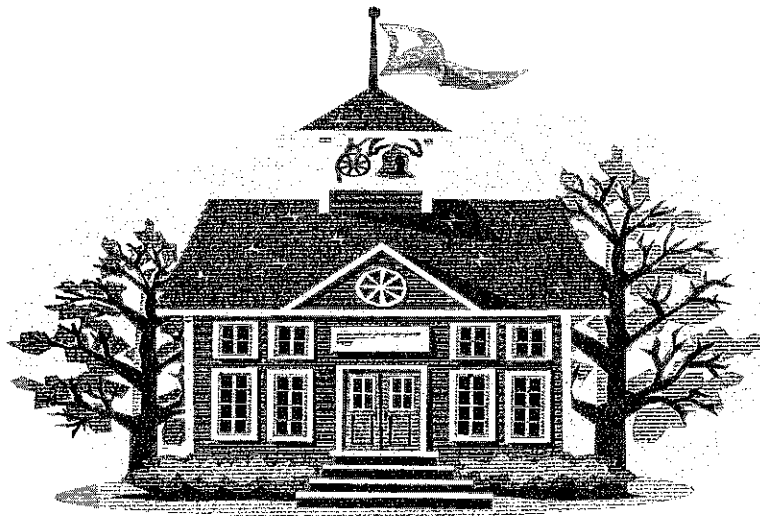


**SCHOOL DISTRICT**

**OF**

**KENILWORTH**



**KENILWORTH BOARD OF EDUCATION  
KENILWORTH, NEW JERSEY**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**OF THE**

**KENILWORTH BOARD OF EDUCATION**

**KENILWORTH, NEW JERSEY**

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

**PREPARED BY**

**KENILWORTH BOARD OF EDUCATION  
FINANCE DEPARTMENT**

# KENILWORTH SCHOOL DISTRICT

## TABLE OF CONTENTS

	<u>Page</u>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal	1 to 10.
Roster of Officials	11.
Consultants and Advisors	12.
Organizational Chart	13.
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report	14 to 16a.
<b>Required Supplementary Information – Part I</b>	
Management's Discussion and Analysis	17 to 23.
<b><u>Basic Financial Statements</u></b>	
A. District-wide Financial Statements:	
A-1 Statement of Net Position	24.
A-2 Statement of Activities	25 & 26.
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	27.
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	28 & 29.
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	30.
Proprietary Funds:	
B-4 Statement of Net Position	31.
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	32.
B-6 Statement of Cash Flows	33.
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	N/A
B-8 Statement of Changes in Fiduciary Net Position	N/A
Notes to Financial Statements	34 to 66.

# KENILWORTH SCHOOL DISTRICT

## TABLE OF CONTENTS

	<u>Page</u>
<b>Required Supplementary Information – Part II</b>	
C. Budgetary Comparison Schedules:	
C-1 Budgetary Comparison Schedule – General Fund	67 to 78.
C-1b Budgetary Comparison Schedule – General Fund – Education Jobs Fund	N/A
C-2 Budgetary Comparison Schedule – Special Revenue Fund	79 & 80.
Notes to the Required Supplementary Information	
C-3 Budget to GAAP Reconciliation	81.
<b>Required Supplementary Information – Part III</b>	
L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L-1 Schedule of the District’s Proportionate Share of the Net Pension Liability – PERS	82.
L-2 Schedule of District Contributions – PERS	83.
L-3 Schedule of the District’s Proportionate Share of the Net Pension Liability – TPAF	84.
L-4 Schedule of the School District’s Contributions – Teacher’s Pension and Annuity Fund (TPAF)	85.
L-5 Notes to Required Supplementary Information – Part III	86.
M. Schedules Related to Accounting and Reporting for Postemployment Benefits Other Than Pensions	
M-1 Schedule of Changes in the Total OPEB Liability and Related Ratios	87.
M-2 Notes to Required Supplementary Information	88.
<b>Other Supplementary Information</b>	
D. School Level Schedules:	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund – Schedule of Expenditures Allocated by Resource Type – Actual	N/A
D-3 Blended Resource Fund – Schedule of Blended Expenditures – Budget and Actual	N/A

**KENILWORTH SCHOOL DISTRICT**

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
E. Special Revenue Fund:	
E-1 Combining Schedule of Revenues and Expenditures Special Revenue Fund – Budgetary Basis	89 & 90.
E-2 Demonstrably Effective Program Aid Schedule of Expenditures – Budgetary Basis	N/A
E-3 Early Childhood Program Aid Schedule of Expenditures – Budgetary Basis	N/A
E-4 Distance Learning Network Aid Schedule of Expenditures – Budgetary Basis	N/A
E-5 Instructional Supplement Aid Schedule of Expenditures – Budgetary Basis	N/A
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Revenues, Expenditures, and Changes In Fund Balance – Budgetary Basis	91.
F-1a Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Energy Savings Improvement Program	92.
G. Proprietary Fund:	
Enterprise Fund:	
G-1 Schedule of Net Position	93.
G-2 Schedule of Revenues, Expenses and Changes in Fund Net Position	94.
G-3 Schedule of Cash Flows	95.
Internal Service Fund:	
G-4 Schedule of Net Position	N/A
G-5 Schedule of Revenues, Expenses, and Changes in Fund Net Position	N/A
G-6 Schedule of Cash Flows	N/A
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	N/A
H-2 Statement of Changes in Fiduciary Net Position	N/A
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	N/A
H-4 Payroll Agency Fund Schedule of Changes in Assets and Liabilities	N/A

**KENILWORTH SCHOOL DISTRICT**

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	96.
I-2 Schedule of Obligations under Capital Leases	97.
I-3 Debt Service Fund Budgetary Comparison Schedule	98.

**STATISTICAL SECTION (Unaudited)**

**Introduction to the Statistical Section**

**Financial Trends**

J-1 Net Position by Component	99.
J-2 Changes in Net Position	100 & 101.
J-3 Fund Balances -- Governmental Funds	102.
J-4 Changes in Fund Balances -- Governmental Funds	103.
J-5 General Fund Other Local Revenue by Source	104.

**Revenue Capacity**

J-6 Assessed Value and Estimated Actual Value of Taxable Property	105.
J-7 Direct and Overlapping Property Tax Rates	106.
J-8 Principal Property Taxpayers*	107.
J-9 Property Tax Levies and Collections	108.

**Debt Capacity**

J-10 Ratios of Outstanding Debt by Type	109.
J-11 Ratios of General Bonded Debt Outstanding	110.
J-12 Direct and Overlapping Governmental Activities Debt	111.
J-13 Legal Debt Margin Information	112.

**Demographic and Economic Information**

J-14 Demographic and Economic Statistics	113.
J-15 Principal Employers	114.

**Operating Information**

J-16 Full-time Equivalent District Employees by Function/Program	115.
J-17 Operating Statistics	116.
J-18 School Building Information	117.
J-19 Schedule of Required Maintenance Expenditures by School Facility	118.
J-20 Insurance Schedule.	119.

\*Private citizens should be listed as Individual Taxpayer 1, Individual Taxpayer 2, etc.

**KENILWORTH SCHOOL DISTRICT**

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
<b>SINGLE AUDIT SECTION</b>	
K-1	Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit Of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>
	120 & 121.
K-2	Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance and Schedule of Expenditures of State Financial Assistance as Required by New Jersey OMB Circular 15-08
	122 to 124.
K-3	Schedule of Expenditures of Federal Awards, Schedule A
	125.
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B
	126.
K-5	Notes to Schedules of Awards and Financial Assistance
	127 to 129.
K-6	Schedule of Findings and Questioned Costs
	130 to 134.
K-7	Summary Schedule of Prior Audit Findings
	135.

## **INTRODUCTORY SECTION**



# KENILWORTH PUBLIC SCHOOL DISTRICT

Kyle C. Arlington  
Superintendent

Vincent A. Gonnella  
School Business Administrator  
Board Secretary



426 Boulevard  
Kenilworth, NJ 07033

908-276-1644

[www.kenilworthschools.com](http://www.kenilworthschools.com)

February 15, 2023

Honorable President and  
Members of the Board of Education  
Kenilworth School District  
County of Union, New Jersey

Dear Board Members:

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

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

## **1) REPORTING ENTITY AND ITS SERVICES:**

The Kenilworth School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Board 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's enrollment as of October 15, 2021 was 1,404 students. The following details the changes in the student enrollment of the District over the last ten years using an October 15th count:

*Arlington/Gonnella to Board of Education  
February 15, 2023*

FISCAL YEAR	October 15th Enrollment	Enrollment % Change
2021 – 2022	1404	(1.27%)
2020 – 2021	1422	(0.21%)
2019 – 2020	1425	1.71%
2018 – 2019	1401	.29%
2017 – 2018	1397	4.02%
2016 – 2017	1343	(0.74%)
2015 – 2016	1353	(4.18%)
2014 – 2015	1412	1.66%
2013 – 2014	1389	(0.79%)
2012 - 2013	1400	5.8%
2011 – 2012	1323	0.53%
2010 – 2011	1316	(3.73%)
2009 – 2010	1367	4.03%
2008 – 2009	1314	(2.38%)
2007 – 2008	1346	2.28%
2006 – 2007	1316	(3.16%)
2005 - 2006	1359	6.09%
2004 – 2005	1281	1.18%
2003 – 2004	1266	2.51%
2002 – 2003	1235	7.48%
2001 - 2002	1149	6.09%
2000 - 2001	1083	3.54%
1999 - 2000	1046	6.30%
1998 - 1999	984	5.80%
1997 - 1998	930	37.98%
1996 - 1997	674	(3.44%)
1995 - 1996	698	6.24%
1994 - 1995	657	2.01%
1993 - 1994	644	6.62%
1992 - 1993	604	(3.20%)
1991 - 1992	624	5.40%
1990 - 1991	592	(3.26%)
1989 - 1990	612	----

You may note that the Board is directly responsible for overseeing high school aged students attending the Brearley School; the data shows a dramatic change from the K-8 data. The 1997-1998 data was the new base for enrollment; you will note a more “normal” change since the 1997-1998 school year. The major shift in responsibility was a common theme throughout the annual audit and financial reports, making any comparison between past school years and those school years very difficult without a detailed breakdown. The 1997-1998 school year’s figures would not be a true picture for future analysis due to the large cost of establishing the high school for the first school year. However, the 2014-2015 figures are more in line with what should be a normal statistical year.

*Arlington/Gonnella to Board of Education  
February 15, 2023*

## **2) ECONOMIC CONDITION AND OUTLOOK:**

Budgetarily speaking, what is quickly becoming a reality is that more and more of our budget is dominated by fixed costs, many being mandated and contractual obligations. Trends indicate that spending in the area of contractual and mandated categories are increasing while spending in discretionary and non-contractual items of spending are decreasing. Trends have seen increases in mandated Special Education Programs and health benefits well above 2% annual increases.

Currently, the use of “banked cap” and additional State Aid has allowed the district to stay within the State mandated restrictive cap on expenditures and enable the district to expand programs to meet our ever-changing demographic population. In addition, the Board continues to look to other revenue sources while actively containing expenditures. Funding beyond the current school year is questionable. The district did see a sizable increase in State Aid and if the current funding formula remains, we anticipate minimal increases in the future.

The community remains a vital part of the Board’s success; it provides financial support to the Board in addition to the numerous volunteer activities conducted by parents and community members. In December 2008, the community passed a \$13.9 million facility referendum which greatly enabled the district to maintain its facilities in a safe and economic manner.

With changes in the election laws, in February 2012, the Board of Education authorized the change in the election cycle from April to November. As a result, the Board needed to submit a budget for review to the Executive County Superintendent. Once approved and a public hearing was held on the budget, the Board of Education adopted the budget. Since the budget was under the 2% mandatory cap on tax levy, no voter approval was necessary.

The overall impact that the COVID-19 Pandemic will have on the short-term and long-term financial well-being of the school district is uncertain. The district did receive several County, State and Federal grants aimed at mitigating the financial impact. All grants were carefully reviewed for maximum benefit in meeting the district goal of keeping the buildings open during the pandemic.

### **STATUS OF FACILITIES:**

With the dissolution of the Union County Regional High School District #1 on June 30, 1997, the Board assumed control of the David Brearley School. The Brearley School is a 150,267 square foot facility built for high school education in the 1960’s, with additions in the 1970’s. The school has housed grades 7-12 since the 1997-98 school year. The Warren Harding Elementary School houses the district’s Pre-K to grade 6 population. The Harding School is a 90,500 square foot facility built in 1923 with major additions in the 1950’s, 1960’s and 1970’s.

The district held a facility referendum in December 2008. The \$13.9 million question was approved by the community. Planning for the implementation of the project began immediately. The Harding and Brearley Schools are aging and some of the major systems are beginning to show their age. Increased concerns from external security threats need to be seriously considered and modifications to facilities need to be made accordingly. The Board has developed a facility plan to address these deficiencies and restore the facilities to the pristine and safe level expected of the community. The projects being targeted are not glamorous in

*Arlington/Gonnella to Board of Education  
February 15, 2023*

nature or clearly evident with the naked eye. Targeted projects for the referendum include windows, roofs, doors, and upgrades to electrical systems and ventilation systems.

These projects emphasized safety, security and upgrading the aging systems. Students spend more than 7 hours a day, 180 days a year, for 14 years in our facilities; it is imperative that they continue to be in a safe and secure environment for learning.

The district is in the planning phase for another referendum scheduled for the Fall of 2022. The projects planned will assist the district to move educationally into the 21<sup>st</sup> Century and allow our students to successfully meet the changing workforce and society.

The district approved a Solar Power Purchasing Agreement with HESP Solar in December 2020 with completion in the summer of 2021. Rooftop solar panels were installed on both the Harding and Brearley Schools. Financially, the project cost no tax dollars and will generate over \$1.1 million savings over the next 15 years.

Additionally, the district approved an Energy Savings Improvement Program with Wildan Energy Solutions. This project calls for a series of energy conservation projects including lighting, boiler and chiller replacements, that will generate significant energy savings over the life of the project.

#### **COMPREHENSIVE MAINTENANCE SUMMARY:**

The Board firmly believes the upkeep of its school facilities is a vital role of the Board and emphasizes providing a clean, safe atmosphere for student learning.

Consistent with maintaining buildings at a level of excellence and Kenilworth standards, a total of \$423,053 was spent on Renovations/Repairs to the Harding and Brearley facilities during the 2021-2022 school year:

#### Harding School:

Repair of Building & Equipment	\$	17,572	
Instructional Equipment Repairs	\$	<u>          -</u>	
			\$ 17,572

#### Brearley School:

Repair of Building & Equipment	\$	259,262	
Instructional Equipment Repairs			
			\$ 259,262

#### District Level:

Contracted Upkeep of Grounds (No Salaries)	\$	17,492	
Asbestos Management	\$	13,400	
Contracted Services Maintenance	\$	65,372	
Maintenance Supplies & Other Objects	\$	33,992	
Maintenance Agreements	\$	<u>15,963</u>	
			\$ 146,219

*Arlington/Gonnella to Board of Education  
February 15, 2023*

Total \$ 423,053

**STATUS OF LONG-RANGE FACILITY PLAN (N.J.A.C. 6:22-7.1):**

The Board of Education revised its Five-Year Facility Plan that was submitted to the Department of Education in December 2000. The Department of Education has completed its preliminary review of the plan and has found it to be complete. On November 1, 2001, the Board of Education submitted an updated Long-Range Facilities Plan to the Department containing an inventory of the 40 building systems delineated in the plan. The Board of Education updated the Long-Range Facilities Plan for submission to the Department of Education in the Fall of 2005. On May 23, 2007, the district was notified that the plan was reviewed for completeness and was now under technical review. In 2008, the district amended the plan to include projects intended for the scheduled facility referendum in December 2008. The district received approval on the amended plan on September 8, 2009. Updates have been made as needed, the most recent being in April 2022 in anticipation for the referendum work noted earlier.

