

**SCHOOL DISTRICT
OF
JEFFERSON TOWNSHIP**

**Jefferson Township School District
Jefferson Township, New Jersey**

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

**Annual Comprehensive
Financial Report**

of the

Jefferson Township School District

Jefferson Township, New Jersey

For the Fiscal Year Ended June 30, 2022

Prepared by

**Jefferson Township School District
Business Office**

JEFFERSON TOWNSHIP SCHOOL DISTRICT
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INTRODUCTORY SECTION
UNAUDITED



Jefferson Township Board of Education

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Superintendent of Schools

Jeanne Howe

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Business Administrator

Rita Oroho Giacchi

RGiacchi@Jefftwp.org

October 31, 2022

The Honorable President and Members of
the Board of Education
Jefferson Township School District
Jefferson Township, New Jersey

Dear Board Members:

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

The Annual Comprehensive Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results and supplementary schedules providing detailed budgetary information. The statistical section includes selected economic and demographic information, financial trends, and the fiscal capacity of the District, 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*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports on internal control and compliance with applicable laws and regulations and findings and recommendations, is included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The Jefferson Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report. The Jefferson Township School District and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular as well as special education for handicapped youngsters. The District completed the 2021-22 fiscal year with an enrollment of 2,581 students, which is a decrease of 74 students from the previous year's enrollment.

2) ECONOMIC CONDITION AND OUTLOOK:

The Jefferson Township Public School District continues to maintain excellent fiscal accountability. Working within financial constraints, the District offered students various honors and advanced curriculum courses, expanded its technology literacy, security initiatives and continued to upgrade its infrastructure. District educational facilities benefit from team cleaning, and maintenance staff possess key technical skills, greatly reducing the need to outsource many repairs and improvement projects.

Shared services continue to result in efficiencies, such as bulk purchasing and transportation jointures. Additionally, the District and Township share multiple services, including: snow removal, computerized vehicle maintenance, recycling, excavation projects, paving/pothole repair, sewer treatment plant management and fuel.

The State of New Jersey revised the Aid funding formula in July of 2018. As a result, the district experienced a reduction of \$1,193,000 during the 2019-2020 school year; \$2,252,000 during the 2020-2021 school year; and \$2,791,524 during the 2021-2022 school year. New Jersey plans to adjust State Aid incrementally through the 2024-2025 school year. Based upon the most recent state aid notice, the district expects the total reduction will be in excess of \$11,500,000 on an annual basis. The rationale for the adjustments is tied to enrollment. As a result, administration and the Board of Education members have been scrupulously identifying potential areas of efficiencies and simultaneously begun to identify additional revenue sources.

In March of 2021, the district negotiated contracts with the collective bargaining units to enable a transition to the School Employees Health Benefit Program, administered by the State's Division of Pensions and Benefits. This change is expected to result in a significant decrease in the cost of benefits during the 20-21 school year and beyond. Other than health care costs, an area of concern are costs associated with both tuition and transportation expenses for vocational, homeless and students with special needs; as these expenses continue to rise in disproportionate rates to other categories.

The School District plans to continue its sound fiscal management to meet future challenges.

3) MAJOR INITIATIVES:

In recognition of the need to maintain the facilities infrastructure for improvements which cannot be accommodated within the general fund budget, the district conducted a special election in October 2018 to ask residents to authorize a bond sale to make needed improvements to school buildings, which on average are 50 years old and in need of upgrades. The Community fully supported the referendum. Phase 1 of identified improvement projects was completed during the summer of 2019 and Phase 2 continued during the summer of 2020, although progress was somewhat impeded by the COVID-19 pandemic. The improvements completed during the summer of 2020 included the addition of security vestibules at the high school, middle school and two elementary schools, a bathroom renovation at the high school and various door replacements. During the summer of 2021, asbestos flooring was abated in various classrooms throughout the district and the intercom system was upgraded at the high school. The remaining referendum funds are expected to be exhausted during the beginning of the 2022-2023 school year.

4) INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control system 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 awards, the District also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system is also subject to periodic evaluation by the District's management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control system, including that portion related to federal and state award 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 a vote of the Board of Education. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as restrictions, commitments and/or assignments 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 GASB. The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements", Note 1.

7) CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic 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 public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8) RISK MANAGEMENT:

The Board carries various forms of insurance, including, but not limited to, general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. The Board oversees risk management for the District. A schedule of insurance coverage can be found on Exhibit J-20.

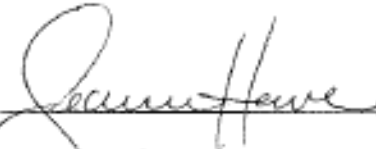
9) OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board's finance committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The independent auditors' report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.

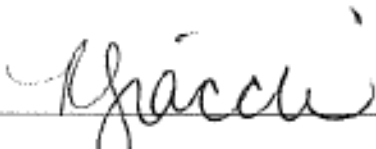
10) ACKNOWLEDGMENTS:

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

Respectfully submitted,

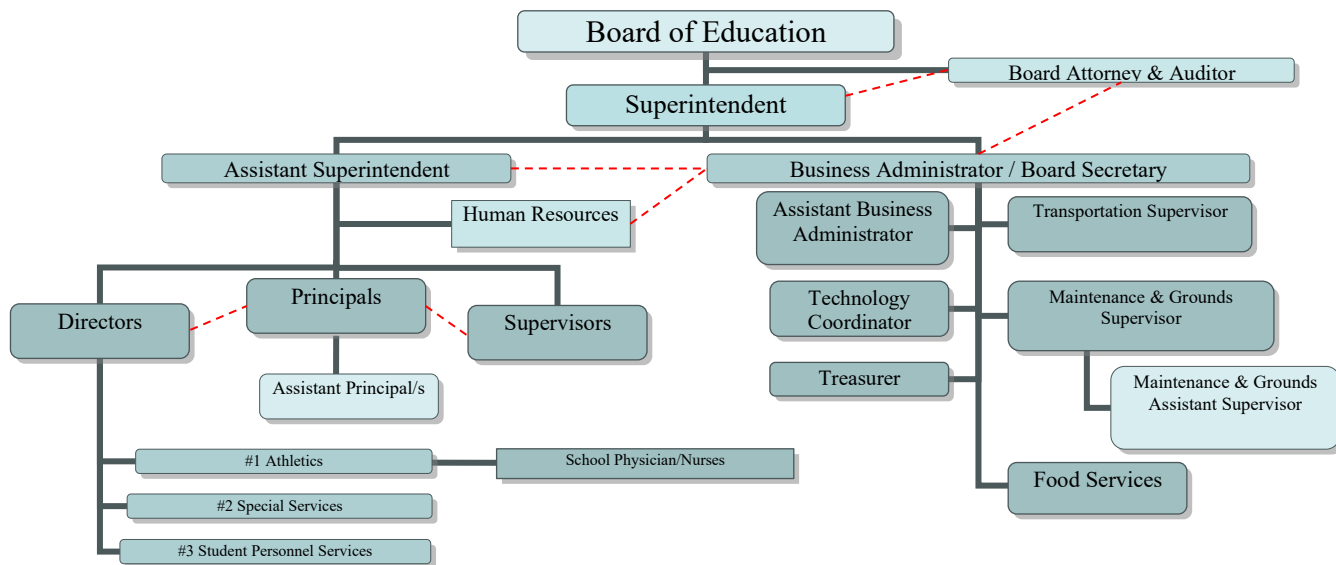


Superintendent



Business Administrator

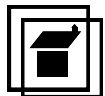
1110 ORGANIZATION CHART



Key

Line of Authority ———

Communication - - - - -



**Township of Jefferson Board of Education
Lake Hopatcong, NJ
Roster of Officials
June 30, 2022**

Members of the Board of Education

**Term
Expires**

Mrs. Stacey Poulas	President	12/31/2023
Mrs. Adele Wildermuth	Vice President	12/31/2022
Mrs. Amy Gould	Board Member	12/31/2024
Mr. Christopher Natale	Board Member	12/31/2024
Mrs. Diane Perez	Board Member	12/31/2023
Mrs. Jill Small	Board Member	12/31/2023
Mr. Michael Stewart	Board Member	12/31/2022
Mr. Dylan Terpstra	Board Member	12/31/2024
Mr. Matthew Millar	Board Member	12/31/2022

Other Officials

Mrs. Jeanne Howe, Superintendent

Mr. Roger Jinks, Jr., Assistant Superintendent

Mrs. Rita Oroho Giacchi, Business Administrator/Board Secretary

Mr. William Eagen, Treasurer

**JEFFERSON TOWNSHIP SCHOOL DISTRICT
Consultants and Advisors**

Bond Counsel

Wilentz, Goldman, & Spitzer, PA
90 Woodbridge Center Drive, Ste. 900
Woodbridge, NJ 07095

Audit Firm

Nisivoccia, CPAs Mount Arlington
Corporate Center 200 Valley Road,
Suite 300
Mount Arlington, New Jersey 07856-1320

Attorney

Cleary Giacobbe Alfieri & Jacobs, LLC
169 Ramapo Valley Road
Upper Level 105
Oakland, NJ 07436

Insurance Agent

The Morville Agency
55 Newton Sparta Road, #102
Newton, NJ 07860

Brown and Brown Benefit Advisors
56 Roseland Avenue, Suite 220
Roseland, NJ 07068

Official Depository

Lakeland Bank

FINANCIAL SECTION

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Jefferson Township School District
Lake Hopatcong New Jersey

Report on the Audit of the Financial Statements

Qualified Opinion

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 Jefferson Township School District (the "District"), in the County of Morris, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the District, as of June 30, 2022, and the changes in financial position, and cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

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

Matter Giving Rise to Qualified Opinion

The District's note disclosure on postemployment benefits other than pensions (OPEB) contains the June 30, 2020 information and not the June 30, 2021 information as the report for Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the State of New Jersey State Health Benefits Local Education Retired Employees Plan ("SHBP") has not been released by the Division of Pensions and Benefits, Department of the Treasury, State of New Jersey, as of the date of this report. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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 GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office 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 GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report, the pension and post-retirement schedules in Exhibits L-1 through L-5 and the related notes, and the budgetary comparison information in Exhibits C-1 through C-3 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, are 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.

The Schedule of Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District and Related Ratios do not contain the June 30, 2021 OPEB information as the related GASB No. 75 report for SHBP has not been released by the State as of the date of this report. This required supplementary information is required to be presented to supplement the basic financial statements in accordance with accounting principles generally accepted in the United States of America. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

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

Other Information

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

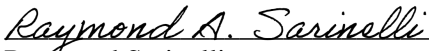
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated.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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

October 31, 2022
Mount Arlington, New Jersey

NISIVOCIA LLP



Raymond Sarinelli
Licensed Public School Accountant #2549
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

This section of Jefferson Township School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2022. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *district-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 operations in *more* detail than the district-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- *Proprietary funds* statements offer *short-* and *long-term* financial information about the activities the District operates like a business, such as food services.
- *Notes to the basic financial statements* provide additional information essential to a full understanding of district wide and fund financial statements.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1
Organization of Jefferson Township School District's Financial Report

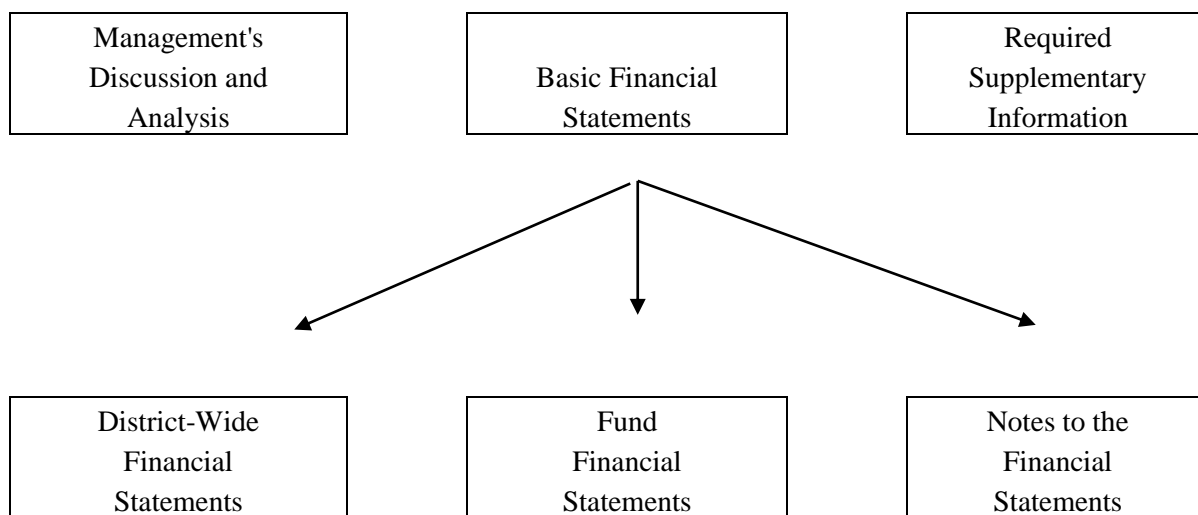


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents of each of the statements.

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire District	The activities of the District that are not proprietary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services
Required Financial Statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenue, expenses, and changes in net position • Statement of cash flows
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, deferred outflow of resources, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets, lease assets, or long-term liabilities are included	All assets and liabilities, both financial and capital, short-term and long-term
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue 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

District-wide Statements

The district-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 inflows and outflows, 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 district-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets, deferred inflows and outflows, and liabilities – is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state formula aid finance most of these activities.
- *Business-type activities*: The District charges fees to help it cover the costs of certain services it provides. The District's food service is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its 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 establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenue (such as federal grants).

The District has two 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 you 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 district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) 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 district-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. *Internal service funds* (the other kind of proprietary fund) report activities that provide supplies and services for its other programs and activities.
- *Notes to the basic financial statements*: The notes provide information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the basic financial statements can be found immediately following the fund financial statements.

Financial Analysis of the District as a Whole

Net Position. The Statement of Net Position provides the perspective of the School District as a whole. Net position may serve over time as a useful indicator of a District’s financial position.

The District’s financial position is the product of financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

**Figure A-3
Condensed Statement of Net Position**

	Government Activities		Business-Type Activities		Total School District		Percentage Change
	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022	2020/2021	
Current and Other Assets	\$ 15,177,163	\$ 13,383,145	\$ 412,411	\$ 246,212	\$ 15,589,574	\$ 13,629,357	
Capital Assets, Net	60,109,646	58,629,814	115,227	67,856	60,224,873	58,697,670	
Total Assets	<u>75,286,809</u>	<u>72,012,959</u>	<u>527,638</u>	<u>314,068</u>	<u>75,814,447</u>	<u>72,327,027</u>	4.60%
Deferred Outflows of Resources	<u>2,393,524</u>	<u>3,734,783</u>			<u>2,393,524</u>	<u>3,734,783</u>	-56.04%
Long-Term Liabilities	31,505,961	37,230,825			31,505,961	37,230,825	
Other Liabilities	2,405,131	2,245,487	119,820	123,127	2,524,951	2,368,614	
Total Liabilities	<u>33,911,092</u>	<u>39,476,312</u>	<u>119,820</u>	<u>123,127</u>	<u>34,030,912</u>	<u>39,599,439</u>	-16.36%
Deferred Inflows of Resources	<u>7,369,650</u>	<u>6,425,885</u>			<u>7,369,650</u>	<u>6,425,885</u>	12.81%
Net Position:							
Net Investment in Capital Assets	40,395,818	37,614,099	115,227	67,856	40,511,045	37,681,955	
Restricted	10,598,552	8,219,295			10,598,552	8,219,295	
Unrestricted/(Deficit)	<u>(14,594,779)</u>	<u>(15,987,849)</u>	<u>292,591</u>	<u>123,085</u>	<u>(14,302,188)</u>	<u>(15,864,764)</u>	
Total Net Position	<u>\$ 36,399,591</u>	<u>\$ 29,845,545</u>	<u>\$ 407,818</u>	<u>\$ 190,941</u>	<u>\$ 36,807,409</u>	<u>\$ 30,036,486</u>	18.40%

Changes in Net Position. The Changes in Net Position show the cost of program services and the revenues of the District on a comparative schedule (See Figure A-4). The District’s *combined* net position was \$36,807,409 on June 30, 2022, an increase of \$6,770,923 more than the year before. (See Figure A-3). The increase in the District’s combined net position is primarily due to an increase in the operating fund balance, the decrease in the net pension liability as well as a decrease in serial bonds payable. Additionally, there was an increase in net position of \$216,877 in business-type activities.

Figure A-4
Changes in Net Position from Operating Results

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022	2020/2021	
Revenue:							
Program Revenue:							
Charges for Services	\$ 911,152	\$ 558,380	\$ 167,817	\$ 36,114	\$1,078,969	\$ 594,494	
Operating Grants and Contributions	24,913,052	27,752,131	1,529,477	782,604	26,442,529	28,534,735	
General Revenue:							
Property Taxes	47,359,727	46,503,421			47,359,727	46,503,421	
Unrestricted Federal and State Aid	272,080	296,701			272,080	296,701	
Other	261,055	151,037	343	113	261,398	151,150	
Total Revenue	<u>73,717,066</u>	<u>75,261,670</u>	<u>1,697,637</u>	<u>818,831</u>	<u>75,414,703</u>	<u>76,080,501</u>	-0.88%
Expenses:							
Instruction	36,431,395	40,773,816			36,431,395	40,773,816	
Pupil and Instruction Services	12,402,185	11,507,923			12,402,185	11,507,923	
Administrative and Business	6,442,512	6,716,630			6,442,512	6,716,630	
Maintenance and Operations	6,721,134	5,710,129			6,721,134	5,710,129	
Transportation	4,123,210	2,687,758			4,123,210	2,687,758	
Other	1,042,584	1,189,584	1,480,760	722,763	2,523,344	1,912,347	
Total Expenses	<u>67,163,020</u>	<u>68,585,840</u>	<u>1,480,760</u>	<u>722,763</u>	<u>68,643,780</u>	<u>69,308,603</u>	-0.96%
Increase in Net Position	<u>\$ 6,554,046</u>	<u>\$ 6,675,830</u>	<u>\$ 216,877</u>	<u>\$ 96,068</u>	<u>\$6,770,923</u>	<u>\$ 6,771,898</u>	-0.01%

Governmental Activities

Maintaining existing programs and the provision of a multitude of special programs and services for disabled pupils place great demands on the District’s resources. In recent years retiring teachers are being replaced by teachers of less experience. Such changes have generated salary savings, but these have not been sufficient enough to offset increased special education programs and increased health benefit costs.

Careful management of expenses remains essential for the District to sustain its financial health. Among the many significant cost saving items during the year were:

- Increased use of federal funds for tuition and related service cost savings.

Figure A-5 presents the cost of six major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, and other. The table also shows each activity’s net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs).

The net cost shows the financial burden placed on the District’s taxpayers by each of these functions:

Figure A-5
Net Cost of Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2021/2022	2020/2021	2021/2022	2020/2021
Instruction	\$ 36,431,395	\$ 40,773,816	\$ 16,750,402	\$14,178,697
Pupil and Instruction Services	12,402,185	11,507,923	9,809,658	11,321,104
Administrative and Business	6,442,512	6,716,630	5,258,353	5,863,068
Maintenance and Operations	6,721,134	5,710,129	5,542,485	5,710,129
Transportation	4,123,210	2,687,758	2,935,334	2,012,747
Other	1,042,584	1,189,584	1,042,584	1,189,584
	<u>\$ 67,163,020</u>	<u>\$ 68,585,840</u>	<u>\$ 41,338,816</u>	<u>\$40,275,329</u>

Business-Type Activities

Net position from the District’s business-type activity increased by \$216,877. (Refer to Figure A-4). The factor contributing to this result was:

- Federal funding increased significantly in 2022, accounting for the increase in the net position of the business-type activities.

Financial Analysis of the District’s Funds

The District's financial position remains relatively stable. Salaries of staff have increased by prior year negotiated agreements and health benefits contributions continue to increase steadily. The District continues to manage the fund balance to encourage stability in future year's budgets, particularly in light of the ongoing implementation of S-2 and the District's anticipated loss of State Aid.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget as needed. Notably, district schools returned to a normal operating schedule during the course of the 2021-2022 school year. Additionally, due to changes in enrollment, the Milton school was closed and there was a restructuring of grades among the other elementary schools. The Cozy Lake and Ellen T. Briggs Elementary Schools house PK through grade 1 and the Arthur Stanlick and White Rock Elementary Schools house grades 2 through 5.

Capital Asset and Long Term Liabilities Administration

**Figure A-6
Capital Assets (Net of Depreciation)**

	Government Activities		Business-Type Activities		Total School District		Percentage Change
	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022	2020/2021	
Land	\$ 883,279	\$ 883,279			\$ 883,279	\$ 883,279	
Construction in Progress	9,209,273	7,609,160			9,209,273	7,609,160	
Buildings and Building Improvements	42,457,541	43,492,030			42,457,541	43,492,030	
Furniture, Machinery and Equipment	7,559,553	6,645,345	\$ 115,227	\$ 67,856	7,674,780	6,713,201	
	<u>\$ 60,109,646</u>	<u>\$ 58,629,814</u>	<u>\$ 115,227</u>	<u>\$ 67,856</u>	<u>\$ 60,224,873</u>	<u>\$ 58,697,670</u>	2.60%

The depreciation factored into the governmental activities and the business-type activities for the fiscal year 2021-2022 were \$1,397,130 and \$26,424, respectively.

