liabilities	1,497,820	_	25,616		1,523,436
DEFERRED INFLOWS OF RESOURCES:					
Deferred Pension Inflow	632,131	_			632,131
Total Deferred Inflows of Resources	632,131	_			632,131
NET POSITION					
Invested in Capital Assets, Net of Related Debt Restricted for:	6,136,691		24,548		6,161,239
Capital Reserve	685,932				685,932
Maintenance Reserve	216,299				216,299
Emergency Reserve	119,600				119,600
Other Purposes	1,466,564				1,466,564
Unemployment Compensation	24,696				24,696
Student Activities	35,563		407 700		35,563
Unrestricted (Deficit)	(1,481,048)	_	187,782	_	(1,293,266)
Total Net Position	\$ 7,204,297	\$ _	212,330	\$	7,416,627

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

# BOROUGH OF FOLSOM SCHOOL DISTRICT STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2022

Net (Expense) Revenue and **Program Revenues** Changes in Net Position Charges Operating **Business**for Grants and Governmental type Functions/Programs Services Contributions Activities Activities Total Expenses Governmental Activities: Instruction: 3,421,361 \$ (3,119,779)\$ \$(3,119,779) Regular \$ 301,582 \$ Special Education 998,876 (998,876) (998,876)316,621 Other Instruction (316,621)(316,621)Support Services: 1,283,514 (1,283,514)(1,283,514)Tuition Student & Instruction Related Services 1,523,127 35,082 93,153 (1,394,892)(1,394,892)General and Business Admin Services 196,490 (196,490)(196,490)School Administrative Services 259,596 (259,596)(259,596)Central Services 305,727 (305,727)(305,727)Plant Operations and Maintenance 700,638 (700,638)(700,638)Pupil Transportation 540,127 (540, 127)(540, 127)**Employee Benefits** 482,155 482,155 482,155 Interest Expense 59,426 (59,426)(59,426)Unallocated Depreciation 360,542 (360,542)(360,542)Total Governmental Activities 9,966,045 35,082 876,890 (9,054,073) (9,054,073) Business-Type Activities: Food Service 265,252 24,348 344,531 103,627 103,627 Community Program 10,147 48,574 58,721 10,147 Total Business-Type Activities 313,826 83,069 344,531 113,774 113,774 Total Primary Government 10,279,871 \$ 118,151 1,221,421 (9,054,073)113,774 (8,940,299)General Revenues: Taxes: Property Taxes, Levied for General Purposes, Net 2,030,436 2,030,436 Federal and State Aid Not Restricted 7,283,167 7,283,167 Investment Earnings 258 5,986 5,728 Miscellaneous Income 57,155 57,155 Fixed Asset Adjustment (414)(414)Special Items: Prior Year Right-to-Use Assets and Lease Liability Adjustment 10,125 10,125 Total General Revenues, Special Items, Extraordinary Items and Transfers 9,386,197 258 9,386,455 Change in Net Position 332,124 114,032 446,156 Net Position-Beginning 6,970,471 6,872,173 98,298 Net Position-Ending 7,204,297 \$212,330 \$ 7,416,627

# **FUND FINANCIAL STATEMENTS** The Individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund.

## **GOVERNMENTAL FUNDS**

# BOROUGH OF FOLSOM SCHOOL DISTRICT BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2022

35NE 30	, 20	General Fund		Special Revenue Fund		Debt Service Fund	G	Total overnmental Funds
ASSETS -	_		-		•			
Cash and Cash Equivalents	\$	1,227,214	\$	35,563	\$		\$	1,262,777
Cash and Cash Equivalents - Capital Reserve	•	685,932	·	,	•			685,932
Cash and Cash Equivalents - Emergency Reserve		119,600						119,600
Cash and Cash Equivalents - Maintenance Reserve		216,299						216,299
Interfund Receivable		26,759						26,759
State Aid Receivable		166,800						166,800
Federal Aid Receivable		,		34,952				34,952
Total Assets	\$	2,442,604	- \$ =	70,515	\$		\$	2,513,119
LIABILITIES AND FUND BALANCES			_					
Liabilities:								
Accounts Payable	\$	63,117	\$		\$		\$	63,117
Interfund Payable		•		16,082				16,082
Unearned Revenue				22,732				22,732
Total Liabilities		63,117	_	38,814				101,931
Fund Balances:	_							
Restricted for:								
Capital Reserve		685,932						685,932
Maintenance Reserve		216,299						216,299
Unemployment Compensation		24,696						24,696
Student Activities				35,563				35,563
Emergency Reserve		119,600						119,600
Excess Surplus - Designated for Subsequent Year's								
Expenditures		645,294						645,294
Excess Surplus		688,230						688,230
Assigned to Encumbrances		27,576						27,576
Assigned - Designated for Subsequent Year's Expenditures		133,040						133,040
Unassigned (Deficit)		(161,180)	_	(3,862)				(165,042)
Total Fund Balances	_	2,379,487	_	31,701				2,411,188
Total Liabilities and Fund Balances	\$	2,442,604	\$	70,515	\$		_	
Amounts Reported for Governmental Activities in the Statement of Net Position (A-1) are different because:								
Capital assets used in governmental activities are not finan- are not reported in the funds. The cost of the assets is \$12				•				
depreciation is \$6,407,589 (see Note 8).								6,555,118
Deferred Outflow of Resources - Deferred Pension Contribut	tion							282,093
Deferred Inflows of Resources - Pension Actuarial Gains Long Term Net Pension Liability								(632,131) (882,836)
Long-term liabilities, including bonds payable and Unamort and payable in the current period and therefore, are not in the funds (see Note 9)								(525,760)
Accrued Interest								(3,375)
Net Position of governmental activities							\$_	7,204,297

## BOROUGH OF FOLSOM SCHOOL DISTRICT STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2022

	-	General Fund		Special Revenue Fund		Debt Service Fund		Total Governmental Funds
REVENUES								
Local Sources:								
Local Tax Levy	\$	1,816,636	Ś		\$	213,800	Ś	2,030,436
Interest Earned	•	5,728	7		•	,	•	5,728
Miscellaneous		57,155						57,155
Local Sources				35,082				35,082
Total - Local Sources	Ī	1,879,519	_	35,082		213,800		2,128,401
State Sources		7,722,044		40,724				7,762,768
Federal Sources	_			293,796				293,796
Total Revenues		9,601,563		369,602		213,800	-	10,184,965
EXPENDITURES	_		_		_			
Current:								
Regular Instruction		1,863,927		301,582				2,165,509
Special Education Instruction		574,243						574,243
Other Instruction		182,912						182,912
Support Services:								
Tuition		1,283,514						1,283,514
Student & Instruction Related Services		854,114		93,153				947,267
General Administrative Services		141,512						141,512
School Administrative Services		157,763						157,763
Central Services		192,256						192,256
Plant Operations and Maintenance		546,238						546,238
Pupil Transportation		533,619						533,619
Employee Benefits		2,918,282						2,918,282
Capital Outlay		63,887		16,893				80,780
Debt Service								
Principal						190,000		190,000
Interest	_				_	23,800		23,800
Total Expenditures	_	9,312,267	_	411,628		213,800		9,937,695
Excess (Deficiency) of Revenues								
over Expenditures		289,296		(42,026)				247,270
OTHER FINANCING SOURCES (USES)	_		_		_			
Transfer to Preschool Program	_	(49,485)		49,485				
Total Other Financing Sources and Uses		(49,485)		49,485				
Net Change in Fund Balances	_	239,811		7,459				247,270
Fund Balance—July 1		2,139,676		24,242				2,163,918
Fund Balance—June 30	\$_	2,379,487	\$	31,701	\$		\$	2,411,188
	=		. =		- =		=	

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

# BOROUGH OF FOLSOM SCHOOL DISTRICT RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2022

Total net change in fund balances - governmental funds (from B-2)			\$	247,270
Amounts reported for governmental activities in the statement of activities (A-2) are different because:				
Capital outlays are reported in governmental funds as expenditures. However, in the statistics, the cost of those assets is allocated over their estimated useful lives as department of the capital outlays exceeded depreciation in the period.				
Depreciation Expense	\$	(360,542)	)	
Fixed Asset Adjustment		(414)	i	
Capital Outlays		52,455		
			-	(308,501)
Pension Contributions are reported in governmental funds as expenditures. However, in of activities, the contributions are adjusted for actuarial valuation adjustments, incluinterest costs, administrative costs, investment returns, and experience/assumption. by which net pension liability and deferred inflows/outflows related to pension change.  Repayment of right-to-use lease principal is an expenditure in the governmental funds, reduces long-term liabilities in the statement of net position and is not reported in the st	iding se This is ged duri but the	rvice and the amount ng the period e repayment	ı.	156,980 10,125
				,
Accrued Interest				1,583
Increase in Compensated Absences				27,551
Repayment of Bond Principal is an expenditure in the governmenal funds, but the repayment reduces long-term liabilities in the Statement of Net Assets and is not reported as an expenditure in the Statement of Activities.  Payment of Bond Principal  Amortization of Bond Principal				190,000 7,116
Change in net position of governmental activities (A-2)			_ \$	332,124
Change in het position of governmental activities (A-2)			پ	JJZ, 124

### **PROPRIETARY FUNDS**

# BOROUGH OF FOLSOM SCHOOL DISTRICT STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2022

Business-type Activities -Enterprise Funds

27,674 3,341	\$	Food Service 163,795 \$ 24,921	Totals
27,674	\$	163,795 \$ 24,921	191,469
	\$	24,921	
	\$	24,921	
	\$	24,921	
	•	24,921	
3,341		•	24,921
<b>0,0</b> 1.7		751	3,592
		4,093	4,093
31,015	_	193,060	224,075
•	_		
		81 381	81,381
			(56,833)
		<del> </del>	
		24,548	24,548
31,015		217,608	248,623
		10.637	10,637
1,178		-	10,677
-		•	9,315
., -		5,664	5,664
6,929	•	29,364	36,293
		24,548	24,548
24,086		163,696	187,782
24,086		188,244	212,330
31,015	\$	217,608 \$	248,623
	31,015 1,178 5,751 6,929 24,086 24,086	31,015 31,015 1,178 5,751 6,929	3,341 251 4,093 31,015 193,060 81,381 (56,833) 24,548 31,015 217,608 10,637 1,178 9,499 5,751 3,564 5,664 6,929 29,364 24,086 163,696 24,086 188,244

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

## BOROUGH OF FOLSOM SCHOOL DISTRICT STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2022

Business-type Activities -

	Enterprise Fund							
	Community	Food	Total					
	Program	Service	Enterprise					
Operating Revenues:		_						
Charges for Services:								
Daily Sales - Reimbursable Programs	\$ \$	\$	5					
Non-reimbursable Sales		24,348	24,348					
Program Fees	58,721		58,721					
Transportation								
Total Operating Revenue:	58,721	24,348	83,069					
Operating Expenses:								
Cost of Sales - Reimbursable		110,933	110,933					
Cost of Sales - Non Reimbursable		5,139	5,139					
Salaries	45,612	76,991	122,603					
Employee Benefits		24,290	24,290					
General Supplies	1,305	5,611	6,916					
Depreciation		1,491	1,491					
Other	1,657	40,797	42,454					
Total Operating Expenses	48,574	265,252	313,826					
Operating (Loss) Income	10,147	(240,904)	(230,757)					
Non-operating Revenues (Expenses):								
Local Sources:								
Plumbing Fixture & Appliance Program		10,391	10,391					
State Sources:								
State School Lunch Program		5,083	5,083					
Federal Sources:								
National School Lunch Program		215,349	215,349					
National School Breakfast Program		80,553	80,553					
Food Distribution Program		12,542	12,542					
P-EBT Administrative Cost		1,242	1,242					
Supply Chain Assistance		12,314	12,314					
Emerg. Operational Cost Prog-Schs		7,057	7,057					
Interest	42	216	258					
Total Non-operating Revenues (Expenses)	42	344,747	344,789					
(Loss) Income Before Transfers	10,189	103,843	114,032					
Transfers In (Out)								
Change in Net Position	10,189	103,843	114,032					
Total Net Position—Beginning	13,897	84,401	98,298					
Total Net Position—Ending	\$ 24,086 \$	188,244 \$	212,330					

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

## BOROUGH OF FOLSOM SCHOOL DISTRICT STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2022

**Business-type Activities -**

	Enterprise Funds					
		Community	Food	Total		
		Program	Service	Enterprise		
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from Customers	\$	58,721 \$	24,348 \$	83,069		
Payments to Employees		(45,612)	(102,284)	(147,896)		
Payments to Suppliers		(959)	(159,639)	(160,598)		
Net Cash Provided by (Used for) Operating Activities		12,150	(237,575)	(225,425)		
			<del></del>			
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Local Sources			10,391	10,391		
State Sources			5,083	5,083		
Federal Sources			329,057	329,057		
Operating Subsidies and Transfers to Other Funds			•	•		
Net Cash Provided by (Used for) Non-capital Financing Activities			344,531	344,531		
CASH FLOWS FROM CAPITAL AND RELATED						
FINANCING ACTIVITIES						
Purchase of Fixed Assets			(17,971)			
Net Cash Provided by (Used for) Capital and Related Financing Activities	•		(17,971)			
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest and Dividends		42	216	258		
Net Cash Provided by (Used for) Investing Activities		42	216	216		
Net Increase/(Decrease) in Cash and Cash Equivalents		12,192	89,201	101,393		
Balances—Beginning of Year		15,482	74,594	90,076		
Balances—End of Year	\$	27,674 \$	163,795 \$	191,469		
Reconciliation of Operating Income (Loss) to Net Cash Provided						
(Used) by Operating Activities:						
Operating Income (Loss)	\$	10,147 \$	(240,904) \$	(230,757)		
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities	7	, 4	(= := ;; = :) +	(=55,757)		
Depreciation and Net Amortization			1,491	1,491		
Decrease/(Increase) in Accounts Receivable		(1,709)	(853)	(2,562)		
Decrease/(Increase) in Inventory		(1)111	1,197	1,197		
(Decrease)/Increase in Accounts Payable			3,862	3,862		
(Decrease)/Increase in Interfund Payable		1,178	(159)	1,019		
(Decrease)/Increase in Deferred Revenue		2,534	(1,206)	1,328		
(Decrease)/Increase in Compensated Absences		_,	(1,003)	(1,003)		
Total Adjustments	•	2,003	3,329	5,332		
Net Cash Provided by (Used for) Operating Activities	Ċ.	12,150 \$				
nec cash i rovided by (osed for) operating Activities	\$	12,150 \$	(237,575) \$	(225,425)		

Noncash Investing, Capital, and Financing Activities:

During the year, the District received \$12,208 of food commodities from the U.S. Department of Agriculture

### **FIDUCIARY FUNDS**

#### NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICTAND REPORTING ENTITY

#### A. Reporting Entity:

The Borough of Folsom School District is a Type II District located in the County of Atlantic, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The Board is comprised of seven members elected to three-year terms. These terms are staggered so that two or three members' terms expire each year. The purpose of the District is to educate students in grades Pre-K-8. The Folsom School District had an approximate enrollment at June 30, 2022 of 382 students. Students in grades 9-12 attend Hammonton High School.

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

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

Based on the aforementioned criteria, the District has no component units.

#### NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **New Accounting Standards:**

The School District has adopted the following GASB statements:

- ➤ GASB Statement No. 87 Leases: The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The requirements of Statement will be effective for reporting periods beginning after June 15, 2021. The adoption of GASB 87 will impact the financial statements of the School District.
- ➤ GASB Statement No. 89 Accounting for Interest Cost Incurred before the End of a Construction Period: The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The adoption of GASB 89 did not impact the financial statements of the School District.
- ➤ GASB Statement No. 92 Omnibus 2020: The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The adoption of GASB 92 did not impact the financial statements of the School District.
- ➤ GASB Statement No. 93 Replacement of Interbank Offered Rates: The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The adoption of GASB 93 did not impact the financial statements of the School District.

#### NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### New Accounting Standards: (Continued)

- Statement No. 97 Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32: The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans); and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans). The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The adoption of GASB 97 did not impact the financial statements of the School District.
- ➤ GASB Statement No. 98 The Annual Comprehensive Financial Report: This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The requirements of this Statement are effective for reporting periods ending after December 15, 2021. The adoption of GASB 98 did not impact the financial statements of the School District.

<u>A. Basis of Presentation</u>: The District's basic financial statements consist of District-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

<u>District-wide Statements</u>: The statement of net position and the statements of activities display information about the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of net position presents the financial condition of the governmental and business-type activities of the District at the fiscal year end while the statement of activities presents a comparison between direct expenses and program revenues for each different business-type activity of the District and for each function of the District's governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses-expenses of the District related to the administration and support of the District's programs, such as personnel and accounting-are not allocated to programs.
- > Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues.

#### NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

A. Basis of Presentation: (Continued)

<u>Fund Financial Statements</u>: During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - *governmental*, *proprietary*, and *fiduciary* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting.

#### **B.** Fund Accounting:

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds and accounts are grouped in the financial statements in this report as follows:

#### **GOVERNMENTAL FUNDS**

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

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

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

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

#### NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### B. Fund Accounting: (Continued):

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election. The district currently has one open capital project for various renovations to the Folsom Elementary School.

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

#### PROPRIETARY FUNDS

The focus of Proprietary Fund measurement is upon determination of net income, financial position and cash flows. Generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the Proprietary Funds of the District.

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

The District's Enterprise Fund is comprised of the Food Service Fund.

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

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

Food Service Fund: Equipment

12 Years

#### NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### B. Fund Accounting (Continued):

#### FIDUCIARY FUNDS

**Trust and Agency Funds** - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

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

**Nonexpendable Trust Fund** - A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. The District does not maintain a nonexpendable trust fund.

**Agency Funds** - Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds.

#### C. Basis of Accounting and Measurement Focus:

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

District-wide, Proprietary and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting.

Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under the New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available.

The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

#### NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### D. Budgets/Budgetary Control:

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989. The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds, which are submitted to the county office. 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 and 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, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 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. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year.

Formal budgetary integration into the accounting system is 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 mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below.

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

A reconciliation of the special revenue funds from the budgetary basis of accounting (as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds) to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types is shown on Exhibit C-3.

#### NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### E. Encumbrance Accounting:

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

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

#### F. Tuition Receivable:

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

#### G. Tuition Payable:

Tuition charges for the fiscal years 2019-2020, 2020-2021, and 2021-2022 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

#### H. Short-Term Interfund Receivables/Payables:

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

#### I. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the Enterprise Fund are recorded as expenditures during the year of purchase.

On District-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2018.

#### J. Assets, Liabilities and Equity:

<u>Transaction</u> - Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

#### NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### J. Assets, Liabilities and Equity: (Continued)

<u>Inventories</u> - On District-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method and is expended when used. The Food Service inventory as of June 30, 2022 consisted of \$2,827 in food and \$1,266 in supplies for a total of \$4,093. Of the \$4,093 reflected in inventory as of June 30, 2022, Federal Commodity Food represents \$1,379. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2022.