**STATUS OF REQUIRED ANNUAL HEALTH AND SAFETY REVIEW:**

The Head of Maintenance conducted annual and monthly inspections of the buildings. The School Business Administrator conducted an annual inspection of the buildings. The two building principals have conducted "Checklist Report: Evaluation of School Buildings Indicator 7.6" which are included in this submission. All health and safety matters of an immediate nature were taken care of. All required health and safety certificates are on file in the boiler room and the school cafeterias. The three-year reinspection and update of the Asbestos Management Plan for Harding School was conducted in 1992, and updated in 1995. In 2018 a three-year re-inspection was conducted on both the Harding and Brearley facilities, along with major updates to the plan.

In the Spring of 2016, in anticipation of mandated testing of drinking water, the Kenilworth School District tested all domestic water fixtures used for drinking or cooking for high levels of lead. The tests results were negative and the water was not contaminated. The Board, however decided to proceed with an upgrade of water fountains throughout the buildings. These systems are checked regularly.

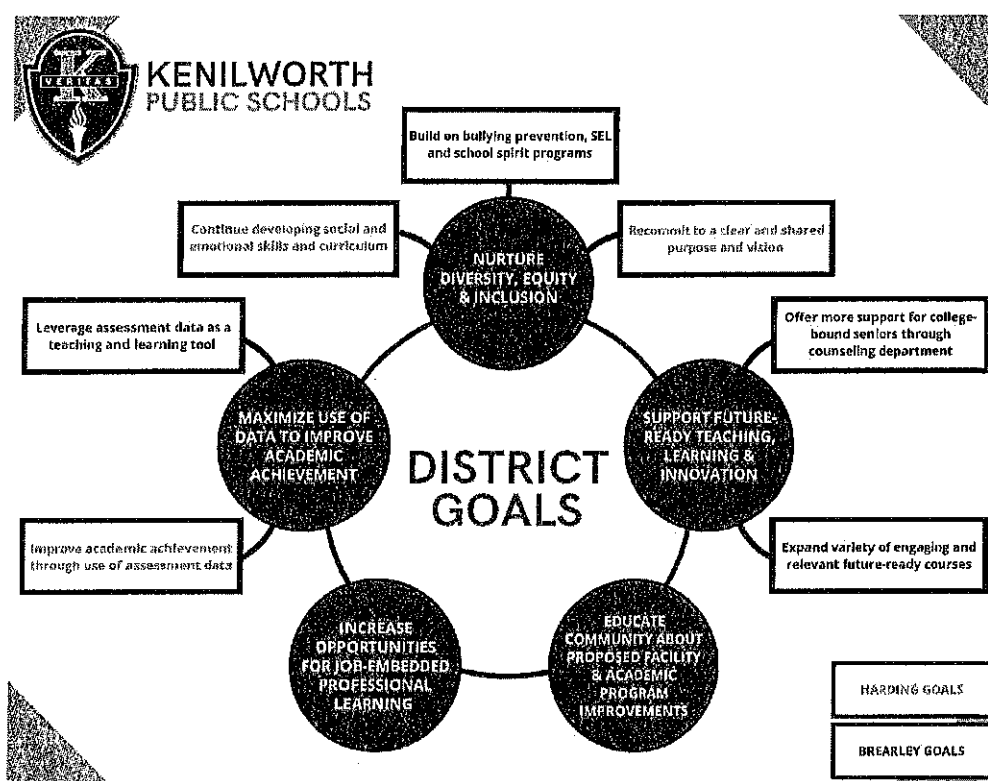
**3) MAJOR INITIATIVES INSTRUCTIONAL PROGRAM:**

The Kenilworth Public School District has operated as a Pre-K-12 system since July 1, 1997. The school district continues its quest toward excellence through assessment and refinement of the educational programs and the continuation of extra-curricular opportunities for its students.

District goals in 2021-22 were proposed to improve performance at both Harding Elementary School and David Brearley Middle-High School. More specifically, for the school year 2021-22, our district goals focus on supporting future reading teaching and learning through a focus on innovation, educating the community on proposed facilities and academic improvements, increasing job-embedded professional learning, maximizing the use of data to inform student achievement and

*Arlington/Gonnella to Board of Education  
February 15, 2023*

nurturing diversity, equity, and inclusion. Our school buildings have their own set of goals that coalesce within the district's larger goals. In the 2021-22 school year, Harding Elementary School focused on recommitting to a clear and focused vision, continuing to develop social and emotional skills and curriculum, and relying on performance data to inform instruction. Brearley Middle High School also has a school goal that aligns with Harding's and focuses on data to drive instruction. Additionally, Brearley Middle-High School's school goals also include building on bullying prevention and school climate programs, ramping up support for college and career readiness, and expanding a variety of future-ready course work for our students.



Our grades K-6 classrooms continue to use a curriculum-based SEL program called “Second Step.” We support this work, and professional learning around it, for the next several years. Our final district goal focuses on offering our teachers more job-embedded and targeted professional learning. Elementary teachers receive embedded coaching around the workshop model while secondary teachers receive embedded coaching related to small group instruction and holding effective conferring sessions. Additionally, a technology facilitator coaches all staff in technology integration as well as assists with the implementation of a 1:1 Chromebook initiative at the middle/high school.

*Arlington/Gonnella to Board of Education  
February 15, 2023*

We also rely on an Interventions Coordinator to help manage and provide leadership to our multi-tiered system of support. Through tiered interventions, we look to address students' academic, social, and behavioral needs.

We will realize a strong academic foundation begins in pre-school. We continue to monitor the pre-school curriculum entitled "Tools of the Mind." This program implementation, along with offering tuition-less preschool, is part of our ongoing work, which will continue for the next several years to expand our preschool program and more greatly prioritize early childhood education.

The district is also committed to the continued refinement of a newly adopted balanced literacy approach. All K-6 teachers implement readers and writers workshop. Middle and high school teachers are working towards new text selection that reflects a more culturally responsive approach to literacy teaching and learning. Middle school teachers will have a new schedule next school year that will allow them to differentiate instruction to meet the needs of all students in a single setting.

At David Brearley, we continue to monitor our implementation of GOMath. The program and accompanying professional learning conversations have yielded a rise in student achievement levels. Algebra I is an area of focus for us. We are exploring the possibility of a more differentiated, approach to Algebra instruction through a program entitled Teach to One.

We continue to transform our elementary library into a 21st Century maker space. Students across the grades now have access to units of study in coding, robotics, design, and engineering principles, as well as informational literacy. This space will serve as a model as we continue to refresh our library/media space at Brearley Middle-High School.

To provide more individualized learning experiences for Kenilworth's children, the middle-high school continues with its two specialized learning programs to target young adults' specific learning requirements and career interests. Successful Outcomes Achieving Resiliency (SOAR) is a new Program brought into the district which provides students the opportunity for credit remediation, exploring different careers while participating in group and individual counseling. Student flexibility allows students to participate in their least restrictive environment. The Alternative Classroom Experience (ACE) helps adolescents recover high school credit they may not have acquired during the regular school day. The Kenilworth Scholars' Academy, enrolled Grades 7-11 students. These students are provided a "university-level" experience that allows them to focus on specialization by their senior year of high school. Students in the Scholars' Academy continue to participate in virtual science labs and STEM field trips. Both learning experiences address the needs of two student populations who often go underserved in school districts around the country. The by-product of the implementation of the ACE and Scholars' Academy programs is the creation of

*Arlington/Gonnella to Board of Education  
February 15, 2023*

smaller and more intimate learning environments that provide Kenilworth's children with the highly individualized academic, social, and emotional attention they deserve. The district continues to grow the Scholars' Academy program by raising the number of academy spots we allocate in our school Choice program to attract high-achieving learners from surrounding communities.

#### **4) INTERNAL ACCOUNTING CONTROLS:**

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

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

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

#### **5) BUDGETARY CONTROLS:**

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital project 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 re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2022.



*Arlington/Gonnella to Board of Education  
February 15, 2023*

#### **6) ACCOUNTING SYSTEM AND REPORTS:**

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

#### **7) DEBT ADMINISTRATION:**

##### **2016 Refunding:**

In the Spring of 2016 the 2009 Bond issue was refinanced due to potential savings. Total Debt Service in the amount of \$1,243,400 was paid during the fiscal year 2022. A \$905,000 principal payment was made. The principal balance as of June 30, 2022 was \$7,560,000.

Total debt retired in fiscal year 2022 was \$905,000. Total outstanding debt for the District as of June 30, 2022, was \$7,560,000.

#### **8) CASH MANAGEMENT:**

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statement," Note 2. The District has adopted a cash management plan that requires all deposited public funds in public depositories to be protected from loss under the provisions of the Governmental Unit Deposit 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. As mentioned earlier, historically low interest rates impeded the district's ability to generate interest income compared to previous years.

#### **9) RISK MANAGEMENT:**

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds for the Business Administrator, Assistant to the Board Secretary, and the Treasurer of School Monies.

#### **10) OTHER INFORMATION:**

**Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Robert S. Hulsart and Company was selected by the Board to conduct the annual independent audit. In addition to meeting

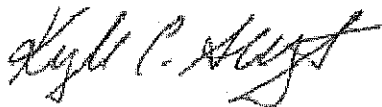
*Arlington/Gonnella to Board of Education  
February 15, 2023*

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, and the related OMB Circular A - 133 and state Treasury Circular Letter 15-08 OMB. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's report related specifically to the single audit is included in the single audit section of this report.

**11) ACKNOWLEDGMENTS:**

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

Respectfully submitted,



Kyle C. Arlington  
Superintendent



Vincent A. Gonnella  
Board Secretary/Business Administrator

**KENILWORTH BOARD OF EDUCATION  
KENILWORTH, NEW JERSEY**

**ROSTER OF OFFICIALS  
June 30, 2022**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Michelle Panichi, President	12/31/2024
Robert Beiner	12/31/2022
Gregg F. David, Vice President	12/31/2023
Paulette Drogon	12/31/2024
Ryan Haberthur	12/31/2023
Mark Jankiewicz	12/31/2022
Anthony Laudati	12/31/2022
Alison Tears	12/31/2024
Nancy Zimmerman	12/31/2023

**Other Officials:**

Kyle C. Arlington, Superintendent of Schools/Treasurer

Vincent A. Gonnella, Board Secretary/Business Administrator

Vito A. Gagliardi, Jr., Esq., Solicitor

**Administration:**

Lauren Bound, Supervisor

Ronald Bubnowski, Principal Warren Harding Elementary School

Dana Cansian, Supervisor

Carol Carrera, Assistant Principal, Harding

Justin Connolly, Supervisor of Buildings & Grounds

Jeremy Davies, Principal David Brearley Middle/High School

Dawn Cuccolo, Director of Pupil Personnel Services

Brian Luciani, Director of Academics

Scott Miller, Supervisor of Athletics & Health Education

Joant Rodriguez, Manager of Information Technology

Madelyn Witchel, Assistant Principal, Brearley

**KENILWORTH BOARD OF EDUCATION  
KENILWORTH, NEW JERSEY**

**CONSULTANTS & ADVISORS**

**Architect of Record**

SSP Architectural Group  
148 West End Avenue  
PO Box 758  
Somerville, NJ 08876-0758

**Audit Firm**

Robert A. Hulsart & Co.  
2807 Hurley Pond Road  
P.O. Box 1409  
Wall, New Jersey 07719

**Attorney**

Vito A. Gagliardi, Jr., Esq.  
Porzio, Bromberg & Newman, P.C.  
100 Southgate Parkway, PO Box 1997  
Morristown, NJ 07962-1997

**Labor Counsel**

Anthony P. Sciarrillo, Esq.  
Sciarrillo Cornell, L.L.C  
238 St. Paul Street  
Westfield, NJ 07090

**Official Depository**

Investors Bank  
Cranford, NJ 07033

**Insurance Agent/Risk Manager**

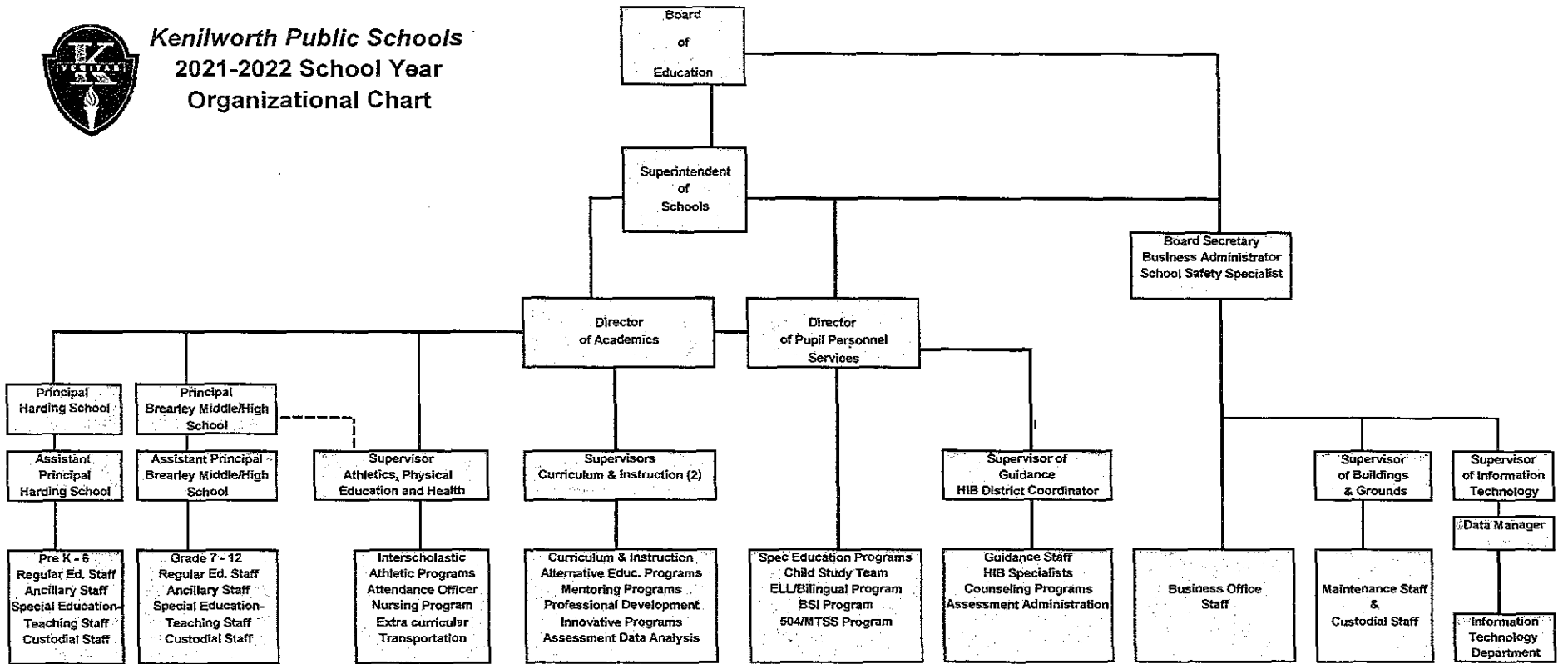
CBIZ Agency  
219 South Street  
New Providence, NJ 07974

**Health Benefits Advisor**

Brown & Brown Benefit Advisors  
5 Regent Street, Suite 523  
Livingston, NJ 07039



**Kenilworth Public Schools**  
**2021-2022 School Year**  
**Organizational Chart**



## **FINANCIAL SECTION**

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

E-mail:  
rah@monmouth.com

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

RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

## **INDEPENDENT AUDITORS REPORT**

Honorable President and Members  
of the Board of Education  
Kenilworth School District  
County of Union  
Kenilworth, New Jersey

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

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

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

***Auditor's Responsibility for the Audit of the Financial Statements***

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

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

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

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



### ***Required Supplementary Information***

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

### ***Supplementary Information***

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

### ***Other Information***

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

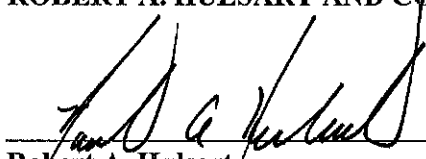
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated.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

***Other Reporting Required by Government Auditing Standards***

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

Respectfully submitted,

**ROBERT A. HULSART AND COMPANY**



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

February 15, 2023

**REQUIRED SUPPLEMENTARY INFORMATION  
PART I**

**KENILWORTH PUBLIC SCHOOL DISTRICT**  
**BOROUGH OF KENILWORTH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

The discussion and analysis of Kenilworth Public School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; it should be read in conjunction with the Annual Comprehensive Financial Report's (ACFR) Letter of Transmittal which is found in the Introductory Section, and the School Board's financial statements found in the Financial Section and the notes thereto.