Long-Term Liabilities

At year-end, the District had \$19,355,000 in general obligation bonds outstanding – a reduction of \$1,965,000 from last year – as shown in Figure A-7. (More detailed information about the District’s long-term liabilities is presented in Note 8 to the Basic Financial Statements.)

**Figure A-7
Outstanding Long-Term Liabilities**

	Total School District		Percentage Change 2021/22
	2021/2022	2020/2021	
General Obligation Bonds (Financed with Property Taxes)	\$ 19,355,000	\$ 21,320,000	
Unamortized Bond Premium	275,063	388,642	
Financed Purchases Payable	1,109,582	502,911	
Net Pension Liability	10,109,513	14,827,450	
Compensated Absences Payable	656,803	191,822	
	<u>\$ 31,505,961</u>	<u>\$ 37,230,825</u>	-15.38%

Contacting the District’s Financial Management

This financial report is designed to provide the District’s citizens, taxpayers, customers and investors and creditors with a general overview of the District’s finances and to demonstrate the District’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board of Education Office, Robert F. Drummond Building, 31 Route 181, Lake Hopatcong, New Jersey 07849.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

JEFFERSON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 8,784,604	\$ 214,276	\$ 8,998,880
Receivables from Other Governments	1,445,147	146,518	1,591,665
Other Receivables	41,967	19,426	61,393
Internal Balances	(21,435)	21,435	
Inventory		10,756	10,756
Restricted Assets:			
Cash and Cash Equivalents	4,926,880		4,926,880
Capital Assets:			
Sites (Land)	883,279		883,279
Construction in Progress	9,209,273		9,209,273
Depreciable Buildings and Building Improvements and Furniture, Machinery and Equipment	50,017,094	115,227	50,132,321
Total Assets	<u>75,286,809</u>	<u>527,638</u>	<u>75,814,447</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred Amount on Refunding	750,754		750,754
Deferred Outflows Related to Pensions	1,642,770		1,642,770
Total Deferred Outflows of Resources	<u>2,393,524</u>		<u>2,393,524</u>
LIABILITIES			
Accounts Payable	2,244,427	112,458	2,356,885
Accrued Interest Payable	100,900		100,900
Unearned Revenue	59,804	7,362	67,166
Noncurrent Liabilities:			
Due Within One Year	2,449,912		2,449,912
Due Beyond One Year	29,056,049		29,056,049
Total Liabilities	<u>33,911,092</u>	<u>119,820</u>	<u>34,030,912</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflows Related to Pensions	7,369,650		7,369,650
Total Deferred Inflows of Resources	<u>7,369,650</u>		<u>7,369,650</u>
NET POSITION			
Net Investment in Capital Assets	40,395,818	115,227	40,511,045
Restricted for:			
Debt Service	12,749		12,749
Capital Projects	5,477,445		5,477,445
Maintenance	235,751		235,751
Unemployment Compensation	684,721		684,721
Scholarships	38,050		38,050
Student Activities	216,640		216,640
Excess Surplus	3,933,196		3,933,196
Unrestricted/(Deficit)	(14,594,779)	292,591	(14,302,188)
Total Net Position	<u>\$ 36,399,591</u>	<u>\$ 407,818</u>	<u>\$ 36,807,409</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

JEFFERSON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
			Grants and Contributions				
Governmental Activities:							
Instruction:							
Regular	\$ 25,889,262	\$ 474,538	\$ 13,748,271	\$ (12,140,991)	\$ (12,140,991)	\$ (12,140,991)	(12,140,991)
Special Education	8,276,268		5,078,062	(2,723,668)	(2,723,668)	(2,723,668)	(2,723,668)
Other Special Instruction	1,250,367		229,787	(1,020,580)	(1,020,580)	(1,020,580)	(1,020,580)
Other Instruction	1,015,498		150,335	(865,163)	(865,163)	(865,163)	(865,163)
Support services:							
Tuition	2,444,043			(2,444,043)	(2,444,043)	(2,444,043)	(2,444,043)
Student & Instruction Related Services	9,958,142	436,614	2,155,913	(7,365,615)	(7,365,615)	(7,365,615)	(7,365,615)
General Administrative Services	1,406,967		195,570	(1,211,397)	(1,211,397)	(1,211,397)	(1,211,397)
School Administrative Services	3,338,763		988,589	(2,350,174)	(2,350,174)	(2,350,174)	(2,350,174)
Central Services	1,325,821			(1,325,821)	(1,325,821)	(1,325,821)	(1,325,821)
Administrative Information Technology	370,961			(370,961)	(370,961)	(370,961)	(370,961)
Plant Operations and Maintenance	6,721,134		1,178,649	(5,542,485)	(5,542,485)	(5,542,485)	(5,542,485)
Pupil Transportation	4,123,210		1,187,876	(2,935,334)	(2,935,334)	(2,935,334)	(2,935,334)
Interest on Long-Term Debt	324,390			(324,390)	(324,390)	(324,390)	(324,390)
Unallocated Depreciation	470,009			(470,009)	(470,009)	(470,009)	(470,009)
Capital Outlay	94,542			(94,542)	(94,542)	(94,542)	(94,542)
Transfer to Charter School	153,643			(153,643)	(153,643)	(153,643)	(153,643)
Total Governmental Activities	67,163,020	911,152	24,913,052	(41,338,816)	(41,338,816)	\$ -0-	(41,338,816)

JEFFERSON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

<u>Functions/Programs</u>	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Business-Type Activities:						
Food Service	\$ 1,480,760	\$ 167,817	\$ 1,529,477		\$ 216,534	\$ 216,534
Total Business-Type Activities	1,480,760	167,817	1,529,477		216,534	216,534
Total Primary Government	\$ 68,643,780	\$ 1,078,969	\$ 26,442,529	\$ (41,338,816)	216,534	(41,122,282)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				45,173,051		45,173,051
Taxes Levied for Debt Service				2,186,676		2,186,676
Federal and State Aid not Restricted				272,080		272,080
Interest on Capital and Maintenance Reserve Accounts				13,941		13,941
Miscellaneous Income				247,114	343	247,457
Total General Revenue				47,892,862	343	47,893,205
Change in Net Position				6,554,046	216,877	6,770,923
Net Position - Beginning				29,845,545	190,941	30,036,486
Net Position - Ending				\$ 36,399,591	\$ 407,818	\$ 36,807,409

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

FUND FINANCIAL STATEMENTS

JEFFERSON TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 7,045,078		\$ 1,726,777	\$ 12,749	\$ 8,784,604
Intergovernmental Accounts Receivable - State	742,254				742,254
Intergovernmental Accounts Receivable - Federal		\$ 702,893			702,893
Interfund Receivable	519,654				519,654
Other Receivable	41,967				41,967
Restricted Cash and Cash Equivalents	4,672,190	254,690			4,926,880
Total Assets	\$ 13,021,143	\$ 957,583	\$ 1,726,777	\$ 12,749	\$ 15,718,252
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 961,258	\$ 183,239	\$ 1,050		\$ 1,145,547
Interfund Payable	21,435	519,654			541,089
Unearned Revenue	59,804				59,804
Total Liabilities	1,042,497	702,893	1,050		1,746,440
Fund Balances:					
Restricted for:					
Capital Reserve Account	3,751,718				3,751,718
Maintenance Reserve Account	235,751				235,751
Unemployment Compensation	684,721				684,721
Excess Surplus 2022-2023	2,270,285				2,270,285
Excess Surplus 2023-2024	1,662,911				1,662,911
Debt Service				12,749	12,749
Scholarships		38,050			38,050
Student Activities		216,640			216,640
Capital Projects			1,725,727		1,725,727
Assigned:					
Subsequent Year's Expenditures	1,000,000				1,000,000
Encumbrances	990,287				990,287
Unassigned	1,382,973				1,382,973
Total Fund Balances	11,978,646	254,690	1,725,727	12,749	13,971,812
Total Liabilities and Fund Balances	\$ 13,021,143	\$ 957,583	\$ 1,726,777	\$ 12,749	

Amounts Reported for *Governmental Activities* in the Statement of Net Position (A-1) are Different Because:

Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the funds.	60,109,646
Accrued liability for interest on long-term debt is not due and payable in the current period and is not reported as a liability in the funds.	(100,900)
Deferred Amount on Refunding costs are reported as expenditures in the governmental funds in the year of expenditure.	750,754
Bond issuance premiums are reported as a revenue in the Governmental Funds in the year of receipt.	(275,063)
The Net Pension Liability for PERS is not due and payable in the current period and is not reported in the Governmental Funds.	(10,109,513)
Certain amounts related to the Net Pension Liability are deferred and amortized in the Statement of Activities and are not reported in the Governmental Funds:	
Deferred Outflows	543,890
Deferred Inflows	(7,369,650)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds	(21,121,385)
Net Position of Governmental Activities	\$ 36,399,591

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

JEFFERSON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 45,173,051			\$ 2,186,676	\$ 47,359,727
Tuition	474,538				474,538
Restricted Miscellaneous Revenue	62,374	\$ 436,614			498,988
Unrestricted Miscellaneous Revenue	192,524		\$ 6,157		198,681
Total - Local Sources	<u>45,902,487</u>	<u>436,614</u>	<u>6,157</u>	<u>2,186,676</u>	<u>48,531,934</u>
State Sources	23,484,352	68,997		219,950	23,773,299
Federal Sources	52,130	2,825,436			2,877,566
Total Revenue	<u>69,438,969</u>	<u>3,331,047</u>	<u>6,157</u>	<u>2,406,626</u>	<u>75,182,799</u>
EXPENDITURES:					
Current:					
Regular Instruction	15,852,473	2,102,747			17,955,220
Special Education Instruction	4,894,018	791,686			5,685,704
Other Special Instruction	733,234				733,234
Other Instruction	708,403				708,403
Support Services and Undistributed Costs:					
Tuition	2,444,043				2,444,043
Student & Instruction Related Services	6,161,913	421,951			6,583,864
General Administrative Services	923,858				923,858
School Administrative Services	2,241,988				2,241,988
Central Services	965,645				965,645
Administrative Information Technology	370,961				370,961
Plant Operations and Maintenance	5,445,965				5,445,965
Pupil Transportation	3,747,676				3,747,676
Unallocated Benefits	21,896,801				21,896,801

JEFFERSON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES (Cont'd):					
Debt Service:					
Principal				\$ 1,965,000	\$ 1,965,000
Interest and Other Charges	\$ 1,772,875		\$ 600,113	518,163	518,163
Capital Outlay	153,643				2,372,988
Transfer to Charter School					153,643
Total Expenditures	<u>\$ 68,313,496</u>	<u>\$ 3,316,384</u>	<u>600,113</u>	<u>2,483,163</u>	<u>74,713,156</u>
Excess/(Deficiency) of Revenue over/(under) Expenditures	<u>1,125,473</u>	<u>14,663</u>	<u>(593,956)</u>	<u>(76,537)</u>	<u>469,643</u>
OTHER FINANCING SOURCES/(USES):					
Financed Purchases (Non-budgeted)	1,000,000			6,157	1,000,000
Transfers In					6,157
Transfers Out			(6,157)		(6,157)
Total Other Financing Sources/(Uses)	<u>1,000,000</u>		<u>(6,157)</u>	<u>6,157</u>	<u>1,000,000</u>
Net Change in Fund Balances	2,125,473	14,663	(600,113)	(70,380)	1,469,643
Fund Balance—July 1	9,853,173	240,027	2,325,840	83,129	12,502,169
Fund Balance—June 30	<u>\$ 11,978,646</u>	<u>\$ 254,690</u>	<u>\$ 1,725,727</u>	<u>\$ 12,749</u>	<u>\$ 13,971,812</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

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

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2) \$ 1,469,643

Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:

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

Depreciation expense	\$	(1,397,130)
Capital outlays		<u>2,876,962</u>
		1,479,832

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

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. When accrued interest exceeds the interest paid, the difference is a deduction in the reconciliation (-); when the interest paid exceeds the accrued interest, the difference is an addition to the reconciliation (+).

(464,981)

136,636

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

The governmental funds report the effect of bond premium when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. (+)	\$ (56,442)
Financed Purchase obligations are other financing sources in the Governmental Funds, but the obligations increase Long-term Liabilities in the Statement of Net Position and are not reported in the Statement of Activities.	(1,000,000)
The governmental funds report the effect of deferred amount on refunding when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. (-)	113,579
The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:	
Change in Net Pension Liability	4,717,937
Change in Deferred Outflows	(1,256,722)
Change in Deferred Inflows	(943,765)
Repayment of serial bonds and financed purchases is an expenditure in the Governmental Funds, but the repayment reduces Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities.	<u>2,358,329</u>
Change in Net Position of Governmental Activities (Exhibit A-2)	<u>\$ 6,554,046</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

JEFFERSON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022

	Business-type Activities - Enterprise Funds
	Food Service
<u>ASSETS:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 214,276
Intergovernmental Accounts Receivable:	
Federal	143,765
State	2,753
Other Accounts Receivable	19,426
Interfund Receivable - General Fund	21,435
Inventories	10,756
Total Current Assets	412,411
Non-Current Assets:	
Capital Assets	656,778
Less: Accumulated Depreciation	(541,551)
Total Non-Current Assets	115,227
Total Assets	527,638
<u>LIABILITIES:</u>	
Accounts Payable - Vendors	112,458
Unearned Revenue - Prepaid Sales	7,362
Total Current Liabilities	119,820
<u>NET POSITION:</u>	
Investment in Capital Assets	115,227
Unrestricted	292,591
Total Net Position	\$ 407,818

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

JEFFERSON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Business-type Activities - <u>Enterprise Funds</u> Food Service
Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 138,487
Special Events	13,494
Miscellaneous Revenue	15,836
	167,817
Total Operating Revenue	167,817
Operating Expenses:	
Cost of Sales - Reimbursable Programs	649,660
Salaries, Benefits and Payroll Taxes	592,396
Supplies , Insurance & Other Costs	104,182
Management Fee	65,775
Miscellaneous Expenditures	42,323
Depreciation Expense	26,424
	1,480,760
Total Operating Expenses	1,480,760
Operating Loss	(1,312,943)
Non-Operating Revenue:	
Local Sources	
Interest Revenue	343
State Sources:	
State School Lunch Program - Seamless Summer Option	28,395
Federal Sources	
National School Lunch Program - Seamless Summer Option	1,378,426
Other Nutrition Programs -	
Pandemic/Electronic Benefits Transfer Administrative Reimbursement	614
Operational Reimbursement	14,023
Food Distribution Program	108,019
	1,529,820
Total Non-Operating Revenue	1,529,820
Change in Net Position	216,877
Net Position - Beginning of Year	190,941
Net Position - End of Year	\$ 407,818

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

JEFFERSON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Business-type Activities- Enterprise Food Service</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 120,055
Payments to Food Service Vendor	(1,313,690)
Net Cash (Used for) Operating Activities	<u>(1,193,635)</u>
Cash Flows (Used for) Capital and Related Financing Activities:	
Purchase of Capital Assets	(73,795)
Net Cash (Used for) Capital and Related Financing Activities	<u>(73,795)</u>
Cash Flows from Investing Activities:	
Investment Income	343
Net Cash Provided by Investing Activities	<u>343</u>
Cash Flows from Noncapital Financing Activities:	
State Sources:	
State School Lunch Program - Seamless Summer Option	29,262
Federal Sources:	
National School Lunch Program - Seamless Summer Option	<u>1,391,783</u>
Net Cash Provided by Noncapital Financing Activities	<u>1,421,045</u>
Net Increase in Cash and Cash Equivalents	153,958
Cash and Cash Equivalents, July 1	<u>60,318</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 214,276</u></u>
Reconciliation of Operating Loss to Net Cash (Used for) Operating Activities:	
Operating Loss	\$ (1,312,943)
Adjustment to Reconcile Operating Loss to net Cash (Used for) Operating Activities:	
Depreciation	26,424
Federal Food Distribution Program	108,019
Changes in Assets and Liabilities:	
(Increase)/Decrease in Interfund Receivable	(15,579)
(Increase)/Decrease in Inventories	3,751
Increase/(Decrease) in Accounts Payable	29,453
Increase/(Decrease) in Unearned Revenue - Prepaid Sales	(32,183)
Increase/(Decrease) in Unearned Revenue - Donated Commodities	<u>(577)</u>
Net Cash (Used for) Operating Activities	<u><u>\$ (1,193,635)</u></u>

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received and utilized commodities from the Federal Food Distribution Program valued at \$107,442 and \$108,019, respectively, the fiscal year ended June 30, 2022.

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

District-Wide Financial Statements:

The statement of net position and the statement of activities present financial information about the District's governmental and business-type activities. These statements include the financial activities of the overall District in its entirety. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other nonexchange transactions. Business-type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (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. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

Fund Financial Statements: During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds. Separate statements for each fund category – *governmental* and *proprietary* – 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 governmental funds as major is important for public interest and to promote consistency among district financial reporting models.

The District reports the following governmental funds:

General Fund: The general fund is the general operating fund of the District and is used to account for and report all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund.

As required by NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states 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 revenue. 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 and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus the Special Revenue Fund is used to account for the proceeds of specific revenue from state and federal governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds). The financial resources are derived from 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, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

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

The District reports the following proprietary fund:

Enterprise (Food Service) Fund: The enterprise fund accounts for all revenue and expenses pertaining to the Board's cafeteria operations. The food service fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Measurement Focus and Basis of Accounting:

The district-wide financial statements and the proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. 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 to the extent they have matured. Capital asset or lease asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under financed purchases are reported as other financing sources.

It is the District's policy, that when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resources and then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2022 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1 Budget amendments/transfers must be made by School Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

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

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control: (Cont'd)

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

The General Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the June state aid payments for the current year. Since the State is recording the June state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 69,158,741	\$ 3,057,184
Differences - Budgetary to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and Revenues on the Budgetary Basis but not on the GAAP Basis		
Prior Year Encumbrances		(312,632)
Current Year Encumbrances		586,495
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	1,183,657	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(903,429)	
Total Revenue as Reported on the Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 69,438,969	\$ 3,331,047
	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 68,313,496	\$ 3,042,521
Differences - Budget to GAAP		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes.		
Current Year Encumbrances		(312,632)
Prior Year Encumbrances		586,495
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 68,313,496	\$ 3,316,384

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

E. Cash and Cash Equivalents, and Investments:

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

The District generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

New Jersey school districts are limited as to type of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the District has adopted a cash management plan that 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.

N.J.S.A. 17:9-41et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having market value of at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all the other public depositories, is available to pay the full amount of their deposits to Governmental Units.

F. Interfund Transactions:

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

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net position, except for amounts due between governmental and business-type activities, which are presented as internal balances.

G. Allowance for Uncollectible Accounts:

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

H. Encumbrances:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as restricted, committed, and/or assigned 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 revenue at fiscal year end.

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

I. 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.

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the proprietary funds represent payments made to vendors for services that will benefit periods beyond June 30, 2022.

K. Capital Assets:

During the year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Land has been recorded at estimated historical cost. Donated capital assets are valued at acquisition value. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment.

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the district-wide statements and proprietary funds are as follows:

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

K. Capital Assets: (Cont'd)

	Estimated Useful Life
Buildings	40 years
Furniture, Machinery, and Building Improvements	10 to 15 years
Computer and Related Technology	5 years
Vehicles	8 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures in the governmental funds upon acquisition. Capital assets are not capitalized and related depreciation is not reported in the fund financial statements.

L. Lease Assets:

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

M. Long Term Liabilities:

In the government-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise funds. Bond premiums and discounts, are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

N. Accrued Salaries and Wages:

The District allows ten-month academic year employees who provide services, the option to have their salaries evenly distributed during the entire twelve-month year by having 10% of their semi-monthly salary, deducted and the accumulated deductions disbursed in 2 installments over the two summer months. Accrued salaries and wages as of June 30, 2022 totaled \$549,905.

O. Compensated Absences:

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

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

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

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

P. Lease Payable:

In the district-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

Q. Unearned Revenue:

Unearned revenue in the special revenue fund represents cash which has been received but not yet earned. See Note 1(D) regarding the special revenue fund.

R. Fund Balance Appropriated:

General Fund: Of the \$11,978,646 General Fund balance at June 30, 2022, \$3,751,718 is restricted in the capital reserve account; \$235,751 is restricted in the maintenance reserve account; \$684,721 is restricted in the unemployment compensation reserve account; \$990,287 is assigned for encumbrances, \$1,662,911 is restricted for current year excess surplus in accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701) and will be appropriated and included as anticipated revenue for the fiscal year ending June 30, 2024; \$2,270,285 is restricted as prior year excess surplus and has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2023. There is also \$1,000,000 of fund balance assigned for subsequent year's expenditures and \$1,382,973 of unassigned fund balance which is \$903,429 less than the budgetary unassigned fund balance, on a GAAP Basis, due to the final two state aid payments, that are not recognized on a GAAP basis.