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1986, as revised) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

<u>Capital Assets</u> - General fixed assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The general fixed assets acquired or constructed prior to June 30, 2022 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. General fixed assets are reflected as expenditures in the applicable governmental funds, and the related assets are reported in the general fixed assets account group. Expenditures that enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the fixed asset's currently capitalized cost. The cost of normal repairs and maintenance are not capitalized. Assets in the general fixed assets account group are not depreciated.

Capital assets are depreciated in the District-wide financial statements using the straight-line method over the following estimated useful lives:

	Estimated
Asset Class	Useful Lives
School Building	50
Building Improvements	20
Equipment	5-10

#### K. Compensated Absences:

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place. In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the district-wide Statement of Net Position. In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

#### NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### L. Unearned Revenue:

Unearned revenue in the special revenue fund represents cash that has been received but not yet earned.

#### M. Operating Revenues and Expenses:

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

#### N. Allocation of Indirect Expenses:

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

#### O. Extraordinary and Special Items:

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

#### P. Lease Acquisition Costs:

As part of any long-term lease agreement, providing for the use of school buildings, payments constituting professional lease acquisition and other related professional fees will expensed when incurred in accordance with GASB Statement No. 65. There were no such leases for the year ended June 30, 2022.

#### Q. Fund Equity:

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

#### NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### R. Comparative Data/Reclassifications:

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain immaterial amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

#### S. Management Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of revenues and expenditures/expenses during the reporting period. Accordingly, actual results could differ from those estimates.

#### T. Accrued Liabilities and Long-term Obligations:

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

#### U. Net Position:

Net Position represents the difference between assets and liabilities. Net investment in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. 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. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

#### V. Fund Balance Reserves:

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances.

#### NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### W. Revenues - Exchange and Non-exchange Transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned.

#### NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or for the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year end: property taxes available as an advance, interest, and tuition.

Cash and cash equivalents include petty cash, change funds, cash in banks and highly liquid investments with a three month maturity or less at the time of purchase and are stated at cost plus accrued interest.

Investments are stated at cost, or amortized cost, which approximates market. The Board classifies U.S. Treasury with Agency obligations and certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions 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 as follows:

- a. Bonds or other obligations of the Unites States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives, which have a maturity date no greater than twelve months from the date of purchase.
- c. Bonds of other obligations of the School District.

School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund. As of June 30, 2022, the District had no funds on deposit with the New Jersey Cash Management.

#### NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

<u>Deposits</u> - N.J.S.A. 17:9-41, et seq. establish requirements for the security of deposits of governmental units. The statutes require that school districts deposit public funds in public depositories secured in accordance with the Governmental Unit Deposit Protection Act, which is a multiple financial institution collateral pool enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution located in New Jersey, which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories.

Public depositories include State or Federally chartered banks, savings banks or associations located in or having a branch office on 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 5% of the average daily balance of collected public funds on deposit, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to Governmental Units.

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

The School District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the Governmental Unit Deposit Protection Act and approves a list of authorized depository institutions based on an evaluation of solicited responses and presentation of GUDPA certifications provided by the financial institutions.

As of June 30, 2022, cash and cash equivalents in the fund financial statements of the District consisted of the following:

	Cash and Cash Equivalents
Checking Accounts	\$ 2,476,077
Total	\$ 2,476,077

<u>Custodial Credit Risk</u>: Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 t seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local government agencies. The program is administered by the Commissioner of the NJ Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. The District does not place a limit on the amount that may be invested in any one issuer.

#### NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

As of June 30, 2022, the District's bank balance of \$2,978,919 was insured or collateralized as follows:

Insured by Depository Insurance \$ 250,000 Collateralized under GUDPA 2,728,919

Total \$ 2,978,919

<u>Interest Rate Risk</u> - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

<u>Credit Risk</u> - Credit risk is the risk that an issuer of an investment will not fulfill its obligations. The District does not have a policy that restricts investment choices beyond Title 18A:20-37.

#### **NOTE 4. CAPITAL RESERVE ACCOUNT**

A capital reserve account may be established by New Jersey school districts for the accumulation of funds for capital outlay expenditures in subsequent fiscal years. The Capital Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget. Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may deposit funds into the capital reserve at any time upon board resolution through the transfer of undesignated, unreserved general fund balance that is anticipated in the budget certified for taxes. Post-April 2005 transfers must be in compliance with P.L.2005, C73 (S1701). Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support cost of uncompleted capital projects of \$2,500,000, as shown 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	\$ 584,771
Added	100,000
Interest Earnings	1,161
Ending Balance June 30, 2022	\$ 685,932

#### **NOTE 5. MAINTENANCE RESERVE ACCOUNT**

A maintenance reserve account may be established by the District for the accumulation of funds for maintenance expenditures in subsequent fiscal years. This reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the maintenance reserve account are restricted to maintenance expenditures in the District's annual general fund budget certified for taxes. During the 2021-2022 school year, interest earnings was added to the maintenance reserve account and funds were withdrawn to fund operations, resulting in a balance at June 30, 2022 of \$216,299, which is within the maximum allowed for the district of \$1,000,000. There was no withdrawal in the 2022-2023 operating budget.

#### NOTE 5. MAINTENANCE RESERVE ACCOUNT NOTE (CONT'D)

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

Beginning Balance July 1, 2021	\$	215,869
Increased by:		
Interest Earnings		430
	•	216,299
Decreased by:		
Withdrawn by Resolution	_	
Ending Balance June 30, 2022	\$	216,299

#### **NOTE 6. EMERGENCY RESERVE ACCOUNT**

An Emergency reserve account may be established by the District for the accumulation of funds for emergency expenditures in subsequent fiscal years. This reserve account is maintained in the general fund and its activity is included in the general fund annual budget. During the 2021-2022 school year, funds were withdrawn to fund operations and interest income was added, resulting in a balance at June 30, 2022 of \$119,600, which is within the \$250,000 maximum allowed for a district. In addition, \$0 was assigned and anticipated as revenue in the 2022-2023 budget.

Beginning Balance July 1, 2021	\$	119,361
Increased by:		
Added		25,000
Interest Earnings		239
	•	144,600
Decreased by:		
Withdrawn by Resolution	_	25,000
Ending Balance June 30, 2022	\$	119,600
	-	

#### **NOTE 7. OPERATING LEASES**

The School is a lessee for various copiers. The District recognizes a lease liability - finance purchase and a capital asset or recognizes a lease liability - right to use and an intangible right-to use lease asset in the district-wide financial statements based on the criteria dictated in GASB Statement No. 87 - Leases.

At the commencement of a lease, the School determines based on the criteria dictated in GASB Statement No. 87 - Leases, if the lease is a finance purchase or a right to use lease liability. Then the School initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease liabilities are reported with the long-term obligations on the statement of net position.

#### NOTE 7. OPERATING LEASES (CONT'D)

A finance purchased asset is initially measured as the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. The asset is depreciated on a straight-line basis over the life of the lease which is considered the asset's useful life. The asset is reported with the School capital assets as land, land improvements, buildings and improvements or furniture and equipment.

An intangible right-to use lease asset is initially measured as the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date. The intangible right-to use lease asset is amortized on a straight-line basis over the life of the lease. The intangible right-to use lease asset is reported with the School's capital assets in its own category called Right-to-Use Lease Assets.

Key estimates and judgements related to leases include how the School determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District is utilizing the treasury bill rate (corresponding to length of lease) in place at the date of implementation along with other risk factors to determine the discount interest rate for leases.

The School has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position.

The District has determined all of their copier lease agreements qualify as right-to-use assets. As of June 30, 2022, total future minimum lease payments under right-to-use lease agreements are as follows:

Year Ending June 30,	_	Amount
2023		11,700
2024		975
Total	\$ _	12,675

#### **NOTE 8. CAPITAL ASSETS**

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

		Beginning Balance 7/1/2021		Additions		ustments/ Retired	6	Ending Balance /30/2022
Governmental Activities:								
Capital Assets That are Not Being Depreciated:								
Land	\$	-					\$	-
Total Capital Assets Not Being Depreciated								
Capital Assets being Depreciated and Amortized								
Building and Building Improvements		12,023,570	\$	13,330				12,036,900
Machinery and Equipment		866,310		39,125		(23,108)		882,327
Right-to-Use Lease Assets						43,480		43,480
Totals at Historical Cost		12,889,880		52,455		20,372		12,962,707
Less Accumulated Depreciation and Amortization								
Building and Building Improvements		(5,561,623)		(271,064)				(5,832,687)
Machinery and Equipment		(488,190)		(78,608)		22,694		(544,104)
Right-to-Use Lease Assets		,		(10,870)		(19,928)		(30,798)
Total Accumulated Depreciation and Amortization		(6,049,813)		(360,542)		2,766		(6,407,589)
Total Capital Assets Being Depreciated and Amortized,								
Net of Accumulated Depreciation and Amortization		6,840,067		(308,087)		23,138		6,555,118
Government Activities Capital Assets, Net	\$	6,840,067	\$	(308,087)	\$	23,138	\$	6,555,118
		To A-1		·				To A-1
Business-type Activities - Equipment	\$	72,140	\$	17,971	\$	(8,730)	\$	81,381
Less Accumulated Depreciation	·	(64,072)	·	(1,491)	•	8,730	•	(56,833)
Business-type Activities Capital Assets, Net	\$	8,068	\$	16,480	\$	-	\$	24,548
		Depreciation 6	expe	nse was cha	==== rged	to governm	enta	l functions
		as follows:						
		Unallocate	ed				\$	360,542

#### NOTE 9. GENERAL LONG-TERM DEBT

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

	Beginning			Ending	Amounts	
	Balance			Balance	Due within	Long-term
	7/1/21	Additions	Reductions	6/30/22	One Year	Portion
Governmental Activities:						
Bonds Payable	\$ 595,000	\$ -	\$ 190,000	\$ 405,000	\$ 200,000	\$ 205,000
Total Loans Payable	595,000		190,000	405,000	200,000	205,000
Other Liabilities:						
Right-to-Use Lease Liability		24,393	10,966	13,427	11,296	2,131
Unamortized Premium	19,860		7,116	12,744	7,116	5,628
Compensated Absences Payable	122,140		27,551	94,589	18,301	76,288
Net Pension Liability	1,150,394		267,558	882,836		882,836
Total Other Liabilities	\$ 1,887,394	\$24,393	\$ 503,191	\$ 1,408,596	\$ 236,713	\$ 1,171,883
B : # 1.0000					То	A-1
Business-Type Activities:						
Compensated Absences Payable	\$ 6,667		\$ 1,003	\$ 5,664 =======		\$ 5,664 ————

<u>Bonds Payable</u> - Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds. School Refunding Bonds in the amount of \$2,016,000 were issued on April 15, 2014 payable in annual installments through April 2024. Interest is paid semi-annually at various interest rates between 3% and 4%.

Principal and interest due on bonds outstanding is as follows:

	_	Principal	_	Interest		Total
Year ending June 30,	_					
2023	\$	200,000	\$	8,100	\$	208,100
2024		205,000		4,100	_	209,100
	\$	405,000	\$	12,200	\$	417,200
			: =		: =	

- <u>B. Bonds Authorized But Not Issued</u> As of June 30, 2022, the District had no authorized but not issued bonds.
- C. Capital Leases There were no capital leases in force as of the end of the audit year

#### **NOTE 10. PENSION PLANS**

Description of Plans - Eligible employees of the School District can be covered by Public Employees' Retirement System (PERS), Teachers' Pension and Annuity Fund (TPAF), or Defined Contribution Retirement Program (DCRP). PERS and TPAF are administered by the New Jersey Division of Pension and Benefits (NJDPB) and the DCRP is jointly administered by Prudential and NJDPB. The NJDPB issues publicly available financial reports that include financial statements and required supplementary information for the systems. These reports may be obtained online at https://www.nj.gov/treasury/pensions/financial-reports.shtml.

#### **Public Employees' Retirement System**

The PERS is a cost sharing multiple-employer defined benefit pension plan that was established in 1955. The PERS provides retirement, death and disability, and medical benefits to qualified members. The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A. All benefits vest after ten years of service, except for medical benefits that vest after 25 years of service or under the disability provisions of PERS.

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 with 30 years or more of service credit 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.

The following represents the membership tiers for PERS:

<u>Tier</u>	
1	Members who are 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.

Contributions - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The PERS member total contribution rate as of July 1, 2020 was 7.5% of base salary. The District employees' contributions for the year ended June 30, 2022 were 38,768. Employers in PERS are required to contribute at an actuarially determined rate which includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. The PERS employer rate due in 2022 is 15.98% of covered payroll. The District is billed annually for its normal contribution plus any accrued liability. These contributions were paid by the District and equal to the required contributions for each year. The District's contributions to PERS for the years ended June 30, 2022, and 2021, were \$87,275 and \$77,172 respectively.

The total payroll for the year ended June 30, 2022 was \$4,151,698. Payroll covered by PERS was \$516,910 for fiscal year 2022.

#### **NOTE 10. PENSION PLANS (CONTINUED)**

#### Public Employees' Retirement System (Continued)

Components of Net Pension Liability - At June 30, 2022, the District's proportionate share of the PERS net pension liability was \$882,836. The net pension liability was measured as of June 30, 2021. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2021. The District's proportion measured as of June 30, 2021 was 0.007452% which was an increase of 0.00040% from its proportion measured as of June 30, 2020.

Pension Expense and Deferred Outflows/Inflows of Resources - The District's 2022 PERS pension expense, with respect to GASB 68, was \$(59,603). The District's 2022 deferred outflows of resources and deferred inflows of resources were from the following sources:

 Deferred Outflows of Resources		Deferred Inflows of Resources
\$ 13,923	Ş	6,320
4,598		314,295
		232,562
176,297		78,954
87,275		
\$ 282,093	\$	632,131
\$ - \$ -	Outflows of Resources \$ 13,923 4,598  176,297 87,275	Outflows of Resources \$ 13,923 \$ 4,598  176,297 87,275

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

Year	_	PERS
2022	\$	(146,139)
2023		(96,336)
2024		(104,398)
2025		(77,976)
2026		(12,464)
Thereafter		
Total	\$	(437,313)

#### NOTE 10. PENSION PLANS (CONTINUED)

#### <u>Public Employees' Retirement System (Continued)</u>

Additional Information - Collective Balances at June 30, 2022 and 2021 are as follows:

Year	2022	2021	
Collective deferred outflows of resources	\$ 282,093	\$ 350,228	
Collective deferred inflows of resources	\$ 632,131	\$ 589,688	
Collective Net Pension Liability	\$ 882,836	\$ 1,150,394	
District's Proportion	0.007452%	0.007054%	

Actuarial Assumptions - The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	PERS
Investment Rate of Return	7.00%
Salary Scale (Based on Age):	
Through 2026	2.00% - 6.00%
Thereafter	3.00% - 7.00%
Inflation Rate - Price	2.75%
Inflation Rate - Wage	3.25%

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

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

#### **NOTE 10. PENSION PLANS (CONTINUED)**

#### Public Employees' Retirement System (Continued)

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

PERS		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
Total	100.00%	=

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

#### **NOTE 10. PENSION PLANS (CONTINUED)**

#### Public Employees' Retirement System (Continued)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate - The following presents the collective net pension liability of the participating employers as of June 30, 2021, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	 Current Discount (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the Net Pension Liability	\$ 1,215,059	\$ 882,836	\$ 618,295

#### Teachers' Pension and Annuity Fund

The State of New Jersey Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special funding situation that was established in 1955. As under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

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

The following represents the membership tiers for TPAF:

<u>Tier</u>	Definition
1	Members who are 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.

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

#### **NOTE 10. PENSION PLANS (CONTINUED)**

#### **Teachers' Pension and Annuity Fund (Continued)**

Contributions - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. The member contribution rate was 7.5% in as of July 1, 2020. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2021, the State's pension contribution was less that the actuarial determined amount. Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the District and all other related noncontributing employers. No normal or accrued liability contribution by the 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 District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2022 because of the 100% special funding situation with the State of New Jersey.

During the fiscal year ended June 30, 2022, the State of New Jersey contributed \$1,093,033 to the TPAF for pension contributions, \$255,377 for post-retirement benefits on behalf of the School, and \$724 for long-term disability. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$226,778 during the year ended June 30, 2022 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

Components of Net Pension Liability - At June 30, 2022, the District was not required to report a liability for its proportionate share of the net pension liability because of a 100% reduction for State of New Jersey pension support provided to the District.

Pension Expense - For the year ended June 30, 2022, the District recognized pension expense of \$305,855 and revenue of \$305,855 for support provided by the State.

Actuarial Assumptions - The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	TPAF
Investment Rate of Return	7.00%
Salary Scale (Based on Age):	
Through 2026	1.55% - 4.45%
Thereafter	2.75% - 5.65%
Inflation Rate - Price	2.75%
Inflation Rate - Wage	3.25%

#### NOTE 10. PENSION PLANS (CONTINUED)

#### **Teachers' Pension and Annuity Fund (Continued)**

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

TPAF		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
Total	100.00%	-

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate - The following presents the collective net pension liability of the participating employers as of June 30, 2021, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

		1% Decrease (6.00%)		Current Discount (7.00%)		1% Increase (8.00%)
State's Share of the Net Pension Liability associated with the District	¢	20,958,620	ċ	12,998,289	<b>.</b>	1E 2EE 007
State's Share of the Net Pension Liability	ب خ	, ,	ڊ خ	,	ç	15,255,887
Liabiticy	ڔ	30,766,413,043	٠,	40,103,991,102	Ş	40,755,711,186

#### NOTE 10. PENSION PLANS (CONTINUED)

#### Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program (DCRP) is a multiple-employer defined contribution pension fund that was established in 2007 under the provisions of N.J.S.A 43:15C-1. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and long-term disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et seq.

The following represents the individuals eligible for membership in the DCRP:

#### Eligibility

- 1. State or Local Officials who are elected or appointed on or after July 1, 2007
- 2. Employees enrolled in the PERS or TPAF on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits
- 3. Employees enrolled in the PFRS or SPRS after May 21, 2010, who earn salary in excess of established "maximum compensation" limits
- 4. Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually
- 5. Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually

Contributions - The contribution policy is set by N.J.S.A 43:15C-3 and requires contributions by active members and contributing employers. Plan members are required to contribute 5.5% of their base salary and the District's employer match is an additional 3% contribution. For the year ended June 30, 2022, employee contributions totaled \$8,651 and the District's employer contribution, recognized in pension expense, was \$6,371. There were no forfeitures during the fiscal year.

Pension Plan Fiduciary Net Position - Detailed information about each pension plan's fiduciary net position is available in the separately issued New Jersey Division of Pension and Benefits financial report. Information on where to obtain the report is indicated at the beginning of this note.

#### NOTE 11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

#### General Information about the OPEB Plan

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

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

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

#### **Special Funding Situation**

The participating local education employer allocations included in the supplemental Schedule of special funding amounts by employer are provided as each local education employer is required to record in their financial statements, as an expense and corresponding revenue, their respective amount of total OPEB expense attributable to the State of New Jersey under the special funding situation and to include their respective amount of total OPEB liability in their notes to their financial statements. The total OPEB liability and service cost for each employer was determined separately based on actual data for each employer's participants.