**Financial Highlights**

Key Financial highlights for the 2021-2022 fiscal year are as follows:

- General revenues accounted for \$37,260,428 in revenue or 95% percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$1,983,435 or 5% percent to total revenues of \$39,243,863.
- The School District had \$39,920,939 in expenses; only \$1,983,435 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$37,260,428 were adequate to provide for these programs.
- The General Fund had \$36,311,924 in revenues, \$37,157,371 in expenditures. The General Fund's balance decreased \$845,447 from 2021. This increase was anticipated by the Board of Education.

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

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

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

## **Using this Annual Comprehensive Financial Report (ACFR)**

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

## **Reporting the School District as a Whole**

### **Statement of Net Position and the Statement of Activities**

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during the 2021-2022 fiscal year?" The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

- **Governmental activities** – All of the School District's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- **Business-Type Activities** – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service Enterprise Fund is reported as a business activity.

## **Reporting the School District's Most Significant Funds**

### **Fund Financial Statements**

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

## Governmental Funds

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

## Enterprise Fund

The Enterprise Fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

## The School District as a Whole

Table 1 provides a summary of the School District's net position comparisons of fiscal year 2022 with 2021.

**Table 1**  
**Net Position**

	<u>2022</u>	<u>2021</u>
<b><u>Assets</u></b>		
Current and Other Assets	\$ 7,855,090	9,073,826
Capital Assets, Net	<u>6,974,940</u>	<u>7,591,971</u>
Total Assets	<u>\$ 14,830,030</u>	<u>16,665,797</u>
<b><u>Deferred Outflow of Resources</u></b>		
Contribution to Pension Plan	<u>\$ 628,019</u>	<u>684,291</u>
<b><u>Deferred Inflow of Resources</u></b>		
Pension Deferrals	<u>\$ 1,751,625</u>	<u>1,626,932</u>
<b><u>Liabilities</u></b>		
Current Liabilities	\$ 1,553,394	1,177,718
Long Term Liabilities	<u>12,219,284</u>	<u>14,032,863</u>
Total Liabilities	<u>\$ 13,772,678</u>	<u>15,210,581</u>
<b><u>Net Position</u></b>		
Invested in Capital Assets, Net of Debt	\$ (2,407,500)	(2,695,469)
Restricted	4,492,324	6,380,021
Unrestricted	<u>(2,151,078)</u>	<u>(3,171,977)</u>
Total Net Position	<u>\$ (66,254)</u>	<u>512,575</u>

Table 2 shows the changes in net position for fiscal year 2022. Revenue and expense comparisons to fiscal year 2021.

**Table 2**  
**Changes in Net Position**

	<u>2022</u>	<u>2021</u>
<b><u>Revenues</u></b>		
Program Revenues		
Charges for Services	\$ 526,440	369,937
Operating Grants and Contributions	2,333,502	1,557,182
General Revenues		
Property Taxes	21,889,348	21,372,317
Grants and Entitlements	14,956,899	12,575,897
Other	<u>414,316</u>	<u>351,829</u>
Total Revenues	<u>40,120,505</u>	<u>36,227,162</u>
<b><u>Program Expenses</u></b>		
Instruction	15,442,201	13,822,296
Support Services		
Pupils and Instructional Staff	5,362,960	5,073,684
General Administration, School Administration, Business, Benefits	13,087,173	11,217,452
Operations and Maintenance of Facilities	2,157,207	2,086,763
Pupil Transportation	985,763	805,516
Interest on Debt	334,003	363,114
Unallocated Depreciation	616,371	616,371
Capital Outlay Not Capitalized	1,904,206	225,170
Special Schools	31,055	13,598
Enterprise	<u>778,395</u>	<u>505,710</u>
Total Expenses	<u>40,699,334</u>	<u>34,729,674</u>
Increase/Decrease in Net Position	<u>\$ (578,829)</u>	<u>1,497,488</u>

### **Governmental Activities**

Property taxes made up 55% percent of revenues for governmental activities for the Kenilworth Public School District for fiscal year 2022. The District's total revenues were \$40,120,505 for the fiscal year ended June 30, 2022. Federal, state and local grants and miscellaneous revenues accounted for another 45%.

### **Business-Type Activities**

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

- Food service revenues exceeded expenses by \$60,797.
- Aftercare expenses exceeded revenues by \$37,450.
- Charges for services represent \$215,203 of revenue. This represents amount paid by patrons for daily services.
- Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities were \$661,304.

### **Governmental Activities**

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

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

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration and business include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition.

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

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

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

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

Other includes unallocated depreciation and amortization.



## The School Board's Funds

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

As the School Board completed the fiscal year ended June 30, 2022, it reported a combined net position balance of \$(66,254). The Reconciliation of the Statement of Revenue Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities presents the reader with a detailed explanation of the differences between the net change in fund balances and changes in net assets.

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

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

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

## Capital Assets

At June 30, 2022, the School Board had approximately \$6,974,940 million invested in a broad range of capital assets, including land, buildings, furniture, vehicles, computers, instructional equipment and other equipment. This amount is net of accumulated depreciation to date. Table II below shows the net book value of capital assets at the end of the 2022 fiscal year.

	<b>Governmental Activities</b>	<b>Business Type Activities</b>
Table II		
Capital Assets at June 30, 2022		
Land	\$ 2	
Sites	554,838	
Buildings	6,351,524	
Machinery and Equipment	<u>68,576</u>	_____
Total	<u>\$ 6,974,940</u>	=====

### **Debt Administration**

At June 30, 2022, the School District had \$13,364,724 as outstanding debt. Of this amount \$1,453,161 is for compensated absences, \$2,529,123 is for pension liability, the balance of \$7,560,000 is for bonds for school construction; and \$1,822,440 is for the ESIP Lease.

### **Economic Factors and Next Year's Budget**

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

The Borough of Kenilworth is primarily a residential community, with very few ratables. The majority of revenues needed to operate the District are derived from homeowners through property tax assessments and collections.

The \$(66,254) in unrestricted net position for all governmental activities represents the accumulated results of all past years' operations. It means that if the School Board had to pay off all bills today, including all of the School Board's noncurrent liabilities such as compensated absences, the School Board would have a balance of \$(66,254).

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

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

### **Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact Vincent A. Gonnella, School Business Administrator/Board Secretary at Kenilworth Board of Education, 426 Boulevard, Kenilworth, NJ 07033.

## **BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS – A**

**KENILWORTH SCHOOL DISTRICT****STATEMENT OF NET POSITION****Exhibit A-1****JUNE 30, 2022**

	<b><u>Governmental Activities</u></b>	<b><u>Business-Type Activities</u></b>	<b><u>Total</u></b>
<b><u>Assets</u></b>			
Cash and Cash Equivalents	\$ 2,548,798	266,905	2,815,703
Receivables, Net	489,453	50,955	540,408
Inventory		6,655	6,655
Restricted Assets:			
Cash and Cash Equivalents	1,907,615		1,907,615
Capital Reserve Account - Cash	2,584,709		2,584,709
Capital Assets Not Depreciated	2		2
Capital Assets, Net	6,974,938		6,974,938
Total Assets	<u>14,505,515</u>	<u>324,515</u>	<u>14,830,030</u>
<b><u>Deferred Outflow of Resources</u></b>			
Contribution to Pension Plan	<u>628,019</u>		<u>628,019</u>
<b><u>Deferred Inflow of Resources</u></b>			
Pension Deferrals	<u>1,751,625</u>		<u>1,751,625</u>
<b><u>Liabilities</u></b>			
Deferred Revenue	142,501	7,530	150,031
Accounts Payable	100,738		100,738
Accrued Interest	157,185		157,185
Noncurrent Liabilities:			
Due Within One Year	1,145,440		1,145,440
Due Beyond One Year	12,219,284		12,219,284
Total Liabilities	<u>13,765,148</u>	<u>7,530</u>	<u>13,772,678</u>
<b><u>Net Position</u></b>			
Invested in Capital Assets, Net of Related Debt	(2,407,500)		(2,407,500)
Restricted For:			
Other Purposes	4,492,324		4,492,324
Unrestricted	<u>(2,468,063)</u>	<u>316,985</u>	<u>(2,151,078)</u>
Total Net Position	<u>\$ (383,239)</u>	<u>316,985</u>	<u>(66,254)</u>

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

**KENILWORTH SCHOOL DISTRICT**

Exhibit A-2  
Sheet 1 of 2

**STATEMENT OF ACTIVITIES**

**JUNE 30, 2022**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b><u>Functions/Programs</u></b>						
Governmental Activities:						
Instruction:						
Regular	\$ 9,872,745			(9,872,745)		(9,872,745)
Special Education	4,224,697		1,135,036	(3,089,661)		(3,089,661)
Other Instruction	1,344,759			(1,344,759)		(1,344,759)
Support Services:						
Tuition	1,284,283	311,237		(973,046)		(973,046)
Student & Instruction Related Services	4,078,677		537,162	(3,541,515)		(3,541,515)
School Administrative Services	740,622			(740,622)		(740,622)
General and Business Administrative Services	976,225			(976,225)		(976,225)
Technology Information Services	244,744			(244,744)		(244,744)
Plant Operations and Maintenance	2,157,207			(2,157,207)		(2,157,207)
Pupil Transportation	985,763			(985,763)		(985,763)
Unallocated Benefits	11,125,582			(11,125,582)		(11,125,582)
Special Schools	31,055			(31,055)		(31,055)
Capital Outlay	1,904,206			(1,904,206)		(1,904,206)
Interest on Long-Term Debt	334,003			(334,003)		(334,003)
Unallocated Depreciation	616,371			(616,371)		(616,371)
Total Government Activities	<u>39,920,939</u>	<u>311,237</u>	<u>1,672,198</u>	<u>(37,937,504)</u>	<u>-</u>	<u>(37,937,504)</u>
Business-Type Activities:						
Aftercare Program	142,393	179,708			37,315	37,315
Food Service	636,002	35,495	661,304		60,797	60,797
Total Business-Type Activities	<u>778,395</u>	<u>215,203</u>	<u>661,304</u>	<u>-</u>	<u>98,112</u>	<u>98,112</u>
Total Primary Government	<u>40,699,334</u>	<u>526,440</u>	<u>2,333,502</u>	<u>(37,937,504)</u>	<u>98,112</u>	<u>(37,839,392)</u>

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

**KENILWORTH SCHOOL DISTRICT**

Exhibit A-2  
Sheet 2 of 2

**STATEMENT OF ACTIVITIES**

**JUNE 30, 2022**

	<b>Net (Expense) Revenue and Changes in Net Position</b>		
	<b><u>Governmental Activities</u></b>	<b><u>Business-Type Activities</u></b>	<b><u>Total</u></b>
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purpose, Net	21,068,572		21,068,572
Taxes Levied for Debt Service	820,776		820,776
Federal and State Aid Not Restricted	14,956,899		14,956,899
Miscellaneous Income	414,181	135	414,316
Total General Revenues	<u>37,260,428</u>	<u>135</u>	<u>37,260,563</u>
 Change in Net Position	(677,076)	98,247	(578,829)
 Net Position - Beginning	<u>293,837</u>	<u>218,738</u>	<u>512,575</u>
 Net Position - Ending	<u>\$ (383,239)</u>	<u>316,985</u>	<u>(66,254)</u>

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

**FUND FINANCIAL STATEMENTS – B**



BALANCE SHEETGOVERNMENTAL FUNDSJUNE 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>
<b><u>Assets</u></b>					
Cash and Cash Equivalents	\$ 5,593,498	290,279	1,157,345		7,041,122
Interfund Receivable				575	575
Receivables from Other Governments	350,320	139,133			489,453
<b>Total Assets</b>	<b>\$ 5,943,818</b>	<b>429,412</b>	<b>1,157,345</b>	<b>575</b>	<b>7,531,150</b>
<b><u>Liabilities and Fund Balance</u></b>					
<b>Liabilities:</b>					
Accounts Payable		29,391			29,391
Interfund Payable			575		575
Payroll Deductions and Withholdings	71,347				71,347
Deferred Revenue		142,501			142,501
<b>Total Liabilities</b>	<b>71,347</b>	<b>171,892</b>	<b>575</b>	<b>-</b>	<b>243,814</b>
<b>Fund Balance:</b>					
<b>Restricted for:</b>					
Maintenance Reserve	350,001				350,001
Emergency Reserve	250,000				250,000
Capital Reserve Account	2,434,709				2,434,709
Designated for Subsequent Year's Expenditures - Maintenance Reserve	100,000				100,000
Designated for Subsequent Year's Expenditures - Capital Reserve	150,000				150,000
Excess Surplus	391,379				391,379
Unemployment	558,715				558,715
Scholarship Fund		155,319			155,319
Student Activity Funds		102,201			102,201
<b>Committed To:</b>					
Other Purposes	444,109				444,109
<b>Assigned To:</b>					
Designated by the BOE for Subsequent Year's Expenditures	450,000				450,000
<b>Unassigned:</b>					
Debt Service Fund				575	575
Capital Projects Fund			1,156,770		1,156,770
General Fund	743,558				743,558
<b>Total Fund Balances</b>	<b>5,872,471</b>	<b>257,520</b>	<b>1,156,770</b>	<b>575</b>	<b>7,287,336</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 5,943,818</b>	<b>429,412</b>	<b>1,157,345</b>	<b>575</b>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$21,222,371 and the accumulated depreciation is \$14,247,431.