Special Revenue Fund: The Special Revenue Fund fund balance at June 30, 2022 is \$254,690 and is restricted. \$216,640 is restricted for student activities and \$38,050 is restricted for scholarships.

Capital Projects Fund: The \$1,725,727 Capital Projects Fund fund balance at June 30, 2022 is restricted fund balance.

Debt Service Fund: The \$12,749 Debt Service Fund balance at June 30, 2022 is restricted and has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2023.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (S1701) the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District had excess surplus at June 30, 2022.

P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

R. Fund Balance Appropriated: (Cont'd)

For intergovernmental transactions, GASB requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the School District cannot recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments.

S. Deficit Net Position:

The \$12,869,052 deficit in the unrestricted net position of the District's Governmental Activities is primarily due to net pension liability and deferred inflows of resources and deferred outflows of resources related to pensions. This deficit does not indicate that the District is having financial difficulties and is a permitted practice under generally accepted accounting principles.

T. Net Position:

Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflow of resources at June 30, 2022 for the deferred amount on refunding and related to pensions.

The District had deferred inflows of resources at June 30, 2022 related to pensions.

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, lease assets, net of accumulated amortization reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

U. Fund Balance Restrictions, Commitments and Assignments:

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts have been restricted, committed or assigned.

Fund balance restrictions have been established for excess surplus, the debt service fund, the capital projects fund, capital reserve, student activities, scholarships, unemployment compensation and a maintenance reserve.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District had no committed resources as of June 30, 2022

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances and for amounts designated for subsequent year's expenditures in the General Fund at June 30, 2022.

V. Revenue - Exchange and Nonexchange 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. For the District, available means within sixty days of the fiscal year end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property 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 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 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 nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes, interest, and tuition.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

W. Operating Revenue and Expenses:

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

X. Management Estimates:

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

Y. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State of New Jersey Public Employees' Retirement System (PERS) and the State of New Jersey Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's net position have been determined on the same basis as they are reported by the PERS and the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension Plan investments are reported at fair value.

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents, and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk - In accordance with its cash management plan, the District ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk - The District limits its investments to those authorized in its cash management plan which are permitted under state statute as detailed in the section of this Note on Investments.

Custodial Credit Risk – The District's policy with respect to custodial credit risk requires that the District ensures that District funds are only deposited in financial institutions in which NJ school districts are permitted to invest their funds.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Deposits:

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

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

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

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

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

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
 (Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments: (Cont'd)

- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.);
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed; or
- (9) Deposit of funds in accordance with the following conditions:
 - (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
 - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
 - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
 - (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
 - (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

As of June 30, 2022, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents	Total
Checking and Savings Accounts	\$ 8,998,880	\$ 4,926,880	\$ 13,925,760

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments: (Cont'd)

During the period ended June 30, 2022, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2022, was \$13,925,760 and the bank balance was \$14,650,245.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Jefferson Township Board of Education by inclusion of \$1 on October 16, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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 increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Beginning Balance, July 1, 2021		\$	3,369,600
Add:			
Increase per Board Resolution	\$	800,000	
Interest Earned in Capital Reserve Account		7,118	
			807,118
			4,176,718
Less: Budgeted Withdrawal			425,000
Ending Balance, June 30, 2022		\$	3,751,718

The June 30, 2022 LRFP balance of local support costs of uncompleted capital projects at June 30, 2022 is equal to or greater than \$3,751,718. The withdrawal from the capital reserve was for use in DOE approved facilities projects, consistent with the District's LRFP.

NOTE 5: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2022, the District transferred a total of \$791,029 to capital outlay accounts. \$979,878 was for equipment which did not require approval from the County Superintendent. (\$188,849) was for construction services and County Superintendent approval was received.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 6: CAPITAL ASSETS

Depreciation expense was charged to governmental functions as follows:

Student and Instructional Support	\$ 543,224
General Administration	226,295
Operations and Maintenance of Plant	31,821
Transportation	125,781
Unallocated	470,009
	<u>\$1,397,130</u>

Capital asset balances and activity for the year ended June 30, 2022 were as follows:

	Beginning Balance	Additions	Adjustments/ Deletions	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 883,279			\$ 883,279
Construction in Progress	7,609,160	\$1,600,113		9,209,273
Total Capital Assets Not Being Depreciated	8,492,439	1,600,113		10,092,552
Capital Assets Being Depreciated:				
Buildings and Building Improvements	65,298,267	31,511		65,329,778
Machinery and Equipment	11,658,041	1,245,338	\$ (4,255)	12,899,124
Total Capital Assets Being Depreciated	76,956,308	1,276,849	(4,255)	78,228,902
Governmental Activities Capital Assets	85,448,747	2,876,962	(4,255)	88,321,454
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(21,806,237)	(1,066,000)		(22,872,237)
Machinery and Equipment	(5,012,696)	(331,130)	4,255	(5,339,571)
	(26,818,933)	(1,397,130)	4,255	(28,211,808)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 58,629,814	\$1,479,832	\$ -0-	\$ 60,109,646
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 582,983	\$ 73,795		\$ 656,778
Less: Accumulated Depreciation	(515,127)	(26,424)		(541,551)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	\$ 67,856	\$ 47,371	\$ -0-	\$ 115,227

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 7. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2022, the following changes occurred in liabilities reported in the district-wide financial statements:

	<u>Balance</u> <u>6/30/2021</u>	<u>Issued/ Accrued</u>	<u>Retired</u>	<u>Balance</u> <u>6/30/2022</u>
Serial Bonds Payable	\$21,320,000		\$1,965,000	\$ 19,355,000
Unamortized Bond Premium	388,642		113,579	275,063
Compensated Absences Payable	191,822	\$ 464,981		656,803
Net Pension Liability	14,827,450		4,717,937	10,109,513
Financed Purchases Payable	502,911	1,000,000	393,329	1,109,582
	<u>\$37,230,825</u>	<u>\$ 1,464,981</u>	<u>\$7,189,845</u>	<u>\$ 31,505,961</u>

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds and will be liquidated through the debt service fund.

The District had bonds outstanding as of June 30, 2022 as follows:

<u>Purpose</u>	<u>Final Maturity Date</u>	<u>Interest Rates</u>	<u>Amount</u>
Refunding Bonds of 2012	9/15/2022	5.00%	\$ 1,525,000
School Bonds - 2018	9/15/2038	3.25%-4.00%	8,960,000
Refunding Bonds of 2021	9/15/2027	0.425%-1.581%	8,870,000
			<u>\$19,355,000</u>

Principal and interest due on serial bonds outstanding are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 2,030,000	\$ 440,532	\$ 2,470,532
2024	2,025,000	386,999	2,411,999
2025	2,040,000	365,954	2,405,954
2026	2,060,000	340,029	2,400,029
2027	2,085,000	308,885	2,393,885
2028-2032	4,705,000	1,115,008	5,820,008
2033-2037	3,185,000	512,761	3,697,761
2038-2039	1,225,000	48,500	1,273,500
	<u>\$ 19,355,000</u>	<u>\$ 3,518,668</u>	<u>\$ 22,873,668</u>

B. Bonds Authorized but not Issued:

As of June 30, 2022, the Board had no bonds authorized but not issued.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 7. LONG-TERM LIABILITIES (Cont'd)

C. Financed Purchase Payable:

The District has three finance purchase agreements for transportation, and other various capital equipment. All finance purchase agreements are for terms of four years. The District has finance purchase agreements totaling \$1,268,606 of which \$111,425 have been liquidated. The following is a schedule of the future minimum finance purchase payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2022.

<u>Year</u>	<u>Amount</u>
2023	\$ 317,151
2024	317,151
2025	261,439
2026	261,440
Total Finance Purchase Payments	<u>1,157,181</u>
Less: Amount representing interest	<u>(47,599)</u>
Present value of net minimum financed purchase payments	<u>\$ 1,109,582</u>

The current portion of financed purchases payable at June 30, 2022 is \$306,333, the long term portion payable is \$803,249. Financed Purchase agreements will be liquidated through the General Fund.

D. Compensated Absences:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. The long-term liability balance of compensated absences of \$656,803. Governmental Funds compensated absences will be liquidated by the General Fund.

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, no liability existed for compensated absences in the Food Service Fund.

E. Unamortized Bond Premium

The unamortized bond issuance premium of the governmental fund types is recorded in the noncurrent liabilities. The current portion of the unamortized bond issuance premium balance of the governmental funds is \$113,579 and is separated from the long-term liability balance of \$161,484.

F. Net Pension Liability

The Public Employee's Retirement System (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2022 is \$-0- and the long term portion is \$10,109,513. See Note 9 for further information on the PERS.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 8. PENSION PLANS

Substantially all of the Board’s employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers’ Pension and Annuity Fund (TPAF) or the Public Employee’s Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

A. Public Employees’ Retirement System (PERS)

Plan Description

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

Benefits Provided

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

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 with 25 or more years of service credit before age 62 and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a members 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 50 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.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$1,095,351 for 2022.

The employee contribution rate was 7.50% effective July 1, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2022, the District reported a liability of \$10,109,513 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2021, the District's proportion was 0.0853%, which was a decrease of .0056% from its proportion measured as of June 30, 2020.

For the fiscal year ended June 30, 2022, the District recognized a pension benefit of \$1,518,048. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

	Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	5.48		\$ (427,230)
	2018	5.63		(800,966)
	2019	5.21		(706,592)
	2020	5.16		(1,664,264)
	2021	5.13	\$ 52,650	
			<u>52,650</u>	<u>(3,599,052)</u>
Difference Between Expected and Actual Experience	2017	5.48	12,706	
	2018	5.63		(30,501)
	2019	5.21	54,012	
	2020	5.16	92,722	
	2021	5.13		(41,871)
			<u>159,440</u>	<u>(72,372)</u>
Changes in Proportion	2017	5.48		(52,916)
	2018	5.63		(1,182)
	2019	5.21	222,883	
	2020	5.16	108,917	
	2021	5.13		(981,017)
			<u>331,800</u>	<u>(1,035,115)</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2017	5.00		
	2018	5.00		(78,969)
	2019	5.00		25,481
	2020	5.00		574,261
	2021	5.00		(3,183,884)
				<u>(2,663,111)</u>
District Contribution Subsequent to the Measurement Date	2021	1.00	1,098,880	
			<u>\$ 1,642,770</u>	<u>\$ (7,369,650)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts including changes in proportion and the District contribution subsequent to the measurement date) related to pensions will be recognized in the pension benefit as follows:

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Fiscal Year Ending June 30,	Total
2022	(2,385,404)
2022	(1,703,173)
2022	(1,161,274)
2022	(872,933)
2022	339
	\$ (6,122,445)

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:

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

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 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.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

Long Term Expected Rate of Return

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
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 Management Strategies	3.00%	3.35%

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 upon 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2021 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2021		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 13,774,726	\$ 10,109,513	\$ 7,009,403
<u>Pension Plan Fiduciary Net Position</u>			

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division).

For additional information about the TPAF, please refer to the Division's annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

Benefits Provided

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

The following represents the membership tiers for TPAF:

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

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Benefits Provided (Cont'd)

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2021, the State's pension contribution was less than the actuarial determined amount.

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. 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. During the fiscal year ended 2022, the State of New Jersey contributed \$9,186,370 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$2,636,627.

The employee contribution rate was 7.50% effective July 1, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2022, the State's proportionate share of the net pension liability associated with the District was \$112,051,772. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2021, the District's proportion was 0.233%, which was an increase of 0.00002% from its proportion measured as of June 30, 2020.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

District's Proportionate Share of the Net Pension Liability	\$	-0-
State's Proportionate Share of the Net Pension Liability Associated with the District		<u>112,051,772</u>
Total	\$	<u>112,051,772</u>

For the fiscal year ended June 30, 2021, the State recognized pension expense on behalf of the District in the amount of \$2,636,627 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2022 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	8.50	\$ 153,774,925	
	2015	8.30	926,219,611	
	2016	8.30	3,000,278,784	
	2017	8.30		\$ 5,282,196,290
	2018	8.29		3,527,661,165
	2019	8.04		2,510,940,613
	2020	7.99	1,209,286,241	
	2021	7.93		12,903,483,645
			<u>5,289,559,561</u>	<u>24,224,281,713</u>
Difference Between Expected and Actual Experience	2014	8.50		1,464,605.00
	2015	8.30	57,204,429	
	2016	8.30		37,311,034
	2017	8.30	93,981,436	
	2018	8.29	618,845,893	
	2019	8.04		97,553,990
	2020	7.99		6,444,940
	2021	7.93	171,234,070	
			<u>171,234,070</u>	<u>142,774,569</u>
			<u>941,265,828</u>	<u>142,774,569</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2018	5.00		96,030,373
	2019	5.00		(72,441,385)
	2020	5.00		(724,186,621)
	2021	5.00		3,554,633,811
			<u>3,554,633,811</u>	<u>2,854,036,178</u>
			<u>5,289,559,561</u>	<u>27,221,092,460</u>
			<u>\$ 6,230,825,389</u>	<u>\$ 27,221,092,460</u>

Amounts reported by the State as collective deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense excluding that attributable to employer-paid members contribution as follows:

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Fiscal Year Ending June 30,	Total
2022	\$ (2,914,282,899)
2023	(3,500,098,875)
2024	(4,665,036,366)
2025	(4,192,375,542)
2026	(2,350,648,872)
Thereafter	(3,367,824,517)
	\$ (20,990,267,071)

Actuarial Assumptions

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

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

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

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

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Long Term Expected Rate of Return

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market 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 Management Strategies	3.00%	3.35%

Discount Rate – TPAF

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 made based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the pension 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 pension plan investments was applied to all projected benefit payments in determining the total pension liability.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Sensitivity of the State's Proportionate Share of the Net Pension Liability Associated with the District to Changes in the Discount Rate

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2021 calculated using the discount rate as disclosed above, as well as what the State's 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:

	June 30, 2021		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 132,575,963	\$ 112,051,772	\$ 94,812,741

Pension Plan Fiduciary Net Position - TPAF

Detailed information about the TPAF's fiduciary net position is available in the separately issued TPAF financial statements.

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the District recognized pension expense of \$71,119 for the fiscal year ended June 30, 2022. Employee contributions to DCRP amounted to \$107,736 the year ended June 30, 2022.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 9. RISK MANAGEMENT

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

Property and Liability Insurance

The District is a member of the School Alliance Insurance Fund (the “Fund”) and the Pooled Insurance Program of New Jersey (the “PIP”). These public entity risk management pools provide general liability, property and automobile coverage and workers’ compensation for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive Financial Report. The Fund and the PIP are risk-sharing public entity risk pools that are an insured and self-administered group of school boards established for the purpose of providing low-cost insurance for its respective members in order to keep local property taxes to a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Fund and PIP are elected.

As a member of the Fund and the PIP, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund and the PIP were to be exhausted, members would become responsible for their respective shares of the Fund’s and the PIP’s liabilities. The Fund and the PIP can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body.

The June 30, 2022 audits were not available as of the date of this report; however, selected, summarized financial information for the Fund and the PIP as of June 30, 2021 is as follows:

	<u>Pooled Insurance Program</u>	<u>School Alliance Insurance Fund</u>
Total Assets	\$ 21,110,862	\$ 52,863,732
Net Position	\$ 8,372,678	\$ 20,991,515
Total Revenue	\$ 8,839,781	\$ 42,696,854
Total Expenses	\$ 7,439,223	\$ 42,245,248
Change in Net Position	\$ 309,596	\$ 451,606
Members Dividends	\$ 1,090,962	\$ -0-

Financial statements for the Fund are available at the Fund’s Executive Director’s Office:

Public Entity Group Administrative Services
51 Everett Drive
Suite B-40
West Windsor, NJ 08550

Financial statements for the Pooled Insurance Program are available at the PIP’s Executive Director’s Office:

Burton Agency
44 Bergen Street
Westwood, NJ 07675
(201) 664-0310

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 9. RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance

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

The following is a summary of interest earned, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District’s Unemployment Compensation Restricted Fund Balance in the General Fund for the current and previous two years.

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2021-2022		\$ 1,839	\$ 85,722	\$ 25,187	\$ 684,721
2020-2021		1,124	75,170	44,415	622,347
2019-2020	\$ 200,000	5,249	80,723	122,163	590,468

NOTE 10. ECONOMIC DEPENDENCY

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

NOTE 11. INTERFUNDS PAYABLE AND RECEIVABLE

The District had the following interfunds payable or receivable on their various balance sheets as of June 30, 2022:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 519,654	\$ 21,435
Special Revenue Fund		519,654
Enterprise Fund	21,435	
	<u>\$ 541,089</u>	<u>\$ 541,089</u>

The General Fund is owed \$519,654 from the Special Revenue Fund for a cash deficit which will be reimbursed when grant money is received from the federal grantors. The Enterprise Fund is owed \$21,435 for subsidy reimbursements received in the General Fund not turned over to the Enterprise Fund.

NOTE 12. DEFERRED COMPENSATION

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

AIG/VALIC	Vanguard
AXA Equitable	Legend Employee Benefit
Lincoln Investment Security Benefit	

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 13. TAX CALENDAR

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10.

Taxes are collected by the constituent municipality and are remitted to the school district on a predetermined, agreed-upon schedule.

NOTE 14. COMMITMENTS AND CONTINGENT LIABILITIES

Grant Programs

The School District participates in federal and state assisted grant programs. The programs are subject to program compliance audits by grantors or their representatives. The School District is potentially liable for expenditures which may be disallowed pursuant to terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

Litigation

The District is periodically involved in claims and pending lawsuits. The District estimates that the potential claims against it resulting from such litigation and not covered by insurance would not materially affect the financial position of the District.

Encumbrances

At June 30, 2022, there were encumbrances as detailed below in the governmental funds.

General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Activities
\$ 990,287	\$ 312,632	\$ 1,433,446	\$ 2,736,365

On the District's Governmental Funds Balance Sheet as of June 30, 2022, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$312,632 less than the actual year-end encumbrances on a budgetary basis. Encumbrances are not recognized on a GAAP basis and are reflected as either a reduction in grants receivable or an increase in unearned revenue. On the GAAP basis, the year-end encumbrances of \$1,433,466 in Capital Projects Fund are included in the \$1,725,727 committed fund balance.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 15. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account in the amount of \$100,000 was established by the District in the 2003-04 budget. The funds for the establishment of this reserve were withdrawn from unassigned general fund balance. These funds are restricted to be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping their warranties valid but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building. Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the district by transferring unassigned general fund balance or by transferring excess, unassigned general fund balance that is anticipated to be deposited during the current year in the advertised recapitulation of balances of the subsequent year's budget that is certified for taxes. Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the year by board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan. Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line-item account. In any year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at year-end.

At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current year of the district's school facilities. If the account exceeds this maximum amount at June 30, the excess shall be restricted and designated in the subsequent year's budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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	\$ 235,085
Add:	
Interest Earnings	<u>666</u>
Ending Balance June 30, 2022	<u><u>\$ 235,751</u></u>

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 16. ACCOUNTS PAYABLE

Payables as of June 30, 2022 were:

	<u>Governmental Funds</u>			<u>Total Governmental Funds</u>	<u>District Contribution Subsequent to Measurement Date</u>	<u>Total Governmental Activities</u>	<u>Business-Type Activities Proprietary Funds</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>				
Vendors	\$355,666	\$183,239	\$1,050	\$ 539,955		\$ 539,955	\$ 112,458
Payroll Deductions and Withholdings	55,687			55,687		55,687	
Accrued Salaries and Wages	549,905			549,905		549,905	
State of New Jersey					1,098,880	1,098,880	
	<u>\$961,258</u>	<u>\$183,239</u>	<u>\$1,050</u>	<u>\$ 1,145,547</u>	<u>\$ 1,098,880</u>	<u>\$ 2,244,427</u>	<u>\$ 112,458</u>

NOTE 17. POST-RETIREMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)

General Information about the OPEB Plan

Plan Description and Benefits Provided

The District is in a “special funding situation”, as described in GASB Codification Section P50, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the District.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Education 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 GASB Codification Section P50. The State Health Benefits 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 years or more 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.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 17. POST-RETIREMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

Plan Description and Benefits Provided (Cont'd)

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, is the responsibility of the individual education employers.

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division's annual financial statements which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

Employees Covered by Benefit Terms

At June 30, 2019, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	149,304
Active Plan Members	216,804
Total	366,108

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020.