#### NOTE 11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

#### **Total OPEB Liability**

The State of New Jersey's total OPEB liability, as of the measurement date of June 30, 2021, was \$60,007,650,970. Of this amount, the total OPEB liability attributable to the School District was \$17,969,164. The State of New Jersey's proportionate share of the total OPEB liability is 100%, including the proportion attributable to the School District of 0.02994%. The total OPEB liability for the School District measured as of June 30, 2021 is zero as a result of the Special Funding Situation with the State of New Jersey. The School District's proportionate share of the total OPEB liability measured as of June 30, 2021 is 0.00%. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position.

#### **Total Nonemployer OPEB Liability**

The total nonemployer OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	TPAF/ABP	PERS	PFRS
Inflation Rate	2.50%	2.50%	2.50%
	Based on	Based on	Based on
Salary Increases:	Service Years	Service Years	Service Years
Through 2026	1.55% - 4.45%	2.00% - 6.00%	3.25% - 15.25%
Thereafter	2.75% - 5.65%	3.00% - 7.00%	N/A

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

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

#### **Health Care Trend Assumptions**

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

#### NOTE 11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

#### Discount rate

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

#### Changes in the Total OPEB Liability

State of New Jersey	Total OPEB Liability
Balance as of June 30, 2020 Measurement Date	\$ 67,809,962,609
Changes for the year:	
Service Cost	3,217,184,264
Interest	1,556,661,679
Changes of Benefit Terms	(63,870,842)
Differences between Expected and Actual experience	(11,385,071,658)
Changes of Assumptions	59,202,105
Benefit Payments	(1,226,213,382)
Contributions from Members	39,796,196
Net Changes	(7,802,311,638)
Balance as of June 30, 2021 Measurement Date	\$ 60,007,650,971

#### Sensitivity of Total Nonemployer OPEB Liability to changes in the discount rate:

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

June 30, 2021				
	At 1.00% Decrease	At Discount Rate	At 1.00% Increase	
_	1.16%	2.16%	3.16%	
\$	71,879,745,555	60,007,650,970	50,659,089,138	

Sensitivity of Total Nonemployer OPEB Liability to changes in the healthcare trend rate:

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

		June 30, 2021	
_		Healthcare Cost	
	1.00% Decrease	Trend Rate	1.00% Increase
\$	48,576,388,417	60,007,650,970	75,358,991,782

#### NOTE 11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

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

For the year ended June 30, 2022, the School District recognized OPEB expense of \$1,146,040. The School District reported deferred outflows of resources and deferred inflows of resources from the following sources:

	_	Deferred Outflows of Resources		Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$	2,708,772	\$	5,392,866
Changes of Assumptions		3,048,241		1,927,924
Net difference Between Projected and Actual Earnings on OPEB Plan Investments		-,- , <b>-</b> ,-		1,727,721
Changes in Proportion		854,988		537,213
Contributions Subsequent to the Measurement Date		-		,
Total	\$ _	6,612,001	-	7,858,003

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows.

Measurement Period Ending June 30,		ОРЕВ
. 2022		(312,914)
2023		(312,914)
2024		(312,914)
2025		(312,914)
2026		(214,969)
Thereafter	_	220,623
Total	\$ <u>_</u>	(1,246,002)

#### NOTE 12. COMPENSATED ABSENCES

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

#### NOTE 12. COMPENSATED ABSENCES NOTE (CONT'D)

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

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2022, a liability existed for compensated absences in the General Fund of \$94,589 and \$5,664 in the Food Service Fund.

#### NOTE 13. DEFERRED COMPENSATION

The Board offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrator is as follows: T. Rowe Price and Lincoln Financial.

#### NOTE 14. RISK MANAGEMENT

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

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

New Jersey Unemployment Compensation Insurance—The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State.

<u>New Jersey Unemployment Compensation Insurance</u> (Continued)-The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and prior two years:

<u>Fiscal Year</u>	District Contributions	<u> </u>	Employee Contributions	<u>!</u>	Amount Reimbursed	Ending <u>Balance</u>
2021-2022	\$	\$	25,659	\$	15,170	\$ 24,696
2020-2021			17,462		13,869	14,207
2019-2020			13,161		7,513	10,614

#### **NOTE 15. INTERFUND RECEIVABLES AND PAYABLES**

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

<u>Fund</u>	nterfund eceivable		Interfund <u>Payable</u>
General Fund	\$ 26,759	\$	
Special Revenue Fund			16,082
Community Program			1,178
Food Service Fund			9,499
Total	\$ 26,759	\$ <u></u>	26,759

#### NOTE 16. FUND BALANCE APPROPRIATED

General Fund- Of the \$2,379,487 General Fund balance at June 30, 2022, \$1,333,524 was restricted as excess surplus at June 30, 2022 in accordance with N.J.S.A. 18A:7F-7;(\$645,294 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2023); \$27,576 is Assigned for Encumbrances payable, \$685,932 is restricted for Capital Reserve Fund, of which \$0 has been appropriated and included as anticipated revenue for the year ending June 30, 2023; \$119,600 is restricted for Emergency Reserve Fund, of which \$0 has been appropriated and included as anticipated revenue for the year ending June 30, 2023; \$24,696 is reserved for Unemployment Compensation; \$216,299 is restricted for Maintenance Reserve, of which \$0 has been appropriated and included as anticipated revenue for the year ending June 30, 2023; \$133,040 has been appropriated and included as anticipated revenue for the year ending June 30, 2023 and (\$161,180) is unreserved and undesignated.

<u>Debt Service Fund</u> - The Debt Service fund had no fund balance at June 30, 2022.

#### NOTE 17. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2005, c.73 (\$1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey School Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve 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 surplus fund balance at June 30, 2022 is \$1,333,524, of which \$645,294 must be appropriated in the 2022-2023 budget and \$688,230 must be budgeted in the 2023-2024 budget.

#### **NOTE 18. LITIGATION**

The District is from time to time involved in claims and lawsuits incidental to its operations. Per confirmation by the District's legal counsel, there are no pending litigations, claims, assessments of contingent liability against the District.

#### NOTE 19. DEFICIT FUND BALANCES

There is a deficit in fund balance in the General *Fund*, as of June 30, 2022 of \$161,180 and an unassigned deficit of \$3,862 in the Special Revenue Fund, 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 year, districts must record the last state aid payment as revenue, for budgeted purposes only, in the current budget year. The bill 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 as asset, the other government recognizes a liability. Since the state is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the state records the payable. Due to the timing difference of recording the last state aid payment, a deficit does not alone indicate that the District is facing financial difficulties. The General fund deficit of \$161,180 is less than the 19<sup>th</sup> and 20<sup>th</sup> payments received in July 2021 and the \$3,862 deficit in the Special Revenue Fund is equal to the 19<sup>th</sup> and 20<sup>th</sup> payments.

#### **NOTE 20. TAX ABATEMENT**

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

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

#### NOTE 21. ACCOUNTS RECEIVABLE

Receivables at June 30, 2022 consisted of intergovernmental grants and other items. All receivables are considered collectible in full.

Receivables as of year-end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

			Special		
		General	Revenue	Proprietary	
Receivables:	_	Fund	Fund	Funds	Total
State	\$	168,250 \$		\$ 216 \$	168,466
Federal			34,952	24,705	59,657
Other	_			3,592	3,592
Totals	\$	168,250 \$	34,952	\$ 28,513 \$	231,715

#### **NOTE 22. SUBSEQUENT EVENTS**

There were no other events noted, between the year-end and the date of the audit report, requiring disclosure.

**End of Notes to Financial Statements** 

### **REQUIRED SUPPLEMENTARY INFORMATION - PART II**

### **BUDGETARY COMPARISON SCHEDULES**

REVENUES:         Local Sources:       1,816,636 \$ 1,816,636			Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Local Tax Levy   \$ 1,816,636 \$   \$ 1,816,636 \$   \$ 3,861   \$ 3,8	REVENUES:	-				7.000	(0
Interest on Investments	Local Sources:						
Interest on Investments	Local Tax Levy	\$	1,816,636 \$	\$	1,816,636 \$	1,816,636	5
Interest on Investments-Capital Reserve	Interest on Investments						
Interest on Investments-Maintenance Reserve	Interest on Investments-Capital Reserve		2,000		2,000		(839)
Other Restricted Miscellaneous Revenue         2,000         2,000         57,155         55,155           Miscellaneous         2,000         2,000         57,155         55,155           Total - Local Sources         1,821,696         1,821,696         1,879,519         57,823           State Sources:         2         4,263,359         4,263,359         4,263,359         4,263,359         4,263,359         79,030         110,0736         1110,0736         1110,0736         1110,0736         1112,625         112,625         32,5377         255,377         255,377         255,377         255,377         255,377         724         724         724         724         724         724	Interest on Investments-Emergency Res		320		320	239	(81)
Miscellaneous   2,000   2,000   57,155   55,155     Total - Local Sources   1,821,696   1,821,696   1,821,696   1,879,519   57,823     State Sources:	Interest on Investments-Maintenance Reserve		740		740	430	(310)
Total - Local Sources	Other Restricted Miscellaneous Revenue					37	37
State Sources:   Equalization Aid	Miscellaneous		2,000		2,000	57,155	55,155
Equalization Aid         4,263,359         4,263,359         4,263,359         4,263,359         4,263,359         363,041         363,	Total - Local Sources	_	1,821,696		1,821,696	1,879,519	57,823
Special Education Categorical Aid         363,041         363,041         363,041         363,041         363,041         5620 (179,030)         79,030         70,030         70,000         110,0736         110,0736         110,0736         112,625         525,377         255,377         255,377         00.00         70.00 <td< td=""><td>State Sources:</td><td></td><td></td><td></td><td></td><td></td><td></td></td<>	State Sources:						
Special Education Categorical Aid         363,041         363,041         363,041         363,041         363,041         5620 (179,030)         79,030         70,030         70,000         110,0736         110,0736         110,0736         112,625         525,377         255,377         255,377         00.00         70.00 <td< td=""><td>Equalization Aid</td><td></td><td>4,263,359</td><td></td><td>4,263,359</td><td>4,263,359</td><td></td></td<>	Equalization Aid		4,263,359		4,263,359	4,263,359	
Categorical Transportation Aid         181,520         181,520         181,520         181,520         282,000         382,000	Special Education Categorical Aid		363,041		363,041		
School Choice Aid   1,100,736   1,100,73	Security Aid		79,030		79,030	79,030	
Extraordinary Aid Securing Our Children's Future Bond Act Securing Our Children's Future Bond Act On-behalf TPAF Post - Retire Medical (non-budgeted) On-behalf TPAF Post - Retire Medical (non-budgeted) On-behalf TPAF Ponsion Contributions (non-budgeted) On-behalf TPAF Long-term Disability Contributions (non-budgeted) Reimbursement TPAF Social Security Contributions (non-budgeted)  Total - State Sources Other Restricted Grants in Aid from Federal through State  Total - Federal Sources  TOTAL REVENUES  \$7,809,382 \$43,439 \$7,852,821 \$9,599,181 \$1,746,360  EXPENDITURES: Current Expense: Instruction - Regular Programs: Salaries of Teachers: Kindergarten \$267,424 \$(2,000) \$265,424 \$257,412 \$8,012 Grades 1-5  **Total - Federal Sources S1,012 \$1,000 \$1,	Categorical Transportation Aid		181,520		181,520	181,520	
Securing Our Children's Future Bond Act         43,439         43,439         43,439         43,439         43,439         43,439         43,439         43,439         255,377         255,377         255,377         255,377         255,377         200 (1,093,033)         1,093,033         1,093,033         1,093,033         1,093,033         1,093,033         774         724	School Choice Aid		1,100,736		1,100,736	1,100,736	
On-behalf TPAF Post - Retire Medical (non-budgeted)         255,377         255,377           On-behalf TPAF Pension Contributions (non-budgeted)         1,093,033         1,093,033           On-behalf TPAF Long-term Disability Contributions (non-budgeted)         724         724           Reimbursement TPAF Social Security Contributions (non-budgeted)         226,778         226,778           Total - State Sources         5,987,686         43,439         6,031,125         7,719,662         1,688,537           Federal Sources:         Other Restricted Grants in Aid from Federal through State         7,809,382         43,439         6,031,125         9,599,181         1,746,360           EXPENDITURES:           Current Expense:           Instruction - Regular Programs:         5,267,424         4,3439         7,852,821         9,599,181         9,1746,360           EXPENDITURES:           Current Expense:           Instruction - Regular Programs:         5,267,424         2,000         265,424         9,257,412         8,012           Grades 1-5         835,116         7,000         842,116         834,574         7,542	Extraordinary Aid					112,625	112,625
On-behalf TPAF Pension Contributions (non-budgeted)       1,093,033       1,093,033         On-behalf TPAF Long-term Disability Contributions (non-budgeted)       724       724         Reimbursement TPAF Social Security Contributions (non-budgeted)       226,778       226,778         Total - State Sources       5,987,686       43,439       6,031,125       7,719,662       1,688,537         Federal Sources:       Other Restricted Grants in Aid from Federal through State       5,889,382       43,439       7,852,821       9,599,181       \$ 1,746,360         EXPENDITURES:         Current Expense:         Instruction - Regular Programs:         Salaries of Teachers:       \$ 267,424       \$ (2,000)       \$ 265,424       \$ 257,412       \$ 8,012         Grades 1-5       835,116       7,000       842,116       834,574       7,542	Securing Our Children's Future Bond Act			43,439	43,439	43,439	
On-behalf TPAF Long-term Disability Contributions (non-budgeted) Reimbursement TPAF Social Security Contributions (non-budgeted)  Total - State Sources  Other Restricted Grants in Aid from Federal through State  Total - Federal Sources  Other Restricted Grants in Aid from Federal through State  TOTAL REVENUES  \$ 7,809,382 \$ 43,439 \$ 7,852,821 \$ 9,599,181 \$ 1,746,360  EXPENDITURES:  Current Expense: Instruction - Regular Programs: Salaries of Teachers: Kindergarten Grades 1-5  \$ 267,424 \$ (2,000) \$ 265,424 \$ 257,412 \$ 8,012 Grades 1-5	· · · · · · · · · · · · · · · · · · ·					255,377	255,377
Reimbursement TPAF Social Security Contributions (non-budgeted)         226,778         226,778           Total - State Sources         5,987,686         43,439         6,031,125         7,719,662         1,688,537           Federal Sources:	` ,					1,093,033	1,093,033
(non-budgeted)         226,778         226,778         226,778           Total - State Sources         5,987,686         43,439         6,031,125         7,719,662         1,688,537           Federal Sources:           Total - Federal Sources           TOTAL REVENUES         \$ 7,809,382         \$ 43,439         \$ 7,852,821         \$ 9,599,181         \$ 1,746,360           EXPENDITURES:           Current Expense:           Instruction - Regular Programs:         Salaries of Teachers:         \$ 267,424         \$ (2,000)         \$ 265,424         \$ 257,412         \$ 8,012           Grades 1-5         835,116         7,000         842,116         834,574         7,542	On-behalf TPAF Long-term Disability Contributions (non-budgeted)					724	724
Total - State Sources 5,987,686 43,439 6,031,125 7,719,662 1,688,537  Federal Sources:     Other Restricted Grants in Aid from Federal through State  Total - Federal Sources  TOTAL REVENUES \$ 7,809,382 \$ 43,439 \$ 7,852,821 \$ 9,599,181 \$ 1,746,360  EXPENDITURES:  Current Expense:     Instruction - Regular Programs:     Salaries of Teachers:     Kindergarten \$ 267,424 \$ (2,000) \$ 265,424 \$ 257,412 \$ 8,012 Grades 1-5 835,116 7,000 842,116 834,574 7,542	· · · · · · · · · · · · · · · · · · ·					226.778	226,778
Federal Sources:     Other Restricted Grants in Aid from Federal through State  Total - Federal Sources  TOTAL REVENUES  \$ 7,809,382 \$ 43,439 \$ 7,852,821 \$ 9,599,181 \$ 1,746,360  EXPENDITURES:  Current Expense:     Instruction - Regular Programs:     Salaries of Teachers:     Kindergarten     Grades 1-5  \$ 267,424 \$ (2,000) \$ 265,424 \$ 257,412 \$ 8,012 \$ 834,574 \$ 7,542		_				· · · · · · · · · · · · · · · · · · ·	
Other Restricted Grants in Aid from Federal through State  Total - Federal Sources  TOTAL REVENUES  \$ 7,809,382 \$ 43,439 \$ 7,852,821 \$ 9,599,181 \$ 1,746,360  EXPENDITURES:  Current Expense:  Instruction - Regular Programs:  Salaries of Teachers:  Kindergarten  \$ 267,424 \$ (2,000) \$ 265,424 \$ 257,412 \$ 8,012  Grades 1-5  835,116 7,000 842,116 834,574 7,542	Total - State Sources	_	5,987,686 ————————	43,439	6,031,125 ———————	7,719,662	1,688,537
TOTAL REVENUES \$ 7,809,382 \$ 43,439 \$ 7,852,821 \$ 9,599,181 \$ 1,746,360  EXPENDITURES: Current Expense: Instruction - Regular Programs: Salaries of Teachers: Kindergarten \$ 267,424 \$ (2,000) \$ 265,424 \$ 257,412 \$ 8,012 Grades 1-5 835,116 7,000 842,116 834,574 7,542							
EXPENDITURES:  Current Expense:  Instruction - Regular Programs:  Salaries of Teachers:  Kindergarten \$ 267,424 \$ (2,000) \$ 265,424 \$ 257,412 \$ 8,012  Grades 1-5 \$ 835,116 7,000 842,116 834,574 7,542	Total - Federal Sources	-				•	
Current Expense:         Instruction - Regular Programs:         Salaries of Teachers:         Kindergarten       \$ 267,424 \$ (2,000) \$ 265,424 \$ 257,412 \$ 8,012         Grades 1-5       835,116       7,000       842,116       834,574       7,542	TOTAL REVENUES	\$	7,809,382 \$	43,439 \$	7,852,821 \$	9,599,181	1,746,360
Instruction - Regular Programs:         Salaries of Teachers:         Kindergarten       \$ 267,424 \$ (2,000) \$ 265,424 \$ 257,412 \$ 8,012         Grades 1-5       835,116       7,000       842,116       834,574       7,542	EXPENDITURES:	_				-	
Salaries of Teachers:         Kindergarten       \$ 267,424 \$ (2,000) \$ 265,424 \$ 257,412 \$ 8,012         Grades 1-5       835,116       7,000       842,116       834,574       7,542	Current Expense:						
Kindergarten       \$ 267,424 \$ (2,000) \$ 265,424 \$ 257,412 \$ 8,012         Grades 1-5       835,116       7,000       842,116       834,574       7,542	Instruction - Regular Programs:						
Grades 1-5 835,116 7,000 842,116 834,574 7,542	Salaries of Teachers:						
	Kindergarten	\$	267,424 \$	(2,000) \$	265,424 \$	257,412	8,012
	Grades 1-5		835,116	7,000	842,116	834,574	7,542
	Grades 6-8		636,267				
Home Instruction:	Home Instruction:						
Salaries of Teachers         5,000         5,000	Salaries of Teachers		5,000		5,000		5,000
Undistributed Instruction - Regular	Undistributed Instruction - Regular						
Other Salaries for Instruction 24,163 (3,900) 20,263 1,577 18,686	Other Salaries for Instruction		24,163	(3,900)	20,263	1,577	18,686
Purchased Technical Services 5,000 5,000 10,000 8,947 1,053	Purchased Technical Services		5,000				•
Other Purchased Services 91,000 1,676 92,676 81,522 11,154	Other Purchased Services						
General Supplies 53,000 10,000 63,000 53,496 9,504	General Supplies			10,000	63,000		
Textbooks 30,000 (30,000)	Textbooks		30,000				
Total Regular Programs 1,946,970 (17,224) 1,929,746 1,863,927 65,819	Total Regular Programs	_	1,946,970	(17,224)	1,929,746	1,863,927	65,819