6,974,940

Deferred outflow of resources - contributions to the pension plan

628,019

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

(1,751,625)

Accrued Interest

(157,185)

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

(13,364,724)

Net position of governmental activities

\$ (383,239)

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

**KENILWORTH SCHOOL DISTRICT**

Exhibit B-2

Sheet 1 of 2

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

**GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED JUNE 30, 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>
<b><u>Revenues</u></b>					
Local Sources:					
Local Tax Levy	\$ 21,068,572			820,776	21,889,348
Tuition Charges	311,237				311,237
Miscellaneous	398,040	183,704	518		582,262
Total Local Sources	<u>21,777,849</u>	<u>183,704</u>	<u>518</u>	<u>820,776</u>	<u>22,782,847</u>
State Sources	14,516,209	163,042		422,824	15,102,075
Federal Sources	17,866	1,341,075			1,358,941
Total Revenues	<u>36,311,924</u>	<u>1,687,821</u>	<u>518</u>	<u>1,243,600</u>	<u>39,243,863</u>
<b><u>Expenditures</u></b>					
Current:					
Regular Instruction	9,872,745				9,872,745
Special Education Instruction	3,089,661	1,135,036			4,224,697
Other Instruction	1,344,759				1,344,759
Support Services and Undistributed Costs:					
Tuition	1,284,283				1,284,283
Student and Instruction Related Services	3,541,515	537,162			4,078,677
School Administrative Services	740,622				740,622
Other Administrative Services	976,225				976,225
Technology Information Services	244,744				244,744
Plant Operations and Maintenance	2,157,207				2,157,207
Pupil Transportation	985,763				985,763
Unallocated Benefits	11,612,756				11,612,756
Special Schools	31,055				31,055
Capital Outlay	1,276,036		628,170		1,904,206
Debt Service:					
Principal				905,000	905,000
Interest and Other Charges				338,600	338,600
Total Expenditures	<u>37,157,371</u>	<u>1,672,198</u>	<u>628,170</u>	<u>1,243,600</u>	<u>40,701,339</u>

**KENILWORTH SCHOOL DISTRICT**

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

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

**GOVERNMENTAL FUNDS**

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

	<b><u>General Fund</u></b>	<b><u>Special Revenue Fund</u></b>	<b><u>Capital Project Fund</u></b>	<b><u>Debt Service Fund</u></b>	<b><u>Total Governmental Funds</u></b>
Excess (Deficiency) of Revenues Over Expenditures	<u>(845,447)</u>	<u>15,623</u>	<u>(627,652)</u>	<u>-</u>	<u>(1,457,476)</u>
Other Financing Sources (Uses):					
Transfer Capital Projects to Debt Service	<u>-</u>	<u>-</u>	<u>(518)</u>	<u>518</u>	<u>-</u>
			<u>(518)</u>	<u>518</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	<u>(845,447)</u>	<u>15,623</u>	<u>(628,170)</u>	<u>518</u>	<u>(1,457,476)</u>
Net Change in Fund Balances	(845,447)	15,623	(628,170)	518	(1,457,476)
Fund Balance - July 1	6,717,918	241,897	1,784,940	57	8,744,812
Prior Period Adjustment					-
Fund Balance, July 1, Restated	<u>6,717,918</u>	<u>241,897</u>	<u>1,784,940</u>	<u>57</u>	<u>8,744,812</u>
Fund Balance - June 30	<u>\$ 5,872,471</u>	<u>257,520</u>	<u>1,156,770</u>	<u>575</u>	<u>7,287,336</u>

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

KENILWORTH SCHOOL DISTRICTRECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURESAND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Exhibit B-3

TO THE STATEMENT OF ACTIVITIESJUNE 30, 2022

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$ (1,457,476)
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:	
Capital Outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.	
Depreciation Expense	(616,371)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.	905,000
In the statement of activities certain operating activities are measured by the amount earned while in the government funds. Expenses are reported in the amount of financial resources used.	
Compensated Absences	(81,672)
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position	(56,272)
Pension related deferrals	(124,693)
Change in net pension liability	749,811
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental fund, interest is reported when due.	4,597
Change in Net Position of Governmental Activities	<u>\$ (677,076)</u>

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

KENILWORTH SCHOOL DISTRICTSTATEMENT OF NET POSITION

Exhibit B-4

PROPRIETARY FUNDSJUNE 30, 2022

	<u>Enterprise Funds</u>
<b><u>Assets:</u></b>	
Current Assets:	
Cash and Cash Equivalents	\$ 266,905
Accounts Receivable:	
State	770
Federal	37,289
Other	12,896
Inventory	6,655
Total Current Assets	<u>324,515</u>
Noncurrent Assets:	
Equipment	177,050
Accumulated Depreciation	(177,050)
Total Fixed Assets	<u>-</u>
Total Assets	<u>\$ 324,515</u>
<b><u>Liabilities:</u></b>	
Deferred Revenue	<u>\$ 7,530</u>
Total Liabilities	<u>\$ 7,530</u>
<b><u>Net Position:</u></b>	
Unrestricted	<u>\$ 316,985</u>
Total Net Position	<u>\$ 316,985</u>

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

KENILWORTH SCHOOL DISTRICTSTATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

Exhibit B-5

PROPRIETARY FUNDSJUNE 30, 2022

	<u>Enterprise Fund</u>
Operating Revenues:	
Daily Sales - Non-Reimbursable Programs	\$ 35,495
Fees	179,708
Total Operating Revenues	<u>215,203</u>
Operating Expenses:	
Salaries	382,185
Other Employee Benefits	66,058
Cost of Sales - Reimbursable Programs	222,364
Cost of Sales - Non-Reimbursable Programs	2,733
Supplies and Materials	50,036
Management Fee	12,360
Repairs/Equipment	29,775
Depreciation	660
Miscellaneous	12,224
Operating Expenses	<u>778,395</u>
Operating Gain/(Loss)	(563,192)
Non-Operating Revenues:	
Interest Revenue	135
State Sources:	
State School Lunch Program	12,774
State School Lunch Program - Extra Subsidy	1,169
Federal Sources:	
National School Lunch Program	544,215
PEBT Program	1,242
Emergency Operational Costs	12,282
Federal Breakfast Program	43,318
Food Distribution Program	46,304
Total Non-Operating Revenues	<u>661,439</u>
Change in Net Position	98,247
Net Position, July 1	<u>218,738</u>
Net Position, June 30	<u>\$ 316,985</u>

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

KENILWORTH SCHOOL DISTRICTSTATEMENT OF CASH FLOWS

Exhibit B-6

PROPRIETARY FUNDSJUNE 30, 2022

	<u>Enterprise Fund</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 215,203
Payments to Employees	(382,185)
Payments to Suppliers	(426,197)
Net Cash Provided (Used) by Operating Activities	<u>(593,179)</u>
Cash Flows from Noncapital Financing Activities:	
State Sources	13,943
Federal Sources	601,057
Net Cash Provided by Noncapital Financing Activities	<u>615,000</u>
Cash Flows from Investing Activities:	
Interest Revenue	135
Net Cash Provided by Investing Activities	<u>135</u>
Net Increase (Decrease) in Cash and Cash Equivalents	21,956
Cash and Cash Equivalents, July 1	<u>244,949</u>
Cash and Cash Equivalents, June 30	<u>\$ 266,905</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (563,192)
Depreciation	660
Federal Commodities Consumed	46,304
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities	
Decrease/(Increase) in Accounts Receivables	(21,819)
(Decrease)/Increase in Accounts Payable	(51,000)
(Decrease)/Increase in Deferred Revenue	(2,084)
Decrease/(Increase) in Inventory	(2,048)
Net Cash Provided (Used) by Operating Activities	<u>\$ (593,179)</u>

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

## **NOTES TO FINANCIAL STATEMENTS**



**BOARD OF EDUCATION**  
**KENILWORTH SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 1: Summary of Significant Accounting Policies**

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

**A. Reporting Entity:**

The Kenilworth School District is a Type II district located in the County of Union, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades PreK-12. The Kenilworth School District had an approximate enrollment at June 30, 2022 of 1,405 students.

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

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

**B. Government-Wide Financial Statements**

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

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

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

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

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

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

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

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

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

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

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

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

**D. Fund Accounting:**

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

**Governmental Fund Types**

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

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

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

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

**Proprietary Fund Type**

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

**Fiduciary Fund Types**

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

Unemployment Compensation Trust Fund: The trust fund is used to account for assets held under the terms of a formal trust agreement. The District reimburses the costs of unemployment benefits paid by the New Jersey Department of Labor.

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

**D. Fund Accounting (Continued):**

**Fiduciary Fund Types (Continued)**

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

**E. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. Budgets are prepared using the modified accrual basis of accounting; the legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2022 were insignificant.

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

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

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

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.

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

**F. Encumbrances:**

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

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

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

**G. Short-Term Interfund Receivables/Payables:**

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

**H. Inventories and Prepaid Expenses**

Inventories and prepaid expenses, which benefit future periods, are recorded as an expenditure during the year of purchase. The value of inventories remaining at the end of the fiscal year is not included on the balance sheet.

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

**I. Capital Assets and Depreciation**

The District's property, buildings and improvements, equipment, vehicles, furniture and fixtures with useful lives of five years or more are stated at historical or estimated historical cost and are reported in the government-wide financial statements. Proprietary Fund capital assets are reported in its respective fund.

**NOTE 1: Summary of Significant Accounting Policies (Continued)****I. Capital Assets and Depreciation (Continued)**

The District contracted with an outside service company during the 2017 fiscal year to provide a report with a comprehensive detail of capital assets and depreciation. The report was updated to include capital assets purchased during the 2016-2017 fiscal year and prior with a historical cost of \$2,000 or more. Accumulated depreciation prior to fiscal year 2017, fiscal year 2017 depreciation expense, total accumulated depreciation and book values were also provided. The costs of normal maintenance and repairs that do not add to the asset value or materially extend the useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts. Estimated useful lives, in years, for depreciable assets are as follows:

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

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

	<b>Balance</b> <b>July 1, 2021</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance</b> <b>June 30, 2022</b>
Governmental Activities:				
Land	\$ 2	_____	_____	2
Total	<u>2</u>	_____	_____	<u>2</u>
Depreciable Assets:				
Site Improvements	2,835,677			2,835,677
Buildings & Sites	17,103,102			17,103,102
Equipment	<u>1,283,590</u>	_____	_____	<u>1,283,590</u>
Total	<u>21,222,369</u>	_____	_____	<u>21,222,369</u>
Less: Accumulated Depreciation:				
Sites Improvements	(2,168,017)	(112,822)		(2,280,839)
Buildings	(10,286,684)	(464,894)		(10,751,578)
Equipment	<u>(1,176,359)</u>	<u>(38,655)</u>	_____	<u>(1,215,014)</u>
Total Accumulated Depreciation	<u>(13,631,060)</u>	<u>(616,371)</u>	_____	<u>(14,247,431)</u>
Net Depreciable Assets	<u>7,591,309</u>	<u>(616,371)</u>	_____	<u>6,974,938</u>
Governmental Activities Capital Assets (Net)	<u>\$ 7,591,311</u>	<u>(616,371)</u>	_____	<u>6,974,940</u>

**NOTE 1: Summary of Significant Accounting Policies (Continued)****I. Capital Assets and Depreciation (Continued)**

	<u>Balance</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2022</u>
Business-Type Activities:				
Equipment	\$ 177,050			177,050
Less: Accumulated Depreciation:				
Equipment	<u>(176,390)</u>	<u>(660)</u>	<u>      </u>	<u>(177,050)</u>
Business-Type Capital Assets (Net)	<u>\$ 660</u>	<u>(660)</u>	<u>      </u>	<u>      </u>

Depreciation expense was charged to governmental functions as follow:

Unallocated	<u>\$ 616,371</u>
-------------	-------------------

**J. Compensated Absences**

District employees are permitted, within certain limitations, to accrue vacation and sick leave in varying amounts under the Districts personnel policies and may be paid at a later date according to contractual agreements.

The liability for vested compensated absences of the governmental fund types is recorded in the government-wide financial statements as a non-current liability. Governmental funds report only matured compensated absences payable to currently terminating employees and are included in wages and benefits payable

**K. Deferred Revenue**

Deferred revenue in the special revenue funds represent cash which has been received but not yet earned. See Note 1(F) regarding the special revenue fund.

**L. Fund Equity**

The governmental fund financial statements report reserved fund balance for amounts not available for appropriation or legally restricted for specified purposes. The general fund reserve for restricted purposes includes net assets relating to capital reserve (See Note 10).

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

**M. Net Position**

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

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

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

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

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

**Fund Balance**

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

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

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

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



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

**M. Net Position (Continued)**

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

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

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

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

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

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

**Deposits**

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

**NOTE 2: Cash and Cash Equivalents and Investments (Continued)****Deposits (Continued)**

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

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

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

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

**Investments**

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

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or any United States Bank for cooperatives which have a maturity date not greater than twelve months from the date of purchase.
- c. Bonds or other obligations of the school district.

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

	<b>Cash and Cash</b>
	<b><u>Equivalents</u></b>
Checking and Money Market Accounts	<b><u>\$ 7,308,027</u></b>

The carrying amount of the District's cash and cash equivalents at June 30, 2022 was \$7,308,027 and the bank balance was \$9,111,866. Of the bank balance, \$500,000 was covered by federal depository insurance; \$8,611,866 was covered by a collateral pool maintained by the banks as required by New Jersey statutes.

**NOTE 2: Cash and Cash Equivalents and Investments (Continued)****Credit Risk Categories**

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

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Insured:		
FDIC	\$ 500,000	500,000
GUDPA	8,611,866	9,869,544

As of June 30, 2022, the District did not hold any long-term investments.

**Custodial Credit Risk – Deposits**

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

**NOTE 3: General Long-Term Debt**

During the fiscal year ended June 30, 2022, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance</u>		<u>Balance</u>	<u>Long-Term</u>	<u>Amount</u>
	<u>June 30, 2021</u>	<u>Additions</u>	<u>June 30, 2022</u>	<u>Portion</u>	<u>Due</u>
					<u>In one Year</u>
Pension Liability	\$ 3,278,934		(749,811)	2,529,123	2,529,123
Compensated Absences Payable	1,371,489	81,672		1,453,161	1,453,161
Capital Lease Payable	1,822,440			1,822,440	1,627,000
Bonds Payable	<u>8,465,000</u>		<u>(905,000)</u>	<u>7,560,000</u>	<u>6,610,000</u>
	<u>\$ 14,937,863</u>	<u>81,672</u>	<u>(1,654,811)</u>	<u>13,364,724</u>	<u>12,219,284</u>
					<u>1,145,440</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 of general obligation bonds.

**NOTE 3: General Long-Term Debt (Continued)****A. Bonds Payable (Continued)**

Refunding Bonds issued May 18, 2016 for \$9,395,000 to partially refund the February 25, 2009 maturing January 15, 2029 with a balance of \$7,560,000 at June 30, 2022 with interest rates ranging from 3.00% to 4.00%.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30,			
2023	\$ 950,000	302,400	1,252,400
2024	990,000	264,400	1,254,400
2025	1,035,000	224,800	1,259,800
2026	1,080,000	183,400	1,263,400
2027	1,125,000	140,200	1,265,200
2028-2029	<u>2,380,000</u>	<u>143,800</u>	<u>2,523,800</u>
	<u>\$ 7,560,000</u>	<u>1,259,000</u>	<u>8,819,000</u>

**B. Capital Leases Payable**

The District is leasing energy conservation measures equipment under a capital lease. The capital lease is for a term of fifteen years. The following is a schedule of the future minimum lease payments under the capital lease, and the present value of the net minimum lease payments at June 30, 2022:

2021 Energy Savings Improvement Program lease @ 2.225% interest for 15 years maturing on 1/15/2037 with a balance of \$1,822,440 at June 30, 2022.