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	Inflation Rate	2.50%
	TPAF/ABP	PERS
Salary Increases:		
Through 2026	1.55 - 4.45% based on years service	2.00 - 6.00% based on years service
Thereafter	1.55 - 4.45% based on years service	3.00 - 7.00% based on years service

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018 and July 1, 2014 – June 30, 2018 for TPAF and PERS, respectively.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 17. POST-RETIREMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP) and “General” (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Post-retirement 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-2020. 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-2020.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate

The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. 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.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 17. POST-RETIREMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District

	Total OPEB Liability
Balance at June 30, 2019	\$ 103,128,867
Changes for Year:	
Service Cost	4,133,225
Interest on the Total OPEB Liability	3,705,790
Differences between Expected and Actual Experiences	26,839,237
Changes of Assumptions	30,175,193
Gross Benefit Payments by the State	(2,875,884)
Contributions from Members	87,168
Net Changes	62,064,729
Balance at June 30, 2020	\$ 165,193,596

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Discount Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2020, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District 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:

	June 30, 2020		
	At 1% Decrease (1.21%)	At Discount Rate (2.21%)	At 1% Increase (3.21%)
Total OPEB Liability Attributable to the District	\$ 199,149,407	\$ 165,193,596	\$ 138,643,422

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 17. POST-RETIREMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)
(Cont'd)

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Healthcare Trend Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2020, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2020		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 133,349,841	\$ 165,193,596	\$ 203,112,430

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

For the fiscal year ended June 30, 2022 the District recognized OPEB expense of \$7,260,599 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2020 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 17. POST-RETIREMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)
(Cont'd)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
(Cont'd)

	Deferral Year	Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 10,025,337
	2018	9.51		8,824,188
	2019	9.29	\$ 1,189,406	
	2020	9.24	26,909,480	
			<u>28,098,886</u>	<u>18,849,525</u>
Differences between Expected and Actual Experience	2018	9.51		8,341,604
	2019	9.29		13,999,383
	2020	9.24	25,080,691	
			<u>25,080,691</u>	<u>22,340,987</u>
Changes in Proportion	N/A	N/A	425,636	5,383,128
			<u>\$ 53,605,213</u>	<u>\$ 46,573,640</u>

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

Fiscal Year Ending June 30,	Total
2021	\$ (105,826)
2022	(105,826)
2023	(105,826)
2024	(105,826)
2025	(105,826)
Thereafter	<u>(11,459,934)</u>
	<u>\$ (11,989,064)</u>

REQUIRED SUPPLEMENTARY
INFORMATION SCHEDULES

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST EIGHT FISCAL YEARS

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
District's proportion of the net pension liability	0.085094995%	0.0868809315%	0.0906040009%	0.0878332234%	0.0878151471%	0.0901347898%	0.0909247587%	0.0853375590%
District's proportionate share of the net pension liability	\$ 15,932,954	\$ 19,503,028	\$ 26,834,306	\$ 20,446,170	\$ 17,290,365	\$ 16,240,922	\$ 14,827,450	\$ 10,109,513
District's covered employee payroll	\$ 6,003,824	\$ 5,941,086	\$ 6,124,440	\$ 6,052,317	\$ 6,407,207	\$ 6,408,469	\$ 6,350,591	\$ 6,010,393
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	265.38%	328.27%	438.15%	337.82%	269.86%	253.43%	233.48%	168.20%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	46.18%	48.10%	53.60%	56.27%	58.32%	70.33%

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST EIGHT FISCAL YEARS

	Fiscal Year Ending June 30,					
	2015	2016	2017	2018	2019	2020
Contractually required contribution	\$ 698,661	\$ 746,943	\$ 807,774	\$ 813,681	\$ 873,477	\$ 1,012,875
Contributions in relation to the contractually required contribution	(698,661)	(746,943)	(807,774)	(813,681)	(873,477)	(1,012,875)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$ 5,941,086	\$ 6,124,440	\$ 6,052,317	\$ 6,407,207	\$ 6,408,469	\$ 6,350,591
Contributions as a percentage of covered employee payroll	11.76%	12.20%	13.35%	12.70%	13.63%	15.95%
						16.55%
						18.34%
						\$ 994,672
						(994,672)
						\$ 1,098,880
						(1,098,880)

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30,

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
 SCHEDULE OF STATES PROPORTIONATE SHARE OF THE NET PENSION LIABILITY ATTRIBUTABLE TO THE DISTRICT
 TEACHERS' PENSION AND ANNUITY FUND
 LAST EIGHT FISCAL YEARS

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
State's proportion of the net pension liability attributable to the District	0.2441698897%	0.2448459693%	0.2426636615%	0.0023914585%	0.2306180889%	0.2244263900%	0.2317096096%	0.2330760949%
State's proportionate share of the net pension liability attributable to the District	\$ 130,500,859	\$ 154,753,117	\$ 190,894,687	\$ 161,240,754	\$ 146,714,284	\$ 137,732,602	\$ 152,577,976	\$ 112,051,772
District's covered employee payroll	\$ 24,083,925	\$ 24,524,919	\$ 24,642,692	\$ 23,808,209	\$ 24,289,342	\$ 24,732,921	\$ 25,073,940	\$ 23,910,999
District's proportionate share of the net pension liability attributable to the district as a percentage of its covered employee payroll	541.86%	631.00%	774.65%	677.25%	604.03%	556.88%	608.51%	468.62%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.79%	25.41%	26.49%	26.95%	24.60%	35.52%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
 SCHEDULE OF STATE CONTRIBUTIONS
 TEACHERS' PENSION AND ANNUITY FUND
 LAST EIGHT FISCAL YEARS

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contribution	\$ 9,449,071	\$ 7,022,171	\$ 14,343,079	\$ 11,169,943	\$ 8,552,930	\$ 8,123,837	\$ 9,487,948	\$ 2,636,627
Contributions in relation to the contractually required contribution	(1,942,860)	(1,323,727)	(2,595,866)	(1,869,653)	(2,044,060)	(5,082,279)	(6,775,240)	(9,186,370)
Contribution deficiency/(excess)	<u>\$ 7,506,211</u>	<u>\$ 5,698,444</u>	<u>\$ 11,747,213</u>	<u>\$ 9,300,290</u>	<u>\$ 6,508,870</u>	<u>\$ 3,041,558</u>	<u>\$ 2,712,708</u>	<u>\$ (6,549,743)</u>
District's covered employee payroll	\$ 24,524,919	\$ 24,642,692	\$ 23,808,209	\$ 24,289,342	\$ 24,732,921	\$ 25,073,940	\$ 23,910,999	\$ 24,116,577
Contributions as a percentage of covered employee payroll	38.53%	28.50%	60.24%	45.99%	34.58%	32.40%	39.68%	10.93%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF CHANGES IN THE STATE'S PROPORTIONATE SHARE OF THE TOTAL OPEB
LIABILITY ATTRIBUTABLE TO THE DISTRICT AND RELATED RATIOS
LAST FOUR FISCAL YEARS

	Fiscal Years Ending June 30,		
	2017	2018	2019
			2020
Total OPEB Liability			
Service Cost	\$ 5,601,427	\$ 4,653,305	\$ 4,150,445
Interest Cost	4,292,365	4,979,430	4,641,555
Differences between Expected and Actual Experiences		(11,772,755)	(21,436,641)
Changes in Assumptions	(17,436,905)	(13,461,652)	1,537,660
Member Contributions	115,940	108,412	93,842
Gross Benefit Payments	(3,148,608)	(3,136,768)	(3,165,749)
Net Change in Total OPEB Liability	(10,575,781)	(18,630,028)	(14,178,888)
Total OPEB Liability - Beginning	146,513,564	135,937,783	117,307,755
Total OPEB Liability - Ending	<u>\$ 135,937,783</u>	<u>\$ 117,307,755</u>	<u>\$ 103,128,867</u>
District's Covered Employee Payroll *	\$ 30,466,005	\$ 24,524,919	\$ 24,642,692
Total OPEB Liability as a Percentage of Covered Employee Payroll	22%	21%	14%

* - Covered payroll for the fiscal year ending June 30, 2017, June 30, 2018, June 30, 2019, and June 30, 2020 are based on the payroll on the June 30, 2016, June 30, 2017, June 30, 2018, and June 30, 2019 census data.

Note: This schedule does not contain ten years of information as GASB No. 75 was implemented during the fiscal year ended June 30, 2018.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020 while in the July 1, 2020 actuarial valuation the mortality improvement was based on Scale MP-2021.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

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

In the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020 while in the July 1, 2020 actuarial valuation the mortality improvement was based on Scale MP-2021.

C. State Health Benefit Local Education Retired Employees OPEB Plan

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2020 was 2.21%. The discount rate for June 30, 2019 was 3.50%, a change of -1.29%.

The mortality rates in the valuation as of June 30, 2020 were based on the following:

Pre-retirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP) and "General" (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Post-retirement 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-2020. 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-2020.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

C. State Health Benefit Local Education Retired Employees OPEB Plan (Cont'd)

Changes of Actuarial Assumptions (Cont'd)

The mortality rates in the valuation as of June 30, 2019 were based on the following:

Pre-retirement 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-2019. Post-retirement 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-2019. 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-2019.

The health care trend rates in the valuation as of June 30, 2020 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

The health care trend rates in the valuation as of June 30, 2019 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 is reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

BUDGETARY COMPARISON SCHEDULES

JEFFERSON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	\$ 45,173,051		\$ 45,173,051	\$ 45,173,051	
Tuition From Individuals	30,000		30,000	68,239	\$ 38,239
Tuition From Other LEAs Within the State	433,296		433,296	406,299	(26,997)
Unrestricted Miscellaneous Revenues	138,320		138,320	184,740	46,420
Interest Earned on Maintenance Reserve	4,000		4,000	666	(3,334)
Interest Earned on Capital Reserve Funds	5,000		5,000	7,118	2,118
Other Restricted Miscellaneous Revenues				62,374	62,374
Total Revenues from Local Sources	<u>45,783,667</u>		<u>45,783,667</u>	<u>45,902,487</u>	<u>118,820</u>
Revenues from State Sources:					
Categorical Transportation Aid	636,026		636,026	636,026	
Extraordinary Aid	458,033		458,033	518,835	60,802
Categorical Special Education Aid	2,137,733		2,137,733	2,137,733	
Equalization Aid	6,194,985		6,194,985	6,194,985	
Categorical Security Aid	303,337		303,337	303,337	
Securing our Children's Future Bond Act		\$ 161,151	161,151	68,303	(92,848)
Nonpublic Transportation Aid				64,285	64,285
TPAF Post Retirement Contributions (Non-Budgeted)				2,176,589	
TPAF Pension Contributions (Non-Budgeted)				9,186,370	
TPAF Non-Contributory Insurance (Non-Budgeted)				129,607	
TPAF Long-Term Disability Insurance (Non-Budgeted)				3,150	
Reimbursed TPAF Social Security Contributions				1,784,904	1,784,904
Total Revenues from State Sources	<u>9,730,114</u>	<u>161,151</u>	<u>9,891,265</u>	<u>23,204,124</u>	<u>1,817,143</u>
Revenues from Federal Sources:					
Medicaid Reimbursement	40,856		40,856	52,130	11,274
Total Revenues from Federal Sources	<u>40,856</u>		<u>40,856</u>	<u>52,130</u>	<u>11,274</u>
TOTAL REVENUE	<u>55,554,637</u>	<u>161,151</u>	<u>55,715,788</u>	<u>69,158,741</u>	<u>1,947,237</u>

JEFFERSON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 743,324	\$ (98,182)	\$ 645,142	\$ 640,595	\$ 4,547
Grades 1-5 - Salaries of Teachers	4,876,036	(63,426)	4,812,610	4,811,831	779
Grades 6-8 - Salaries of Teachers	3,779,270	(152,542)	3,626,728	3,428,127	198,601
Grades 9-12 - Salaries of Teachers	5,884,387	64,797	5,949,184	5,880,921	68,263
Regular Programs - Home Instruction:					
Salaries of Teachers	56,000	16,298	72,298	72,298	
Purchased Professional-Educational Services	30,000		30,000	8,588	21,412
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	255,603	41,160	41,160	41,160	
Purchased Professional-Educational Services	369,850	(1,400)	254,203	230,942	23,261
Other Purchased Services (400-500 series)	294,189	23,626	393,476	333,758	59,718
General Supplies	172,281	196,663	490,852	365,641	125,211
Textbooks	2,170	(35,209)	137,072	38,281	98,791
Other Objects		50	2,220	331	1,889
Total Regular Programs - Instruction	16,463,110	(8,165)	16,454,945	15,852,473	602,472
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	631,298	(160,426)	470,872	470,154	718
Other Salaries for Instruction	380,352	24,280	404,632	395,542	9,090
General Supplies	4,725		4,725	3,821	904
Total Learning and/or Language Disabilities	1,016,375	(136,146)	880,229	869,517	10,712
Behavioral Disabilities:					
Salaries of Teachers	372,686	23,249	395,935	391,504	4,431
Other Salaries for Instruction	222,377	84,159	306,536	302,725	3,811
General Supplies	1,688		1,688	1,075	613
Total Behavioral Disabilities	596,751	107,408	704,159	695,304	8,855

JEFFERSON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Multiple Disabilities:					
Salaries of Teachers	\$ 116,375	\$ (14,974)	\$ 101,401	\$ 101,401	\$ 7,931
Other Salaries for Instruction	33,615	(11,042)	22,573	14,642	2,147
General Supplies	4,049		4,049	1,902	618
Other Objects	2,838	1,246	4,084	3,466	
Total Multiple Disabilities	<u>156,877</u>	<u>(24,770)</u>	<u>132,107</u>	<u>121,411</u>	<u>10,696</u>
Resource Room/Resource Center:					
Salaries of Teachers	1,729,098	108,188	1,837,286	1,760,461	76,825
Other Salaries for Instruction	275,895	(21,624)	254,271	249,927	4,344
General Supplies	4,500	(1,246)	3,254	970	2,284
Textbooks	1,005		1,005		1,005
Total Resource Room/Resource Center	<u>2,010,498</u>	<u>85,318</u>	<u>2,095,816</u>	<u>2,011,358</u>	<u>84,458</u>
Autism:					
Salaries of Teachers	129,045	257,171	386,216	386,216	
Other Salaries for Instruction	99,362	230,639	330,001	326,234	3,767
General Supplies	3,000	4,866	7,866	7,525	341
Total Autism	<u>231,407</u>	<u>492,676</u>	<u>724,083</u>	<u>719,975</u>	<u>4,108</u>
Preschool Disabilities - Part-Time:					
Salaries of Teachers	291,861	4,060	295,921	295,921	
Other Salaries for Instruction	100,226	8,736	108,962	107,134	1,828
Purchased Professional-Educational Services	1,322		1,322	31	1,291
General Supplies	3,375		3,375	3,026	349
Total Preschool Disabilities - Part-Time	<u>396,784</u>	<u>12,796</u>	<u>409,580</u>	<u>406,112</u>	<u>3,468</u>
Preschool Disabilities - Full-Time:					
Salaries of Teachers	60,865	4,102	64,967	64,967	
Other Salaries for Instruction	37,142	(37,142)			
Purchased Professional-Educational Services	78		78	801	78
General Supplies	2,250		2,250		1,449
Total Preschool Disabilities - Full-Time	<u>100,335</u>	<u>(33,040)</u>	<u>67,295</u>	<u>65,768</u>	<u>1,527</u>

JEFFERSON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Home Instruction:					
Purchased Professional-Educational Services	\$ 12,000		\$ 12,000	\$ 4,573	\$ 7,427
Total Home Instruction	12,000		12,000	4,573	7,427
TOTAL SPECIAL EDUCATION - INSTRUCTION	4,521,027	\$ 504,242	5,025,269	4,894,018	131,251
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	431,942	110,747	542,689	510,388	32,301
Total Basic Skills/Remedial - Instruction	431,942	110,747	542,689	510,388	32,301
Bilingual Education - Instruction:					
Salaries of Teachers	214,838	13,847	228,685	201,881	26,804
Other Purchased Services (400-500 series)	800		800	632	168
General Supplies	29,718		29,718	20,333	9,385
Total Bilingual Education - Instruction	245,356	13,847	259,203	222,846	36,357
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	149,295		149,295	133,137	16,158
Purchased Services (300-500 series)		8,350	8,350	2,328	6,022
Supplies and Materials	17,765	(1,500)	16,265	7,518	8,747
Other Objects	22,100	(50)	22,050	4,785	17,265
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	189,160	6,800	195,960	147,768	48,192
School-Sponsored Athletics - Instruction:					
Salaries	392,587		392,587	332,856	59,731
Purchased Services (300-500 series)	200,236	(35,914)	164,322	146,476	17,846
Supplies and Materials	82,030	(24,443)	57,587	49,908	7,679
Other Objects	65,650	(22,325)	43,325	31,395	11,930
Total School-Sponsored Athletics - Instruction	740,503	(82,682)	657,821	560,635	97,186
TOTAL INSTRUCTION	22,591,098	544,789	23,135,887	22,188,128	947,759

JEFFERSON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Regular	\$ 154,689	\$ 267	\$ 267	\$ 267	
Tuition to Other LEAs Within the State-Special	1,217,399	365,280	519,969	377,096	\$ 142,873
Tuition to County Voc. School Dist.-Regular	21,317	(139,836)	1,077,563	1,065,884	11,679
Tuition to County Voc. School Dist.-Special	1,630,029	(9,572)	11,745	8,095	3,650
Tuition to Priv. Sch. for the Handicap, W/1 State	3,023,434	(163,248)	1,466,781	992,701	474,080
Total Undistributed Expenditures - Instruction		52,891	3,076,325	2,444,043	632,282
Undistributed Expenditures - Health Services:					
Salaries	438,924	108,043	546,967	546,967	
Purchased Professional and Technical Services	29,300	(2,085)	27,215	27,215	
Other Purchased Services (400-500 series)	3,025	(1,520)	1,505	1,505	
Supplies and Materials	23,438	(3,072)	20,366	9,991	10,375
Total Undist. Expenditures - Health Services	494,687	101,366	596,053	585,678	10,375
Undist. Expend. - Speech, OT, PT, Related Svcs:					
Salaries	667,361	(135,046)	532,315	532,315	
Purchased Professional - Educational Services	26,500	2,150	28,650	28,650	
Supplies and Materials	2,256	(1,667)	589	589	
Total Undist. Expend. - Speech, OT, PT, Related Svcs	696,117	(134,563)	561,554	561,554	
Undist.Expend.-Other Supp.Serv.Students-Extra.Serv.:					
Salaries	1,168,902	(231,373)	937,529	898,353	39,176
Purchased Professional - Educational Services	108,547	(7,753)	100,794	35,299	65,495
Supplies and Materials	2,350	(136)	2,214	2,214	
Total Undist. Expend. - Other Supp. Svcs. Students - Extra. Serv.	1,279,799	(239,262)	1,040,537	935,866	104,671

JEFFERSON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Guidance:					
Salaries of Other Professional Staff	\$ 947,144	\$ 57,189	\$ 1,004,333	\$ 984,808	\$ 19,525
Salaries of Secretarial and Clerical Assistants	151,606	3,416	155,022	155,022	
Purchased Professional - Educational Services	4,474		4,474	730	3,744
Other Purchased Prof. and Tech. Services	34,559	(16,479)	18,080	6,769	11,311
Other Purchased Services (400-500 series)	32,344		32,344	25,843	6,501
Supplies and Materials	24,019	(450)	23,569	12,240	11,329
Other Objects	430	450	880	385	495
Total Undist Expend. - Guidance	1,194,576	44,126	1,238,702	1,185,797	52,905
Undist. Expend. - Child Study Team:					
Salaries of Other Professional Staff	1,278,711	147,162	1,425,873	1,244,278	181,595
Salaries of Secretarial and Clerical Assistants	190,498	(1,096)	189,402	179,915	9,487
Purchased Professional - Educational Services	21,894		21,894	10,461	11,433
Other Purchased Prof. and Tech. Services	30,000		30,000	11,850	18,150
Other Purchased Services (400-500 series)	7,350		7,350	3,045	4,305
Supplies and Materials	15,000		15,000	12,992	2,008
Other Objects	1,160		1,160	769	391
Total Undist Expend. - Child Study Team	1,544,613	146,066	1,690,679	1,463,310	227,369
Undist. Expend. - Improv. of Inst. Serv.:					
Salaries of Supervisors of Instruction	289,769	3,601	293,370	293,370	
Salaries of Other Professional Staff	516,559	115,321	631,880	631,880	
Purchased Professional - Educational Services	856		856	498	358
Other Purchased Services (400-500 series)	13,383	885	14,268	11,469	2,799
Supplies and Materials	2,100		2,100	1,389	711
Other Objects	8,704	2,000	10,704	7,804	2,900
Total Undist. Expend. - Improv. of Inst. Serv.	831,371	121,807	953,178	946,410	6,768
Undist. Expend. - Edu. Media Serv./Sch. Library:					
Salaries	252,938	(34,612)	218,326	164,701	53,625
Salaries of Technology Coordinators	304,887	(19,043)	285,844	285,844	
Supplies and Materials	18,891	(594)	18,297	16,139	2,158
Total Undist Expend. - Edu. Media Serv./Sch. Library	576,716	(54,249)	522,467	466,684	55,783