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
EXPENDITURES: (Continued) CURRENT EXPENSES: (Continued)			<u>~_</u>		<u>(</u>
Special Education:					
Resource Room:					
Salaries of Teachers	\$ 572,842 \$	2,850	\$ 575,692 	\$ 574,243	\$ 1,449
Total Resource Room	572,842	2,850	575,692	574,243	1,449
TOTAL SPECIAL EDUCATION	572,842	2,850	575,692	574,243	1,449
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	148,920		148,920	148,920	
Total Basic Skills/Remedial - Instruction	148,920		148,920	148,920	
School - Sponsored Co curricular Activities - Instruction:	<del></del>				
Salaries	18,418	1,230	19,648	19,648	
Other Objects	7,000	(1,230)	5,770	17,010	5,770
Total School - Sponsored Co curricular Activities - Instruction	25,418		25,418	19,648	5,770
Cabasi Casassa d Addistrict					
School - Sponsored Athletics - Instruction: Salaries	40.400				
Purchased Services	18,199		18,199	12,250	5,949
Other Objects	3,000		3,000	2,034	966
Total School - Sponsored Athletics - Instruction	3,000		3,000	60	2,940
·	24,199		24,199	14,344	9,855
Total Instruction	2,718,349	(14,374)	2,703,975	2,621,082	82,893
Undistributed Expenditures: Instruction:					
Tuition - Other LEA's within State-Regular	465,795		465,795	465,795	
Tuition - Other LEA's within State-Special	102,305		102,305	70,874	31,431
Tuition - County Voc School Districts-Regular	191,411		191,411	189,802	1,609
Tuition - CSSD & Regional Day Schools	135,183	54,000	189,183	137,930	51,253
Tuition - Private Schools for Disabled within State	541,386	(70,000)	471,386	417,633	53,753
Tuition - Other	30,000	. , ,	30,000	1,480	28,520
Total Undistributed Expenditures - Instruction	1,466,080	(16,000)	1,450,080	1,283,514	166,566
Attendance and Social Work Services Salaries					
Purchased Professional and Technical Services					
Total Attendance and Social Work Services					
Health Services:					
Salaries	67,638		67,638	66,473	1,165
Purchased Professional and Technical Services	4,500		4,500	4,120	380
Other Purchased Services	2,000		2,000	280	1,720
Supplies and Materials	5,000		5,000	3,076	1,924
Total Health Services	79,138		79,138	73,949	5,189
				<del>-</del>	<del></del> _

	_	Original Budget	Budget Transfers	Final Budget		Actual	Variance Final to Actual Favorable (Unfavorable)
EXPENDITURES: CURRENT EXPENSES (Continued) Undistributed Expenditures: (Continued)							
Speech, OT, PT & Related Services Salaries Purchased Professional- Educational Services Supplies and Materials	\$	61,138 50,000 1,000	\$ 2,010 9,990		·	63,144 51,669 783	\$ 4 8,321 217
Total Undist. Expend Speech, OT, PT & Related Services	_	112,138	12,000	124,138		115,596	8,542
Other Support Services STD - Extra Services Salaries	_	139,773	(2,850	136,923		104,144	32,779
Total Undist. Expend Other Supp. Serv. STD - Extra. Services		139,773	(2,850	136,923		104,144	32,779
Guidance:	_				-	<del></del>	
Salaries of Other Professional Staff		62,438		62,438		62,438	
Total Guidance	_	62,438		62,438	_	62,438	
Child Study Team: Salaries of Other Professional Staff Salaries of Secretarial and Clerical Assistants Other Purchased Professional & Technical Services Misc Purchased Services Supplies and Materials		192,427 38,611 25,000 800 5,000	(13,000 (200 1,200	) 600		180,700 37,618 7,473 82 5,951	11,727 993 4,527 518 249
Total Child Study Team	_	261,838	(12,000	249,838		231,824	18,014
Improvement of Instruction Services/Other Support: Salaries of Superv of Instr. Other Purchased Services	_	101,827 1,000	750	102,577	_	102,544 386	33 614
Total Improvement of Instruction Services/Other Support		102,827	750	103,577		102,930	647
Educational Media Services - School Library Salaries Salaries of Technology Coordinators Supplies and Materials	_	79,988 81,703 1,000		79,988 81,703 1,000	_	79,988 81,703	1,000
Total Educational Media Services - School Library:		162,691		162,691	_	161,691	1,000
Instructional Staff Training Services: Other Purchased Services	_	6,000	(750	) 5,250		1,542	3,708
Total Instructional Staff Training Services		6,000	(750	) 5,250		1,542	3,708
	_				- —		

EXPENDITURES: (Continued)	-	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
CURRENT EXPENSES: (Continued) Undistributed Expenditures: (Continued)						
Support Services General Administration:						
Salaries	\$	75,757 \$	\$	75,757 \$	74,348	
Legal Services		30,000	1,717	31,717	20,655	11,062
Audit Fees		12,000		12,000	11,283	717
Architectural/Egineering Services		10,000		10,000	672	9,328
Other Purchased Professional Services		4,000		4,000	3,600	400
Communications - Telephone		12,000		12,000	4,460	7,540
Other Purchased Services		27,000	2,000	29,000	22,394	6,606
General Supplies		1,000		1,000	107	893
BOE In-House Training/Meeting Supplies		500		500		500
Miscellaneous Expenditures		5,000	16,000	21,000	563	20,437
BOE Membership Dues and Fees	_	3,500		3,500	3,430	70
Total Support Services General Administration	_	180,757	19,717	200,474	141,512	58,962
Support Services - School Administration:						
Salaries of Principals/Assistant Principals		67,306		67,306	67,306	
Salaries of Secretarial and Clerical Assistants		68,998	1,410	70,408	70,406	2
Purchased Prof & Tech Services		5,000	-,	5,000	4,426	574
Other Purchased Services		5,000		5,000	3,476	1,524
Supplies and Materials		10,000		10,000	8,093	1,907
Other Objects		7,000	14,590	21,590	4,056	17,534
Total Support Services School Administration	_	163,304	16,000	179,304	157,763	21,541
Central Services:						-
Salaries		141,690	11,765	153,455	153,450	5
Purchased Professional Services		10,000	(1,765)	8,235	6,665	1,570
Purchased Technical Services		30,000	394	30,394	29,054	1,340
Misc Purchased Services		3,500		3,500	1,338	2,162
Supplies and Materials		4,000		4,000	1,749	2,251
Other Objects			8,900	8,900	,	8,900
Total Central Services		189,190	19,294	208,484	192,256	16,228
Required Maintenance for School Facilities:						
Salaries		77,418		77,418	76,979	439
Cleaning, Repair and Maintenance Services		85,000	12,038	97,038	66,564	30,474
Travel		•	500	500	209	291
General Supplies		15,000		15,000	9,502	5,498
Other Objects		500	(500)	.5,000	7,30L	3, 170
Total Required Maintenance for School Facilities	_	177,918	12,038	189,956	153,254	36,702

		Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
ENDITURES: (Continued)						
URRENT EXPENSES: (Continued)						
Undistributed Expenditures: (Continued)						
Other Operation and Maintenance of Plant Services:	<u>,</u>	442 707 6	(4.000) 6			
Salaries Salaries of Non-Instructional Aids	\$	112,707 \$ 24,080	. , , ,			•
Cleaning, Repair and Maintenance Services		10,000	1,090 (3,000)	25,170 7,000	25,168 5,781	2 1,219
Insurance		6,000	(3,000)	6,000	4,996	1,004
General Supplies		20,000	1,500	21,500	17,433	4,067
Energy (Natural Gas)		15,000	,	15,000	13,645	1,355
Energy (Electricity)		125,000	(6,000)	119,000	108,284	10,716
Total Other Operation and Maintenance of Plant Services		312,787	(7,500)	305,287	281,960	23,327
Care and Upkeep of Grounds:		<u> </u>				
Cleaning, Repair, & Maintenance	_	25,000	31,412	56,412	54,484	1,928
Total Care and Upkeep of Grounds		25,000	31,412	56,412	54,484	1,928
Security:	_					
Purchased Professional & Technical Services	_	48,000	9,000	57,000	56,540	460
Total Security		48,000	9,000	57,000	56,540	460
Total Operation and Maintenance of Plant Services		563,705	44,950	608,655	546,238	62,417
Student Transportation Services:					,	
Salaries for Pupil Trans (Between Home and School) - Reg.		10,564		10,564	8,803	1,761
Other Purchased Professional and Technical Services		5,000		5,000	4,350	650
Contracted Services (Between Home and School) - Vendors		230,000		230,000	222,397	7,603
Contracted Services (Other than Betw. Home and Sch) - Vendors		25,000		25,000	14,609	10,391
Contracted Services (Home/School) - Joint Agreements		30,000		30,000		30,000
Contracted Services (Sp Ed) - Joint Agreements		350,000	(2,829)	347,171	270,648	<b>7</b> 6,523
Contract Svc (Sp Ed) Vendors			1,350	1,350	1,227	123
Contracted Services (Regular Students) - ESCs		15,000		15,000	7,585	7,415
Contracted Services - Aid in Lieu of Payments - Non Pub Sch		5,000	1,000	6,000	4,000	2,000
Contracted Services - Aid in Lieu of Payments - Charter School		1,000	(1,000)	4 000		
Contracted Services - Aid in Lieu of Payments - Choice School		1,000		1,000		1,000
Total Student Transportation Services		672,564	(1,479)	671,085	533,619	137,466
Allocated Benefits:		. ===				
Group Insurance - General Administration Group Insurance - Central Services		1,500 1,500	1,500	3,000	2,733	267
Total Allocated Benefits/Total Personal	_	1,300	(1,500)			
Services - Employee Benefits		3,000		3,000	2,733	267
Unallocated Benefits:						
Group Insurance						
Social Security Contributions		75,000		75,000	68,707	6,293
Other Retirement Contributions - PERS		85,000	2,275	87,275	87,275	
Unemployment Compensation		5,000	(2,275)	2,725		2,725
Workmen's Compensation		20,000		20,000	12,690	7,310
Health Benefits		1,131,378	0.055	1,131,378	1,114,329	17,049
Tuition Reimbursement		20,000	2,055	22,055	2,056	19,999
Other Employee Benefits Unused Sick Payments to Terminated/Retired Staff		35,000 35,000	(1,000)	34,000	29,251	4,749
onused sick rayments to reminated/retiled stan		25,000	1,000	26,000	25,329	671
		1.00:				
Total Unallocated Benefits/Total Personal  Total Personal Services - Employee Benefits	_	1,396,378	2,055 2,055	1,398,433	1,339,637	58,796 59,063

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
EXPENDITURES: (Continued) CURRENT EXPENSES: (Continued)					
On-behalf TPAF Post - Retire Medical (Non-budgeted) On-behalf TPAF Pension Contributions (Non-budgeted) On-behalf TPAF Long-term Disability Contributions (Non-budgeted) Reimbursement TPAF Social Security Contrib. (Non-budgeted)	\$ \$	i	\$ \$	255,377 1 1,093,033 724 226,778	\$ (255,377) (1,093,033) (724) (226,778)
Total Undistributed Expenditures	5,561,821	81,687	5,643,508	6,627,298	(983,790)
Interest Earned on Maintenance Reserve Interest Earned on Current Expense Emergency Res Increase in Current Expense Emergency Reserve	740 320 25,000		740 320 25,000		740 320 25,000
Total Interest Earned	26,060		26,060		26,060
TOTAL EXPENDITURES - CURRENT EXPENSE	8,306,230	67,313	8,373,543	9,248,380	(874,837)
CAPITAL OUTLAY: Undistributed Expenditures: Equipment: Required Maintenance Custodial Services					
Total Equipment					
Facilities Acquisition and Construction Services: Buildings Assmt for Debt Service on SDA Funding	44,325	21,004	21,004 44,325	19,562 44,325	1,442
Total Facilities Acquisition & Construction Services:	44,325	21,004	65,329	63,887	1,442
Capital Outlay: Interest Deposit in Capital Reserve	2,000		2,000		2,000
TOTAL CAPITAL OUTLAY	46,325	21,004	67,329	63,887	3,442
TOTAL EXPENDITURES	8,352,555	88,317	8,440,872	9,312,267	(871,395)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(543,173)	(44,878)	(588,051)	286,914	874,965
Other Financing Sources (Uses): Transfer to Charter School Transfer to Preschool Program - Regular	(35,588)		(35,588) (26,319)	(23,166) (26,319)	12,422
Transfer to Preschool Program - Inclusion Transfer to cover deficit (Enterprise)	(26,319) (30,000)		(30,000)		
Transfer to Preschool Program - Inclusion	(30,000)		<u> </u>	(49,485)	
Transfer to Preschool Program - Inclusion Transfer to cover deficit (Enterprise)		(44,878)	(30,000) (91,907) (679,958)	(49,485)	42,422
Transfer to Preschool Program - Inclusion Transfer to cover deficit (Enterprise)  Total Other Financing Sources (Uses)  Excess (Deficiency) of Revenues and Other	(30,000)	(44,878)	(91,907)	237,429	

Variance

## BOROUGH OF FOLSOM SCHOOL DISTRICT BUDGETARY COMPARISON SCHEDULE GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual Favorable (Unfavorable)
RECAPITULATION:					
Restricted Fund Balance:					
Capital Reserve			Ş	685,932	
Maintenance Reserve				216,299	
Emergency Reserve				119,600	
Excess Surplus					
Current Year				688,230	
Designated for Subsequent Year's Expenditures				645,294	
Unemployment Compensation				24,696	
Assigned to:					
Encumbrances Designated for Subsequent Year's Expenditures				27,576	
Designated for Subsequent Year's Expenditures				133,040	
Unassigned				424,059	
TOTAL				2,964,726	•
Reconciliation to Governmental Fund Statements (GAAP):					
Last State Aid Payments not Recognized on GAAP Basis				(585,239)	
TOTAL			Ş	2,379,487	•
					•

## BOROUGH OF FOLSOM SCHOOL DISTRICT BUDGET COMPARISON SCHEDULE - SPECIAL REVENUE FUND AS OF JUNE 30, 2022

REVENUES:	-	Original Budget		Budget Transfers	Final Budget		Actual	Variance Final to Actual
Federal Sources	\$	495,126	\$	29,288 \$	524,414	\$	316,408	208,006
State Sources		100,526			100,526		38,619	61,907
Local Sources	_	15,000			15,000		35,082	(20,082)
Total Revenues	_	610,652		29,288	639,940		390,109	249,831
EXPENDITURES:								
Instruction								
Salaries of Teachers		91,587		6,059	97,646		97,646	
Salaries - Other Instruction		24,360		845	25,205		25,205	
Tuition		96,419		18,146	114,565		114,565	
Other Purchased Services		27,145		(16,172)	10,973		10,973	
Supplies and Materials	_	59,802		4,816	64,618		64,498	120.0
Total Instruction		299,313		13,694	313,007	_	312,887	120.0
Support Services								
Salaries		9,202		4,793	13,995		13,995	
Benefits		12,422			12,422		٠.	12,422
Purchased Professional Educational Services		73,259		(4,861)	68,398		51,966	16,432
Other Purchased Services				8,771	8,771		8,771	
Student Activities					15,000		29,728	(14,728)
Total Support Services	_	94,883		8,703	118,586	_	104,460	14,126
Facilities and Acquisition Costs								
Building	_	201,456		6,891	208,347		16,893	191,454
Total Facilities and Acquisition Costs	_	201,456		6,891	208,347		16,893	191,454
Total Expenditures		595,652		29,288	639,940		434,240	205,700
Other Financing Sources (Uses)	_					_		
Transfer from General Fund							49,485	49,485
Total Other Financing Sources							49,485	49,485
Excess (Deficiency) of Revenues Over (Under)	_		_				5,354.0	5,354.0
Fund Balance, July 1							30,209	
Fund Balance, June 30						\$_	35,563	
Recapitulation:								
Restricted:								
Student Activities						\$	35,563	
						γ ==	***************************************	
Total Fund Balance						<b>&gt;</b>	35,563	

## NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

# BOROUGH OF FOLSOM SCHOOL DISTRICT REQUIRED SUPPLEMENTARY INFORMATION BUDGET-TO-GAAP RECONCILIATION NOTE TO RSI FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

Sources/inflows of resources			General Fund	_	_	Special Revenue Fund
Actual amounts (budgetary basis) "revenue"						
	[C-1]	ے	0 500 494	FC 21	,	200 400
Difference - budget to GAAP:	[6-1]	Ş	9,599,181	[C-2]	>	390,109
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related						
revenue is recognized.						
Current Year						(22,732)
Prior Year State aid payment recognized for CAAR statements in success						120
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.			587,621			5,967
State aid payment recognized for budgetary purposes, not recognize	ed					
for GAAP statements until the subsequent year.		İ	(585,239)			(3,862)
Total revenues as reported on the statement of revenues, expenditures	S	ŀ		•	_	
and changes in fund balances - governmental funds.	[B-2]	\$	9,601,563	[B-2]	\$	369,602
<u> </u>		-			=	
Uses/outflows of resources						
	[C-1]	\$	9,312,267	[C-2]	\$	434,240
budgetary comparison schedule						·
Differences - budget to GAAP						
Encumbrances for supplies and equipment ordered but						
not received are reported in the year the order is placed for						
budgetary purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.						
Current Year						
Prior Year						(22,732)
Transfers to and from other funds are presented as outflows of						120
budgetary resources but are not expenditures		İ				
for financial reporting purposes.						
Net transfers (outflows) to general fund						
Total expenditures as reported on the statement of revenues,		1			_	
	[B-2]	<	9,312,267	[R_2]	ċ	411,628
, , , , , , , , , , , , , , , , , , ,	r - 1	ا ۲	7,312,207	[0-2]	٠ ==	411,020



## BOROUGH OF FOLSOM SCHOOL DISTRICT Schedule of the District's Proportionate Share of the Net Pension Liability Public Employees' Retirement System (PERS) Last Ten Fiscal Years\*

	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's Proportion of the Net Pension Liability	0.007452%	0.007054%	0.007627%	0.006993%	0.006377%	0.006100%	0.005816%	0.006590%	0.006404%
District's Proportionate Share of the Net Pension Liability \$	882,836 \$	1,150,394 \$	1,374,283 \$	1,376,812 \$	1,484,486 \$	1,806,727 \$	1,305,654 \$	1,233,919 \$	1,223,911
District's Covered-Employee Payroll \$	516,910 \$	541,766 \$	540,852 \$	509,425 \$	534,355 \$	920,342 \$	816,195 \$	679,954 \$	843,874
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	170.79%	212.34%	254,10%	270.27%	277.81%	196.31%	159.97%	181.47%	145.03%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

Note: The amounts presented for each fiscal year were determined as of the prior fiscal year end measurement date.