<u>Future Minimum Lease Payments</u>	
2022-2023	\$ 234,872
2023-2024	135,645
2024-2025	139,420
2025-2026	143,005
2026-2037	<u>1,490,838</u>
	2,143,780
Less: Interest	<u>(321,340)</u>
Lease Payments	<u>\$ 1,822,440</u>

**NOTE 4: Pension Plans**

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

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

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

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

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

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

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

**Funding Policy** – The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.78% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

Legislation enacted during 1993 provides early retirement incentives for certain members of TPAF and PERS who met certain age and service requirements and who applied for retirement between certain dates in the 1994 fiscal year. The early retirement incentives included: (a) an additional five years of service credit for employees at least age 50 with a minimum of 25 years of service; (b) free health benefits for employees at least 60 years old with at least 20 years of service; and (c) an additional \$500 per month for two years for employees at least age 60 with 10 years but less than 20 years of service. The Board will assume the increased cost for the early retirement as it affects their districts.

During the year ended June 30, 2022, the State of New Jersey contributed \$6,306,367 to the TPAF for post-retirement medical benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$1,056,042 during the year ended June 30, 2022 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditure in accordance with GASB 24.

**Three-Year Trend Information for PERS**

<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/22	\$ 249,778	100%	0
6/30/21	219,961	100%	0
6/30/20	194,510	100%	0

**NOTE 4: Pension Plans (Continued)****Three-Year Trend Information for TPAF (Paid On-Behalf of the District)**

<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/22	\$ 6,306,367	100%	0
6/30/21	4,565,460	100%	0
6/30/20	3,441,019	100%	0

**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).

The vesting and benefit provisions are set by N.J.S.A. 43:15A, PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

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

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

**NOTE 4: Pension Plans (Continued)****Basis of Presentation**

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

**Allocation Methodology and Reconciliation to Financial Statements**

GASB Statement No. 68, *Accounting and Financial Reporting for Pension*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented in the schedule of employer allocations and applied to amounts presented in the schedule of pension amounts by employer based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2020 through June 30, 2021. Employer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of pension amounts by employer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedule of pension amount by employer. The allocation percentages for each group of June 30, 2021 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2021.



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

A special funding situation exists for certain Local employers of the Public Employees' Retirement System. The State of New Jersey, as a nonemployer, is required to pay the additional costs incurred by Local employers under Chapter 366, P.L. 2001. This legislation established the Prosecutors Part of the PERS which provides enhanced retirement benefits for Prosecutors enrolled in the PERS. The State is liable for the increased pension costs to a County that resulted from the enrollment of Prosecutors in the Prosecutors Part. The June 30, 2021 State special funding situation net pension liability amount of \$126.3 million is the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The State special funding situation pension expense of \$11.1 million, for the fiscal year ending June 30, 2021, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2021. The pension expense is deemed to be a State administrative expense due to the special funding situation.

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2021, the State's pension contribution was less than the actuarial determined amount.

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

For the year ended June 30, 2022, the District recognized pension expense of \$249,778. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference Between Expected and Actual Experience	\$ 39,888	18,106
Changes of Assumptions	13,172	900,384
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		666,238
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	325,181	166,897
District Contributions Subsequent to the Measurement Date	<u>249,778</u>	<u>          </u>
Total	<u>\$ 628,019</u>	<u>1,751,625</u>

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

\$249,778 reported as deferred outflows of resources related to pensions resulting from school district, project contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2022, the plan measurement date is June 30, 2021) will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year Ending  
June 30,**

2022	\$ (590,147)
2023	(421,515)
2024	(287,401)
2025	(216,040)
2026	<u>84</u>
	<u>\$ (1,515,019)</u>

**Additional Information**

Collective balances at December 31, 2021 and 2020 are as follows:

	<u>Dec. 31, 2021</u>	<u>Dec. 31, 2020</u>
Collective Deferred Outflows of Resources	\$ 628,019	684,291
Collective Deferred Inflows of Resources	1,751,625	1,626,932
Collective Net Pension Liability	2,529,123	3,278,934
District's Proportion	.02112%	.01995%

**Components of Net Pension Liability**

The components of the collective net pension liability of the participating employers as of June 30, 2021 were as follows:

	<u>2021</u>		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 28,950,516,944	40,359,568,055	69,310,084,999
Plan Fiduciary Net Position	<u>7,321,019,459</u>	<u>28,386,785,177</u>	<u>35,707,804,636</u>
Net Pension Liability	<u>\$ 21,629,497,485</u>	<u>11,972,782,878</u>	<u>33,602,280,363</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	25.29%	70.33%	42.90%

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

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

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real 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 Mitigation 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 on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2020, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>2021</u>		
	<u>At 1% Decrease (6.00%)</u>	<u>At Current Discount Rate (7.00%)</u>	<u>At 1% Increase (8.00%)</u>
School District's Proportionate Share Of the Net Pension Liability	<u>\$ 3,444,153</u>	<u>2,529,123</u>	<u>1,752,591</u>

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

The State of New Jersey, Teacher's Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contribution, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division).

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, member's beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

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

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

**Basis of Presentation**

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

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

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense. The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocation and applied to, presented in the schedule of pension amount by employer and nonemployer are based on the ration of the State's actual contributions made as an employer and nonemployer adjusted for unpaid early retirement incentives to total contributions to TPAF during the year ended June 30, 2021. Employer and nonemployer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences.

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

**Special Funding Situation**

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

**Components of Net Pension Liability**

The components of the net pension liability of the State as of June 30, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Total Pension Liability	\$ 74,699,133,697	87,522,678,686
Plan Fiduciary Net Position	<u>26,533,142,515</u>	<u>21,529,179,998</u>
Net Pension Liability	<u>\$ 48,165,991,182</u>	<u>65,993,498,688</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	35.52%	24.60%

**NOTE 4: Pension Plans (Continued)****State Proportionate Share of Net Pension Liability Attributable to District**

	<u>2021</u>	<u>2020</u>
District's Liability	\$ <u>56,385,147</u>	<u>73,967,386</u>
District's Proportion	.11706%	.11208%

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 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.

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2021 are summarized in the following table:

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real 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 Mitigation 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 will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

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

The following presents the net pension liability of the State as of June 30, 2021 calculated using the discount rate as disclosed above as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>2021</u>		
	<u>At 1% Decrease (6.00%)</u>	<u>At Current Discount Rate (7.00%)</u>	<u>At 1% Increase (8.00%)</u>
School District's Proportionate Share Of the Net Pension Liability	\$ 0	0	0
State of New Jersey's Proportionate Share Of the District's Net Pension Liability	<u>66,713,047</u>	<u>56,385,147</u>	<u>47,710,360</u>
	<u>\$ 66,713,047</u>	<u>56,385,147</u>	<u>47,710,360</u>



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

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

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

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

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

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

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

The total nonemployer OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 20, 2020, with was rolled forward to June 30, 2021. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Total Nonemployer OPEB Liability	\$60,007,650,970		
Inflation rate	2.50%		
	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:			
Through 2026	1.55 – 4.45% based on service years	2.00% - 6.00% based on service years	3.25% - 15.25% based on service years
Thereafter	2.75 – 5.65% based on service years	3.00% - 7.00% based on service years	Not applicable

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

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

***(a) Health Care Trend Assumptions***

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

**NOTE 5: Post-Retirement Benefits (Continued)****(b) Discount Rate**

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

Changes in the State of New Jersey's proportionate share of the total Non-Employer OPEB Liability associated with the School District:

	<b>Total <u>OPEB Liability</u></b>
Balances at June 30, 2020	\$ 56,391,373
Changes for the Year:	
Service Cost	3,219,741
Interest	1,340,609
Change of Benefit	(55,006)
Difference Between Expected and Actual Experience	(8,246,910)
Changes in Assumptions or Other Inputs	50,985
Benefit Payments	(1,056,024)
Member Contributions	<u>34,273</u>
Balance at June 30, 2021	<u>\$ 51,679,041</u>

There were no changes in benefit terms between the June 30, 2020 measurement date and the June 30, 2021 measurement date.

Changes of assumptions and other inputs reflect a change in the discount rate from 2.21% percent in 2020 to 2.16% percent in 2021.

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

	<b>1% Decrease <u>(1.16%)</u></b>	<b>Discount Rate <u>(2.16%)</u></b>	<b>1% Increase <u>(3.16%)</u></b>
State of New Jersey's Proportionate Share Of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 61,903,378</u>	<u>51,679,041</u>	<u>43,627,989</u>

**NOTE 5: Post-Retirement Benefits (Continued)**

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

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
State of New Jersey's Proportionate Share Of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 41,834,352</u>	<u>51,679,041</u>	<u>64,899,731</u>

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

For the year ended June 30, 2021, the Board of Education recognized OPEB expense of \$4,019,646 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

In accordance with GASBS No. 75, the Kenilworth Board of Education proportionate share of school retirees OPEB is zero; there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows or resources. At June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 7,790,386	15,509,799
Changes in Proportion	4,535,503	
Changes of Assumptions or Other Inputs	<u>8,766,694</u>	<u>5,544,680</u>
Total	<u>\$ 21,092,583</u>	<u>21,054,479</u>

**NOTE 5: Post-Retirement Benefits (Continued)**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	
2023	\$ 4,483
2024	4,483
2025	4,483
2026	4,483
2027	4,483
Thereafter	<u>15,689</u>
	<u>\$ 38,104</u>

**NOTE 6: Compensated Absences**

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

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

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

The liability for vested compensated absences as of June 30, 2022, was \$1,453,161.

**NOTE 7: Capital Reserve Account**

A capital reserve account was established by the Borough of Kenilworth Board of Education by inclusion of \$1 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.

**NOTE 7: Capital Reserve Account (Continued)**

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. 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	\$ 3,379,709
Decreased by:	
Budgeted Withdrawal	<u>(795,000)</u>
Ending Balance, June 30, 2022	<u>\$ 2,584,709</u>

\*\$150,000 is budgeted for withdrawal in 2022-2023.

**NOTE 8: Fund Balance Appropriated**

**General Fund** – Of the \$6,554,294 General Fund fund balance at June 30, 2022, \$444,109 is reserved for encumbrances; \$2,434,709 has been placed in the capital reserve; \$250,000 is in emergency reserve; \$350,001 is in maintenance reserve; \$100,000 is designated for subsequent year's expenditures maintenance reserve; \$150,000 is designated for subsequent years expenditures – capital reserve; \$558,715 is unemployment; \$450,000 is designated for subsequent years; \$391,379 excess surplus – current year; and \$1,425,381 is unreserved and undesignated.

**NOTE 9: Calculation of Excess Surplus**

In accordance with *N.J.S.A. 18A:7F-7*, the designation for Reserved 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 reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget.

**NOTE 10: Equity Balance****4% Calculation of Excess Surplus**

2021-22 Total General Fund Expenditures Per the ACFR	\$ 37,157,371
Decreased by:	
On Behalf TPAF Pension and Social Security	<u>(7,362,409)</u>
Adjusted 2021-22 General Fund Expenditures	<u>\$ 29,794,962</u>
4% of Adjusted 2021-22 General Fund Expenditures	\$ 1,191,798
Increased by Allowable Adjustments	<u>233,583</u>
Maximum Unassigned Fund Balance	<u>\$ 1,425,381</u>

**Section 2**

Total General Fund – Fund Balance @ 6-30-22	\$ 6,554,294
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Decreased by:

Reserved for Encumbrances	(444,109)
Other Reserves	(3,034,710)
Unemployment	(558,715)
Designated for Subsequent Years Expenditures – Maintenance Reserve	(100,000)
Designated for Subsequent Years Expenditures – Capital Reserve	(150,000)
Designated for Subsequent Years Expenditures	<u>(450,000)</u>

Total Unassigned Fund Balance	<u>\$ 1,816,760</u>
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Designated for Subsequent Years Expenditures – Excess Surplus	\$
Reserved Fund Balance – Excess Surplus	<u>391,379</u>

	<u>\$ 391,379</u>
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**Section 3****Detail of Allowable Adjustments**

Extraordinary Aid	<u>\$ 233,583</u>
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**Detail of Other Reserved Fund Balance**

Capital Reserve	\$ 2,434,709
Maintenance Reserve	350,001
Emergency Reserve	<u>250,000</u>

	<u>\$ 3,034,710</u>
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Reserved excess surplus represents a calculation under N.J.S.A. 18A:7F-7 which identifies an amount of surplus under the statute which must be restricted for use in the next succeeding budget. Designated for subsequent year's represents the amount appropriated in the 2022-2023 budget.

Unrestricted is surplus not previously committed or reserved for any other purpose.

**NOTE 11: Contingent Liabilities**

The Board is involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect of the financial position of the District.

**NOTE 12: Tuition Adjustments**

Regulations specify that tuition adjustments for any given school year shall be remitted/received in the two following years after the tuition rate is certified. These adjustments have not been reflected on the June 30, 2022 financial statements.

**NOTE 13: Economic Dependency**

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

**NOTE 14: Risk Management**

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

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

**New Jersey Unemployment Compensation Insurance** – The District 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 District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>	<u>Reimbursed</u>	<u>Balance</u>
2021-2022	\$ 0	77,429	55,355	558,715
2020-2021	0	74,770	52,617	536,641
2019-2020	0	56,635	24,336	514,488



**NOTE 15: General Fund Emergency Reserve Account**

The reserve account is to be used to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonable unforeseeable. The emergency reserve balance may not exceed \$250,000 or 1% of the District's general fund budget up to a maximum of \$100,000 whichever is greater. Withdrawals require the approval of the commissioner unless the withdrawal is necessary to meet an increase in total health costs greater than four percent. Kenilworth maintained an emergency reserve on June 30, 2022 of \$250,000.