JEFFERSON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Instructional Staff Training Services:					
Purchased Professional - Educational Service	\$ 10,000	\$ (525)	\$ 9,475	\$ 975	\$ 8,500
Other Purchased Services (400-500 series)	32,425	(2,775)	29,650	15,639	14,011
Total Undist. Expend.-Instructional Staff Training Services	42,425	(3,300)	39,125	16,614	22,511
Undist. Expend.-Support Serv.-Gen. Admin.:					
Salaries	528,534	8,258	536,792	536,792	
Legal Services	188,991	(41,891)	147,100	61,281	85,819
Audit Fees	40,000		40,000	36,000	4,000
Architectural/Engineering Services	86,750	21,250	108,000	49,904	58,096
Other Purchased Professional Services	8,100		8,100	1,339	6,761
Purchased Technical Services	14,038		14,038	12,343	1,695
Communications / Telephone	94,637	19,253	113,890	86,095	27,795
BOE Other Purchased Services	4,200		4,200	1,434	2,766
Other Purch. Serv. (400-500 series other than 530 & 585)	119,214	2,584	121,798	105,245	16,553
General Supplies	8,214		8,214	2,312	5,902
BOE In-house training/ Meeting Supplies	1,000		1,000	416	584
Miscellaneous Expenditures	32,250		32,250	30,697	1,553
Total Undist. Expend.-Support Serv.-Gen. Admin.	1,125,928	9,454	1,135,382	923,858	211,524
Undist. Expend.-Support Serv.-School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	1,413,137	(32,167)	1,380,970	1,380,970	
Salaries of Secretarial and Clerical Assistants	691,946	46,023	737,969	737,757	212
Purchased Professional and Technical Services	47,778	(2,071)	45,707	29,539	16,168
Other Purchased Services (400-500 series)	80,419	(46)	80,373	71,411	8,962
Supplies and Materials	17,350	250	17,600	12,316	5,284
Other Objects	11,105	(25)	11,080	9,995	1,085
Total Undist. Expend.-Support Serv.-School Adm.	2,261,735	11,964	2,273,699	2,241,988	31,711

JEFFERSON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Central Services:					
Salaries	\$ 731,399	\$ 21,441	\$ 752,840	\$ 752,840	
Purchased Professional Services	2,100	60,000	62,100	62,100	
Purchased Technical Services	54,572	5,409	59,981	59,675	\$ 306
Miscellaneous Purchased Services (400-500 series other than 594)	7,974	(2,685)	5,289	3,878	1,411
Supplies and Materials	5,800	(637)	5,163	2,177	2,986
Interest on Lease Purchase Agreements	90,714	(4,635)	86,079	82,910	3,169
Other Objects	1,585	480	2,065	2,065	
Total Undist. Expend. - Central Services	894,144	79,373	973,517	965,645	7,872
Undist. Expend. - Admin. Info. Technology:					
Salaries	338,761	27,454	366,215	366,215	
Other Purchased Services (400-500 series)	2,500	(885)	1,615	1,279	336
Supplies and Materials	1,500	2,663	4,163	3,467	696
Total Undist. Expend. - Admin. Info. Technology	342,761	29,232	371,993	370,961	1,032
Undist. Expend.-Required Maintenance for School Facilities:					
Salaries	579,964	170	580,134	580,134	
Cleaning, Repair, and Maintenance Services	491,233	92,744	583,977	554,267	29,710
General Supplies	196,825	80,884	277,709	248,970	28,739
Total Undist. Expend.- Required Maint. for School Facilities	1,268,022	173,798	1,441,820	1,383,371	58,449

JEFFERSON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Custodial Services:					
Salaries	\$ 1,632,982	\$ 124,630	\$ 1,757,612	\$ 1,755,207	\$ 2,405
Cleaning, Repair, and Maintenance Services	52,396	(9,501)	42,895	38,130	4,765
Rental of Land & Bldg. Oth. than Lease Pur. Agrmt.	110,000		110,000	110,000	
Other Purchased Property Services	29,033	(4,800)	24,233	14,770	9,463
Insurance	401,545	(31,895)	369,650	369,650	
Miscellaneous Purchased Services	5,750	(46)	5,704	2,684	3,020
General Supplies	213,350	(128,208)	85,142	84,899	243
Energy (Natural Gas)	559,700	(66,319)	493,381	447,065	46,316
Energy (Electricity)	578,721	(59,200)	519,521	487,898	31,623
Energy (Oil)	17,200	8,917	26,117	25,494	623
Energy (Gasoline)	14,500	9,000	23,500	20,269	3,231
Other Objects	525		525	325	200
Total Undist. Expend.-Custodial Services	3,615,702	(157,422)	3,458,280	3,356,391	101,889
Care and Upkeep of Grounds:					
Salaries	262,360	27,977	290,337	289,831	506
Cleaning, Repair, and Maintenance Services	31,650	20,914	52,564	48,029	4,535
General Supplies	80,712	(6,994)	73,718	66,679	7,039
Other Objects	15,622	(15,622)			
Total Care And Upkeep Of Grounds	390,344	26,275	416,619	404,539	12,080
Security:					
Salaries	230,709	15,145	245,854	243,717	2,137
Cleaning, Repair, and Maintenance Services	8,555	(23)	8,532	5,215	3,317
General Supplies	29,737	23,450	53,187	52,732	455
Total Security	269,001	38,572	307,573	301,664	5,909
Total Undist. Expend.-oper. And Maint. Of Plant Serv.	5,543,069	81,223	5,624,292	5,445,965	178,327

JEFFERSON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Student Transportation Serv.:					
Salaries of Non-Instructional Aides	\$ 111,479	\$ 13,946	\$ 125,425	\$ 108,280	\$ 17,145
Sal. for Pupil Trans. (Bet. Home and Sch)-Reg.	1,045,302	166,935	1,212,237	1,202,542	9,695
Sal. for Pupil Trans. (Bet. Home and Sch)-Spl. Ed.	200	(147)	53	53	
Sal. for Pupil Trans. (Oth. than Bet. Home & Sch)	88,104	(56,226)	31,878	26,177	5,701
Other Purchased Professional and Technical Services	23,287		23,287	13,137	10,150
Cleaning, Repair, and Maint. Services	30,687	(5,471)	25,216	21,731	3,485
Lease Purchase Payments - School Buses	201,427	(57,000)	144,427	144,427	
Contract. Serv. - Aid in Lieu of Payments-Nonpublic Studs	107,000	16,000	123,000	101,000	22,000
Contr Serv.-Aid in Lieu of Payments-Charter Sch Stud.	3,000	(1,000)	2,000	1,000	1,000
Contr Serv.-Aid in Lieu of Payments-Choice Stud.	13,000	(4,000)	9,000	9,000	
Contract. Serv.(Bet. Home & Sch.)-Vendors	608,226	(2,000)	606,226	590,490	15,736
Contract. Serv.(Oth. than Bet. Home & Sch.)-Vend.	31,470	2,325	33,795	17,221	16,574
Contract. Serv.(Reg. Students)-ESCs & CTAS	425,000	65,035	490,035	484,225	5,810
Contract. Serv.(Spl. Ed. Students)-ESCs & CTAS	1,104,024	(115,906)	988,118	771,660	216,458
Misc. Purchased Serv. - Transportation	27,771		27,771	26,333	1,438
General Supplies	121,500	37,100	158,600	146,652	11,948
Transportation Supplies	89,895	10,145	100,040	81,253	18,787
Other Objects	3,200	235	3,435	2,495	940
Total Undist. Expend.-Student Trans. Serv.	4,034,572	69,971	4,104,543	3,747,676	356,867
Unallocated Benefits					
Social Security Contributions	830,000	279,623	1,109,623	889,101	220,522
Other Retirement Contributions - PERS	1,126,975		1,126,975	1,095,351	31,624
Workers Compensation	268,334	11,094	279,428	210,327	69,101
Health Benefits	7,758,432	(1,702,337)	6,056,095	5,859,241	196,854
Tuition Reimbursement	159,167	(25,038)	134,129	100,048	34,081
Other Employee Benefits	431,937	(114,934)	317,003	314,351	2,652
Unused Sick Payment to Terminated/Retired Staff	143,618	4,368	147,986	147,762	224
Total Unallocated Benefits	10,718,463	(1,547,224)	9,171,239	8,616,181	555,058

JEFFERSON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
On-Behalf Contributions (Non-Budgeted)					
TPAF Post Retirement Contributions (Non-Budgeted)				\$ 2,176,589	\$ (2,176,589)
TPAF Pension Contributions (Non-Budgeted)				9,186,370	(9,186,370)
TPAF Non-Contributory Insurance (Non-Budgeted)				129,607	(129,607)
TPAF Long-Term Disability Insurance (Non-Budgeted)				3,150	(3,150)
Reimbursed TPAF Social Security Contributions				1,784,904	(1,784,904)
Total On-Behalf Contributions (Non-Budgeted)				13,280,620	(13,280,620)
Total Personal Services-Employee Benefits	\$ 10,718,463	\$ (1,547,224)	\$ 9,171,239	21,896,801	(12,725,562)
Total Undistributed Expenditures	34,604,410	(1,231,125)	33,373,285	44,198,850	(10,825,565)
Total General Current Expense	57,195,508	(686,336)	56,509,172	66,386,978	(9,877,806)
Capital Outlay:					
Equipment				2,050	
Grades 1-5		2,050	2,050	11,068	
Grades 9-12		11,068	11,068	3,652	
School-Sponsored and Other Instructional Programs					
Undistributed:					
Undistributed Expenditures - Admin. Info. Tech.		13,354	13,354	12,961	393
Undist. Expend. - Required Maint for School Fac.	56,140	398,676	454,816	101,076	353,740
Undist. Expend. - Custodial Services		6,257	6,257	6,257	
Undist. Expend. - Care and Upkeep of Grounds	117,556	165,994	283,550	283,550	
Undist. Expend. - Security		3,527	3,527	3,527	
Undist. Expend.-Student Trans.- Non-Inst. Equip.		375,300	375,300	125,326	249,974
Total Equipment	173,696	979,878	1,153,574	549,467	604,107

JEFFERSON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Facilities Acquisition and Construction Serv.:					
Architectural/Engineering Services	\$ 50,000	\$ (50,000)			
Construction Services	360,563	(300,000)	\$ 60,563	\$ 60,563	
Other Objects	94,542	161,151	161,151	68,303	\$ 92,848
Assessment for Debt Service on SDA Funding		94,542	94,542	94,542	
Total Facilities Acquisition and Const. Serv.	505,105	(188,849)	316,256	223,408	92,848
Assets Acquired Under Leases (Non-Budgeted):					
Regular Programs - Equipment				1,000,000	(1,000,000)
Total Assets Acquired Under Capital Leases (Non-Budgeted)				1,000,000	(1,000,000)
Total Capital Outlay	678,801	791,029	1,469,830	1,772,875	(303,045)
Transfer of Funds to Charter Schools	44,028	131,458	175,486	153,643	21,843
	44,028	131,458	175,486	153,643	21,843
TOTAL EXPENDITURES	57,918,337	236,151	58,154,488	68,313,496	(10,159,008)
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(2,363,700)	(75,000)	(2,438,700)	845,245	(3,283,945)
Other Financing Sources/(Uses):					
Financed Purchases (Non-budgeted)				1,000,000	1,000,000
Total Other Financing Sources/(Uses)				1,000,000	1,000,000

JEFFERSON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	\$ (2,363,700)	\$ (75,000)	\$ (2,438,700)	\$ 1,845,245	\$ 4,283,945
Fund Balance, July 1	11,036,830		11,036,830	11,036,830	
Fund Balance, June 30	\$ 8,673,130	\$ (75,000)	\$ 8,598,130	\$ 12,882,075	\$ 4,283,945
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Excess Surplus - Restricted For 2023-2024				\$ 1,662,911	
Excess Surplus - Restricted For 2022-2023				2,270,285	
Capital Reserve				3,751,718	
Maintenance Reserve				235,751	
Unemployment Compensation				684,721	
Assigned Fund Balance:					
Year End Encumbrances				990,287	
Designated for Subsequent Year's Expenditures				1,000,000	
Unassigned Fund Balance				2,286,402	
				12,882,075	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis				(903,429)	
Fund Balance per Governmental Funds (GAAP)				\$ 11,978,646	

JEFFERSON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal Sources	\$ 1,094,923	\$ 3,541,663	\$ 4,636,586	\$ 2,551,573	\$ (2,085,013)
State Sources		68,997.00	68,997.00	68,997	
Local Sources		436,614	436,614	436,614	
Total Revenues	<u>1,094,923</u>	<u>4,047,274</u>	<u>5,142,197</u>	<u>3,057,184</u>	<u>(2,085,013)</u>
EXPENDITURES:					
Instruction					
Salaries of Teachers	316,491	456,261	772,752	683,151	89,601
Purchased Professional/Educational Services	561,153	(452,344)	108,809	45,277	63,532
Other Purchased Services		862,198	862,198	862,198	
General Supplies	38,592	244,433	283,025	74,556	208,469
Total Instruction	<u>916,236</u>	<u>1,110,548</u>	<u>2,026,784</u>	<u>1,665,182</u>	<u>361,602</u>
Support Services					
Salaries of Other Professional Staff		26,840	26,840	26,840	
Personal Service - Employee Benefits	63,388	77,459	140,847	127,793	13,054
Purchased Professional - Educational Services		1,431,878	1,431,878	9,120	1,422,758
Purchased Professional - Technical Services		414,074	414,074	409,620	4,454
Other Purchased Services	106,799	281,441	388,240	216,395	171,845
Supplies and Materials	8,500	123,299	131,799	20,499	111,300
Transportation - Between Home and School		103,340	103,340	103,340	
Scholarships Awarded		23,000	23,000	23,000	
Student Activities		398,951	398,951	398,951	
Total Support Services	<u>178,687</u>	<u>2,880,282</u>	<u>3,058,969</u>	<u>1,335,558</u>	<u>1,723,411</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment		41,781	41,781	41,781	
Total Facilities Acquisition and Construction Services		<u>41,781</u>	<u>41,781</u>	<u>41,781</u>	
Total Expenditures	<u>1,094,923</u>	<u>4,032,611</u>	<u>5,127,534</u>	<u>3,042,521</u>	<u>2,085,013</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -0-</u>	<u>\$ 14,663</u>	<u>\$ 14,663</u>	<u>\$ 14,663</u>	<u>\$ -0-</u>

JEFFERSON TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 69,158,741	\$ 3,057,184
Differences - Budgetary to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and Revenue on the Budgetary Basis but not on the GAAP Basis.		
Current Year Encumbrances		(312,632)
Prior Year Encumbrances		586,495
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	1,183,657	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(903,429)	
	\$ 69,438,969	\$ 3,331,047
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 69,438,969	\$ 3,331,047
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 68,313,496	\$ 3,042,521
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, not in the Year the Supplies are Received for Financial Reporting Purposes.		
Current Year Encumbrances		(312,632)
Prior Year Encumbrances		586,495
	\$ 68,313,496	\$ 3,316,384
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 68,313,496	\$ 3,316,384

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2022 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Budget amendments/transfers must be made by Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are not substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary intergration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

The General Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last state aid payments for the current year. Since the State is recording the last state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

JEFFERSON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Elementary and Secondary Education Act		Title IV	Additional Compensatory Special Education and Related Services	Emergent and Capital Needs
	Title I	Title II	Title IV	Services	Capital Needs
REVENUE:					
Federal Sources	\$ 126,076	\$ 62,311	\$ 27,773	\$ 353,823	\$ 68,997
State Sources					
Local Sources					
Total Revenue	126,076	62,311	27,773	353,823	68,997
EXPENDITURES:					
Instruction:					
Salaries of Teachers	86,949	42,105	26,073	109,436	
Purchased Professional/Educational Services				114,177	
Other Purchased Services				30	
General Supplies				223,643	
Total Instruction	86,949	42,105	26,073	223,643	
Support Services:					
Salaries of Other Professional Staff				26,840	
Personal Service - Employee Benefits	39,127	11,086	1,700		
Purchased Professional - Educational Services		9,120			
Purchased Professional - Technical Services				103,340	
Other Purchased Services					68,997
Supplies and Materials					
Transportation - Between Home and School					
Scholarships Awarded					
Student Activities					
Total Support Services	39,127	20,206	1,700	130,180	68,997
Facilities Acquisition and Construction Services:					
Instructional Equipment					
Total Facilities Acquisition and Construction Services					
Total Expenditures	\$ 126,076	\$ 62,311	\$ 27,773	\$ 353,823	\$ 68,997

JEFFERSON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	IDEA			Education Stabilization Aid	
	Basic	Preschool	ARP Basic	ESSER II	CRRSA Learning Acceleration
REVENUE:					
Federal Sources	\$ 633,579	\$ 33,904	\$ 114,442	\$ 236,474	\$ 10,700
State Sources					
Local Sources					
Total Revenue	633,579	33,904	114,442	236,474	10,700
EXPENDITURES:					
Instruction:					
Salaries of Teachers		31,495		152,431	
Purchased Professional/Educational Services					
Other Purchased Services	633,579		114,442	58,338	
General Supplies					
Total Instruction	633,579	31,495	114,442	210,769	
Support Services:					
Salaries of Other Professional Staff					
Personal Service - Employee Benefits		2,409		4,286	
Purchased Professional - Educational Services					10,700
Purchased Professional - Technical Services				21,419	
Other Purchased Services					
Supplies and Materials					
Transportation - Between Home and School					
Scholarships Awarded					
Student Activities					
Total Support Services		2,409		25,705	10,700
Facilities Acquisition and Construction Services:					
Instructional Equipment					
Total Facilities Acquisition and Construction Services					
Total Expenditures	\$ 633,579	\$ 33,904	\$ 114,442	\$ 236,474	\$ 10,700

JEFFERSON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Education Stabilization Aid					
	CRRSA	American Rescue Plan				
	Mental Health	ESSER III	Accelerated Learning Coaching and Educator Support	Evidence Based Summer Learning and Enrichment	Mental Health Support Staffing	CARES - Emergency Relief Grant
REVENUE:						
Federal Sources	\$ 20,131	\$ 852,543	\$ 28,431	\$ 16,448	\$ 23,175	\$ 2,002
State Sources						
Local Sources						
Total Revenue	20,131	852,543	28,431	16,448	23,175	2,002
EXPENDITURES:						
Instruction:						
Salaries of Teachers		208,314		15,279		2,002
Purchased Professional/Educational Services		45,277				
Other Purchased Services			739			
General Supplies	4,498	10,951				
Total Instruction	4,498	264,542	739	15,279		2,002
Support Services:						
Salaries of Other Professional Staff		67,322		1,169		
Personal Service - Employee Benefits						
Purchased Professional - Educational Services			27,692		23,175	
Purchased Professional - Technical Services	15,633	332,420				
Other Purchased Services		125,979				
Supplies and Materials		20,499				
Transportation - Between Home and School						
Scholarships Awarded						
Student Activities						
Total Support Services	15,633	546,220	27,692	1,169	23,175	
Facilities Acquisition and Construction Services:						
Instructional Equipment		41,781				
Total Facilities Acquisition and Construction Services		41,781				
Total Expenditures	\$ 20,131	\$ 852,543	\$ 28,431	\$ 16,448	\$ 23,175	\$ 2,002

JEFFERSON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Student Activities	Scholarship	Total
REVENUE:			
Federal Sources	\$ 414,723		\$ 2,551,573
State Sources		\$ 21,891	68,997
Local Sources			436,614
Total Revenue	414,723	21,891	3,057,184
EXPENDITURES:			
Instruction:			
Salaries of Teachers			683,151
Purchased Professional/Educational Services			45,277
Other Purchased Services			862,198
General Supplies			74,556
Total Instruction			1,665,182
Support Services:			
Salaries of Other Professional Staff			26,840
Personal Service - Employee Benefits			127,793
Purchased Professional - Educational Services			9,120
Purchased Professional - Technical Services			409,620
Other Purchased Services			216,395
Supplies and Materials			20,499
Transportation - Between Home and School			103,340
Scholarships Awarded		23,000	23,000
Student Activities	398,951		398,951
Total Support Services	398,951	23,000	1,335,558
Facilities Acquisition and Construction Services:			
Instructional Equipment			41,781
Total Facilities Acquisition and Construction Services			41,781
Total Expenditures	\$ 398,951	\$ 23,000	\$ 3,042,521

CAPITAL PROJECTS FUND

JEFFERSON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE- BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Revenue and Other Financing Sources:	
Interest on Investments	\$ 6,157
Total Revenue and Other Financing Sources	<u>6,157</u>
Expenditures:	
Architectural/Engineering Services	105,700
Other Purchased Professional and Technical Services	3,937
Construction Services	442,445
Equipment	48,031
Total Expenditures	<u>600,113</u>
Other Financing Uses:	
Transfer to Debt Service Fund	<u>(6,157)</u>
Total Other Financing Uses	<u>(6,157)</u>
Deficit of Revenue and Other Financing Sources Under Expenditures and Other Financing Uses	(593,956)
Fund Balance - Beginning of Year	<u>2,325,840</u>
Fund Balance - End of Year	<u>\$ 1,725,727</u>
Recapitulation:	
Restricted for Year-End Encumbrances	\$ 1,433,446
Restricted Fund Balance	<u>292,281</u>
Fund Balance per Governmental Funds (GAAP)	<u>\$ 1,725,727</u>