<sup>\*</sup> This schedule is presented to illustrate the requirement to show information for 10 years. However, until a 10-year trend is compiled, this presentation will include information for those years for which information is available.

## BOROUGH OF FOLSOM SCHOOL DISTRICT Schedule of District Contributions Public Employees' Retirement System (PERS)

#### Last Ten Fiscal Years\*

	_	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually Required Contribution	\$	87,275 \$	77,172 \$	74,760 \$	70,156 \$	60,785 \$	51,618 \$	50,005 \$	54,334 \$	48,252
Contributions in relation to the Contractually Required Contribution		(87,275)	(77,172)	(74,760)	(70,156)	(60,785)	(51,618)	(50,005)	(54,334)	(48,252)
Contribution Deficiency (Excess)	\$_	\$	\$	\$	\$	\$	\$	\$	\$	
District's Covered-Employee Payroll	\$	516,910 \$	541,766 \$	540,852 \$	509,425 \$	534,355 \$	920,342 \$	816,195 \$	679,954 \$	843,874
Contributions as a Percentage of Covered-Employee Payroll		16.88%	14.24%	13.82%	13.77%	11.38%	5.61%	6.13%	7.99%	5.72%

<sup>\*</sup> This schedule is presented to illustrate the requirement to show information for 10 years. However, until a 10-year trend is compiled, this presentation will include information for those years for which information is available.

#### **BOROUGH OF FOLSOM SCHOOL DISTRICT**

#### Schedule of the District's Proportionate Share of the Net Pension Liability

### <u>Teachers' Pension and Annuity Fund (TPAF)</u> <u>Last Ten Fiscal Years\*</u>

	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's Proportion of the Net Pension Liability	0.027037%	0.028452%	0.025980%	0.027441%	0.026504%	0.024943%	0.022712%	0.024056%	0.023852%
District's Proportionate Share of the Net Pension Liability \$	12,998,289 \$	18,735,338 \$	15,944,467 \$	17,457,239 \$	17,870,042 \$	19,621,951 \$	14,355,143 \$	12,857,003 \$	12,054,695
District's Covered-Employee Payroll \$	3,126,305 \$	3,000,543 \$	3,047,367 \$	2,873,145 \$	2,308,048 \$	2,734,492 \$	2,585,071 \$	2,585,071 \$	2,271,486
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	415.77%	624.40%	523.22%	607.60%	774.25%	717.57%	555.31%	497.36%	530.70%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

Note: The amounts presented for each fiscal year were determined as of the prior fiscal year end measurement date.

<sup>\*</sup> This schedule is presented to illustrate the requirement to show information for 10 years. However, until a 10-year trend is compiled, this presentation will include information for those years for which information is available.

#### BOROUGH OF FOLSOM SCHOOL DISTRICT

#### Required Supplementary Information - Part III

#### Schedule of Changes in the Total OPEB Liability and Related Ratios

### State Health Benefit Local Education Retired Employees Plan

#### Last Ten Fiscal Years

		2021	2020	2019	2018	2017
Total OPEB Liability						
Service Cost	\$	1,059,552 \$	598,559 \$	553,948 \$	628,702 \$	762,288
Interest Cost		466,139	434,758	549,594	579,291	501,595
Changes of Benefit Terms		(19,126)				
Differences Between Expected and Actual Experiences		(3,109,409)	3,585,828	(2,759,782)	(1,169,865)	
Changes of Assumptions		17,728	3,636,791	178,768	(1,586,411)	(2,195,242)
Member Contributions		11,917	10,506	10,910	12,776	13,415
Gross Benefit Payments		(367,187)	(346,609)	(368,049)	(369,659)	(364,328)
Net Change in Total OPEB Liability	_	(1,940,386)	7,919,833	(1,834,611)	(1,905,166)	(1,282,272)
Total OPEB Liability - Beginning	_	19,909,550	11,989,716	13,824,327	15,729,493	17,011,765
Total OPEB Liability - Ending	\$_	17,969,164 \$	19,909,550 \$	11,989,716 \$	13,824,327 \$	15,729,493
Covered-Employee Payroll	\$	3,643,215 \$	3,588,219 \$	3,588,219 \$	3,382,570 \$	2,842,403
Total OPEB Liability as a Percentage of Covered-Employee Payroll		493.22%	554.86%	334.14%	408.69%	553.39%

#### Notes to Schedule:

Changes of Benefit Terms: The decrease in liability from June 30, 2020 to June 30, 2021 is due to employers adopting Chapter 44 provisions.

Differences Between Expected and Actual Experiences: The decrease in liability from June 30, 2020 to June 30, 2021 is due to changes in the census.

Changes in Assumptions: The increase in the liability from June 30, 2020 to June 30, 2021 is due to the combined effect of Trend Updates, Mortality Projection Scale Updates, Discount Rate Changes, and Salary Scale changes.

Note: 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.

### **OTHER SUPPLEMENTARY INFORMATION**

### SPECIAL REVENUE FUND DETAIL STATEMENTS

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

EXHIBIT E-1 (1)

### BOROUGH OF FOLSOM SCHOOL DISTRICT SPECIAL REVENUE FUND OMBINING SCHEDULE OF REVENUES AND EXPENDITURES. BUILD

### COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

			Local	
	Federal	State	Student	<b>T</b>
DEVENUES.	rederat	state	Activity	Total
REVENUES: State Sources	¢	5 20 (40		
Federal Sources	\$	\$ 38,619		\$ 38,619
Local Sources	316,408		ć 35.000	316,408
Local Sources			\$ 35,082	35,082
Total Revenues	316,408	38,619	35,082	390,109
EXPENDITURES:				
Instruction:				
Salaries of Teachers	32,708	64,938		97,646
Salaries - Other Instruction	2,039	23,166		25,205
Other Purchased Services	10,973			10,973
Tuition	114,565			114,565
Supplies and Materials	64,498			64,498
Total Instruction	224,783	88,104		312,887
Support Services:				
Salaries	13,995			13,995
Benefits				,
Purchased Professional Educational Services	51,966			51,966
Other Purchased Services	8,771			8,771
Student Activities			29,728	29,728
Total Support Services	74,732	-	29,728	104,460
Facilities Acquisition/ConstructionInstruction:				
Non-instructional Equipment	16,893			16,893
Total Expenditures	316,408	88,104	29,728	434,240
Excess (Deficiency) of Revenue Over				
(Under) Expenditures		(49,485)	5,354	(44,131)
Transfer from General fund		49,485		49,485
Fund Balance, July 1			30,209	30,209
Fund Balance , June 30	\$	\$	\$ 35,563	\$ 35,563

#### BOROUGH OF FOLSOM SCHOOL DISTRICT

### SPECIAL REVENUE FUND COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - Federal BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

				Title II		Equalization Stabilization Fund I.D.E.A CRRSA ARP													
		Title I	Title II	Part A		Title IV	Part B	Part B	ARP	ARP		Learning	Mental	Summer	Beyond	SDA			
	Title I	2021	Part A	2021	Title IV	2021	Basic	Preschool	Basic	Preschool	ESSER II	Acceleration	Health	Learning	School	Emergent	REAP	Preschool	Total
REVENUES: State Sources Federal Sources	\$ 60,855	3 135 !	\$ 5,911 \$	782	\$ 10,000 \$	476 \$	96,419	\$ 4,708 \$	18,146	3 1,545	\$ 10,400 \$	25,000 \$	28,568	\$ 1,295 \$	5,359	\$ 8,993 \$		\$ 38,619 \$	38,619 316,408
Total Revenues	60,855	135	5,911	782	10,000	476	96,419	4,708	18,146	1,545	10,400	25,000	28,568	1,295	5,359	8,993	37,816	38,619	355,027
EXPENDITURES: Instruction: Salaries of Teachers Salaries - Other Instruction Tuition Other Purchased Services Supplies & Materials	10,973 23,882	5			1,000		96,419	3,014 1,194 500	18,146	700 845		23,635		1,295	5,359		37,816	64,938 23,166	97,646 25,205 114,565 10,973 64,498
Total Instruction	34,855	5			1,000	-	96,419	4,708	18,146	1,545		23,635		1,295	5,359		37,816	88,104	312,887
Support Services: Salaries Personal Services - Employee Benefits Purchased Professional Educational Services Other Purchased Services	10,000	130	5,911	782	229 8,771	476					2,500	1,365	28,568						13,995 51,966 8,771
Total Support Services	26,000	130	5,911	782	9,000	476					2,500	1,365	28,568				,		74,732
Facilities Acquisition/ConstructionInstruction: Building											7,900		<del></del>			8,993			16,893
Total Expenditures	60,855	135	5,911	782	10,000	476	96,419	4,708	18,146	1,545	10,400	25,000	28,568	1,295	5,359	8,993	37,816	88,104	404,512
Transfer from General Fund																		49,485	49,485
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$\$		\$\$		\$\$	\$		\$\$			ss	\$\$		\$\$		\$\$		\$\$	

# BOROUGH OF FOLSOM SCHOOL DISTRICT SPECIAL REVENUE FUND SCHEDULE OF PRESCHOOL EDUCATION AID BUDGETARY BASIS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

		Budget Actu		Actual		Variance	
EXPENDITURES:							
Instruction:							
Salaries of Teachers	\$	64,938	\$	64,938	\$		
Other Salaries for Instruction		23,166		23,166			
Total Instruction		88,104		88,104	_		
Support:			_				
Personal Services - Employee Benefits							
Total Support Services							
Facilities Acquisition and Const. Services: Instructional Equipment Non-instructional Equipment					_		
Total Facilities Acquisition and Const. Services:	-						
Total Expenditures	\$	88,104	\$	88,104	\$		
CALCUI Total revised 2021-2022		N OF BUDGE				38,619	(1)
Add: Actual E							(2)
Add: Budgeted Transfe						49,485	(3)
Total Preschool Education Aid Fu				_		88,104	(4)
Less: 2021-2022 Budgeted	Presc			` 3			
Available & Unbudgeted Preschool Educa	- <b>t</b> ion :	prior year b				(88,104)	(5)
Available d. Offbudgeted Preschool Educi							(6)
Less: 2021-2022 Commissioner-app							(7)
2021-2022 Carryover - Preschool							(8)
	Louce	con Alan Te	30110	ot i rograms	<b>'</b> –	-	(9)
					_	-	( )
021-2022 Preschool Education Aid Carryover Budgeted fo	or Pres	chool Progra	ms i	n 2022-2023	\$_ _		(10)

### PROPRIETARY FUND DETAIL STATEMENTS

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

**Food Services Fund** - This fund provides for the operation of food services for the schools within the school district.

**Internal Service Funds** - This fund is used to serve organizational units within the district or to serve other governmental units.

THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5 AND B-6.

## BOROUGH OF FOLSOM SCHOOL DISTRICT FOOD SERVICES ENTERPRISE FUND COMBINING SCHEDULE OF NET POSITION AS OF JUNE 30, 2022 AND 2021

	(	Community		Food Service Enterprise		To	Ic	
		Program		Fund		2022	Ju	2021
	-		_					
ASSETS:								
Current Assets:								
Cash	\$	27,674	\$	163,795	\$	191,469	\$	90,076
Accounts Receivable:								
State				216		216		1,936
Federal				24,705		24,705		22,183
Other		3,341		251		3,592		1,832
Inventory				4,093		4,093		5,290
Total Current Assets		31,015	_	193,060		224,075		121,317
Fixed Assets:						· ·		
Equipment				81,381		81,381		72,140
Accumulated Depreciation				(56,833)		(56,833)		(64,072)
Total Fixed Assets	_		_	24,548	-	24,548		8,068
Total Assets	\$	31,015	\$ =	217,608	\$	248,623	\$	129,385
LIABILITIES AND FUND EQUITY:								
LIABILITIES:								
Current Liabilities:								
Accounts Payable	\$		\$	10,637	ċ	10 (27	۲	/ 775
Interfunds Payable	Ļ	1,178	Ą	9,499	Ş	10,637	Ş	6,775
Unearned Revenue		•				10,677		9,658
Compensated Absences		5,751		3,564		9,315		7,987
	_		_	5,664	-	5,664	_	6,667
Total Current Liabilities	_	6,929	_	29,364	_	36,293	_	31,087
Total Liabilities	_	6,929		29,364		36,293		31,087
Net Position:								
Investment in Fixed Assets				24,548		24,548		8,068
Net Position		24,086		163,696		187,782		90,230
Total Net Position	_	24,086	_	188,244	-	212,330	_	98,298
Total Liabilities and Fund Equity	\$	31,015	\$ \$	217,608	\$_	248,623	\$_	129,385

# BOROUGH OF FOLSOM SCHOOL DISTRICT FOOD SERVICES ENTERPRISE FUND COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

	Community	Food Service Enterprise	Tota	als
	Program	Fund	2022	2021
OPERATING REVENUES:		· · · · · · · · · · · · · · · · · · ·		
Local Sources:				
= ==-				
Daily Sales				
Reimbursable Programs Non-Reimbursable Sales	\$	\$ \$	- \$	-
Program Fees	E0 70 /	24,348	24,348	6,692
rrogram rees	58,721		58,721	16,702
Total Operating Revenue	58,721	24,348	83,069	23,394
OPERATING EXPENSES:				
Cost of Sales - Reimbursable		110,933	110,933	85,924
Cost of Sales - Non Reimbursable		5,139	5,139	1,460
Salaries	45,612	76,991	122,603	93,658
Employee Benefits	,	24,290	24,290	24,765
Other Purchased Service		,	21,270	24,705
General Supplies	1,305	5,611	6,916	3,559
Depreciation	.,	1,491	1,491	1,791
Other	1,657	40,797	42,454	9,269
Total Operating Expenses	48,574	265,252	313,826	220,426
Operating (Loss) Income	10,147	(240,904)	(230,757)	(197,032)
Non-Operating Revenues:			·	
Local Sources:				
Plumbing Fixture & Appliance Program		10.204	40.204	
State Sources:		10,391	10,391	
State School Lunch Program		E 093	F 003	
Federal Sources:		5,083	5,083	9,259
National School Lunch Program		215,349	245 240	474 740
National School Breakfast Program		80,553	215,349	161,619
Food Distribution Program		12,542	80,553 12,542	78,743
P-EBT Administrative Cost		1,242	1,242	13,518
Supply Chain Assistance		12,314	12,314	
Emerg. Operational Cost Prog-Schs		7,057	,	
Interest	42	216	7,057 258	194
Total Non-Operating Revenues	42	344,747	344,789	263,333
Net (Loss) Income before Operating Transfers		<del></del>		<del></del>
-	10,189	103,843	114,032	66,301
Operating Transfer In - General Fund Fixed Asset Adjustment				(52,197)
Net (Loss) Income	10,189	103,843	114,032	14,104
Net Position - July 1	13,897	84,401	98,298	84,194
Net Position - June 30	\$ 24,086 \$	188,244 \$	212,330 \$	98,298

## BOROUGH OF FOLSOM SCHOOL DISTRICT FOOD SERVICES ENTERPRISE FUND COMBINING SCHEDULE OF CASH FLOWS AS OF JUNE 30, 2022 AND 2021

				Food Service	e				
		Community		Enterprise		ıls			
	_	Program		Fund		2022		2021	
Cash Flows from Operating Activities: Receipts from Customers Payments to Employees Payments to Suppliers	\$	58,721 (45,612) (959)	\$	24,348 (102,284) (159,639)	\$	83,069 (147,896) (160,598)		23,394 (117,548) (117,366)	
Net Cash Used by Operating Activities	_	12,150		(237,575)		(225,425)		(211,520)	
Cash Flows from Noncapital Financing Activities Operating Transfer In-General Fund Cash Received from State and Federal Reimbursements			•	344,531		344,531		263,139	
Net Cash Provided by Noncapital Financing Activities	_			344,531		344,531		263,139	
Cash Flows from Capital Financing Activities Purchase of Fixed Assets	_			(17,971)		(17,971)			
Net Cash Provided by (Used for) Capital Financing Activities	_			(17,971)		(17,971)		263,139	
Net Increase/(Decrease) in Cash Interest on Investments		12,150 42		106,956 216		119,106 258		51,619 194	
Net Cash Provided by Investing Activities	_	42	•	216	•	258	•	194	
Net Increase/(Decrease) in Cash	_	12,192		89,201	•	101,393	•	51,813	
Cash and Cash Equivalents, July 1		15,482		74,594		90,076		38,263	
Cash and Cash Equivalents, June 30	\$_	27,674	\$	163,795	\$	191,469	\$	90,076	
Operating Income (Loss) Adjustments to Reconcile Operating Income (Loss) to Cash Used by Operating Activities:	\$	10,147	\$	(240,904)	\$	(230,757)	\$	(197,032)	
Depreciation Change in Assets and Liabilities: Decrease/(Increase) in Accounts Receivable		(1,709)		1,491 (853)		1,491 (2,562)		1,791 (20,025)	
Decrease/(Increase) in Inventory Decrease/(Increase) in Other Current Assets		(3): 11)		1,197		1,197		908	
(Decrease)/Increase in Accounts Payable				3,862		3,862		6,192	
(Decrease)/Increase in Interfund Payable		1,178		(159)		1,019		(3,682)	
(Decrease)/Increase in Deferred Revenue		2,534		(1,206)		1,328		(547)	
(Decrease)/Increase in Compensated Absences	_			(1,003)		(1,003)		875	
Net Cash Used by Operating Activities	\$	12,150	\$ -	(237,575)	\$ -	(225,425)	\$ _	(211,520)	

### **LONG-TERM DEBT SCHEDULES**

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.