**NOTE 16: Subsequent Events**

Subsequent events have been evaluated through February 15, 2023, which is the date the financial statements were available to be issued. No additional subsequent event disclosures are required.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**PART II**

**BUDGETARY COMPARISON SCHEDULES – C**

**KENILWORTH SCHOOL DISTRICT**

Exhibit C-1  
Sheet 1 of 12

**BUDGETARY COMPARISON SCHEDULE - GENERAL 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	\$ 21,068,563		21,068,563	21,068,572	9
Tuition	304,820		304,820	311,237	6,417
Miscellaneous	102,376		102,376	320,612	218,236
Other Restricted Miscellaneous Revenues			-	77,428	77,428
Total Local Sources	<u>21,475,759</u>	<u>-</u>	<u>21,475,759</u>	<u>21,777,849</u>	<u>302,090</u>
State Sources:					
School Choice Aid	2,000,960		2,000,960	2,000,960	-
Special Education Aid	1,218,446		1,218,446	1,218,446	-
Extraordinary Aid	64,000		64,000	297,583	233,583
Equalization Aid	3,293,397		3,293,397	3,293,397	-
Security Aid	214,451		214,451	214,451	-
Transportation Aid	173,781		173,781	173,781	-
On-Behalf T.P.A.F Pension Contributions - Post Retirement Medical (Non-Budgeted)			-	1,193,926	1,193,926
On-Behalf T.P.A.F Pension Contributions - Normal Cost (Non-Budgeted)			-	5,110,099	5,110,099
On-Behalf T.P.A.F Pension Contributions - Long-Term Disability			-	2,342	2,342
TPAF Social Security Contribution (Reimbursed)			-	1,056,042	1,056,042
Total State Sources	<u>6,965,035</u>	<u>-</u>	<u>6,965,035</u>	<u>14,561,027</u>	<u>7,595,992</u>
Federal Sources:					
Medical Assistance Program (Semi)			-	17,866	17,866
Total Revenues	<u>28,440,794</u>	<u>-</u>	<u>28,440,794</u>	<u>36,356,742</u>	<u>7,915,948</u>

**KENILWORTH SCHOOL DISTRICT**

**BUDGETARY COMPARISON SCHEDULE - GENERAL 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>
Distributed Expenditures:					
Regular Programs - Instruction:					
Pre-Kindergarten - Salaries of Teachers	79,814	(22,998)	56,816	56,815	1
Kindergarten - Salaries of Teachers	427,824	1,518	429,342	429,342	-
Grades 1-5 - Salaries of Teachers	2,774,310	(315,152)	2,459,158	2,452,558	6,600
Grades 6-8 - Salaries of Teachers	2,447,433	(112,305)	2,335,128	2,335,128	-
Grades 9-12 - Salaries of Teachers	3,264,461	(180,320)	3,084,141	3,084,140	1
Subtotal	<u>8,993,842</u>	<u>(629,257)</u>	<u>8,364,585</u>	<u>8,357,983</u>	<u>6,602</u>
Regular Programs - Other:					
Other Salaries for Instruction	111,868	22,073	133,941	130,667	3,274
Subtotal	<u>9,105,710</u>	<u>(607,184)</u>	<u>8,498,526</u>	<u>8,488,650</u>	<u>9,876</u>
Regular Programs - Undistributed Instruction:					
Other Instructional Salaries	37,000	482,638	519,638	504,950	14,688
Purchased Professional Educational Services	51,525	47,139	98,664	87,577	11,087
Other Purchased Services	108,043	4,275	112,318	110,470	1,848
General Supplies	377,169	239,386	616,555	548,279	68,276
Textbooks	119,451	14,417	133,868	132,819	1,049
Other Objects	2,297	(600)	1,697		1,697
Subtotal	<u>695,485</u>	<u>787,255</u>	<u>1,482,740</u>	<u>1,384,095</u>	<u>98,645</u>
Total Regular Programs - Instruction	<u>9,801,195</u>	<u>180,071</u>	<u>9,981,266</u>	<u>9,872,745</u>	<u>108,521</u>

**KENILWORTH SCHOOL DISTRICT**

**BUDGETARY COMPARISON SCHEDULE - GENERAL 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>
Special Education Instruction:					
Learning & Language Disabilities:					
Salaries of Teachers	154,716	(4,107)	150,609	150,609	-
Other Salaries for Instruction	155,917	(5,529)	150,388	150,387	1
General Supplies	1,882	(178)	1,704	1,704	-
Total Learning and Language Disabilities	<u>312,515</u>	<u>(9,814)</u>	<u>302,701</u>	<u>302,700</u>	<u>1</u>
Resource Room/Center:					
Salaries of Teachers	2,271,697	(220,077)	2,051,620	2,051,620	-
Other Salaries for Instruction	440,528	70,913	511,441	510,657	784
Purchased Professional Educational Services		50,000	50,000		50,000
General Supplies	9,250	(801)	8,449	8,211	238
Total Resource Room/Center	<u>2,721,475</u>	<u>(99,965)</u>	<u>2,621,510</u>	<u>2,570,488</u>	<u>51,022</u>
Pre-School Disabilities - Part-Time					
Salaries of Teachers	84,926	1,450	86,376	86,376	-
Other Salaries for Instruction	34,648	95,058	129,706	129,706	-
General Supplies	450	(59)	391	391	-
Total Pre-School Handicapped	<u>120,024</u>	<u>96,449</u>	<u>216,473</u>	<u>216,473</u>	<u>-</u>

KENILWORTH SCHOOL DISTRICT

Exhibit C-1

Sheet 4 of 12

BUDGETARY COMPARISON SCHEDULE - GENERAL 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>
Total Special Education - Instruction	<u>3,154,014</u>	<u>(13,330)</u>	<u>3,140,684</u>	<u>3,089,661</u>	<u>51,023</u>
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	487,050	133,482	620,532	620,532	-
General Supplies	<u>2,450</u>	<u>2,450</u>	<u>2,450</u>	<u>2,449</u>	<u>1</u>
Total Basic Skills/Remedial - Instruction	<u>487,050</u>	<u>135,932</u>	<u>622,982</u>	<u>622,981</u>	<u>1</u>
Bilingual Education - Instruction:					
Salaries of Teachers	165,875	689	166,564	166,564	-
General Supplies	<u>10,025</u>	<u>9,786</u>	<u>19,811</u>	<u>19,810</u>	<u>1</u>
Total Bilingual Education - Instruction	<u>175,900</u>	<u>10,475</u>	<u>186,375</u>	<u>186,374</u>	<u>1</u>
School Sponsored Co-Curricular Activities - Instruction					
Salaries	177,588	500	178,088	155,138	22,950
Supplies	27,566	4,709	32,275	19,881	12,394
Other Objects	<u>10,275</u>	<u>(5,182)</u>	<u>5,093</u>	<u>2,089</u>	<u>3,004</u>
Total School Sponsored Co-Curricular Activities	<u>215,429</u>	<u>27</u>	<u>215,456</u>	<u>177,108</u>	<u>38,348</u>
School Sponsored Athletics - Instruction					
Salaries	280,808		280,808	266,448	14,360
Purchased Services	67,936	(20,544)	47,392	34,462	12,930
Supplies and Materials	31,700	20,544	52,244	40,746	11,498
Other Objects	<u>18,245</u>		<u>18,245</u>	<u>16,640</u>	<u>1,605</u>
Total School Sponsored Athletics - Instruction	<u>398,689</u>	<u>-</u>	<u>398,689</u>	<u>358,296</u>	<u>40,393</u>

**KENILWORTH SCHOOL DISTRICT**

**Exhibit C-1  
Sheet 5 of 12**

**BUDGETARY COMPARISON SCHEDULE - GENERAL 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>
Total Distributed Expenditures	<u>14,232,277</u>	<u>313,175</u>	<u>14,545,452</u>	<u>14,307,165</u>	<u>238,287</u>
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEA's - Within State	70,419	29,419	99,838	45,358	54,480
Tuition to County Vocational School:					
Regular	534,040	(86,581)	447,459	429,784	17,675
Special	20,000	8,000	28,000	28,000	-
Tuition - County Special Services & Reg Day Schools	163,208	89,741	252,949	252,949	-
Tuition to Private School for Handicapped - Within State	479,242	48,950	528,192	528,192	-
Total Instruction	<u>1,266,909</u>	<u>89,529</u>	<u>1,356,438</u>	<u>1,284,283</u>	<u>72,155</u>
Attendance & Social Work:					
Salaries	51,644		51,644	51,644	-
Purchased Technical Services	28,780	(1,980)	26,800	26,800	-
Supplies and Materials	300	(300)	-	-	-
Total Attendance & Social Work	<u>80,724</u>	<u>(2,280)</u>	<u>78,444</u>	<u>78,444</u>	<u>-</u>
Health Services:					
Salaries	221,274	95	221,369	221,369	-
Purchased Professional/Technical Services	19,680	48,150	67,830	42,236	25,594
Supplies and Materials	2,794	(500)	2,294	1,938	356
Total Health Services	<u>243,748</u>	<u>47,745</u>	<u>291,493</u>	<u>265,543</u>	<u>25,950</u>
Other Student Support Services - Related Services:					
Salaries	448,877	263,698	712,575	712,574	1
Purchased Professional/Technical Services	131,412	(71,671)	59,741	45,629	14,112
Supplies and Materials	8,484	(5,000)	3,484	2,614	870
Total Other Student Support Services - Related Services	<u>588,773</u>	<u>187,027</u>	<u>775,800</u>	<u>760,817</u>	<u>14,983</u>



**KENILWORTH SCHOOL DISTRICT**

**BUDGETARY COMPARISON SCHEDULE - GENERAL 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>
Other Support Student - Regular:					
Salaries of Other Professional Staff	651,862	(77,301)	574,561	574,561	-
Salaries of Secretarial & Clerical	38,368	(74)	38,294	38,293	1
Purchased Professional/Educational Services	22,752	21,164	43,916	28,666	15,250
Other Purchased Professional/Technical Services	52,354	(14,439)	37,915	37,915	-
Other Purchased Services	1,627	(352)	1,275	1,274	1
Supplies and Materials	6,325	(4,668)	1,657	1,657	-
Other Objects	1,560	(1,480)	80		80
Total Other Support Student - Regular	<u>774,848</u>	<u>(77,150)</u>	<u>697,698</u>	<u>682,366</u>	<u>15,332</u>
Other Support Student Services- Special:					
Salaries of Other Professional Staff	650,323	(129,729)	520,594	520,593	1
Salaries of Secretarial & Clerical	55,982	(725)	55,257	55,257	-
Purchased Professional Educational Services	13,150	40,772	53,922	53,922	-
Miscellaneous Purchased Services	20,211	(3,704)	16,507	16,507	-
Supplies and Materials	9,591	(3,879)	5,712	5,712	-
Other Objects	340	(340)	-	-	-
Total Other Support Student Services- Special	<u>749,597</u>	<u>(97,605)</u>	<u>651,992</u>	<u>651,991</u>	<u>1</u>
Improvement Instructional Services:					
Salaries of Supervisors of Instruction	571,309	9,367	580,676	580,675	1
Salaries of Other Professional Staff	15,996	2,580	18,576	18,576	-
Salaries of Secretarial & Clerical	79,176	718	79,894	79,894	-
Other Purchased Services	2,111	(513)	1,598	1,597	1
Supplies & Materials	500	(5)	495	495	-
Other Objects	6,360	1,245	7,605	7,605	-
Total Improvement Instructional Services	<u>675,452</u>	<u>13,392</u>	<u>688,844</u>	<u>688,842</u>	<u>2</u>

**KENILWORTH SCHOOL DISTRICT**

Exhibit C-1  
Sheet 7 of 12

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

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

	<b><u>Original Budget</u></b>	<b><u>Budget Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Educational Media/Library:					
Salaries	151,090	1,599	152,689	152,689	-
Salaries of Technology Coordinators	117,019	1	117,020	117,020	-
Other Purchased Services		33	33	32	1
Supplies & Materials	<u>27,669</u>	<u>1,417</u>	<u>29,086</u>	<u>25,575</u>	<u>3,511</u>
Total Educational Media/Library	<u>295,778</u>	<u>3,050</u>	<u>298,828</u>	<u>295,316</u>	<u>3,512</u>
Staff Training:					
Salaries of Supervisors of Instruction	60,312	9,866	70,178	70,178	-
Other Salaries for Instruction	10,940	9,542	20,482	20,482	-
Purchased Professional/Educational Serv.	98,645	(39,015)	59,630	26,647	32,983
Supplies & Materials	2,500	(1,300)	1,200	829	371
Other Objects	<u>214</u>	<u>(4)</u>	<u>210</u>	<u>60</u>	<u>150</u>
Total Staff Training	<u>172,611</u>	<u>(20,911)</u>	<u>151,700</u>	<u>118,196</u>	<u>33,504</u>
Support Services - General Administration:					
Salaries	279,579	59,563	339,142	312,955	26,187
Legal Services	76,000	29,304	105,304	91,870	13,434
Audit Fee	16,000		16,000	15,500	500
Other Purchased Professional Services	10,000	(2,075)	7,925	7,154	771
Purchased Technical Services	16,291	3,105	19,396	12,385	7,011
Communications/Telephone	60,255	16,208	76,463	63,782	12,681
BOE Other Purchased Services	13,095	4,767	17,862	17,859	3
Other Purchased Services			-		-
Liability Insurance	65,378	(717)	64,661	64,661	-
Supplies & Materials	1,700	5,085	6,785	6,571	214
BOE In House Training Supplies	3,100	2,796	5,896	5,895	1
Miscellaneous Expenditures	31,175	(24,899)	6,276	6,189	87
BOE Membership Dues and Fees	<u>21,085</u>		<u>21,085</u>	<u>21,019</u>	<u>66</u>
Total Support Services - General Administration	<u>593,658</u>	<u>93,137</u>	<u>686,795</u>	<u>625,840</u>	<u>60,955</u>

KENILWORTH SCHOOL DISTRICT

Exhibit C-1  
Sheet 8 of 12

BUDGETARY COMPARISON SCHEDULE - GENERAL 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>
Support Services - School Administration:					
Salaries of Principals/Vice Principals	319,528	(7,000)	312,528	312,528	-
Salaries of Other Professional Staff	222,565	39,790	262,355	247,177	15,178
Salaries of Secretarial & Clerical	175,981	(343)	175,638	171,575	4,063
Other Purchased Services	3,676		3,676	2,704	972
Supplies & Materials	6,654		6,654	4,948	1,706
Other Objects	4,060	(1,245)	2,815	1,690	1,125
Total Support Services - School Administration	<u>732,464</u>	<u>31,202</u>	<u>763,666</u>	<u>740,622</u>	<u>23,044</u>
Technology Information Service:					
Salaries	131,676	5,806	137,482	136,933	549
Purchased Professional Services	32,808		32,808	30,660	2,148
Purchased Technical Services	46,000	10,000	56,000	54,991	1,009
Other Purchased Services	9,200	115	9,315	9,315	-
Supplies and Materials	22,840	(7,615)	15,225	12,845	2,380
Total Technology Information Service	<u>242,524</u>	<u>8,306</u>	<u>250,830</u>	<u>244,744</u>	<u>6,086</u>
Required Maintenance - Facilities:					
Cleaning, Repair & Maintenance Services	232,635	156,413	389,048	358,169	30,879
General Supplies	34,700	(596)	34,104	33,992	112
Other Objects	1,735	1,485	3,220	3,220	-
Total Allowable Maintenance Facilities	<u>269,070</u>	<u>157,302</u>	<u>426,372</u>	<u>395,381</u>	<u>30,991</u>

**KENILWORTH SCHOOL DISTRICT**

Exhibit C-1  
Sheet 9 of 12

**BUDGETARY COMPARISON SCHEDULE - GENERAL 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>
Other Operations & Maintenance:					
Salaries	460,526	(67,314)	393,212	375,862	17,350
Purchased Professional/Technical Serv.	7,000	6,400	13,400	13,400	-
Cleaning, Repair & Maintenance Services	709,870	18,751	728,621	567,931	160,690
Insurance	142,432	4,068	146,500	146,499	1
General Supplies	35,250	5,359	40,609	40,394	215
Natural Gas	118,883	57,125	176,008	150,716	25,292
Energy (Heat & Electricity)	264,106	12,046	276,152	221,253	54,899
Other Objects	30,000		30,000	29,567	433
Total Other Operations & Maintenance	<u>1,768,067</u>	<u>36,435</u>	<u>1,804,502</u>	<u>1,545,622</u>	<u>258,880</u>
Upkeep of Grounds:					
Salaries	57,101	(648)	56,453	56,452	1
Purchased Professional/Technical Serv.	33,000	(2,499)	30,501	18,169	12,332
Repair and Maintenance	23,500	(17,410)	6,090	3,084	3,006
Supplies	22,820	4,646	27,466	17,912	9,554
Total Upkeep of Grounds	<u>136,421</u>	<u>(15,911)</u>	<u>120,510</u>	<u>95,617</u>	<u>24,893</u>
Security:					
Purchased Professional Technical Services	98,991	6,659	105,650	103,095	2,555
Repair and Maintenance	4,500	20,455	24,955	16,354	8,601
Supplies and Materials		2,299	2,299	1,138	1,161
Total Security	<u>103,491</u>	<u>29,413</u>	<u>132,904</u>	<u>120,587</u>	<u>12,317</u>
Total Operations & Maintenance	<u>2,277,049</u>	<u>207,239</u>	<u>2,484,288</u>	<u>2,157,207</u>	<u>327,081</u>