JEFFERSON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
UPGRADING OF EXISTING FACILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenue and Other Financing Sources:				
Bond Proceeds	\$ 9,935,000		\$ 9,935,000	\$ 9,935,000
Total Revenue and Other Financing Sources	9,935,000		9,935,000	9,935,000
Expenditures:				
Legal Services	35,971		35,971	35,971
Architectural/Engineering Services	355,406	\$ 105,700	461,106	516,675
Other Purchased Professional and Technical Services	138,053	3,937	141,990	141,990
Construction Services	5,861,254	442,445	6,303,699	7,797,373
Supplies and Materials	935,565		935,565	942,991
Equipment	282,911	48,031	330,942	500,000
Total Expenditures	7,609,160	600,113	8,209,273	9,935,000
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 2,325,840	\$ (600,113)	\$ 1,725,727	\$ -0-

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bonds Authorized Date	11/29/2018
Original Authorized Cost	\$ 9,935,000
Revised Authorized Cost	9,935,000
Percentage Completion	82.63%
Original Target Completion Date	6/30/2021
Revised Target Completion Date	6/30/2023

PROPRIETARY FUNDS

JEFFERSON TOWNSHIP BOARD OF EDUCATION
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2022

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$ 214,276
Intergovernmental Accounts Receivable:	
Federal	143,765
State	2,753
Other Accounts Receivable	19,426
Interfund Receivable - General Fund	21,435
Inventories	10,756

Total Current Assets	<u>412,411</u>
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Non-Current Assets:

Capital Assets	656,778
Less: Accumulated Depreciation	<u>(541,551)</u>

Total Non-Current Assets	<u>115,227</u>
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Total Assets	<u>527,638</u>
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LIABILITIES:

Accounts Payable - Vendors	112,458
Unearned Revenue - Prepaid Sales	<u>7,362</u>

Total Liabilities	<u>119,820</u>
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NET POSITION:

Investment in Capital Assets	115,227
Unrestricted	<u>292,591</u>

Total Net Position	<u>\$ 407,818</u>
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JEFFERSON TOWNSHIP BOARD OF EDUCATION
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 138,487
Special Events	13,494
Miscellaneous Revenue	15,836
	<hr/>
Total Operating Revenue	167,817
	<hr/>
Operating Expenses:	
Cost of Sales - Reimbursable Programs	649,660
Salaries, Benefits & Payroll Taxes	592,396
Supplies, Insurance & Other Costs	104,182
Management Fee	65,775
Miscellaneous Expenditures	42,323
Depreciation Expense	26,424
	<hr/>
Total Operating Expenses	1,480,760
	<hr/>
Operating Loss	(1,312,943)
	<hr/>
Non-Operating Revenue:	
Local Sources:	
Interest Income	343
State Sources:	
State School Lunch Program - Seamless Summer Option	28,395
Federal Sources:	
National School Lunch Program - Seamless Summer Option	1,378,426
Other Nutrition Programs -	
Pandemic/Electronic Benefits Transfer Administrative Reimbursement	614
Covid Emergency Operational Costs Reimbursement	14,023
Food Distribution Program	108,019
	<hr/>
Total Non-Operating Revenue	1,529,820
	<hr/>
Change in Net Position	216,877
	<hr/>
Net Position - Beginning of Year	190,941
	<hr/>
Net Position - End of Year	\$ 407,818
	<hr/> <hr/>

JEFFERSON TOWNSHIP BOARD OF EDUCATION
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 120,055
Payments to Food Service Vendor	<u>(1,313,690)</u>
Net Cash Used for Operating Activities	<u>(1,193,635)</u>
Cash Flows Used for Capital and Related Financing Activities:	
Purchase of Capital Assets	<u>(73,795)</u>
Net Cash Used for Capital and Related Financing Activities	<u>(73,795)</u>
Cash Flows from Investing Activities:	
Local Sources:	
Interest Income	<u>343</u>
Net Cash Provided by Investing Activities	<u>343</u>
Cash Flows from Noncapital Financing Activities:	
State Sources:	
State School Lunch Program - Seamless Summer Option	29,262
Federal Sources:	
National School Lunch Program - Seamless Summer Option	<u>1,391,783</u>
Net Cash Provided by Noncapital Financing Activities	<u>1,421,045</u>
Net Increase in Cash and Cash Equivalents	153,958
Cash and Cash Equivalents, July 1	<u>60,318</u>
Cash and Cash Equivalents, June 30	<u>\$ 214,276</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (1,312,943)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	26,424
Federal Food Distribution Program	108,019
Changes in Assets and Liabilities:	
(Increase)/Decrease in Other Accounts Receivable	(15,579)
(Increase)/Decrease in Inventories	3,751
Increase/(Decrease) in Accounts Payable	29,453
Increase/(Decrease) in Unearned Revenue - Prepaid Sales	(32,183)
Increase/(Decrease) in Unearned Revenue - Donated Commodities	<u>(577)</u>
Net Cash Used for Operating Activities	<u>\$ (1,193,635)</u>

Noncash Investing and Financing Activities:

The Food Service Enterprise Fund received and utilized commodities from the Federal Food Distribution Program valued at \$107,442 and \$108,019, respectively, the fiscal year ended June 30, 2022.

FIDUCIARY ACTIVITIES
NOT APPLICABLE

LONG-TERM DEBT

JEFFERSON TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance June 30, 2021	Matured	Balance June 30, 2022
			Outstanding					
			Date	Amount				
Refunding School Bonds - Series 2012	7/19/2011	\$ 12,785,000	9/15/2022	\$ 1,525,000	5.000%	\$ 2,985,000	\$ 1,460,000	\$ 1,525,000
Referendum School Bonds - Series 2018	11/29/2018	9,935,000	9/15/2022	325,000	3.250%	9,285,000	325,000	8,960,000
			9/15/2023	325,000	3.250%			
			9/15/2024	325,000	3.250%			
			9/15/2025	325,000	3.250%			
			9/15/2026	325,000	3.250%			
			9/15/2027	325,000	3.250%			
			9/15/2028	650,000	3.250%			
			9/15/2029	650,000	3.375%			
			9/15/2030	650,000	3.375%			
			9/15/2031	650,000	3.375%			
			9/15/2032	650,000	3.500%			
			9/15/2033	650,000	3.500%			
			9/15/2034	635,000	3.500%			
		9/15/2035	625,000	4.000%				
		9/15/2036	625,000	4.000%				
		9/15/2037	625,000	4.000%				
		9/15/2038	600,000	4.000%				
Refunding School Bonds - Series 2021	3/17/2021	9,050,000	9/15/2022	180,000	0.425%	9,050,000	180,000	8,870,000
			9/15/2023	1,700,000	0.525%			
			9/15/2024	1,715,000	0.702%			
			9/15/2025	1,735,000	1.077%			
			9/15/2026	1,760,000	1.277%			
		9/15/2027	1,780,000	1.581%				
						\$ 21,320,000	\$ 1,965,000	\$ 19,355,000

JEFFERSON TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES

<u>Item</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance June 30, 2021</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance June 30, 2022</u>
Various Capital Equipment and Vehicles	2.889%	\$ 1,333,554	\$ 338,623		\$ 338,623	
Buses (2)	1.119%	220,000	164,288		54,706	\$ 109,582
Various Capital Equipment and Vehicles	2.398%	1,000,000	<u> </u>	<u>\$ 1,000,000</u>	<u> </u>	<u>1,000,000</u>
			<u>\$ 502,911</u>	<u>\$ 1,000,000</u>	<u>\$ 393,329</u>	<u>\$ 1,109,582</u>

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

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 2,186,676		\$ 2,186,676	\$ 2,186,676	
State Sources:					
Debt Service State Aid Support	219,950		219,950	219,950	
Total Revenue	<u>2,406,626</u>		<u>2,406,626</u>	<u>2,406,626</u>	
EXPENDITURES:					
Regular Debt Service:					
Interest	518,163		518,163	518,163	
Redemption of Principal	1,965,000		1,965,000	1,965,000	
Total Regular Debt Service	<u>2,483,163</u>		<u>2,483,163</u>	<u>2,483,163</u>	
Total Expenditures	<u>2,483,163</u>		<u>2,483,163</u>	<u>2,483,163</u>	
Excess/(Deficit) of Revenues Over/Under Expenditures	(76,537)		(76,537)	(76,537)	
OTHER FINANCING SOURCES/(USES):					
Transfers In - Capital Projects Fund				6,157	\$ 6,157
Total Other Financing Sources				<u>6,157</u>	<u>6,157</u>
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures	(76,537)		(76,537)	(70,380)	6,157
Fund Balance, July 1	<u>83,129</u>		<u>83,129</u>	<u>83,129</u>	
Fund Balance, June 30	<u>\$ 6,592</u>	<u>\$ -0-</u>	<u>\$ 6,592</u>	<u>\$ 12,749</u>	<u>\$ 6,157</u>
Recapitulation of Fund Balance:					
Restricted for Subsequent Year's Expenditures				<u>\$ 12,749</u>	

STATISTICAL SECTION
(UNAUDITED)

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District's overall financial health.

Contents

Exhibit

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

J-1 thru J-5

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.

J-6 thru J-9

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

J-10 thru J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.

J-14 thru J-15

Operating Information

These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

J-16 thru J-20

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

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
UNAUDITED

	June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities										
Net Investment in Capital Assets	\$ 29,179,264	\$ 30,289,965	\$ 32,927,468	\$ 34,700,172	\$ 35,545,516	\$ 37,344,518	\$ 30,052,866	\$ 35,869,963	\$ 37,614,099	\$ 40,395,818
Restricted	834,157	1,321,280	823,422	712,513	959,590	582,028	1,607,492	4,407,940	8,219,295	10,598,552
Unrestricted/(Deficit)	(123,770)	(1,091,440)	(17,869,065)	(18,037,753)	(19,368,770)	(19,442,571)	(12,135,938)	(17,108,188)	(15,987,849)	(14,594,779)
Total Governmental Activities Net Position	\$ 29,889,651	\$ 30,519,805	\$ 15,881,825	\$ 17,374,932	\$ 17,136,336	\$ 18,483,975	\$ 19,524,420	\$ 23,169,715	\$ 29,845,545	\$ 36,399,591
Business-type Activities										
Investment in Capital Assets	\$ 92,908	\$ 78,078	\$ 89,119	\$ 78,235	\$ 61,557	\$ 77,433	\$ 59,184	\$ 46,671	\$ 67,856	\$ 115,227
Unrestricted	153,825	154,516	153,504	206,062	196,788	148,134	131,732	48,202	123,085	292,591
Total Business-type Activities Net Position	\$ 246,733	\$ 232,594	\$ 242,623	\$ 284,297	\$ 258,345	\$ 225,567	\$ 190,916	\$ 94,873	\$ 190,941	\$ 407,818
District-wide										
Net Investment in Capital Assets	\$ 29,272,172	\$ 30,368,043	\$ 33,016,587	\$ 34,778,407	\$ 35,607,073	\$ 37,421,951	\$ 30,112,050	\$ 35,916,634	\$ 37,681,955	\$ 40,511,045
Restricted	834,157	1,321,280	823,422	712,513	959,590	582,028	1,607,492	4,407,940	8,219,295	10,598,552
Unrestricted/(Deficit)	30,055	(936,924)	(17,715,561)	(17,831,691)	(19,171,982)	(19,294,437)	(12,004,206)	(17,059,986)	(15,864,764)	(14,302,188)
Total District Net Position	\$ 30,136,384	\$ 30,752,399	\$ 16,124,448	\$ 17,659,229	\$ 17,394,681	\$ 18,709,542	\$ 19,715,336	\$ 23,264,588	\$ 30,036,486	\$ 36,807,409

Source: Jefferson School District Financial Reports

JEFFERSON TOWNSHIP SCHOOL DISTRICT
CHANGE IN NET POSITION, LAST TEN FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 22,418,746	\$ 22,240,036	\$ 24,769,520	\$ 29,871,502	\$ 32,985,040	\$ 31,351,750	\$ 30,288,556	\$ 29,155,982	\$ 29,849,752	\$ 25,889,262
Special Education	5,876,726	6,173,831	6,987,773	8,109,773	9,090,484	8,540,678	8,379,283	8,902,984	8,802,185	8,276,268
Other Special Education	1,224,706	1,138,351	1,483,116	1,742,187	1,660,408	1,347,777	1,172,722	1,173,001	1,254,944	1,250,367
Other Instruction	989,404	988,435	1,127,240	1,382,045	1,459,397	1,357,989	1,380,364	1,345,961	866,935	1,015,498
Support Services:										
Tuition	3,137,916	3,400,450	3,265,227	2,633,093	2,686,644	3,366,431	3,466,834	3,591,379	2,968,115	2,444,043
Student & Instruction Related Services	9,644,373	9,641,690	11,032,073	10,027,155	10,333,513	10,314,566	12,054,255	11,046,236	8,539,808	9,958,142
General Administrative Services	2,011,524	1,280,889	1,357,670	1,259,968	1,533,903	1,524,568	1,385,345	1,345,794	1,327,333	1,406,967
School Administrative Services	2,531,619	2,615,881	2,929,060	3,813,932	4,322,382	4,201,504	4,152,097	4,275,131	3,818,280	3,338,763
Central Services	1,035,540	1,000,149	1,178,682	1,297,648	1,465,796	1,368,037	1,531,485	1,606,337	1,223,212	1,325,821
Administrative Information Technology	973,841	621,298	847,993	540,867	557,737	572,223	330,943	344,228	347,805	370,961
Plant Operations and Maintenance	5,694,585	6,517,758	6,579,930	6,050,721	7,075,728	6,709,926	7,053,846	6,717,168	5,710,129	6,721,134
Pupil Transportation	3,801,193	3,840,374	3,925,512	3,511,439	3,892,271	3,254,401	3,950,910	3,826,202	2,687,758	4,123,210
Unallocated Depreciation	379,568	379,568	379,568	469,058	469,058	469,058	470,009	470,009	470,009	470,009
Charter Schools	42,950	47,458	94,542	64,130	62,781	92,116	13,248	13,803	44,729	153,643
Interest on Long-term Debt	804,503	759,297	721,896	680,956	593,881	570,658	686,606	848,811	580,304	324,390
Capital Outlay	94,542	74,710	58,681	94,542	94,542	94,542	94,542	94,542	94,542	94,542
Total Governmental Activities Expenses	60,661,736	60,720,175	66,738,483	71,549,016	78,283,565	75,136,224	76,411,045	74,757,568	68,585,840	67,163,020

JEFFERSON TOWNSHIP SCHOOL DISTRICT
CHANGE IN NET POSITION, LAST TEN FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Business-type Activities:										
Food Service	\$ 1,278,871	\$ 1,160,071	\$ 1,136,352	\$ 1,179,383	\$ 1,251,597	\$ 1,225,160	\$ 1,203,822	\$ 956,774	\$ 722,763	\$ 1,480,760
Total Business-type Activities Expense	1,278,871	1,160,071	1,136,352	1,179,383	1,251,597	1,225,160	1,203,822	956,774	722,763	1,480,760
Total District Expenses	61,940,607	61,880,246	67,874,835	72,728,399	79,535,162	76,361,384	77,614,867	75,714,342	69,308,603	68,643,780
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition)		714,925	730,368	194,621	184,805	275,451	254,013	450,073	404,126	474,538
Student & Instruction Related Services		20,884,439	27,151,109	30,582,566	35,401,476	32,132,368	32,575,083	31,041,693	154,254	436,614
Operating Grants and Contributions	22,201,546	97,275							27,752,131	24,913,052
Capital Grants and Contributions	460,430									
Total Governmental Activities Program Revenues	22,661,976	21,696,639	27,881,477	30,777,187	35,586,281	32,407,819	32,829,096	31,491,766	28,310,511	25,824,204
Business-type Activities:										
Charges for Services:										
Food Service	872,197	842,745	845,742	895,294	876,047	850,596	849,257	602,033	36,114	167,817
Operating Grants and Contributions	269,157	302,821	300,217	319,548	348,720	339,779	316,881	257,709	782,604	1,529,477
Capital Grants and Contributions				5,794						
Total Business-type Activities Program Revenues	1,141,354	1,145,566	1,145,959	1,220,636	1,224,767	1,190,375	1,166,138	859,742	818,718	1,697,294
Total District Program Revenues	23,803,330	22,842,205	29,027,436	31,997,823	36,811,048	33,598,194	33,995,234	32,351,508	29,129,229	27,521,498
Net (Expense)/Revenue										
Governmental Activities	(37,999,760)	(39,023,536)	(38,857,006)	(40,771,829)	(42,697,284)	(42,728,405)	(43,581,949)	(43,265,802)	(40,275,329)	(41,338,816)
Business-type Activities	(137,517)	(14,505)	9,607	41,253	(26,830)	(34,785)	(37,684)	(97,032)	95,955	216,534
Total District-wide Net Expense	(38,137,277)	(39,038,041)	(38,847,399)	(40,730,576)	(42,724,114)	(42,763,190)	(43,619,633)	(43,362,834)	(40,179,374)	(41,122,282)

JEFFERSON TOWNSHIP SCHOOL DISTRICT
CHANGE IN NET POSITION, LAST TEN FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 36,579,660	\$ 37,311,253	\$ 38,389,377	\$ 39,409,587	\$ 40,197,779	\$ 41,487,430	\$ 42,317,179	\$ 43,163,523	\$ 44,287,305	\$ 45,173,051
Taxes Levied for Debt Service	1,893,515	1,943,459	1,955,274	1,855,967	1,967,331	1,862,707	1,872,257	2,379,325	2,216,116	2,186,676
Unrestricted Grants and Contributions	89,497	81,429	134,405	761,653	166,221	535,074	84,234	314,305	296,701	272,080
Investment Earnings	965	1,471	556	679	2,337	5,676	96,558	147,419	30,128	13,941
Miscellaneous Income	492,432	316,078	332,214	237,050	125,020	185,157	252,166	90,360	120,909	247,114
Total Governmental Activities	39,056,069	39,653,690	40,811,826	42,264,936	42,458,688	44,076,044	44,622,394	46,094,932	46,951,159	47,892,862
Business-type Activities:										
Miscellaneous/Investment Earnings	27,394	366	422	421	878	2,007	3,033	989	113	343
Total Business-type Activities	27,394	366	422	421	878	2,007	3,033	989	113	343
Total District-wide	39,083,463	39,654,056	40,812,248	42,265,357	42,459,566	44,078,051	44,625,427	46,095,921	46,951,272	47,893,205
Change in Net Position:										
Governmental Activities	1,056,309	630,154	1,954,820	1,493,107	(238,596)	1,347,639	1,040,445	2,829,130	6,675,830	6,554,046
Business-type Activities	(110,123)	(14,139)	10,029	41,674	(25,952)	(32,778)	(34,651)	(96,043)	96,068	216,877
Total District	\$ 946,186	\$ 616,015	\$ 1,964,849	\$ 1,534,781	\$ (264,548)	\$ 1,314,861	\$ 1,005,794	\$ 2,733,087	\$ 6,771,898	\$ 6,770,923

Source: Jefferson School District Financial Reports

JEFFERSON TOWNSHIP SCHOOL DISTRICT
 FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 UNAUDITED

	June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Restricted	\$ 512,046	\$ 1,218,693	\$ 720,834	\$ 712,511	\$ 959,588	\$ 582,026	\$ 1,497,827	\$ 3,996,043	\$ 7,896,139	\$ 8,605,386
Assigned	1,318,251	284,723	480,886	858,301	1,312,842	1,760,366	1,268,694	1,001,807	639,847	1,990,287
Unassigned									1,317,187	1,382,973
Total General Fund	\$ 1,830,297	\$ 1,503,416	\$ 1,201,720	\$ 1,570,812	\$ 2,272,430	\$ 2,342,392	\$ 2,766,521	\$ 4,997,850	\$ 9,853,173	\$ 11,978,646
All Other Governmental Funds										
Restricted	\$ 322,111	\$ 102,587	\$ 102,588	\$ 2	\$ 2	\$ 2	\$ 8,096,784	\$ 3,588,743	\$ 2,648,996	\$ 1,993,166
Unassigned/(Deficit)		(160,692)	(597,972)							
Total All Other Governmental Funds	\$ 322,111	\$ 102,587	\$ (495,384)	\$ 2	\$ 2	\$ 2	\$ 8,096,784	\$ 3,588,743	\$ 2,648,996	\$ 1,993,166