### EXHIBIT I-1

## BOROUGH OF FOLSOM SCHOOL DISTRICT LONG-TERM DEBT STATEMENT OF SERIAL BONDS JUNE 30, 2022

Issue	Date of Issue	Amount of Issue	Annual Date	Mat	urities Amount	Interest Rate	Balance July 1, 2021	leguad	Dotinod	Balance June 30,
13300		13300	Date		Amount		2021	Issued	 Retired	2022
Refunding Bonds School Additions	4/15/14 \$	2,016,000	4/15/23 4/15/24	\$	200,000 205,000	4.00% \$ 4.00%	595,000 \$		\$ 190,000 \$	405,000
						\$_	595,000 \$		\$ 190,000 \$	405,000

## FOLSOM SCHOOL DISTRICT BUDGETARY COMPARISON SCHEDULE DEBT SERVICE FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

		Original Budget	Budget Transfers		Final Budget		Actual	Variance Positive (Negative) Final to Actual
REVENUES:	_							-
Local Sources:								
Local Tax Levy	\$_	213,800 \$	S	\$_	213,800	\$_	213,800	\$
Total Revenues		213,800			213,800		213,800	
EXPENDITURES:	-			_			<del></del> .	
Regular Debt Service:								
Interest on Bonds		23,800			23,800		23,800	
Redemption of Principal		190,000			190,000		190,000	
Total Expenditures		213,800			213,800	_	213,800	
Excess (Deficiency) of Revenues Over (Under) Expenditures								
Other Financing Sources: Operating Transfers In:								
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures				_				
Fund Balance, July 1								
Fund Balance, June 30	\$_	\$		\$ _		\$		\$
Recapitulation of Excess (Deficiency) of Reve	nue	es Over (Unde	r) Expendit	= ure:	es	- =		
Undesignated Fund Balance	\$_	\$	) 	\$_		\$_		\$

### **STATISTICAL SECTION**

## BOROUGH OF FOLSOM SCHOOL DISTRICT NET POSITION BY COMPONENT LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)
(UNAUDITED)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities										
Invested in Capital Assets, Net of Related Debt \$ Restricted Unrestricted (Deficit)	6,235,525 S 2,760,779 (428,133)	\$ 6,100,073 3,312,451 (392,690)	\$ 6,256,419 5 2,908,823 (1,335,935)	\$ 6,307,354 \$ 3,151,649 (1,657,047)	6,461,017 S 3,275,036 (1,796,735)	\$ 6,592,561 \$ 2,727,190 (1,700,087)	6,386,455 \$ 2,128,563 (1,634,966)	6,385,622 \$ 2,022,285 (1,737,904)	6,245,067 \$ 2,219,791 (1,592,685)	6,136,691 2,548,654 (1,481,048)
Total Governmental Activities Net Position \$	8,568,171	9,019,834	7,829,307	7,801,956	7,939,318	7,619,664 \$	6,880,052 \$	6,670,003 \$	6,872,173 \$	7,204,297
Business-Type Activities								<del></del>		
Invested in Capital Assets, Net of Related Debt \$ Unrestricted	108,784 \$ 78,168	105,675 62,243	\$ 102,735 \$ 54,159	99,456 \$ 54,335	96,346 \$ 65,747	85,654 \$ 68,361	75,225 \$ 42,214	62,056 \$ 22,138	8,068 \$ 90,230	24,548 187,782
Total Business-Type Activities Net Position \$	186,952	167,918	156,894	153,791 \$	162,093	154,015 \$	117,439 \$	84,194 \$	98,298 \$	212,330
District-Wide							· · · · · · · · · · · · · · · · · · ·		<del></del>	
Invested in Capital Assets, Net of Related Debt \$ Restricted Unrestricted (Deficit)	6,344,309 \$ 2,760,779 (349,965)	6,205,748 5 3,312,451 (330,447)	6,359,154 5 2,908,823 (1,281,776)	6 6,406,810 \$ 3,151,649 (1,602,712)	6,557,363 \$ 3,275,036 (1,730,988)	6,678,215 \$ 2,727,190 (1,631,726)	6,461,680 \$ 2,128,563 (1,592,752)	6,447,678 \$ 2,022,285 (1,715,766)	6,253,135 \$ 2,219,791 (1,502,455)	6,161,239 2,548,654 (1,293,266)
Total District-Wide Net Position \$	8,755,123	9,187,752	7,986,201	7,955,747 \$	8,101,411 \$	7,773,679 \$	6,997,491 \$	<del></del>	6,970,471 \$	7,416,627

Source: ACFR Schedule A-1

### BOROUGH OF FOLSOM SCHOOL DISTRICT CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(UNAUDITED)

	(UNAUDITED)										
	2013	2014	2015	2016	Fiscal Year En 2017	2018	2019	2020	2021	2022	
Expenses									2021		
Governmental Activities											
Instruction											
Regular \$	2,887,694	2,697,071	3,192,428	3,430,488	3,977,265	3,333,007	3,577,171	3,382,241	3,719,602	3,421,361	
Special Education	509,740	574,286	699,065	816,046	1,046,806	1,115,804	1,091,265	945,057	1,037,888	998,876	
School Activities	28,011	39,223	43,391	41,028	38,324						
Other Special Instruction	31,716	93,449	153,734	139,245	235,425	366,399	331,142	338,268	400,724	316,621	
Support Services Tuition	1,290,739	1,506,640	1,618,985	1 201 049	1 460 400	4 (42 090	4 707 444	4 0 40 000			
Student and Instruction Related Services	840,211	970,186	1,136,299	1,391,048 1,380,153	1,460,488 1,431,748	1,613,089 1,305,633	1,727,441 1,432,072	1,840,288	1,694,412	1,283,514	
General and Business Administrative Service:		159,162	201,586	189,373	266,115	198,630	196,081	1,356,132 195,005	1,675,677 210,768	1,523,127 196,490	
School Administrative Services	231,113	210,277	201,074	323,997	313,169	261,491	263,984	247,584	285,108	259,596	
Central Services and Information Technology		119,700	132,942	156,659	160,400	256,087	276,666	269,124	311,681	305,727	
Plant Operations and Maintenance	385,899	412,567	528,337	464,676	448,798	671,718	635,419	708,194	663,503	700,638	
Pupil Transportation	417,280	489,381	512,263	551,766	520,097	611,093	760,424	515,939	548,437	540,127	
Capital Outlay	28,746	44,325	44,325	44,325	47,841						
Interest on Long-Term Debt	91,458	100,782	57,934	53,072	47,617	85,149	78,144	72,803	66,867	59,426	
Unallocated Depreciation and Amortization	246,671	264,647	271,879	274,209	255,762	271,102	334,603	229,009	358,540	360,542	
Total Governmental Activities Expenses	7,295,487	7,681,696	8,794,242	9,256,085	10,249,855	10,089,202	10,704,412	10,099,644	10,973,207	9,966,045	
Business-Type Activities						-					
Food Service Community Program						194,385	190,077	180,796	195,455	265,252	
Proprietary Fund	191,220	217,971	212 044	207 505	244 400	73,824	74,935	60,127	24,971	48,574	
· · ·			212,944	207,505	241,489						
Total Business-Type Activities Expense	191,220	217,971	212,944	207,505	241,489	268,209	265,012	240,923	220,426	313,826	
Total District Expenses \$	7,486,707	7,899,667	9,007,186	9,463,590	10,491,344	10,357,411	10,969,424	10,340,567	11,193,633	10,279,871	
Program Revenues											
Governmental Activities Operating Grants and Contributions \$	4 477 540	4.047.000	4 747 474	2 424 440	2 (02 (02	705 400					
Operating Grants and Contributions \$ Charges for Services	1,166,540	1,067,982	1,716,171	2,126,169	2,682,628	785,103	753,268	757,992	928,487	876,890	
-	1 1// E40	4.077.000	4 747 474	2.424.440	2 (02 (02	705.400			21,845	35,082	
Total Governmental Activities Program Revenue	1,166,540	1,067,982	1,716,171	2,126,169	2,682,628	785,103	753,268	757,992	950,332	911,972	
Business-Type Activities	04.004	80.044	07.500	445 405	447.204		2				
Charges for Services Food Service	84,981	88,944	97,562	115,185	167,301	00.004	04.050				
Community Program						98,281 76,835	91,058	57,900	6,692	24,348	
Operating Grants and Contributions	100,250	109,974	104,331	89,009	82,335	84,927	60,105 77,105	58,208 61,252	16,702 263,139	58,721 344,531	
Total Business-Type Activities Program Revenue	185,231	198,918	201,893	204,194	249,636	260,043	228,268	177,360			
Total District Program Revenues \$	1,351,771	1,266,900	1,918,064	2,330,363	2,932,264	1,045,146	981,536		286,533	427,600	
Net (Expense)/Revenue	1,331,771	1,200,700	1,710,004	2,330,303	2,932,204	1,043,146	701,336	935,352	1,236,865	1,339,572	
Governmental Activities \$	(6,128,947)	(6,613,714)	(7,078,071)	(7 120 014)	(7 547 227)	(0.204.000)	(0.0E4.444)	(0.244.452)	(40,022,075)	(O. 054 073)	
Business-Type Activities	(5,989)	(19,053)	(11,051)	(7,129,916) (3,311)	(7,567,227) 8,147	(9,304,099) (8,166)	(9,951,144) (36,744)	(9,341,652) (63,563)	(10,022,875)	(9,054,073)	
-						(8,166)			66,107	113,774	
Total District-Wide Net Expense \$	(6,134,936)	(6,632,767)	(7,089,122)	(7,133,227)	(7,559,080)	(9,312,265)	(9,987,888)	(9,405,215)	(9,956,768)	(8,940,299)	
General Revenues and Other Changes in Net Po Governmental Activities	osition										
Local Tax Levy \$	1,766,197	1,800,667	1,780,009	1,816,288	1,842,888	1,868,128	1,871,223	1,903,804	1,997,216	2,030,436	
Unrestricted Grants and Contributions	5,014,780	5,227,393	5,276,061	5,267,097	5,478,052	7,020,404	7,427,487	7,186,827	8,102,652	7,283,167	
Investment Earnings	1,007	640	757	10,190	10,577	9,834	16,369	24,449	10,469	5,728	
Miscellaneous Income	5,202	36,678	269	8,990	373,073	29,205	5,801	32,679	43,036	57,155	
Prior Year Fixed Asset Adjustment						56,873	(93,364)	13,844	32,985	(414)	
Right-to-Use Lease Adjustment Transfers							(4E 094)	(20,000)		10,125	
Total Governmental Activities	6,787,186	7,065,378	7,057,096	7,102,565	7,704,590	8,984,444	9,211,532	9,131,603	10,186,358	0 204 107	
Business-Type Activities		7,003,370	7,037,070	7,102,303	1,104,370		7,211,332	7,131,003	10,100,330	9,386,197	
Investment Earnings	28	18	26	208	155	88	168	318	194	258	
Fixed Asset Adjustment			20	100	155	00	100	510	(52,197)	250	
Transfer								30,000	(-2, )		
Total Business-Type Activities	28	18	26	208	155	88	168	30,318	(52,003)	258	
Total District-Wide \$	6,787,214	7,065,396	7,057,122	7,102,773	7,704,745	8,984,532	9,211,700	9,161,921	10,134,355	9,386,455	
=		,	, ,,		, .,	, .,	, ,,,	.,,	,,	.,,	
Change in Net Position Governmental Activities \$	658,239	451,664	(20,975)	(27,351)	127 242	(240 FEE)	(720 (42)	(240.040)	440 400	222 424	
Business-Type Activities	(5,961)	(19,035)	(11,025)	(3,103)	137,363 8,302	(319,655) (8,078)	(739,612) (36,576)	(210,049) (33,245)	163,483 14,104	332,124 114,032	
Total District-Wide \$		432,629									
Total District-Wide \$	652,278	432,627	(32,000)	(30,454)	145,665	(327,733)	(776,188)	(243,294)	177,587	446,156	

Source: ACFR Schedule A-2

#### BOROUGH OF FOLSOM SCHOOL DISTRICT FUND BALANCES-GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting) (UNAUDITED)

	2	013		2014		2015		2016	 2017		2018		2019	2020		2021	2022	
General Fund Restricted Assigned - Encumbrances Unassigned (Deficit)	2	07,014 29,070 86,434)		3,072,276 229,880 (306,269)	\$	3,160,063 38,465 (296,629)	\$	2,983,960 157,394 (276,236)	\$ 3,059,926 204,815 (311,366)	\$	2,727,190 18,966 (238,174)	\$	2,128,563 \$ 79,251 (236,797)	5 2,022,28 69,63 (245,86	5	2,189,582 \$ 67,313 (117,219)	2,513,0 27,5 (161,1)	76
Total General Fund	\$ 2,8	49,650	\$	2,995,887	\$_	2,901,899	\$_	2,865,118	\$ 2,953,375	\$	2,507,982	\$	1,971,017	1,846,05		2,139,676		<u> </u>
All Other Governmental Funds Restricted Unassigned, Reported in: Special Revenue Fund (Deficit)	\$	1	\$	10,296	\$	10,296	\$	10,296	\$ 10,296	\$	(8,288)	\$	(6,309)	(5,86	<del></del> \$ 7)	30,209 \$ (5,967)	35,50	
Total All Other Governmental Funds	\$	1	- \$_	10,296	\$	10,296	\$ =	10,296	\$ 10,296	\$ _	(8,288)	\$ _	(6,309) \$	(5,86	7) \$	24,242 \$	31,70	01

Source: ACFR Schedule B-1

### BOROUGH OF FOLSOM SCHOOL DISTRICT CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS

### LAST TEN FISCAL YEARS

(UNAUDITEI	D)	
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	_	2013	2014	2015	2016	2017		2018	2019	2020	2021	2022
Revenues												
Tax Levy	\$	1,766,197 \$	1,800,667	1,780,009 \$	1,816,288	\$ 1,842,888	\$ 1	,868,128 \$	1,871,223	\$ 1,903,804 \$	1,997,216 \$	2,030,436
Tuition Charges		, , ,	, ,	. , , .		98,028		6,475	, , , , ,	,,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,,
Interest Earnings		1,007	640	757	10,190	10,577		9,834	16,369	24,449	10,469	5,728
Miscellaneous		5,202	36,678	269	8,990	275,045		97,322	5,801	32,679	21,845	35,082
State Sources		5,960,352	6,076,069	6,197,824	6,309,480	6,426,487	6	,678,280	6,983,250	7,344,915	7,509,271	7,762,768
Federal Sources		220,967	219,306	225,369	192,146	259,876		228,602	229,433	228,302	403,370	350,951
Total Revenues	-	7,953,725	8,133,360	8,204,228	8,337,094	8,912,901	- 8	3,888,641	9,106,076	9,534,149	9,942,171	10,184,965
Expenditures												
Instruction												
Regular Instruction		2,087,149	2,025,008	2,060,927	1,998,513	2,016,313	2	2,025,560	2,127,928	2,107,584	2,054,297	2,165,509
Special Education Instruction		373,669	423,186	452,303	472,682	531,381		601,363	572,193	532,742	515,237	574,243
School Activities		28,011	39,223	43,391	41,028	38,324						
Other Special Instruction		31,716	93,449	153,734	139,245	235,425		202,797	176,015	193,739	198,931	182,912
Support Services												
Tuition		1,290,739	1,506,640	1,618,985	1,391,048	1,460,488	1,	,613,089	1,727,441	1,840,288	1,694,412	1,283,514
Student and Instruction Related Services		615,923	714,920	735,198	799,431	726,785		748,346	793,782	805,300	949,461	947,267
General Administrative Services		125,654	117,285	130,428	109,691	135,086		137,658	133,594	140,336	137,257	141,512
School Administrative Services		169,419	154,951	130,097	187,670	158,971		153,318	149,364	147,135	149,495	157,763
Central Services and Information Technology		134,798	119,700	132,942	156,659	1.60,400		154,037	162,983	167,542	172,386	192,256
Plant Operations and Maintenance		385,899	412,567	528,337	464,676	448,798		512,702	467,530	560,201	464,908	546,238
Pupil Transportation		417,280	489,381	512,263	551,766	520,097		604,498	753,187	509,580	539,811	533,619
Employee Benefits		1,227,844	1,226,607	1,330,683	1,630,747	1,879,161	2	,159,801	2,252,725	2,328,813	2,520,410	2,918,282
Capital Outlay		229,260	417,497	242,878	199,470	287,265		210,098	86,186	73,657	44,325	80,780
Debt Service		242,707	276,568	226,050	231,250	226,150						
Principal								180,000	180,000	185,000	185,000	190,000
Interest and Other Charges	_							49,350	42,150	36,750	31,200	23,800
Total Expenditures		7,360,068	8,016,982	8,298,216	8,373,876	8,824,644	9	,352,617	9,625,078	9,628,667	9,657,130	9,937,695
Excess (Deficiency) of Revenues						-				-		
Over (Under) Expenditures		593,657	116,377	(93,988)	(36,781)	88,257		(463,976)	(519,002)	(94,518)	285,041	247,270
Other Financing Sources (Uses)	-											
Transfers									(15,984)	(30,000)		
Total Other Financing Sources (Uses)												
Net Change in Fund Balances	\$	593,657 \$	116,377	(93,988) \$	(36,781)	\$ 88,257	\$	(463,976)	(534,986)	\$ (124,518) \$	285,041 \$	247,270
Debt Service as a Percentage of Noncapital Expenditures	=	3.40%	3.64%	2.81%	2.83%	2.65%		2.51%	2.33%	2.32%	2.25%	2.17%
Source: ACFR Schedule B-2												

### **EXHIBIT J-5**

## BOROUGH OF FOLSOM SCHOOL DISTRICT GENERAL FUND OTHER LOCAL REVENUE BY SOURCE LAST TEN FISCAL YEARS

(UNAUDITED)

Fiscal Year Ended June 30,	 Tuition	 Interest	_	Refund of Prior Year Expenditure	_	Contract Settlement	 Misc.	Total	
2022	\$ -	\$ 5,765	\$	30,000	\$		\$ 27,118 \$	62,88	33
2021	22,950	10,523		20,027			5	53,50	)5
2020		24,449		16,001			16,678	57,12	28
2019		16,369					5,801	22,17	70
2018	6,475	9,834		97,322				113,63	31
2017						275,000	45	275,04	<del>1</del> 5
2016							8,990	8,99	90
2015							269	26	59
2014						•	36,678	36,67	78
2013							5,202	5,20	)2

Source: District Records

### BOROUGH OF FOLSOM SCHOOL DISTRICT ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year Ended June 30,	Vacant Land	Improvements	Total Taxable Value of Land and Improvement	Residential	Farm Regular	Qfarm	Commercial	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
2022 \$ 2021 2020 2019 2018 2017 2016 2015 2014 2013	6,046,300 \$ 5,711,800 5,849,600 5,762,000 6,093,800 25,006,990 24,973,990 24,962,390 25,539,890 25,547,200	82,929,909 82,565,909 83,196,509 82,207,309 80,585,309	107,936,899 107,539,899 108,158,899 107,747,199 106,132,509	\$ 133,198,300 \$ 132,227,000 131,340,300 131,694,600 131,563,200	970,400 \$ 915,900 915,900 907,500 929,200	268,200 \$ 262,900 262,900 267,400 266,800	35,209,100 \$ 35,483,800 36,065,000 35,823,100 34,512,600	175,692,300 \$ 174,601,400 174,433,700 174,454,600 173,365,600	290,014 249,452 339,674	175,692,300 \$ 174,601,400 174,433,700 174,454,600 173,365,600 107,936,899 107,539,899 108,448,913 107,996,651 106,472,183	1.190 1.162 1.144 1.091 1.080 1.730 1.713 1.675 1.649 1.910	\$ 182,400,939 183,041,330 167,483,149 167,503,217 166,457,609 103,636,005 172,782,614 169,922,595 184,665,229 181,909,830

Source: District records tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

- a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies
- b Tax rates are per \$100
- \* Reassessed

### BOROUGH OF FOLSOM SCHOOL DISTRICT DIRECT AND OVERLAPPING PROPERTY TAX RATES

### LAST TEN FISCAL YEARS

(Rate Per \$100 of Assessed Value)
(UNAUDITED)

		ough of Folso d of Educati		Ove	tes		
Year Ended		General Obligation Debt	Total				
June 30,	Basic Rate <sup>a</sup>	Service <sup>b</sup>	Direct	Local	County	Total	Total
2022 * 2021	1.065 1.036	0.125 0.126	1.190 1.162	0.425 0.415	0.548 0.568	0.973 0.983	2.163
2020	1.011	0.133	1.144	0.463	0.480	0.943	2.145 2.087
2019 2018	0.961 0.953	0.130 0.127	1.091 1.080	0.384 0.384	0.531 0.894	0.915 1.278	2.006 2.358
2017 2016	1.730 1.713	0.000 0.000	1.730	0.616	0.804	1.420	3.150
2015	1.675	0.000	1.713 1.675	0.607 0.661	0.715 0.816	1.322 1.477	3.035 3.152
2014 2013	1.649 1.691	0.000 0.000	1.649 1.691	0.59 0.570	0.802 0.678	1.392 1.248	3.041

First Year of Reassessment

Source: District Records and Municipal Tax Collector

#### Note:

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

- a The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.
- **b** Rates for debt service are based on each year's requirements.