**KENILWORTH SCHOOL DISTRICT**

Exhibit C-1  
Sheet 10 of 12

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

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

	<b><u>Original Budget</u></b>	<b><u>Budget Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Student Transportation:					
Contracted Services Other - Vendors	75,500	(20,506)	54,994	54,993	1
Contracted Services Special Ed. Joint Agreement	731,330	57,750	789,080	784,268	4,812
Contracted Services(Reg.Students) ESCs & CTSA's	151,440	(4,987)	146,453	146,452	1
Other Objects		50	50	50	-
Total Student Transportation	<u>958,270</u>	<u>32,307</u>	<u>990,577</u>	<u>985,763</u>	<u>4,814</u>
Central Services:					
Salaries	326,708	3,164	329,872	329,872	-
Purchased Technical Services	16,640	(2,300)	14,340	14,340	-
Supplies & Materials	5,000	(911)	4,089	4,088	1
Miscellaneous Expenditures	2,713	(628)	2,085	2,085	-
Total Central Services	<u>351,061</u>	<u>(675)</u>	<u>350,386</u>	<u>350,385</u>	<u>1</u>
Undistributed Expenditures-Employee Benefits:					
Other Retirement Contrib. - Social Security	293,009	12,260	305,269	305,268	1
Other Retirement Contrib. - PERS	234,206	15,573	249,779	249,778	1
Other Retirement Contrib. - ERIP	21,481	11,805	33,286	33,285	1
Other Retirement Contrib.		5,552	5,552		5,552
Workman's Compensation	104,817	(5,099)	99,718	99,718	-
Unemployment		55,355	55,355	55,355	-
Health Benefits	3,664,756	(81,225)	3,583,531	3,336,544	246,987
Tuition Reimbursements	68,500	(59,106)	9,394	9,394	-
Other Employee Benefits	164,623	6,541	171,164	161,005	10,159
Total Unallocated Benefits	<u>4,551,392</u>	<u>(38,344)</u>	<u>4,513,048</u>	<u>4,250,347</u>	<u>262,701</u>
On-Behalf T.P.A.F Pension Contributions - Post Retirement Medical (Non-Budgeted)			-	1,193,926	(1,193,926)
On-Behalf T.P.A.F Pension Contr. - Normal Cost (Non-Budgeted)			-	5,110,099	(5,110,099)
On-Behalf T.P.A.F Pension Contributions - Long-Term Disability			-	2,342	(2,342)
TPAF Social Security Contribution (Reimbursed)			-	1,056,042	(1,056,042)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,362,409</u>	<u>(7,362,409)</u>

**KENILWORTH SCHOOL DISTRICT**

Exhibit C-1  
Sheet 11 of 12

**BUDGETARY COMPARISON SCHEDULE - GENERAL 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>
Total Undistributed Expenditures	<u>14,554,858</u>	<u>475,969</u>	<u>15,030,827</u>	<u>21,543,115</u>	<u>(6,512,288)</u>
Total General Current Expense	<u>28,787,135</u>	<u>789,144</u>	<u>29,576,279</u>	<u>35,850,280</u>	<u>(6,274,001)</u>
Capital Outlay					
Equipment-Regular Instruction		31,962	31,962	31,962	-
Equipment-Security		82,165	82,165	82,165	-
Professional Services-Architectural/Engineering Services		142,060	142,060	136,193	5,867
Professional Services-Facility Construction	904,002	102,589	1,006,591	980,482	26,109
Equipment-Operation of Plant		45,235	45,235	45,234	1
Total Capital Outlay	<u>904,002</u>	<u>404,011</u>	<u>1,308,013</u>	<u>1,276,036</u>	<u>31,977</u>
Summer School					
Instruction:					
Salaries of Teachers	22,183	2,240	24,423	24,422	1
Support Services	10,080	(2,240)	7,840	6,633	1,207
Total Instruction	<u>32,263</u>	<u>-</u>	<u>32,263</u>	<u>31,055</u>	<u>1,208</u>
Total Summer School	<u>32,263</u>	<u>-</u>	<u>32,263</u>	<u>31,055</u>	<u>1,208</u>
Total Current Expense & Summer School	<u>29,723,400</u>	<u>1,193,155</u>	<u>30,916,555</u>	<u>37,157,371</u>	<u>(6,240,816)</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(1,282,606)	(1,193,155)	(2,475,761)	(800,629)	1,675,132
Fund Balance, July 1	<u>7,354,923</u>		<u>7,354,923</u>	<u>7,354,923</u>	
Fund Balance, June 30	<u>\$ 6,072,317</u>	<u>(1,193,155)</u>	<u>4,879,162</u>	<u>6,554,294</u>	<u>1,675,132</u>

KENILWORTH SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL 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>
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 2,434,709	
Maintenance Reserve				350,001	
Emergency Reserve				250,000	
Designated for Subsequent Year's Expenditures - Maintenance Reserve				100,000	
Designated for Subsequent Year's Expenditures - Capital Reserve				150,000	
Excess Surplus - Current Year				391,379	
Committed Fund Balance:					
Year End Encumbrances				444,109	
Unemployment Compensation				558,715	
Assigned Fund Balances:					
Designated for Subsequent Year's Expenditures				450,000	
Unassigned Fund Balance				<u>1,425,381</u>	
				6,554,294	
Reconciliation to Governmental Funds Statement (GAAP):					
Final State Aid Payments not Recognized on GAAP Basis				<u>(681,823)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 5,872,471</u>	

**KENILWORTH SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**

Exhibit C-2  
Sheet 1 of 2

**SPECIAL REVENUE FUND**

**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	\$ -	183,704	183,704	183,704	-
State Sources	141,000	51,115	192,115	165,793	26,322
Federal Sources:					
Title I, Part A	116,000	104,628	220,628	203,750	16,878
Title IIA, Part A	15,000	25,768	40,768	40,767	1
Title III Immigrant	10,000	(1,012)	8,988	7,781	1,207
Title IV, Part A		13,793	13,793	13,793	-
IDEA Part B, Basic	324,000	15,017	339,017	334,493	4,524
IDEA Preschool		10,497	10,497		10,497
ARP IDEA Part B, Basic		73,463	73,463	72,083	1,380
ARP IDEA Preschool		6,266	6,266		6,266
ARP ESSER II		1,391,997	1,391,997	66,938	1,325,059
ARP Learning Acceleration		120,180	120,180		120,180
ARP SL		40,000	40,000		40,000
ARP After School		40,000	40,000		40,000
ARP Mental Health		88,501	88,501		88,501
Educational Stabilization Fund (CARES Act)		22,652	22,652	22,652	-
CRRSA ESSER II		619,372	619,372	619,372	-
CRRSA Learning Acceleration		39,748	39,748	39,748	-
CRRSA Mental Health		45,000	45,000	45,000	-
Total Federal Sources	<u>465,000</u>	<u>2,655,870</u>	<u>3,120,870</u>	<u>1,466,377</u>	<u>1,654,493</u>
Total Revenues	<u>606,000</u>	<u>2,890,689</u>	<u>3,496,689</u>	<u>1,815,874</u>	<u>1,680,815</u>
Expenditures:					
Instruction:					
Salaries of Teachers	104,000	126,110	230,110	148,054	82,056
Purchased Professional Educational Services	141,000	153,680	294,680	169,678	125,002
Tuition	324,000	84,323	408,323	397,826	10,497
Instructional Supplies	30,000	883,328	913,328	547,531	365,797
Total Instruction	<u>599,000</u>	<u>1,247,441</u>	<u>1,846,441</u>	<u>1,263,089</u>	<u>583,352</u>



**KENILWORTH SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**

Exhibit C-2  
Sheet 2 of 2

**SPECIAL REVENUE FUND**

**JUNE 30, 2022**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Support Services:					
Salaries		8,000	8,000	8,000	-
Employee Benefits	7,000	(7,000)	-		-
Purchased Professional Services		951,537	951,537	358,531	593,006
Other Purchased Services		2,550	2,550	2,550	-
General Supplies		12,400	12,400	12,400	-
Scholarships Awarded		7,500	7,500	7,500	-
Student Activities		148,181	148,181	148,181	-
Total Support Services	<u>7,000</u>	<u>1,123,168</u>	<u>1,130,168</u>	<u>537,162</u>	<u>593,006</u>
Facilities Acquisition and Construction Services:					
Construction Services		<u>478,038</u>	<u>478,038</u>		<u>478,038</u>
Total Expenditures	<u>606,000</u>	<u>2,848,647</u>	<u>3,454,647</u>	<u>1,800,251</u>	<u>1,654,396</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>42,042</u>	<u>42,042</u>	<u>15,623</u>	<u>26,419</u>
Fund Balance, July 1	<u>241,897</u>		<u>241,897</u>	<u>241,897</u>	
Fund Balance, June 30	<u>\$ 241,897</u>	<u>42,042</u>	<u>283,939</u>	<u>257,520</u>	<u>26,419</u>
Recapitulation:					
Restricted:					
Scholarships				\$ 155,319	
Student Activities				<u>102,201</u>	
Total Fund Balance				<u>\$ 257,520</u>	

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

KENILWORTH SCHOOL DISTRICTREQUIRED SUPPLEMENTARY INFORMATION

Exhibit C-3

BUDGETARY COMPARISON SCHEDULENOTE TO RSIFOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b><u>Sources/Inflows of Resources</u></b>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 36,356,742	1,815,874
Difference - budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and the Related Revenue is Recognized		(128,053)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	637,005	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(681,823)</u>	
Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 36,311,924</u>	<u>1,687,821</u>
<b><u>Uses/Outflows of Resources</u></b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 37,157,371	1,800,251
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		<u>(128,053)</u>
Total Expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 37,157,371</u>	<u>1,672,198</u>

**REQUIRED SUPPLEMENTARY INFORMATION – PART III**

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

**KENILWORTH SCHOOL DISTRICT**

Exhibit L-1

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE**

**NET PENSION LIABILITY - PERS**

**LAST NINE FISCAL YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability	0.02112%	0.01995%	0.01978%	0.02062%	0.01991%	0.01991%	0.01985%	0.01908%	0.01958%
District's Proportionate Share of the Net Pension Liability	<u>\$ 2,529,123</u>	<u>3,278,934</u>	<u>3,589,172</u>	<u>4,264,033</u>	<u>4,799,673</u>	<u>5,898,051</u>	<u>4,456,012</u>	<u>3,572,190</u>	<u>3,743,058</u>
District's Covered-Employee Payroll	\$ 1,511,125	1,538,412	1,429,946	1,413,368	1,481,276	1,386,691	1,336,534	1,359,347	1,374,199
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	59.75%	46.92%	39.84%	33.15%	30.86%	23.51%	29.99%	38.05%	36.71%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	42.90%	42.90%	42.04%	40.45%	36.78%	31.20%	38.21%	42.74%	40.71%

Note: This schedule is required by GASB 68 to show information for a 10 year period. However, information is only currently available for nine years. Additional years will be presented as they become available.

**KENILWORTH SCHOOL DISTRICT**

Exhibit L-2

**SCHEDULE OF DISTRICT CONTRIBUTIONS - PERS**

**LAST NINE FISCAL YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 219,961	194,510	238,859	193,023	177,657	157,288	157,288	147,567	148,462
Contributions in Relation to the Contractually Required Contribution	<u>219,961</u>	<u>194,510</u>	<u>238,859</u>	<u>193,023</u>	<u>177,657</u>	<u>157,288</u>	<u>157,288</u>	<u>147,567</u>	<u>148,462</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's Covered-Employee Payroll	\$ 1,511,125	1,538,412	1,429,946	1,413,368	1,481,276	1,386,691	1,336,534	1,359,347	1,374,199
Contributions as a Percentage of Covered-Employee Payroll	14.56%	12.64%	16.70%	13.66%	11.99%	11.34%	11.77%	10.86%	10.80%

Note: This schedule is required by GASB 68 to show information for a 10 year period. However, information is only currently available for nine years. Additional years will be presented as they become available.

**KENILWORTH SCHOOL DISTRICT**

Exhibit L-3

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE**

**NET PENSION LIABILITY - TPAF**

**LAST NINE FISCAL YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's Proportionate Share of the Net Pension Liability	\$ -	-	-	-	-	-	-	-	-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>56,385,147</u>	<u>73,967,386</u>	<u>70,387,794</u>	<u>69,925,955</u>	<u>68,893,455</u>	<u>81,531,403</u>	<u>62,823,200</u>	<u>52,744,337</u>	<u>49,602,149</u>
Total	<u>\$ 56,385,147</u>	<u>73,967,386</u>	<u>70,387,794</u>	<u>69,925,955</u>	<u>68,893,455</u>	<u>81,531,403</u>	<u>62,823,200</u>	<u>52,744,337</u>	<u>49,602,149</u>
District's Covered-Employee Payroll	\$ 13,614,513	13,713,334	12,585,548	11,967,178	11,928,717	11,369,178	10,333,060	9,966,336	9,779,748
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	24.15%	18.54%	17.88%	17.11%	17.31%	13.94%	16.45%	18.90%	19.72%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	32.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

Note: This schedule is required by GASB 68 to show information for a 10 year period. However, information is only currently available for nine years. Additional years will be presented as they become available.



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

L-4

This schedule is not applicable.

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

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

**KENILWORTH SCHOOL DISTRICT****NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PART III**

L-5

**FOR THE FISCAL YEAR ENDED JUNE 30, 2022****Public Employee's Retirement System (PERS)**

*Changes in Benefit Terms* – None

*Changes in Assumptions* – The discount rate remained at 7.00% as of June 30, 2020, and as of June 30, 2021, in accordance with Paragraph 44 of GASB Statement No. 67.

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

*Changes in Benefit Terms* – None

*Changes in Assumption* – The discount rate changed from 5.40% as of June 30, 2020, to 7.00% as of June 30, 2021, in accordance with Paragraph 44 of GASB Statement No. 67.