Source: Jefferson School District Financial Reports

JEFFERSON TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Tax Levy	\$ 38,473,175	\$ 39,254,712	\$ 40,344,651	\$ 41,265,554	\$ 42,165,110	\$ 43,350,137	\$ 44,189,436	\$ 45,512,848	\$ 46,503,421	\$ 47,359,727
Tuition Charges	36,908	75,753	246,096	193,942	184,805	275,451	254,013	450,073	404,126	474,538
Interest Earnings	8,442	8,702	6,607	679	2,337	5,676	6,055	147,419	30,128	13,941
Miscellaneous	448,047	233,094	80,067	237,729	125,020	185,157	342,669	90,360	307,728	683,728
State Sources	21,789,269	20,898,355	21,352,737	22,891,095	22,924,636	23,866,609	24,366,430	24,134,495	24,060,426	23,773,299
Federal Sources	962,204	879,713	964,701	946,913	895,848	1,027,079	1,109,667	1,010,897	1,443,008	2,877,566
Total Revenue	58,957,563	61,718,045	61,350,329	62,994,859	66,297,756	68,710,109	70,268,270	71,376,092	72,748,837	75,182,799
Expenditures										
Instruction										
Regular Instruction	15,618,878	15,840,961	15,807,583	16,526,811	16,425,830	17,214,473	17,172,144	16,374,273	16,181,749	17,955,220
Special Education Instruction	4,019,786	4,300,155	4,316,703	4,096,891	4,156,059	4,733,768	4,787,726	5,050,810	5,255,890	5,685,704
Other Special Instruction	830,169	791,269	914,967	920,618	771,875	680,200	627,824	630,245	644,038	733,234
Other Instruction	740,102	748,526	776,960	795,666	798,770	783,621	853,597	822,096	561,433	708,403
Support Services:										
Tuition	3,137,916	3,400,450	3,265,227	3,379,206	3,386,791	3,366,431	3,466,834	3,591,379	2,795,626	2,444,043
Student & Instruction Related Services	6,331,374	6,482,871	6,643,029	7,046,642	6,811,119	7,354,597	7,638,253	6,981,369	6,366,194	6,583,864
General Administration	1,571,723	855,718	846,799	857,398	1,074,111	1,065,091	903,671	816,543	939,463	923,858
School Administrative Services	2,130,115	2,143,474	2,214,246	2,281,092	2,319,121	2,452,091	2,433,178	2,497,249	2,269,351	2,241,988
Central Services	730,466	711,890	756,521	833,656	866,409	897,052	924,667	950,747	890,284	965,645
Administrative Information Technology	447,860	432,182	524,680	540,867	557,737	572,223	330,943	344,228	347,805	370,961
Plant Operations and Maintenance	4,836,978	5,410,850	4,980,629	5,077,553	5,793,731	5,751,061	5,457,898	4,966,225	4,842,917	5,445,965
Pupil Transportation	3,191,011	3,283,839	3,143,386	3,417,578	3,619,644	3,533,082	3,888,962	3,733,526	2,841,627	3,747,676
Employee Benefits	15,126,190	14,713,221	15,258,160	16,412,686	16,696,396	17,436,088	19,154,705	20,098,414	21,117,189	21,896,801
Charter Schools	42,950	47,458	58,681	64,130	62,781	92,116	13,248	13,803	44,729	153,643
Capital Outlay	669,711	2,474,956	2,226,107	1,192,058	1,112,543	2,179,100	2,156,453	4,964,356	1,405,922	2,372,988
Debt Service:										
Principal	1,110,000	1,160,000	1,210,000	1,250,000	1,310,000	1,225,000	1,285,000	1,670,000	1,725,000	1,965,000
Interest and Other Charges	867,381	827,106	790,156	751,806	700,331	637,707	587,256	963,706	824,044	518,163
Total Expenditures	59,948,298	61,402,610	63,624,926	63,733,834	66,463,248	69,973,701	71,682,359	74,468,969	69,053,261	74,713,156
Excess (Deficiency) of Revenues	(990,735)	315,435	(2,274,597)	(738,975)	(165,492)	(1,263,592)	(1,414,089)	(3,092,877)	3,695,576	469,643

JEFFERSON TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Other Financing Sources (Uses)							\$ 9,935,000		\$ 9,050,000	
School Bonds Issued									(8,415,000)	
School Bonds Deferred Interest									(494,510)	
School Bond Issuance Costs									(140,490)	
Transfers In		\$ 413,345	\$ 1,275,539	\$ 10,563			109,662	\$ 76,536	6,592	\$ 6,157
Transfers Out		(413,345)	(1,275,539)	(10,563)			(109,662)	(76,536)	(6,592)	(6,157)
Capital Leases (non-budgeted)		1,567,500		773,224	\$ 867,110	\$ 1,333,554			220,000	1,000,000
Total Other Financing Sources (Uses)		1,567,500	-0-	773,224	\$ 867,110	\$ 1,333,554	9,935,000	-0-	220,000	1,000,000
Net Change in Fund Balances	\$ (990,735)	\$ 1,882,935	\$ (2,274,597)	\$ 34,249	\$ 701,618	\$ 69,962	\$ 8,520,911	\$ (3,092,877)	\$ 3,915,576	\$ 1,469,643
Debt Service as a Percentage of Noncapital Expenditures	3.45%	3.49%	3.37%	3.31%	3.17%	2.83%	2.77%	3.94%	3.92%	3.55%

Source: Jefferson School District Financial Reports

JEFFERSON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Tuition</u>	<u>Interest on</u> <u>Investments</u>	<u>Other</u> <u>Miscellaneous</u>	<u>Insurance</u> <u>Refund</u>	<u>Total</u>
2013	\$ 36,908	\$ 8,442	\$ 89,756	\$ 403,641	\$ 538,747
2014	75,753	8,702	262,382		346,837
2015	246,096	6,607	80,067		332,770
2016	194,621	679	237,050		432,350
2017	191,942	2,337	125,020		319,299
2018	275,451	5,676	185,157		466,284
2019	254,013	6,055	233,007		493,075
2020	450,073	70,883	90,360		611,316
2021	404,126	22,412	122,033		548,571
2022	474,538	7,784	247,114		729,436

Source: Jefferson Township School District records

JEFFERSON TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY.
 LAST TEN YEARS
UNAUDITED

Year Ended December 31,	Vacant Land	Residential	Farm (Qualified)	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	School Tax Rate ^b	County Equalized Value
2012	\$ 66,444,900	\$ 2,387,092,500	\$ 8,076,400	\$ 177,532,200	\$ 4,957,300	\$ 22,226,600	\$ 2,666,329,900	\$ 4,716,897	\$ 2,671,046,797	1.414	\$ 2,740,178,119
2013	57,050,000	2,253,149,200	7,380,500	175,968,200	4,876,100	21,576,700	2,520,000,700	4,707,731	2,524,708,431	1.587	2,610,466,533
2014	54,056,900	2,207,950,900	7,373,000	178,885,300	5,196,100	21,724,300	2,475,186,500	4,707,731	2,479,894,231	1.607	2,566,355,757
2015	55,693,500	2,233,384,000	7,014,000	184,890,200	5,196,100	22,217,400	2,508,395,200	100	2,508,395,200	1.627	2,614,818,405
2016	54,449,200	2,285,534,600	6,787,100	186,018,900	5,205,200	22,443,700	2,560,438,700	100	2,560,438,700	1.633	2,623,759,511
2017	52,018,300	2,279,787,000	6,749,200	186,255,700	5,196,200	22,736,800	2,552,743,200	100	2,553,047,900	1.633	2,683,895,422
2018	52,760,500	2,363,980,700	7,419,300	194,130,800	5,250,100	23,995,500	2,647,536,900	100	2,647,537,000	1.654	2,675,339,196
2019	53,375,600	2,454,727,000	7,612,000	200,594,600	5,340,900	25,006,300	2,746,656,400	100	2,746,656,500	1.628	2,740,252,289
2020	55,989,800	2,526,909,600	7,561,900	201,967,400	5,470,800	25,466,800	2,823,366,300	100	2,823,366,400	1.641	2,771,996,732
2021	56,398,700	2,536,552,300	6,855,000	204,096,600	5,541,900	25,821,600	2,835,266,100	100	2,835,266,200	1.659	2,800,655,493

Source: Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100 of assessed valuation.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
UNAUDITED
(rate per \$100 of assessed value)

Year Ended December 31,	Jefferson School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation		Jefferson Township	Morris County	
		Debt ^b	Total Direct			
2012	\$ 1.344	\$ 0.070	\$ 1.414	\$ 0.669	\$ 0.252	\$ 2.335
2013	1.508	0.079	1.587	0.698	0.257	2.542
2014	1.529	0.078	1.607	0.773	0.264	2.644
2015	1.554	0.073	1.627	0.785	0.262	2.674
2016	1.557	0.076	1.633	0.794	0.262	2.689
2017	1.563	0.070	1.633	0.808	0.273	2.714
2018	1.584	0.070	1.654	0.788	0.263	2.705
2019	1.543	0.085	1.628	0.776	0.261	2.665
2020	1.563	0.078	1.641	0.765	0.255	2.661
2021	1.583	0.077	1.659	0.741	0.257	2.657

Source: Municipal Tax Collector and School Business Administrator

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

JEFFERSON TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

	2021		2012	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value
City of Newark	\$ 20,894,600	0.74%	Newark Watershed Conserv. & Devel. Corp.	\$ 18,145,700
Ridge Plaza LLC	19,385,900	0.68%	Kite New Jersey, LLC	16,000,000
757 Route 15 Realty	7,806,900	0.28%	Sebastian/Parsippany, LP	7,317,300
Seneca Gardens LLC	7,540,100	0.27%	Gelormino Associates	7,184,800
Gelormino Associates	7,513,700	0.27%	Seneca Gardens LLC	6,714,900
Fifteen South Plaza	6,922,200	0.24%	Fifteen South Plaza	5,692,400
Leifken Brothers Marinas LLC	6,792,200	0.24%	Bowling Green Golf Club, Inc.	4,707,731
RLM Development Corp	4,012,100	0.14%	Verizon - NJ Property Tax Dept	4,322,100
Seretis Properties LLC	3,732,800	0.13%	Individual Taxpayer #1	3,488,900
Good Kids Holdings LLC	3,669,800	0.13%	Individual Taxpayer #2	3,227,500
Total	88,270,300	3.11%	Total	76,801,331
				2.75%

Source: Municipal Tax Assessor

JEFFERSON TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2013	\$ 38,473,175	\$ 38,473,175	100.00%	-0-
2014	39,254,712	39,254,712	100.00%	-0-
2015	40,344,651	40,344,651	100.00%	-0-
2016	41,265,554	41,265,554	100.00%	-0-
2017	42,165,110	42,165,110	100.00%	-0-
2018	43,350,137	43,350,137	100.00%	-0-
2019	44,189,436	44,189,436	100.00%	-0-
2020	45,542,848	45,542,848	100.00%	-0-
2021	46,503,421	46,503,421	100.00%	-0-
2021	47,359,727	47,359,727	100.00%	-0-

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

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

JEFFERSON TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	<u>Governmental Activities</u>			Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Financed Purchases				
2013	\$ 21,585,000	\$ 184,273		\$ 21,769,273	1.26%	\$ 1,018.59
2014	20,425,000	2,218,145		22,643,145	1.26%	1,063.56
2015	19,215,000	1,635,457		20,850,457	1.11%	981.43
2016	17,965,000	1,796,467		19,761,467	1.02%	933.02
2017	16,655,000	1,848,841		18,503,841	0.94%	877.04
2018	15,430,000	2,367,969		17,797,969	0.87%	849.79
2019	24,080,000	1,617,960		25,697,960	1.25%	1,241.27
2020	22,410,000	887,105		23,297,105	1.11%	1,130.32
2021	21,320,000	502,911		21,822,911	1.04%	1,064.79
2022	19,355,000	1,109,582		20,464,582	0.98%	998.52

Source: Jefferson School District Financial Reports

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

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

JEFFERSON TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
2013	\$ 21,585,000		\$ 21,585,000	0.81%	\$ 1,009.97
2014	20,425,000		20,425,000	0.81%	959.37
2015	19,215,000		19,215,000	0.77%	904.45
2016	17,965,000		17,965,000	0.72%	848.21
2017	16,655,000		16,655,000	0.65%	789.41
2018	15,430,000		15,430,000	0.60%	736.73
2019	24,080,000		24,080,000	0.91%	1,163.12
2020	22,410,000		22,410,000	0.82%	1,087.28
2021	21,320,000		21,320,000	0.76%	1,040.25
2022	19,355,000		19,355,000	0.68%	944.38

Source: Jefferson School District Financial Reports

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

a See Exhibit J-6 for property tax data.

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

JEFFERSON TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2021
UNAUDITED

<u>Governmental Unit</u>	<u>Debt</u> <u>Outstanding</u>	<u>Estimated</u> <u>Percentage</u> <u>Applicable ^a</u>	<u>Estimated</u> <u>Share of</u> <u>Overlapping</u> <u>Debt</u>
Debt repaid with property taxes			
Jefferson Township	\$ 19,494,799	100.00%	\$ 19,494,799
Morris County General Obligation Debt	235,030,042	2.84%	<u>6,674,833</u>
Subtotal, overlapping debt			26,169,632
Jefferson Township School District Direct Debt			<u>19,355,000</u>
Total direct and overlapping debt			<u><u>\$ 45,524,632</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Morris County Board of Taxation; debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Jefferson Township. This process recognizes that, when considering the District's ability to issue and repay long-term, 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 unit.

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

JEFFERSON TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2022

Equalized valuation basis	
2021	\$ 2,899,341,548
2020	2,786,583,399
2019	2,763,791,910
	\$ 8,449,716,857
	\$ 2,816,572,286
	\$ 112,662,891
	19,355,000
	\$ 93,307,891

Average equalized valuation of taxable property

Debt limit (4% of average equalization value)
 Net bonded school debt
 Legal debt margin

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	\$ 113,993,321	\$ 109,130,287	\$ 105,620,837	\$ 104,392,629	\$ 105,298,880	\$ 106,015,195	\$ 107,241,833	\$ 108,444,819	\$ 110,095,886	\$ 112,662,891
Total net debt applicable to limit	21,585,000	20,425,000	19,215,000	17,965,000	16,655,000	15,430,000	24,080,000	22,410,000	21,320,000	19,355,000
Legal debt margin	\$ 97,072,712	\$ 92,408,321	\$ 88,705,287	\$ 86,405,837	\$ 86,427,629	\$ 88,643,880	\$ 83,161,833	\$ 86,034,819	\$ 88,775,886	\$ 93,307,891
Total net debt applicable to the limit as a percentage of debt limit	18.95%	18.94%	18.72%	18.19%	17.21%	15.82%	22.45%	20.66%	19.36%	17.18%

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

a Limit set by N.J.S.A. 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts

JEFFERSON TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Year	Township Population ^a	Township Personal Income ^b	Morris County Per Capita Personal Income ^c	Unemployment Rate ^d
2013	\$ 21,372	\$ 1,727,178,180	\$ 80,815	7.50%
2014	21,290	1,794,278,620	84,278	7.50%
2015	21,245	1,876,677,075	88,335	5.90%
2016	21,180	1,930,514,640	91,148	5.40%
2017	21,098	1,975,469,034	93,633	4.50%
2018	20,944	2,048,721,136	97,819	4.10%
2019	20,703	2,052,495,420	99,140	3.60%
2020	20,611	2,107,000,697	102,227	9.50% ~
2021	20,495	2,095,142,365	102,227 *	9.50% ~
2022	20,495 **	2,095,142,365 ***	102,227 *	9.50% ~

* - Latest Morris County per capita personal income available (2020) was used for calculation purposes.

** - Latest population data available (2021) was used for calculation purposes.

*** - Latest per capita personal income available (2020) and latest population data available (2021) was used for calculation purposes.

~ - Latest unemployment rate (2020) available was used for calculation purposes.

N/A - Information Unavailable

Source:

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

^b Personal Income has been estimated based upon the municipal population and per capita personal income presented

^c Per Capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

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

JEFFERSON TOWNSHIP SCHOOL DISTRICT
 PRINCIPAL EMPLOYERS - COUNTY OF MORRIS
 CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

	2021		2012		Percentage of Total Employment
	Employer	Employees	Employer	Employees	
Atlantic Health System					
Picatinny Arsenal		7,642	Novartis	6,200	2.42%
Novartis		6,000	Picatinny Arsenal	5,841	2.28%
Bayer		5,200	Atlantic Health System	5,576	2.18%
Barclays		3,483	ADP	1,947	0.76%
ADP		2,560	County of Morris	1,838	0.72%
Accenture		2,400	Saint Clare's Health System	1,662	0.65%
Honeywell		1,826	Wyndham Worldwide Corporation	1,546	0.60%
St. Clare's Health System		1,704	BASF Corporation	1,500	0.59%
County of Morris		1,638	Accenture	1,498	0.59%
		1,469	Chilton Memorial	1,440	0.56%
Total		33,922	Total	29,048	11.35%
Total County Labor Force		232,958		255,907	

Source: Morris County Treasurer's Office.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM,
LAST TEN FISCAL YEARS
UNAUDITED

<u>Function/Program</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Instruction										
Regular	208.4	222.3	214.0	208.4	197.0	198.6	202.6	183.7	178.5	167.4
Special education	41.5	62.1	64.5	71.3	97.9	60.5	61.0	61.2	58.7	60.6
Other special education	63.4	66.0	67.0	83.6	50.7	66.2	72.8	72.1	72.8	73.6
Support Services:										
Student & instruction related services	95.9	70.1	31.5	39.0	47.8	66.9	74.8	67.1	64.3	64.5
School administrative services	23.3	23.5	23.5	24.5	24.9	24.4	25.0	24.5	21.0	21.2
General and business administrative services	4.5	4.1	20.2	20.2	20.2	22.2	16.6	17.5	17.0	17.0
Plant operations and maintenance	42.8	43.9	37.6	42.4	44.1	45.7	46.0	44.9	46.9	41.9
Pupil transportation	18.8	19.5	39.6	20.4	20.5	21.9	27.3	22.0	21.3	34.1
Other support services	15.0	15.0	44.0	509.6	503.1	507.3	527.1	493.0	480.4	480.8
Total	<u>513.6</u>	<u>526.5</u>	<u>541.9</u>	<u>509.6</u>	<u>503.1</u>	<u>507.3</u>	<u>527.1</u>	<u>493.0</u>	<u>480.4</u>	<u>480.8</u>

Source: District Personnel Records

JEFFERSON TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Pupil/Teacher Ratio											
	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^d	Percentage Change	Teaching Staff	Elementary	Middle School	High School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
2013	3,446	\$ 58,755,518	\$ 17,050	4.35%	249	1:17	1:11	1:12	3,339.9	3,179.7	-3.55%	95.20%
2014	3,352	59,162,864	17,650	3.52%	284	1:19	1:13	1:13	3,285.4	3,145.6	-1.63%	95.74%
2015	3,245	59,507,571	18,338	3.90%	279	1:15	1:10	1:10	3,208.8	3,062.5	-2.33%	95.44%
2016	3,158	62,250,794	19,712	7.49%	267	1:13	1:11	1:11	3,073.7	2,940.8	-4.21%	95.68%
2017	3,126	63,340,374	20,262	2.79%	277	1:13	1:11	1:11	3,007.0	2,876.0	-2.17%	95.64%
2018	2,987	67,140,915	22,478	10.93%	271	1:12	1:11	1:10	2,992.1	2,858.0	-0.50%	95.52%
2019	2,928	67,653,640	23,106	2.79%	263	1:12	1:11	1:10	2,826.7	2,694.4	-5.53%	95.32%
2020	2,624	66,870,907	25,484	10.29%	245	1:12	1:10	1:10	2,568.0	2,539.2	-9.15%	98.88%
2021	2,655	65,098,295	24,519	-3.79%	237	1:12	1:11	1:10	2,537.7	2,458.5	-1.18%	96.88%
2022	2,851	66,540,621	23,339	-4.81%	241	1:11	1:10	1:12	2,501.6	2,363.5	-1.42%	94.48%

Sources: Jefferson Township School District records

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).
- d Cost per pupil is the sum of operating expenditures divided by enrollment. This cost per pupil may be different from the State's cost per pupil calculations.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

District Building	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Ellen T. Briggs School (1955)										
Square Feet	33,828	33,828	33,828	33,828	33,828	33,828	33,828	33,828	33,828	33,828
Capacity (students)	270.62	270.62	270.62	270.62	270.62	270.62	270.62	270.62	270.62	270.62
Enrollment	393	328	313	288	288	288	282	221	224	190
Cozy Lake School (1962)										
Square Feet	35,776	35,776	35,776	35,776	35,776	35,776	35,776	35,776	35,776	35,776
Capacity (students)	286.21	286.21	286.21	286.21	286.21	286.21	286.21	286.21	286.21	286.21
Enrollment	247	241	234	206	206	206	173	165	163	217
Milton School (1950)										
Square Feet	22,052	22,052	22,052	22,052	22,052	22,052	22,052	22,052	22,052	22,052
Capacity (students)	176.42	176.42	176.42	176.42	176.42	176.42	176.42	176.42	176.42	176.42
Enrollment	138	148	157	159	159	159	166	136	135	-
Stanlick School (1962)										
Square Feet	65,304	65,304	65,304	65,304	65,304	65,304	65,304	65,304	65,304	65,304
Capacity (students)	453.60	453.60	453.60	453.60	453.60	453.60	453.60	453.60	453.60	453.60
Enrollment	382	381	368	345	345	345	281	270	272	326
White Rock School (1969)										
Square Feet	65,684	65,684	65,684	65,684	65,684	65,684	65,684	65,684	65,684	65,684
Capacity (students)	424.80	424.80	424.80	424.80	424.80	424.80	424.80	424.80	424.80	424.80
Enrollment	425	380	382	388	388	388	326	270	269	365
Middle School (1969)										
Square Feet	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000
Capacity (students)	653.40	653.40	653.40	653.40	653.40	653.40	653.40	653.40	653.40	653.40
Enrollment	810	813	788	765	765	765	729	631	630	562
High School (1962)										
Square Feet	235,851	235,851	235,851	235,851	235,851	235,851	235,851	235,851	235,851	235,851
Capacity (students)	1,264.80	1,264.80	1,264.80	1,264.80	1,264.80	1,264.80	1,264.80	1,264.80	1,561.93	1,561.93
Enrollment	1,069	1,004	1,003	1,007	1,007	1,007	973	951	962	921
Other										
Administration Building										
Square Feet	12,144	12,144	12,144	12,144	12,144	12,144	12,144	12,144	12,144	12,144
Transportation										
Square Feet	400	400	400	400	400	400	400	400	400	400
Maintenance Offices										
Square Feet	2,500	2,500	2,500	2,500	2,500	2,500	2,500	3,200	3,200	3,200

Number of Schools at June 30, 2022

Elementary = 5

Middle School = 1

High School = 1

Note - The Drummond School was decommissioned as a school in 2011. The school was renovated as Board of Education offices.