# BOROUGH OF FOLSOM SCHOOL DISTRICT PRINCIPAL PROPERTY TAX PAYERS CURRENT YEAR AND NINE YEARS AGO (UNAUDITED)

		2022				2013	
Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value		Taxable Assessed Value	Rank	% of Total District Net Assessed Value
SOUTH JERSEY INDUSTRIES \$ LABORERS LOCAL 172-174 AMERICAN GALVANIZING CO IBEW LOCAL 351 C & E CANNERS, INC FOLSOM DEVELOPMENT ASSOC. NJ 11TH STREET HOLDING CORP KERR C/O DUCHARMR, MCMILLRN & ASSOC CREAMER FOLSOM ASSOC. TAXPAYER #1 TAXPAYER #2 BODON INDUSTRIES, INC KERR CONCRETE	6,239,700 2,256,000 2,246,500 3,116,600 2,378,400 1,497,100 1,204,100 1,260,400 1,221,600 1,121,800	1 4 5 2 3 6 9 7 8 10	3.55% 1.28% 1.28% 1.77% 1.35% 0.85% 0.69% 0.72% 0.70%	\$	5,461,400 769,000 1,783,800 2,379,000 1,531,700 800,600 973,300 884,000 741,800 1,222,800	1 9 3 2 4 8 6 7 10 5	5.13% 0.72% 1.68% 2.23% 1.44% 0.75% 0.91% 0.83% 0.70% 1.15%
Total \$	22,542,200		12.83%	\$_	16,547,400		15.54%

Source: District ACFR & Municipal Tax Assessor

### EXHIBIT J-9

# BOROUGH OF FOLSOM SCHOOL DISTRICT PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year Ended		Taxes Levied for the Fiscal	_	Collected Wit Year of	Collections in Subsequent	
June 30,	_	Year		Amount	% of Levy	 Years
2022	\$	2,030,436	\$	2,030,436	100%	\$
2021		1,997,216		1,997,216	100%	
2020		1,903,804		1,903,804	100%	
2019		1,871,223		1,871,223	100%	
2018		1,868,128		1,868,128	100%	
2017		1,842,888		1,842,888	100%	
2016		1,816,288		1,816,288	100%	
2015		1,780,009		1,780,009	100%	
2014		1,800,667		1,800,667	100%	
2013		1,766,197		1,766,197	100%	

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

### BOROUGH OF FOLSOM SCHOOL DISTRICT RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

(UNAUDITED)

					В	usiness-Ty	pe						
	_	Governm	ental Acti	vities		Activities							
Fiscal		General		В	ond		_		Percentage	of			
Year Ende	d	Obligation	Capital	Antic	ipation	Capital			Personal				
June 30,	June 30, Bonds <sup>b</sup>		Leases	<u>Notes</u>	(BANs)	Leases Total District		otal District	Income a		Per Capita <sup>a</sup>		
2022	\$	405,000 \$		\$	\$		\$	405,000	0.40%	\$	223		
2021		595,000			·		•	595,000	0.68%	~	379		
2020		780,000						780,000	0.91%		505		
2019		965,000						965,000	1.12%		574		
2018		1,145,000						1,145,000	1.40%		674		
2017		1,325,000						1,325,000	1.63%		756		
2016		1,495,000						1,495,000	1.83%		821		
2015		1,665,000						1,665,000	2.06%		905		
2014		1,825,000						1,825,000	2.27%		982		
2013		2,026,000						2,026,000	2.57%		1,080		

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

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

- a See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- **b** Includes Early Retirement Incentive Plan (ERIP) refunding

## BOROUGH OF FOLSOM SCHOOL DISTRICT RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING LAST TEN FISCAL YEARS

(UNAUDITED)

General Bonded Debt Outstanding

		GCIICIA	<u> </u>	onded bedt c	<u>Ju</u>	cscariumg			
							Percentage of	of	
Fiscal		General				Net General	<b>Actual Taxab</b>	le	
Year Ended		Obligation				Bonded Debt	Value <sup>a</sup> of		Per
June 30,		Bonds		Deductions	_	Outstanding	Property		Capita <sup>b</sup>
2022	\$	405,000	\$		\$	405,000	0.22%	\$	223
2021		595,000				595,000	0.34%		329
2020		780,000				780,000	0.47%		439
2019		965,000				965,000	0.58%		542
2018	*	1,145,000				1,145,000	0.69%		641
2017		1,325,000				1,325,000	1.23%		738
2016		1,495,000				1,495,000	1.39%		826
2015		1,665,000				1,665,000	1.54%		909
2014		1,825,000				1,825,000	1.69%		987
2013		2,026,000				2,026,000	1.90%		1,089

#### Note:

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

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

<sup>\*</sup> First Year of Reassessment

## BOROUGH OF FOLSOM SCHOOL DISTRICT RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT AS OF JUNE 30, 2022 (UNAUDITED)

Governmental Unit	<u> </u>	Debt Outstanding	Estimated Percentage Applicable <sup>a</sup>		Estimated Share of Overlapping Debt
Net Direct Debt of the School District	\$	405,000	100%	\$	405,000
Debt Repaid with Property Taxes  Local Municipality		601,836	100%		601,836
Other Debt County of Atlantic		203,998,316	0.53%		1,074,152
Subtotal, Overlapping Debt				•	2,080,988
Borough of Folsom School District Direct Debt					405,000
Total Direct and Overlapping Debt				\$	2,485,988

Sources: Folsom Township Finance Officer and Atlantic County Finance Office

#### Note:

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

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

### BOROUGH OF FOLSOM SCHOOL DISTRICT LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS (UNAUDITED)

Legal Debt Margin Calculation for Fiscal Year 2021

						<u>Equalized V</u> 2021 \$ 2020 2019	aluation Basis 182,256,159 181,796,456 174,926,903					
						[A] \$	538,979,518	_				
		Aver	age Equalized Va	aluation of Taxa	able Property	[A/3] \$	179,659,839					
		De	ebt Limit (3% of	Net Bonded	zation Value) I School Debt Debt Margin	[B] [C] [B-C] \$	5,389,795 405,000 4,984,795					
					DODE MAIGHT	[5-0] \$	4,704,793	=				
		2013	2014	2015	2016	2017	2018		2019	2020	2021	2022
Debt Limit	\$	5,566,062 \$	5,489,599 \$	5,273,674 \$	5,146,844	\$ 5,079,893 \$	5,035,796	\$	5,058,255 \$	5,079,697 \$	5,264,234 \$	5,389,795
Total Net Debt Applicable to Limit	_	2,026,000	1,825,000	1,665,000	1,495,000	1,325,000	1,145,000		965,000	780,000	595,000	405,000
Legal Debt Margin	\$	3,540,062 \$	3,664,599 \$	3,608,674 \$	3,651,844	3,754,893 \$	3,890,796	\$_	4,093,255 \$	4,299,697 \$	4,669,234 \$	4,984,795
Total Net Debt Applicable to the Lir as a Percentage of Debt Limit	nit	36.40%	33.24%	31.57%	29.05%	26.08%	22.74%		19.08%	15.36%	11.30%	7.51%

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

## BOROUGH OF FOLSOM SCHOOL DISTRICT DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

(UNAUDITED)

Year		Population <sup>a</sup>	 Personal Income (thousands of dollars) <sup>b</sup>	 Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2022	*	1,817	\$ 101,597,356	\$ 55,914	10.3%
2021		1,808	87,644,251	55,858	10.4%
2020		1,776	86,125,765	55,802	13.3%
2019		1,782	85,012,104	51,247	5.2%
2018		1,787	81,709,745	48,110	6.6%
2017		1,795	81,124,220	46,304	6.9%
2016		1,809	81,479,373	44,735	7.4%
2015		1,832	80,929,625	43,974	8.6%
2014		1,849	80,249,190	43,171	10.2%
2013		1,861	78,709,716	41,947	6.4%

<sup>\*</sup>Estimate

#### Source:

<sup>&</sup>lt;sup>a</sup> For Atlantic County, Population information provided by the NJ Dept of Labor and Workforce Development

<sup>&</sup>lt;sup>b</sup> Personal income

<sup>&</sup>lt;sup>c</sup> Per Capita

<sup>&</sup>lt;sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development N/A Not Available at time of Audit

# BOROUGH OF FOLSOM SCHOOL DISTRICT PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO (UNAUDITED)

	2	022	20	013
		Percentage of Total		Percentage of Total
Employer*	Employees	Employment	Employees	Employment
	Not A	vailable	Not A	vailable
	0	0.00%	0	0.00%

Source: This information is for Atlantic County

### **BOROUGH OF FOLSOM SCHOOL DISTRICT** FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

(UNAUDITED)

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Instruction										
Regular	30.0	29.0	31.0	32.0	31.0	30.0	30.0	30.0	20.0	20.0
Special Education	7.7	7.8	10.0	10.0	11.0	12.0	10.0	9.0	30.0	30.0
Other Special Education					1.0	1.0	4.0		9.0	10.0
Vocational					1.0	1.0	4.0	5.0	4.0	7.0
Other Instruction	2.4	2.4		1.3	3.0	3.0	3.0	3.0	3.0	3.0
Support Services:										
Tuition										
Student & Instruction Related Services	6.2	6.0	7.0	7.0	6.0	6.0	7.0	7.0	F 0	
General Administrative Services	0.7	1.0	1.0	1.0	1.0	1.0	1.0	7.0	5.0	7.0
School Administrative Services	2.3	2.3	4.0	4.0	4.0	4.0	4.0	1.0	1.0	1.0
Business Administrative Services	1.7	1.7	2.0	2.0	2.0	2.0		4.0	4.0	4.0
Plant Operations and Maintenance	4.5	4.5	4.0	4.0	4.0	4.0	2.0	2.0	2.0	2.0
Other		5	1.3	1.0	1.3		4.0	4.0	4.0	4.0
Food Service	3.6	3.6	3.3	3.3		1.3	1.3	1.3	1.2	1.2
Community Program	5.0	3.0	5.5		2.5	3.3	3.3	3.0	3.25	3.25
				2.0	2.0	2.0	2.0	2.0	2.0	2.0
Total -	59.1	58.3	63.6	67.6	68.8	69.6	71.6	71.3	68.45	74.45

Source: District Personnel Records

## BOROUGH OF FOLSOM SCHOOL DISTRICT OPERATING STATISTICS LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year	Enrollment (d)	Operating penditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/ Teacher Ratio Elementary	Average Daily Enrollment (ADE) <sup>c</sup> (e)	Average Daily Attendance (ADA) <sup>c</sup> (e)	% Change in Average Daily Enrollment	Student Attendance Percentage
2022	423	\$ 9,643,115 \$	22,797	16.51%	46.0	9.20 : 1	377.61	358.77	-4.93%	95.01%
2021	446	9,396,605	21,069	7.68%	46.0	9.70:1	386.09	373.15	-2.80%	96.65%
2020	449	9,333,260	20,787	6.24%	46.0	9.76:1	387.38	373.39	-2.47%	96.39%
2019	477	9,333,260	19,567	2.08%	46.0	8.72:1	397.2	381.0	0.53%	95.92%
2018	465	8,913,169	19,168	12.78%	46.0	8.65:1	395.1	379.4	-1.47%	96.03%
2017	489	8,311,229	16,996	4.21%	43.3		401	387	-3.25%	96.51%
2016	487	7,943,155	16,310	5.20%	43.3		415	400	0.00%	96.39%
2015	505	7,829,288	15,504	<b>7.55</b> %	41.0		415	400	-3.15%	96.39%
2014	508	7,322,917	14,415	2.89%	39.2		435	413	2.48%	94.94%
2013	508	7,117,361	14,011	4.89%	37.6		424	403	2.03%	95.05%

Sources: District records

Note: Enrollment based on annual October district count.

- a) Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1
- b) Teaching staff includes only full-time equivalents of certificated staff.
- c) Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).
- d) Includes grades K-12
- e) Includes grades K-8

## SCHOOL BUILDING INFORMATION LAST TEN FISCAL YEARS (UNAUDITED)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
District Building						-	*******			
<u>Elementary</u>										
Folsom Elementary School										
Square Feet	57,507	57,507	57,507	57,507	57,507	57,507	57,507	57,507	57,507	57,507
Capacity (Students)	435	435	435	435	435	435	435	435	435	435
* Enrollment	424	435	415	415	401	398	401	394	393	382

Number of Schools at June 30, 2022

Elementary = 1 Middle School = 0 Other = 0

Source: District records, ASSA

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of any additions. Enrollment is based on the annual October district count.

<sup>\*</sup> Includes K - 8 only

# BOROUGH OF FOLSOM SCHOOL DISTRICT GENERAL FUND SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES LAST TEN FISCAL YEARS (UNAUDITED)

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

Gross Square School Facilities Footage 2022 2020 2021 2019 2018 2017 2016 2015 2013 2014 Folsom School 57,507 \$ 153,254 132,132 155,761 \$ 161,886 \$ 166,921 \$ 129,633 \$ 149,576 \$ 104,646 \$ 86,997 \$ 112,947 **Total School Facilities** 153,254 132,132 161,886 155,761 166,921 129,633 149,576 104,646 86,997 112,947 Other Facilities **Grand Total** 153,254 132,132 161,886 \$ 155,761 \$ 166,921 \$ 129,633 \$ 149,576 \$ 104,646 \$ 86,997 \$ 112,947

### BOROUGH OF FOLSOM SCHOOL DISTRICT INSURANCE SCHEDULE FOR THE FISCAL YEAR ENDED JUNE 30, 2022 (UNAUDITED)

Company	Type of Coverage	Coverage	<u>Deductible</u>
Atlantic and Cape May Counties School Business Officials Joint Insurance Fund	Property, Inland Marine and Automobile Physical Damages JIF Self Insured Retention Crime-JIF Self Insured Retention General Liability/Auto Liability-JIF Self Insured Retention Educators Legal Liability - JIF Self Insured Retention Workers compensation - JIF Self Insured Retention	\$ 250,000 250,000 250,000 250,000 250,000	\$ 500 500
School Pool for Excess Liability Limits Joint Insurance Fund (SPELL JIF)	Property/Inland Marine/Automobile Physical Damage Crime Workers Compensation - Employers Liability General Liability/Auto Liability Educators' Legal Liability	175,000,000 500,000 Statutory 10,000,000 20,000,000 20,000,000	
Travelers Insurance Company	Boiler and Machinery	125,000	1,000
Beazley/Lloyd's of London Insurance	Environmental/Pollution Legal Liability	3,000,000	25,000-250,000
Starr Indemnity & Liability Company	Cyber Liability	2,000,000	50,000-100,000
Lloyd's of London Insurance	Crisis Protection & Disaster Management Services	1,000,000	10,000
RLI Insurance Company	Surety Bonds Treasurer Board Secretary/Business Administrator	180,000 25,000	

Source: District Records

### **SINGLE AUDIT SECTION**

### NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

991 S. Black Horse Pike P.O. Box 799 Williamstown, NJ 08094 (856) 629-3111 Fax (856) 728-2245 www.colavita.net

## 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 Borough of Folsom School District County of Atlantic, New Jersey 08037

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards. issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Borough of Folsom School District, in the County of Atlantic, State of New Jersey, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Board of Education of the Borough of Folsom School District's basic financial statements, and have issued our report thereon dated February 17, 2023.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Borough of Folsom Board of Education'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 Borough of Folsom Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Folsom Board of Education's internal control.

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

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

### **Compliance and Other Matters**

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

### Purpose of this Report

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

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA

Raymond Colavita, CPA

Licensed Public School Accountant

No. 915

February 17, 2023

### NIGHTLINGER, COLAVITA & VOLPA

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

The Honorable President and Members of the Board of Education Borough of Folsom School District County of Atlantic, New Jersey 08037

### Report on Compliance for Each Major State Program

#### Opinion on Each Major State Program

We have audited The Board of Education of the Borough of Folsom School District, in the County of Atlantic, State of New Jersey's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of The Board of Education of the Borough of Folsom School District, in the County of Atlantic, State of New Jersey's major state programs for the year ended June 30, 2022. The Board of Education of the Borough of Folsom School District, in the County of Atlantic, State of New Jersey's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, The Board of Education of the Borough of Folsom School District, in the County of Atlantic, State of New Jersey complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2022.

### Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the Office of School Finance, *Department of Education, State of New Jersey*, and New Jersey OMB 15-08. Our responsibilities under those standards 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 Board of Education of the Borough of Folsom School District, in the County of Atlantic, State of New Jersey 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 state program. Our audit does not provide a legal determination of The Board of Education of the Borough of Folsom School District, in the County of Atlantic, State of New Jersey'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 Board of Education of the Borough of Folsom School District, in the County of Atlantic, State of New Jersey's 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 Board of Education of the Borough of Folsom School District, in the County of Atlantic, State of New Jersey's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and New Jersey OMB 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about The Board of Education of the Borough of Folsom School District, in the County of Atlantic, State of New Jersey's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and New Jersey OMB 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and
  design and perform audit procedures responsive to those risks. Such procedures include
  examining, on a test basis, evidence regarding The Board of Education of the Borough of Folsom
  School District, in the County of Atlantic, State of New Jersey'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 Board of Education of the Borough of Folsom School District, in
  the County of Atlantic, State of New Jersey'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 New Jersey OMB 15-08,
  but not for the purpose of expressing an opinion on the effectiveness of The Board of Education
  of the Borough of Folsom School District, in the County of Atlantic, State of New Jersey's internal
  control over compliance. Accordingly, no such opinion is expressed.

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

### Report on Internal Control over Compliance

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

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

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

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

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA

Raymond Colavita, CPA

Licensed Public School Accountant

No. 915

February 17, 2023

### BOROUGH OF FOLSOM SCHOOL DISTRICT SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SCHEDULE A) FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Federal	Federal	Grant or			Program or	June 30	. 2021		Expenditures Pass	Budgetary	Total Budgetary	_	June 30, 202	2
Federal Grantor/Pass-Through Grantor/ Program Title	CFDA Number	FAIN Number	State Project Number	Grant From	Period To	Award Amount	(Accounts Receivable)	Unearned Revenue	– Cash Received	Through Funds	Expenditures Direct	Expenditures (A)	(Accounts Receivable)	Unearned Revenue	Due to Granto
J.S. Department of Education															
General Fund															
					\$		\$ \$	; \$	5 9	5 \$		\$	\$	\$ \$	
Total General Fund									-						
J.S. Department of Agriculture									<del></del>						
Passed-through State Department of E	lucation:														
Enterprise Fund:															
Child Nutrition Cluster:															
Cash Assistance:															
National School Lunch Program	10.555	211NJ304N1099	N/A	7/1/21	6/30/22	215,349	(48 400)		205,959	(215,349)		(215,349)	(9,390)		
National School Lunch Program	10.555	221NJ304N1099	N/A	7/1/20	6/30/21	161,619	(15,480)		15,480						
National School Breakfast Program	10.553	211NJ304N1099	N/A	7/1/21	6/30/22	80,553	(( 707)		77,552	(80,553)		(80,553)	(3,001)		
National School Breakfast Program	10.553	221NJ304N1099	N/A	7/1/20	6/30/21	78,743	(6,703)		6,703						
P-EBT Administrative Cost P-EBT Administrative Cost	10.649 10.649	202222\$900941 202122\$900941	N/A N/A	7/1/21 7/1/20	6/30/22 6/30/21	628 614			628	(628)		(628)			
Supply Chain Assistance	10.555	2021225900941 221NJ344N8903	N/A N/A						614	(614)		(614)			
Emerg. Operational Cost Prog-Schs	10,555	202121H170341	N/A N/A	7/1/21 7/1/21	6/30/22 6/30/22	12,314			7.057	(12,314)		(12,314)	(12,314)		
Non-Cash Assistance:	10.555	2021211170341	INIA	111121	0/30/22	7,057			7,057	(7,057)		(7,057)			
Food Distribution Program	10.565	Unknown	N/A	7/1/21	6/30/22	12,208			12,208	(40, 920)		(40,000)		4 270	
Food Distribution Program	10.565	Unknown	N/A	7/1/20	6/30/21	13,476		1,713	12,200	(10,829) (1,713)		(10,829)		1,379	
Total Enterprise Fund				,		,	(22,183)	1,713	326,201	(329,057)		(327,344)	(24,705)	1,379	
							(ZZ, 103)	1,713		(327,037)		(327,344)	(24,703)	1,3/7	
U.S. Department of Education															
Passed-through State Department of E	lucation:														
Special Revenue Fund:															
E.S.E.A:															
Title I, Part A	84.010	S010A200030	ESEA-1460-21	7/1/20	9/30/21	71,762	(7,511)		7,646	(135)		(135)			
Title I, Part A	84.010	S010A210030	ESEA-1460-22	7/1/21	9/30/22	60,855			59,828	(60,855)		(60,855)	(1,027)		
Title I, Part A Reallocated	84.010	S010A200030	ESEA-1460-21	7/1/20	9/30/21	10,669	(10,669)		10,669						
Title II, Part A	84.367A	S367A200029	ESEA-1460-21	7/1/20	9/30/21	6,833	(1,338)		2,120	(782)		(782)			
Title II, Part A	84.367A	S367A210029	ESEA-1460-22	7/1/21	9/30/22	5,911			5,911	(5,911)		(5,911)			
Title IV	84.424A	S424A200031	ESEA-1460-21	7/1/20	9/30/21	10,000	(955)		1,431	(476)		(476)			
Title IV	84.424A	S424A210031	ESEA-1460-22	7/1/21	9/30/22	10,000			10,000	(10,000)		(10,000)			
REAP	84.358A	S358A200798	REAP-1460-21	7/1/20	9/30/21	38,034	(17,000)		17,000						
REAP	84.358A	S358A212315	REAP-1460-22	7/1/21	9/30/22	37,816			26,511	(37,816)		(37,816)	(11,305)		
Education Stabilization Fund:															
CRRSA - ESSER II	84.425D	S425D210027	ESSER-1460-20	3/13/20		305,208	(33,354)		43,359	(10,400)		(10,400)	(395)		
CRRSA - Learning	84.425D	S425D210027	ESSERLAN 1460-20		9/30/23	25,000			25,000	(25,000)		(25,000)			
	84.425D	S425D210027	Unknown	3/13/20	9/30/23	45,000			17,141	(28,568)		(28,568)	(11,427)		
CRRSA - Mental Health	84.425U 84.425U	S425U210027	Unknown	3/13/20	9/30/24	40,000				(1,295)		(1,295)	(1,295)		
ARP Summer		S425U210027	Unknown	3/13/20		40,000			4,504	(5,359)		(5,359)	(855)		
ARP Summer ARP Beyond		Unknown	Unknown	3/13/20	9/30/24	8,993			8,993	(8,993)		(8,993)			
ARP Summer ARP Beyond SDA Emergent	84.425U	51111151111			0./20./24	00.224	(7.041)		7.04:						
ARP Summer ARP Beyond SDA Emergent IDEA Cluster:	84.425U		IDEA 4440 24	714120		98,236	(7,916)		7,916						
ARP Summer ARP Beyond SDA Emergent IDEA Cluster: I.D.E.A. Part B	84.425U 84.027A	H027A200100	IDEA-1460-21	7/1/20	9/30/21										
ARP Summer ARP Beyond SDA Emergent IDEA Cluster: I.D.E.A. Part B I.D.E.A. Part B	84.425U 84.027A 84.027A	H027A200100 H027A210100	IDEA-1460-22	7/1/21	9/30/22	96,419			89,430	(96,419)		(96,419)	(6,989)		
ARP Summer ARP Beyond SDA Emergent IDEA Cluster: I.D.E.A. Part B I.D.E.A. Part B ARP IDEA Part B-Basic	84.425U 84.027A 84.027A 84.027X	H027A200100 H027A210100 H027X210100	IDEA-1460-22 IDEA-1460-22	7/1/21 7/1/21	9/30/22 9/30/22	96,419 18,146			16,487	(96,419) (18,146)		(96,419) (18,146)	(6,989) (1,659)		
ARP Summer ARP Beyond SDA Emergent IDEA Cluster: I.D.E.A. Part B I.D.E.A. Part B ARP IDEA Part B-Basic I.D.E.A. Preschool	84.425U 84.027A 84.027A 84.027X 84.173	H027A200100 H027A210100 H027X210100 H173A200114	IDEA-1460-22 IDEA-1460-22 IDEAPS-1460-21	7/1/21 7/1/21 7/1/20	9/30/22 9/30/22 9/30/21	96,419 18,146 4,657			16,487	(18,146)		(18,146)			
ARP Summer ARP Beyond SDA Emergent IDEA Cluster: I.D.E.A. Part B I.D.E.A. Part B ARP IDEA Part B-Basic I.D.E.A. Preschool I.D.E.A. Preschool I.D.E.A. Preschool	84.425U 84.027A 84.027A 84.027X 84.173 84.173	H027A200100 H027A210100 H027X210100 H173A200114 H173A210114	IDEA-1460-22 IDEA-1460-22 IDEAPS-1460-21 IDEAPS-1460-22	7/1/21 7/1/21 7/1/20 7/1/21	9/30/22 9/30/22 9/30/21 9/30/22	96,419 18,146 4,657 4,708			16,487 - 4,708	(18,146) (4,708)		(18,146) (4,708)			
ARP Summer ARP Beyond SDA Emergent IDEA Cluster: I.D.E.A. Part B I.D.E.A. Part B ARP IDEA Part B-Basic I.D.E.A. Preschool I.D.E.A. Preschool ARP IDEA Part B-Basic	84.425U 84.027A 84.027A 84.027X 84.173	H027A200100 H027A210100 H027X210100 H173A200114	IDEA-1460-22 IDEA-1460-22 IDEAPS-1460-21	7/1/21 7/1/21 7/1/20	9/30/22 9/30/22 9/30/21	96,419 18,146 4,657			16,487 - 4,708 1,545	(18,146) (4,708) (1,545)		(18,146) (4,708) (1,545)	(1,659)		
ARP Summer ARP Beyond SDA Emergent IDEA Cluster: I.D.E.A. Part B I.D.E.A. Part B ARP IDEA Part B-Basic I.D.E.A. Preschool I.D.E.A. Preschool I.D.E.A. Preschool	84.425U 84.027A 84.027A 84.027X 84.173 84.173	H027A200100 H027A210100 H027X210100 H173A200114 H173A210114	IDEA-1460-22 IDEA-1460-22 IDEAPS-1460-21 IDEAPS-1460-22	7/1/21 7/1/21 7/1/20 7/1/21	9/30/22 9/30/22 9/30/21 9/30/22	96,419 18,146 4,657 4,708	(78,743) (100,926) \$	1,713 \$	16,487 - 4,708 1,545 360,199	(18,146) (4,708) (1,545) (316,408)		(18,146) (4,708)	(34,952)		

<sup>(</sup>A) There were no awards passed through to subrecipients.

### BOROUGH OF FOLSOM SCHOOL DISTRICT SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (SCHEDULE B) FOR THE FISCAL YEAR ENDED JUNE 30, 2022

				Program								ME	EMO
	C	C1	B	or	Balance at Ju					it June 30, 2			Cumulative
State Grantor/Program Title	Grant or State Project Number	From	Period To	Award Amount	(Accounts Receivable)	Unearned Revenue	Cash Received	Budgetary Expenditures	(Accounts Receivable)	Unearned Revenue		Budgetary Receivable	Total Expenditures
State Department of Education	-				<u></u>								
General Fund													
Equalization Aid	22-495-034-5120-078	7/1/21	6/30/22 \$	4,263,359	S	S	3,846,656	\$ (4,263,359)	\$ (416,703)		*	\$ (416,703)	\$ (4,263,359)
Equalization Aid	21-495-034-5120-078	7/1/20	6/30/21	4,269,569	(417,343)	•	417,343	+ ( '),	+ (1.0,.00)			\$ (110,705)	\$ (-1,205,557)
Special Education Categorical Aid	22-495-034-5120-089	7/1/21	6/30/22	363,041	, , ,		327,557	(363,041)	(35,484)			(35,484)	(363,041)
Special Education Categorical Aid	21-495-034-5120-089	7/1/20	6/30/21	363,041	(35,487)		35,487	(,,	(,,			(33, 101)	(303,071)
Transportation Aid	22-495-034-5120-014	7/1/21	6/30/22	181,520	, , ,		163,778	(181,520)	(17,742)			(17,742)	(181,520)
Transportation Aid	21-495-034-5120-014	7/1/20	6/30/21	181,520	(17,743)		17,743	(/	(,/			(17,7 12)	(101,520)
Security Aid	22-495-034-5120-084	7/1/21	6/30/22	79,030	, , ,		71,306	(79,030)	(7,724)		*	(7,724)	(79,030)
Security Aid	21-495-034-5120-084	7/1/20	6/30/21	79,030	(7,725)		7,725	(,)	(- , /			(/,/21)	(77,030)
School Choice Aid	22-495-034-5120-068	7/1/21	6/30/22	1,100,736	, , ,		993,150	(1,100,736)	(107,586)		*	(107,586)	(1,100,736)
School Choice Aid	21-495-034-5120-068	7/1/20	6/30/21	1,118,416	(109,323)		109,323	(.,,,	(,000)			(107,300)	(1,100,730)
Nonpublic Transportation Aid	21-495-034-5120-014	7/1/20	6/30/21	1,450	(1,450)		1,450						
Extraordinary Aid	22-495-034-5120-044	7/1/21	6/30/22	112,625	(-,,		.,	(112,625)	(112,625)		*		(112,625)
Extraordinary Aid	21-495-034-5120-044	7/1/20	6/30/21	159,484	(149,549)		149,549	(,,,,,	(1.2,025)				(112,023)
Securing Our Children's Future Bond Act	N/A	4/1/21	3/31/23	43,439	( , = ,		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	(43,439)	(43,439)				(43,439)
Reimbursed TPAF Social Security Contrib.	22-495-034-5094-003	7/1/21	6/30/22	226,778			216,042	(226,778)	(10,736)		*		(226,778)
Reimbursed TPAF Social Security Contrib.	21-495-034-5094-003	7/1/20	6/30/21	215,850	(11,064)		11,064	(220,770)	(10,730)				(220,770)
On-Behalf TPAF Post Retirement Medical	22-495-034-5094-001	7/1/21	6/30/22	255,377	( ) = /		255,377	(255,377)					(055 277)
On-Behalf TPAF Pension Contribution	22-495-034-5094-002	7/1/21	6/30/22	1,093,033			1,093,033	(1,093,033)					(255,377)
On-behalf TPAF Long-term Disability Contrib.		7/1/21	6/30/22	724			724	(724)					(1,093,033)
· ·	22 175 05 1 507 1 00 1	771721	O/ JO/ LL	724				(724)					(724)
Total General Fund					(749,684)		7,717,307	(7,719,662)	(752,039)			(585,239)	(7,719,662)
Special Revenue Fund										-			
Preschool Education Aid	22-495-034-5120-086	7/1/21	6/30/22	88,104			84,242	(88,104)	(3,862)		*		(00.404)
Preschool Education Aid	21-495-034-5120-086	7/1/20	6/30/21	85,688	(5,967)			(50, 10-1)	(3,002)				(88,104)
Tresendor Educación Ala	21-475-054-5120-000	771720	0/30/21	65,000			5,967						<del></del>
					(5,967)		90,209	(88,104)	(3,862)				(88,104)
State Department of Agriculture Enterprise Fund:													
National School Lunch Prog. (State Share)	22-100-010-3350-023	7/1/21	6/30/22	5,083			4,867	(5,083)	(216)		*		(5,083)
National School Lunch Prog. (State Share)	21-100-010-3350-023	7/1/20	6/30/21	9,259	(1,936)		1,936	(3,003)	(210)				(3,063)
Total Enterprise Fund				,	(1,936)		6,803	(5,083)	(216)		-		(5,083.0)
Total State Financial Assistance					\$ (757,587)								
rotat state i manerat Assistance					\$ (757,567)		\$ 7,814,319	\$ (7,812,849)	\$ (756,117)			\$ (585,239)	\$ (7,812,849)
Less: On-Behalf TPAF Pension System Contribu	tions												
On-Behalf TPAF Post Retirement Medical	22-495-034-5094-001	7/1/21	6/30/22	255,377			\$ 255,377	\$ (255,377)					
On-Behalf TPAF Pension Contribution	22-495-034-5094-002	7/1/21	6/30/22	1,093,033			1,093,033	(1,093,033)					
On-behalf TPAF Long-term Disability Contrib.	22-495-034-5094-004	7/1/21	6/30/22	724			724	(724)					
Total State Financial Assistance - Major Pro-	gram Determination					-	\$ 6,465,185						
. State State Financial Passaciae Major Fro	Signi Sectionation					_	50,400,105 و	\$ (6,463,715)					
						_							

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

# BOROUGH OF FOLSOM SCHOOL DISTRICT NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE JUNE 30, 2022

NOTE 1: GENERAL

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

### NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 2 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and New Jersey Treasury Circular OMB 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

### NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on a modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with N.J.S.A. 18A:22-4.2

# BOROUGH OF FOLSOM SCHOOL DISTRICT NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE JUNE 30, 2022 (Continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$2,382 for the general fund and \$(20,507) for the special revenue fund. See Note 1 (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented in the following table:

	 Federal	State	Total
General Fund Special Revenue Fund Food Service Fund	\$ 293,796 329,057	\$ 7,722,044 \$ 40,724 5,083	7,722,044 334,520 334,140
Total Financial Assistance	\$ 622,853	\$ <u>7,767,851</u> \$	8,390,704

### NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

### NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING

The Folsom School District had no loan balances outstanding during the year ended June 30, 2022.

### NOTE 6: OTHER

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

### NOTE 7: SCHOOL-WIDE PROGRAM FUNDS

As the District's Federal Programs are on a targeted student group basis, there are no schoolwide programs in the District.

## BOROUGH OF FOLSOM SCHOOL DISTRICT SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

### Section I - Summary of Auditor's Results

### **Financial Statements**

Auditee qualified as low-risk auditee?	?		у	es	····	no
Dollar threshold used to distinguish b	etween type A	and type B pro	grams	(section	1 518): <b>N</b>	/A
	N/A					
CFDA Number(s)	FAIN Number(s)	Name of	Feder Clus	_	ram or	
Identification of major progr						
Any audit findings disclosed that are reported in accordance with 2 CFR section .516(a)?	200		yes		no	
Type of auditor's report issued on cormajor programs:	mpliance for	N/A				
2) Significant deficiencies identifi	ed? _		es _			none reported
1) Material weakness (es) identifie	ed? _		yes		_ no	
Internal control over major programs	<b>::</b>					
Federal Awards N/A						
Noncompliance material to basic financial statements noted?	_		yes	X	_ no	
2) Significant deficiencies identifi	ied?		es	Χ	none _ repor	ted
1) Material weakness (es) identific	ed? _		yes	Х		
Internal control over financial report	ing:					
Type of auditor's report issued:		<u>Unmodifie</u>	<u>ed</u>			

### BOROUGH OF FOLSOM SCHOOL DISTRICT SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022 (continued)

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

State Awards	Stat	te	Aw	ar	ds
--------------	------	----	----	----	----

Dollar threshold used to distinguish between ty	pe A and type B progran	ns: <u>\$75</u>	0,000	
Auditee qualified as low-risk auditee?	X	_ yes		no
Internal control over major programs:				
1) Material weakness (es) identified	?	yes	Χ	no
2) Significant deficiencies identified are not considered to be material weaknesses?		_ yes	X	none _ reported
Type of auditor's report issued on compliance the findings disclosed that are required the findings disclosed that are required the findings disclosed that are required the findings disclosed that are required the findings disclosed that are required the findings disclosed t	_	<u>nmodifie</u>	<u>d</u>	
be reported in accordance with NJ OMB Circular Letter 15-08 as applicable?		_ yes	X	no
dentification of major programs:				
State Grant/Project Number(s)	Name of State	Program	1	
22-495-034-5120-078 22-495-034-5120-089 22-495-034-5120-084 22-495-034-5120-068	Equalization Special Education C Security School Choi	ategorica Aid	al Aid	_
22-495-034-5094-003	Reimbursed TPAF Social		Contrib.	

### BOROUGH OF FOLSOM SCHOOL DISTRICT SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022 (continued)

### Section II - Financial Statement Findings

This section identifies the significant deficiencies, material weakness, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, and abuse related to the financial statements for which Government Auditing Standards requires reporting and with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey that requires reporting in the Uniform Guidance, New Jersey OMB Treasury Circular 15-08 audit.

Finding: No matters were reported.
Criteria or specific requirement:
Condition:
Context:
Effect:
Cause:
Recommendation:
Views of responsible officials and planned corrective actions:

### BOROUGH OF FOLSOM SCHOOL DISTRICT SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022 (continued)

### Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards* and NJOMB Circular Letter 15-08, as applicable.

#### FEDERAL AWARDS - N/A

Finding:

Information on the federal program:

Criteria or specific requirement:

Condition:

**Questioned Costs:** 

Context:

Effect:

Cause:

Recommendation:

Views of responsible officials and planned corrective actions:

#### **STATE AWARDS -**

Finding: None

Information on the state program:

Criteria or specific requirement:

Condition:

**Questioned Costs:** 

Context:

Effect:

Cause:

Recommendation:

Management's response:

### BOROUGH OF FOLSOM SCHOOL DISTRICT SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT FOR THE FISCAL YEAR ENDED JUNE 30, 2022

This section identifies the status of prior - year findings related to the basic financial statements and Federal and State awards that are required to be reported in accordance with Chapter 6.12 of Government Auditing Standards, US OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards section .511(a)(b) and New Jersey OMB's Circular 15-08.

### **STATUS OF PRIOR - YEAR FINDINGS**

There were no prior year findings.