Source: Jefferson Township School District Facilities Office

Note: Year of original construction is shown in parentheses.

Enrollment is based on the annual October district count.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
 LAST TEN FISCAL YEARS
UNAUDITED

School Facilities	Projects #	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Jefferson Township High School	N/A	\$ 388,707	\$ 486,669	\$ 507,645	\$ 827,769	\$ 1,012,177	\$ 799,085	\$ 520,435	\$ 540,872	\$ 8,569,976	\$ 8,577,292
Arthur Stanlick School	N/A	78,819	79,592	83,023	172,213	210,578	181,176	186,294	172,086	177,137	189,198
Drummond School	N/A	175,727	132,462	138,171	99,518	121,688	329,647	170,882	126,002	74,029	67,509
Cozy Lake School	N/A	39,084	92,406	96,389	85,059	104,008	83,363	58,008	66,268	72,794	102,366
Ellen T. Briggs School	N/A	99,035	177,719	185,379	205,606	251,410	151,398	234,351	131,058	144,555	149,838
Jefferson Township Middle School	N/A	67,053	29,867	31,154	158,932	194,338	51,495	69,156	46,988	65,776	70,521
Milton School	N/A	164,938	215,825	225,127	175,864	215,043	151,294	118,316	135,303	142,111	140,458
White Rock School	N/A										
		<u>\$ 1,013,363</u>	<u>\$ 1,214,540</u>	<u>\$ 1,266,888</u>	<u>\$ 1,724,961</u>	<u>\$ 2,109,242</u>	<u>\$ 1,747,458</u>	<u>\$ 1,357,442</u>	<u>\$ 1,218,577</u>	<u>\$ 1,246,378</u>	<u>\$ 1,297,182</u>

Note - The Drummond School was decommissioned as a school in 2011. The school was renovated as Board of Education offices.

Source: Jefferson Township School District records

JEFFERSON TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2022
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
School Alliance Insurance Fund:		
Property - Blanket Building and Contents Including		
Boiler and Building Personal Property	\$ 500,000,000	\$ 2,500
Inland Marine - Auto Physical Damage		1,000
School Alliance Insurance Fund:		
General Liability		
Each Occurrence	5,000,000	
General Aggregate	Agreed upon membership	
Prod/Completed Operating		
Personal Injury		
Fire Damage	2,500,000	
Medical Expense Limit (Excluding students)	10,000	
Automobile Coverage	5,000,000	occurrence
Combined Single Limit		
Hired/Non Owned		
Environmental Impairment Liability		
Excludes mold/fungi/fungus/legionnala	Fund Aggregate	10,000
	1,000,000/25,000,000	
Crime Coverage	Inside/Outside	1,000
Blanked Dishonesty Bond	50,000	
	500,000	
Boiler and Machinery	10,000,000,000	2,500
Excess Liability (AL/GL)	5,000,000	
School Board Legal	5,000,000	15,000
Worker's Compensation - NJPIP	Statutory	
Employer's Liability	5,000,000	
Supplemental Indemnity	Statutory	
Bond for School Business Administrator	Selective Insurance	300,000
Bond for Treasurer of School Monies	Selective Insurance	300,000
Student Accident	6,000,000	All students & activities

Source: Jefferson Township School District Records.

SINGLE AUDIT SECTION

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 Auditors' Report

The Honorable President and Members
of the Board of Education
Jefferson Township School District
Lake Hopatcong, New Jersey

We have audited, in accordance with the 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 prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), 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 Jefferson Township School District, in the County of Morris (the "District") as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 31, 2022. That report included a qualified opinion on the financial statements as the District's note disclosure on postemployment benefits other than pensions (OPEB) contains the June 30, 2020 information and not the June 30, 2021 information as the report for Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the State of New Jersey State Health Benefits Local Education Retired Employees Plan ("SHBP") has not been released by the Division of Pensions and Benefits, Department of the Treasury, State of New Jersey, as of the date of this report. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America.

Report on Internal Control Over Financial Reporting

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

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

The Honorable President and Members
of the Board of Education
Jefferson Township School District
Page 2

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

Report on Compliance and Other Matters

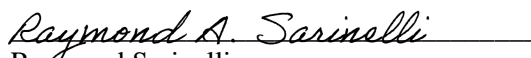
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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*.

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 result of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

October 31, 2022
Mount Arlington, New Jersey

NISIVOCCIA LLP


Raymond Sarinelli
Licensed Public School Accountant #2549
Certified Public Accountant



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 Newton, NJ
 Bridgewater, NJ
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 Independent Member
 BKR International

Report on Compliance For Each Major Federal and State Program;
 Report on Internal Control Over Compliance Required by the Uniform Guidance and NJOMB 15-08

Independent Auditors' Report

The Honorable President and Members
 of the Board of Education
 Jefferson Township School District
 Lake Hopatcong, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Jefferson Township School District's (the District'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 District's major federal and state programs for the fiscal year ended June 30, 2022. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

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

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Our responsibilities under those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 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 District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

The Honorable President and Members
of the Board of Education
Jefferson Township School District
Page 2

Responsibilities of Management for Compliance

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

Auditors' 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 District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08, we

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

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

Report on Internal Control Over Compliance

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

The Honorable President and Members
of the Board of Education
Jefferson Township School District
Page 3

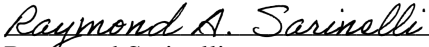
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant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

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

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

October 31, 2022
Mount Arlington, New Jersey

NISIVOCCIA LLP


Raymond Sarinelli
Licensed Public School Accountant #2549
Certified Public Accountant

JEFFERSON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass Through Grantor/Program Title/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance Unencumbered (Accounts Receivable) 6/30/2021	Cash Received	Budgetary Expenditures	Balance 6/30/2022 Accounts Receivable	Amount Paid to Subrecipients
U.S. Department of Agriculture Passed-through State Department of Agriculture: Child Nutrition Cluster: Federal Food Distribution Program Total Food Distribution Program	10.555 10.555	N/A N/A	7/1/21-6-30-22 7/1/20-6-30-21	\$ 107,442 51,451	\$ 577 577	\$ 107,442 107,442	\$ (107,442) (108,019)		
COVID 19 - Seamless Summer Option - School Breakfast COVID 19 - Seamless Summer Option - School Breakfast COVID 19 - Seamless Summer Option - Lunch COVID 19 - Seamless Summer Option - Lunch COVID-19 Emergency Operational Costs Reimbursement Program Total Child Nutrition Cluster COVID-19 Pandemic P-EBT Administrative Costs	10.555 10.555 10.555 10.555 10.555	N/A N/A N/A N/A N/A	7/1/21-6-30-22 7/1/20-6-30-21 7/1/21-6-30-22 7/1/20-6-30-21 7/1/21-6-30-22	169,814 238,523 1,088,612 474,575 14,023	(21,937) (120,547) (14,023) (142,484)	145,669 21,937 1,088,612 120,547 14,023	(169,814) (12,086,612) (14,023) (1,392,449)	\$ (24,145) (119,620)	
Total U.S. Department of Agriculture	10.649	N/A	7/1/21-6-30-22	614	(614)	614	(614)	(143,765)	
Passed-through State Department of Education: General Fund: U.S. Department of Health and Human Services: Medicaid Cluster: Medicaid Reimbursement	93.778	N/A	7/1/21-6-30-22	52,130		52,130	(52,130)		
Total General Fund				52,130		52,130	(52,130)		
Special Revenue Fund: U.S. Department of Education: Passed-through State Department of Education: Elementary and Secondary Education Act Consolidated Grant: Title I Title I Total Title I Title IIA Title IIA Total Title IIA Title IV Title IV Total Title IV	84.010 84.010 84.367 84.367 84.424 84.424	ESEA52022 ESEA52021 ESEA52022 ESEA52021 ESEA52022 ESEA52021	7/1/21-9-30-22 7/1/20-9-30-21 7/1/21-9-30-22 7/1/20-9-30-21 7/1/21-9-30-22 7/1/20-9-30-21	126,327 306,263 62,311 62,354 27,773 17,694	(51,480) (51,480) (7,401) (7,401) (8,154) (8,154)	126,076 51,480 7,401 64,720 15,811 8,154	(126,076) (126,076) (62,311) (62,311) (27,773) (27,773)	(4,992) (4,992) (11,962) (11,962)	
Total Title IV				23,965		23,965	(23,965)	(11,962)	
Special Education Cluster: IDEA, Part B, Basic IDEA, Part B, Preschool IDEA, Part B, Preschool COVID-19 IDEA, Part B, Basic - ARP COVID-19 IDEA, Part B, Preschool - ARP Total Special Education Cluster	84.027 84.173 84.173 84.027X 84.173X	FF-5520-22 FF-5520-22 FF-5520-21 FF-5520-22 FF-5520-22	7/1/21-9-30-22 7/1/21-9-30-22 7/1/20-9-30-21 7/1/21-9-30-22 7/1/21-9-30-22	633,579 28,201 30,951 114,442 9,761	(5,596)	633,579 28,201 5,996 108,141 8,119	(633,579) (33,904) (11,442) (114,442) (97,601)	(5,703) (6,301) (1,642) (13,646)	
Education Stabilization Fund COVID-19 CARES - Emergency Relief Fund COVID-19 CARES ESSER II COVID-19 CARES Learning Acceleration COVID-19 CARES Mental Health COVID-19 CARES ARP COVID-19 ESSER III ARP COVID-19 ESSER III Learning - ARP COVID-19 Basic Skills School IP - ARP COVID-19 Mental Health - ARP Total Education Stabilization Fund	84.425D 84.425D 84.425D 84.425D 84.425U 84.425U 84.425U 84.425U	N/A N/A N/A N/A N/A N/A N/A	3/13/20-9-30/23 3/13/20-9-30/23 3/13/20-9-30/23 3/13/20-9-30/23 3/13/20-9-30/23 3/13/20-9-30/23 3/13/20-9-30/23	200,040 828,849 23,191 1,662,788 210,613 40,000 45,000	(8,311) (595,528)	8,897 730,232 10,000 19,116 19,295 27,692 4,167 12,300	(2,002) (236,474) (100,000) (6,131) (852,543) (16,443) (2,380) (23,175) (1,189,904)	(1,716) (937,70)	
Total Education Stabilization Fund				1,004,997	(601,839)	1,004,997	(1,189,904)	(786,746)	
U.S. Department of Treasury Passed-through State Department of Education: COVID-19 Additional or Compensatory Special Education and Related Services Total U.S. Department of Treasury	21.027	N/A	7/1/21-6-30-22	353,823		353,823	(353,823)		
Total Special Revenue Fund				2,408,697	(674,470)	2,408,697	(2,551,573)	(817,346)	
Total Federal Awards				\$ 3,960,051	\$ (816,377)	\$ 3,960,051	\$ (4,104,785)	\$ (961,111)	\$ -

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

N/A: Not Available/Applicable

JEFFERSON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Budgetary Balance (Accounts Receivable) 6/30/2021	Cash Received	Budgetary Expenditures	Balance GAAP (Accounts Receivable) 6/30/2022	Memo	
								Budgetary Receivable	Cumulative Total Expenditures
General Fund									
NJ Department of Education:									
Equalization Aid	22-495-034-5120-078	7/1/21-6/30/22	\$ 6,194,985	\$ (881,738)	\$ 5,591,374	\$ (6,194,985)	\$ (603,611)	\$ 6,194,985	
Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	636,026	(62,406)	574,055	(636,026)	(61,971)	636,026	
Special Education Aid	22-495-034-5120-089	7/1/21-6/30/22	2,137,733	(209,750)	1,929,442	(2,137,733)	(208,291)	2,137,733	
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	303,337	(29,763)	273,781	(303,337)	(29,556)	303,337	
Non-Public Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	64,285	(54,761)	273,781	(64,285)	(518,835)	64,285	
Extraordinary Aid	22-495-034-5120-014	7/1/21-6/30/22	518,835	(725,804)	518,835	(518,835)	(68,303)	518,835	
Securing Our Childrens Future Bond Act	N/A	7/1/21-6/30/22	68,303			(68,303)		68,303	
Reimbursed TPAF Social Security									
Contributions	22-495-034-5095-003	7/1/21-6/30/22	1,784,904		1,694,073	(1,784,904)	(90,831)	1,784,904	
Equalization Aid	21-495-034-5120-078	7/1/20-6/30/21	8,986,509	\$ (881,738)	881,738			8,986,509	
Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	636,026	(62,406)	62,406			636,026	
Special Education Aid	21-495-034-5120-089	7/1/20-6/30/21	2,137,733	(209,750)	209,750			2,137,733	
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	303,337	(29,763)	29,763			303,337	
Non-Public Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	54,761	(54,761)	54,761			54,761	
Extraordinary Aid	21-495-034-5120-044	7/1/20-6/30/21	725,804	(725,804)	725,804			725,804	
Family Crisis Transportation	N/A	7/1/20-6/30/21	4,980	(4,980)	4,980			4,980	
On-Behalf TPAF Post Retirement Contribution	22-495-034-5094-001	7/1/21-6/30/22	2,176,589		2,176,589	(2,176,589)		2,176,589	
On-Behalf TPAF Pension Contribution	22-495-034-5094-002	7/1/21-6/30/22	9,186,370		9,186,370	(9,186,370)		9,186,370	
On-Behalf TPAF Non-Contributory Insurance	22-495-034-5094-004	7/1/21-6/30/22	129,607		129,607	(129,607)		129,607	
On-Behalf TPAF Long-Term Disability Insurance	22-495-034-5094-004	7/1/21-6/30/22	3,150		3,150	(3,150)		3,150	
Total General Fund State Aid				(1,969,202)	23,527,643	(23,204,124)	(742,254)	36,053,274	
Debt Service Aid Type II	22-100-034-5120-124	7/1/21-6/30/22	219,950		219,950	(219,950)		219,950	
Total Debt Service Aid					219,950	(219,950)		219,950	
Total NJ Department of Education				(1,969,202)	23,747,593	(23,424,074)	(742,254)	36,273,224	
Special Revenue:									
Emergent and Capital Needs	N/A	7/1/21-6/30/22	68,997		68,997	(68,997)		68,997	
Total Special Revenue					68,997	(68,997)		68,997	
Total NJ Department of Education				(1,969,202)	23,816,590	(23,493,071)	(742,254)	36,342,221	
New Jersey Department of Agriculture:									
Food Service Fund:									
COVID 19 - Seamless Summer Option	21-100-010-3350-023	7/1/21-6/30/22	28,395		25,642	(28,395)	(2,753)	28,395	
COVID 19 - Seamless Summer Option	21-100-010-3350-023	7/1/20-6/30/21	21,840	(3,620)	3,620			21,840	
Total NJ Department of Agriculture				(3,620)	29,262	(28,395)	(2,753)	50,235	
Total State Awards Subject to Single Audit Determination				(1,972,822)	23,776,855	(23,521,466)	(745,007)	36,323,459	
Less: State Awards Not Subject to Single Audit Major Program Determination									
On-Behalf TPAF Pension System Contributions:									
On-Behalf TPAF Post Retirement Contributions	22-495-034-5094-001	7/1/21-6/30/22	(2,176,589)						
On-Behalf TPAF Pension Contributions	22-495-034-5094-002	7/1/21-6/30/22	(9,186,370)						
On-Behalf TPAF Non-Contributory Insurance	22-495-034-5094-004	7/1/21-6/30/22	(129,607)						
On-Behalf TPAF Long-Term Disability Insurance	22-495-034-5094-004	7/1/21-6/30/22	(3,150)						
Subtotal - On-Behalf TPAF Pension System Contributions									
Total State Awards Subject to Single Audit Major Program Determination									
N/A - Not Available									

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Jefferson Township School District Board of Education under programs of the federal and state governments for the fiscal year ended June 30, 2022. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented on the accrual basis of accounting. These bases of accounting are described in Note 1 to the District's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last two state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last two 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 revenue, whereas the GAAP basis does not. Grant revenue in the capital projects fund is recognized on the budgetary basis in the year of award while on a GAAP basis revenue is recognized based on grant expenditures and when reimbursement requests are submitted.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$280,228 for the general fund and \$273,863. See Note 1D 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 revenue are reported on the Board's basic financial statements on a GAAP basis as presented on the following page:

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 52,130	\$23,484,352	\$23,536,482
Special Revenue Fund	2,825,436	68,997	2,894,433
Debt Service Fund		219,950	219,950
Enterprise Fund - Food Service	<u>1,501,082</u>	<u>28,395</u>	<u>1,529,477</u>
Total Awards	<u>\$ 4,378,648</u>	<u>\$23,801,694</u>	<u>\$28,180,342</u>

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. OTHER

Revenue and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2022.

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

Summary of Auditors' Results:

- The Independent Auditors' Report expresses a qualified opinion on the financial statements as the District's note disclosure on postemployment benefits other than pensions (OPEB) contains the June 30, 2020 information and not the June 30, 2021 information as the report for Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the State of New Jersey State Health Benefits Local Education Retired Employees Plan ("SHBP") has not been released by the Division of Pensions and Benefits, Department of the Treasury, State of New Jersey, as of the date of this report. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' 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*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major federal and state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance Required by the Uniform Guidance and NJ OMB 15-08*.
- The auditor's report on compliance for the major federal and state programs for the District expresses an unmodified opinion on all major federal and state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's programs tested as major federal and state programs for the current fiscal year consisted of the following awards:

	<u>State Grant Number/ Assist. Listing Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>State:</u>				
Equalization Aid	22-495-034-5120-078	7/1/21-6/30/22	\$ 6,194,985	\$ 6,194,985
Special Education Aid	22-495-034-5120-089	7/1/21-6/30/22	2,137,733	2,137,733
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	303,337	303,337
<u>Federal:</u>				
Child Nutrition Cluster:				
Federal Food Distribution Program	10.555	7/1/20-6/30/21	51,451	577
Federal Food Distribution Program	10.555	7/1/21-6/30/22	107,442	107,442
COVID-19 Emergency Operational Cost Reimbursement Program	10.555	7/1/21-6/30/22	14,023	14,023
School Breakfast:				
COVID-19 Seamless Summer Option	10.553	7/1/21-6/30/22	169,814	169,814
Lunch:				
COVID-19 Seamless Summer Option	10.555	7/1/21-6/30/22	1,208,612	1,208,612

JEFFERSON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

Summary of Auditors' Results (Cont'd):

	<u>State Grant Number/ Assist. Listing Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>Education Stabilization Fund</u>				
COVID-19 CARES - Emerg. Relief Fund	84.425D	3/13/20-9/30/23	200,040	2,002
COVID-19 CRRSA ESSER II	84.425D	3/13/20-9/30/23	828,849	236,474
COVID-19 CRRSA Learning Acceleratio	84.425D	3/13/20-9/30/23	53,191	10,700
COVID-19 CRRSA Mental Health	84.425D	3/13/20-9/30/23	45,000	20,131
COVID-19 ESSER III - ARP	84.425U	3/13/20-9/30/23	1,862,785	852,543
COVID-19 Accelerated Learning - ARP	84.425U	3/13/20-9/30/23	210,613	28,431
COVID-19 Beyond the School Day-ARP	84.425U	3/13/20-9/30/22	40,000	16,448
COVID-19 Mental Health - ARP	84.425U	3/13/20-9/30/23	45,000	23,175

- The threshold used for distinguishing between Type A and Type B programs was \$750,000 for federal and state grants.
- The District was determined to be a "low-risk" auditee for both federal and state programs.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

Findings and Questioned Costs for Federal Awards:

- The audit did not disclose any findings or questioned costs for federal awards as defined in 2 CFR 200.516(a) of the Uniform Guidance.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in 2 CFR 200.516(a) of the Uniform Guidance and New Jersey's OMB Circular 15-08.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Status of Prior Year Findings:

The District had no prior year audit findings.