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

**KENILWORTH SCHOOL DISTRICT**

**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS**

Exhibit M-1

**LAST SIX FISCAL YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's Proportionate Share of OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's Proportionate of the Net OPEB Liability	\$ -	-	-	-	-	-
<b><u>State's OPEB Liability Attributable to the District</u></b>						
Service Cost	\$ 3,219,741	1,774,925	1,630,364	1,836,965	2,223,210	*
Interest	1,340,609	1,245,071	1,426,483	1,513,400	1,304,585	*
Change of Benefit Terms	(55,006)					*
Benefit Payments	(1,056,024)	(981,727)	(1,052,000)	(955,547)	(947,192)	*
Member Contributions	34,273	29,756	31,184	33,025	34,878	*
Difference between Expected and Actual Experience	(8,246,910)	9,752,162	(4,011,822)	(3,485,797)		*
Change of Assumptions	50,985	10,300,766	510,975	(4,100,797)	(5,726,145)	*
Net Change in Total OPEB Liability	<u>(4,712,332)</u>	<u>22,120,953</u>	<u>(1,464,816)</u>	<u>(5,158,751)</u>	<u>(3,110,664)</u>	*
Total Attributable OPEB Liability - Beginning	<u>56,391,373</u>	<u>34,270,420</u>	<u>35,735,236</u>	<u>40,893,987</u>	<u>44,004,651</u>	*
Total Attributable OPEB Liability - Ending	<u>\$ 51,679,041</u>	<u>56,391,373</u>	<u>34,270,420</u>	<u>35,735,236</u>	<u>40,893,987</u>	<u>44,004,651</u>
District's Covered Payroll	\$ 15,125,638	15,251,746	14,015,494	13,380,546	13,409,993	12,755,869
District's Contribution	None	None	None	None	None	None
District's Proportionate Share of OPEB Liability as a Percentage of its Covered-Employee Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of OPEB Liability as a Percentage of the District's Covered-Employee Payroll	341.67%	369.74%	244.52%	267.07%	304.95%	344.98%

\* - Information not available

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

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

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

Exhibit M-2

Change of Benefit Terms

Refer to Note 5 - Notes to Financial Statements.

Difference Between Expected and Actual Experience

The change in the liability from June 30, 2020 to June 30, 2021 is due to changes in the census, claims and premiums experience.

Changes of Assumptions

The Discount Rate changed from 2.21% as of June 30, 2020 to 2.16% as of June 30, 2021.

**OTHER SUPPLEMENTARY INFORMATION**

**SCHOOL LEVEL SCHEDULES – D**

**N/A**

**SPECIAL REVENUE FUND – E**



**KENILWORTH SCHOOL DISTRICT**

**SPECIAL REVENUE FUND**

**COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS**

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

	<u>Title I</u>	<u>Title IIA</u>	<u>Title IV</u>	<u>I.D.E.A. Basic Flow-Thru</u>	<u>ARP I.D.E.A. Basic Flow-Thru</u>	<u>Home Instruction</u>	<u>Compensatory Education</u>	<u>Supplementary Instruction</u>	<u>Examination and Classification</u>	<u>Corrective Speech</u>
Revenues:										
State Sources	\$ -					319	78,741	11,730	14,409	11,625
Federal Sources	203,750	40,767	13,793	334,493	72,083					
Local Sources										
<b>Total Revenues</b>	<b>203,750</b>	<b>40,767</b>	<b>13,793</b>	<b>334,493</b>	<b>72,083</b>	<b>319</b>	<b>78,741</b>	<b>11,730</b>	<b>14,409</b>	<b>11,625</b>
Expenditures:										
Instruction:										
Salaries of Teachers	56,158									
Purchased Professional and Technical Services						319	78,741	11,730	14,409	11,625
Tuition				325,743	72,083					
General Supplies	92,285		12,310							
<b>Total Instruction</b>	<b>148,443</b>	<b>-</b>	<b>12,310</b>	<b>325,743</b>	<b>72,083</b>	<b>319</b>	<b>78,741</b>	<b>11,730</b>	<b>14,409</b>	<b>11,625</b>
Support Services:										
Salaries	8,000									
Employee Benefits										
Purchased Professional Educational Services	47,307	40,767	1,483	8,750						
Other Purchased Services										
General Supplies										
Scholarships Awarded										
Student Activities										
<b>Total Support Services</b>	<b>55,307</b>	<b>40,767</b>	<b>1,483</b>	<b>8,750</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>203,750</b>	<b>40,767</b>	<b>13,793</b>	<b>334,493</b>	<b>72,083</b>	<b>319</b>	<b>78,741</b>	<b>11,730</b>	<b>14,409</b>	<b>11,625</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-	-	-
Fund Balance, July 1										
Prior Period Adjustment										
Fund Balance, July 1 (Restated)	-	-	-	-	-	-	-	-	-	-
Fund Balance, June 30	\$ -	-	-	-	-	-	-	-	-	-

\*Represents scholarship fund net position as of June 30, 2020 per Exhibit H-2

\*\*Represents the student activity fund ending balance as of June 30, 2020 for payable to student groups

**KENILWORTH SCHOOL DISTRICT**

**SPECIAL REVENUE FUND**

**COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS**

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

	<u>Non-Public Security</u>	<u>Non-Public Nursing Services</u>	<u>Non-Public Textbooks</u>	<u>Non-Public Technology</u>	<u>Title III Immigrant</u>	<u>CRRSA ESSER II</u>	<u>CRRSA Learning</u>	<u>CRRSA Mental Health</u>	<u>ARP ESSER II</u>	<u>Safety Grant</u>	<u>CARES</u>	<u>Scholarship</u>	<u>Student Activities</u>	<u>Total 2022</u>
<b>Revenues:</b>														
State Sources	14,525	17,278	10,192	6,974										165,793
Federal Sources					7,781	619,372	39,748	45,000	66,938		22,652			1,466,377
Local Sources										12,400		171	171,133	183,704
<b>Total Revenues</b>	<u>14,525</u>	<u>17,278</u>	<u>10,192</u>	<u>6,974</u>	<u>7,781</u>	<u>619,372</u>	<u>39,748</u>	<u>45,000</u>	<u>66,938</u>	<u>12,400</u>	<u>22,652</u>	<u>171</u>	<u>171,133</u>	<u>1,815,874</u>
<b>Expenditures:</b>														
<b>Instruction:</b>														
Salaries of Teachers					1,247	60,838	29,811							148,054
Purchased Professional and Technical Services	14,525	17,278	10,192	6,974		3,885								169,678
Tuition														397,826
General Supplies					3,984	349,362			66,938		22,652			547,531
<b>Total Instruction</b>	<u>14,525</u>	<u>17,278</u>	<u>10,192</u>	<u>6,974</u>	<u>5,231</u>	<u>414,085</u>	<u>29,811</u>	<u>-</u>	<u>66,938</u>	<u>-</u>	<u>22,652</u>	<u>-</u>	<u>-</u>	<u>1,263,089</u>
<b>Support Services:</b>														
Salaries														8,000
Employee Benefits														-
Purchased Professional Educational Services						205,287	9,937	45,000						358,531
Other Purchased Services					2,550									2,550
General Supplies										12,400				12,400
Scholarships Awarded												7,500		7,500
Student Activities													148,181	148,181
<b>Total Support Services</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,550</u>	<u>205,287</u>	<u>9,937</u>	<u>45,000</u>	<u>-</u>	<u>12,400</u>	<u>-</u>	<u>7,500</u>	<u>148,181</u>	<u>537,162</u>
<b>Total Expenditures</b>	<u>14,525</u>	<u>17,278</u>	<u>10,192</u>	<u>6,974</u>	<u>7,781</u>	<u>619,372</u>	<u>39,748</u>	<u>45,000</u>	<u>66,938</u>	<u>12,400</u>	<u>22,652</u>	<u>7,500</u>	<u>148,181</u>	<u>1,800,251</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,329)</u>	<u>22,952</u>	<u>15,623</u>
<b>Fund Balance, July 1</b>												162,648	79,249	241,897
<b>Prior Period Adjustment</b>														-
<b>Fund Balance, July 1 (Restated)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>162,648</u>	<u>79,249</u>	<u>241,897</u>
<b>Fund Balance, June 30</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>155,319</u>	<u>102,201</u>	<u>257,520</u>

\*Represents scholarship fund net position as of June 30, 2020 per Exhibit H-2

\*\*Represents the student activity fund ending balance as of June 30, 2020 for payable to student groups

**CAPITAL PROJECTS FUND – F**

KENILWORTH SCHOOL DISTRICTCAPITAL PROJECTS FUND

Exhibit F-1

SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES INFUND BALANCE - BUDGETARY BASISFOR THE YEAR ENDED JUNE 30, 2022

Revenues and Other Financing Sources:	\$ -
Lease Proceeds	518
Interest on Investments	518
Total Revenues and Other Financing Sources	<u>518</u>
Expenditures and Other Financing Uses:	
Other Purchased Professional and Technical Services	628,170
Transfer to Debt Service Fund	518
Total Expenditures and Other Financing Uses	<u>628,688</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(628,170)
Fund Balance - Beginning	<u>1,784,940</u>
Fund Balance - Ending	<u>\$ 1,156,770</u>

**KENILWORTH SCHOOL DISTRICT**

Exhibit F-1a

**CAPITAL PROJECTS FUND****SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,****AND PROJECT STATUS - BUDGETARY BASIS****ENERGY SAVINGS IMPROVEMENT PROGRAM****FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b><u>Revenues and Other Financing Sources</u></b>				
Lease Proceeds	\$ 1,822,440		1,822,440	1,822,440
Total Revenues	<u>1,822,440</u>	<u>-</u>	<u>1,822,440</u>	<u>1,822,440</u>
<b><u>Expenditures and Other Financing Uses</u></b>				
Capital Project Equipment	-	529,946	529,946	1,672,440
Other Purchased Prof. and Tech. Services	37,500	98,224	135,724	150,000
Total Expenditures	<u>37,500</u>	<u>628,170</u>	<u>665,670</u>	<u>1,822,440</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,784,940</u>	<u>(628,170)</u>	<u>1,156,770</u>	<u>-</u>
<b><u>Additional Project Information</u></b>				
Original Authorized Cost		\$ 1,822,440		
Percentage Increase Over Original Authorized Cost		0%		
Percentage Completion		37%		
Original Target Completion Date		N/A		
Revised Target Completion Date		N/A		

**PROPRIETARY FUNDS – G**

**KENILWORTH SCHOOL DISTRICT****STATEMENT OF NET POSITION**

Exhibit G-1

**ENTERPRISE FUNDS****JUNE 30, 2022**

	<b><u>Food Service Program</u></b>	<b><u>Aftercare Program</u></b>	<b><u>Total</u></b>
<b><u>Assets:</u></b>			
Current Assets:			
Cash and Cash Equivalents	\$ 136,779	130,126	266,905
Accounts Receivable:			
State	770		770
Federal	37,289		37,289
Other	12,896		12,896
Inventory	6,655		6,655
Total Current Assets	<u>194,389</u>	<u>130,126</u>	<u>324,515</u>
Noncurrent Assets			
Equipment	177,050		177,050
Accumulated Depreciation	<u>(177,050)</u>		<u>(177,050)</u>
Total Fixed Assets	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 194,389</u>	<u>130,126</u>	<u>324,515</u>
<b><u>Liabilities:</u></b>			
Deferred Revenue	<u>\$ 7,530</u>		<u>7,530</u>
Total Liabilities	<u>\$ 7,530</u>	<u>-</u>	<u>7,530</u>
<b><u>Net Position:</u></b>			
Unrestricted	<u>\$ 186,859</u>	<u>130,126</u>	<u>316,985</u>
Total Net Position	<u>\$ 186,859</u>	<u>130,126</u>	<u>316,985</u>

KENILWORTH SCHOOL DISTRICTSCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

Exhibit G-2

ENTERPRISE FUNDSJUNE 30, 2022

	<u>Food Service Program</u>	<u>Aftercare Program</u>	<u>Total</u>
Operating Revenues:			
Daily Sales - Non-Reimbursable Programs	\$ 35,495		35,495
Fees		179,708	179,708
Total Operating Revenues	<u>35,495</u>	<u>179,708</u>	<u>215,203</u>
Operating Expenses:			
Salaries	241,440	140,745	382,185
Other Employee Benefits	66,058		66,058
Cost of Sales - Reimbursable Programs	222,364		222,364
Cost of Sales - Non-Reimbursable Programs	2,733		2,733
Supplies and Materials	48,388	1,648	50,036
Management Fee	12,360		12,360
Repairs/Equipment	29,775		29,775
Depreciation	660		660
Miscellaneous	12,224		12,224
Operating Expenses	<u>636,002</u>	<u>142,393</u>	<u>778,395</u>
Operating Gain/(Loss)	(600,507)	37,315	(563,192)
Non-Operating Revenues:			
Interest Revenue		135	135
State Sources:			
State School Lunch Program	12,774		12,774
State School Lunch Program - Extra Subsidy	1,169		1,169
Federal Sources:			
National School Lunch Program	544,215		544,215
PEBT Program	1,242		1,242
Emergency Operational Costs	12,282		12,282
Federal Breakfast Program	43,318		43,318
Food Distribution Program	46,304		46,304
Total Non-Operating Revenues	<u>661,304</u>	<u>135</u>	<u>661,439</u>
Change in Net Position	60,797	37,450	98,247
Net Position, July 1	<u>126,062</u>	<u>92,676</u>	<u>218,738</u>
Net Position, June 30	<u>\$ 186,859</u>	<u>130,126</u>	<u>316,985</u>



**KENILWORTH SCHOOL DISTRICT****SCHEDULE OF CASH FLOWS**

Exhibit G-3

**ENTERPRISE FUNDS****JUNE 30, 2022**

	<b><u>Food Service Program</u></b>	<b><u>Aftercare Program</u></b>	<b><u>Total</u></b>
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 35,495	179,708	215,203
Payments to Employees	(241,440)	(140,745)	(382,185)
Payments to Suppliers	(424,549)	(1,648)	(426,197)
Net Cash Provided (Used) by Operating Activities	<u>(630,494)</u>	<u>37,315</u>	<u>(593,179)</u>
Cash Flows from Noncapital Financing Activities:			
State Sources	13,943		13,943
Federal Sources	601,057		601,057
Net Cash Provided by Noncapital Financing Activities	<u>615,000</u>	<u>-</u>	<u>615,000</u>
Cash Flows from Investing Activities:			
Interest Revenue		135	135
Net Cash Provided by Investing Activities	<u>-</u>	<u>135</u>	<u>135</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(15,494)	37,450	21,956
Cash and Cash Equivalents, July 1	<u>152,273</u>	<u>92,676</u>	<u>244,949</u>
Cash and Cash Equivalents, June 30	<u>\$ 136,779</u>	<u>130,126</u>	<u>266,905</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (600,507)	37,315	(563,192)
Depreciation	660		660
Federal Commodities Consumed	46,304		46,304
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities			
Decrease/(Increase) in Inventory	(2,048)		(2,048)
(Decrease)/Increase in Accounts Payable	(51,000)		(51,000)
(Decrease)/Increase in Deferred Revenue	(2,084)		(2,084)
Decrease/(Increase) in Accounts Receivable	<u>(21,819)</u>		<u>(21,819)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (630,494)</u>	<u>37,315</u>	<u>(593,179)</u>

**FIDUCIARY FUND – H**

**N/A**

**LONG-TERM DEBT – I**

**KENILWORTH SCHOOL DISTRICT**

**LONG-TERM LIABILITIES**

Exhibit I-1

**SCHEDULE OF SERIAL BONDS**

**JUNE 30, 2022**

	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2021</u>	<u>Retired</u>	<u>Balance June 30, 2022</u>
			<u>Date</u>	<u>Amount</u>				
2016 Refunding Bonds	5/18/2016	9,395,000	1/15/2023	950,000	4.00%	8,465,000	905,000	7,560,000
			1/15/2024	990,000				
			1/15/2025	1,035,000				
			1/15/2026	1,080,000				
			1/15/2027	1,125,000				
			1/15/2028	1,165,000				
			1/15/2029	1,215,000				
						<u>\$ 8,465,000</u>	<u>905,000</u>	<u>7,560,000</u>

**KENILWORTH SCHOOL DISTRICT**

**LONG-TERM LIABILITIES**

Exhibit I-2

**SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES**

**JUNE 30, 2022**

<b><u>Purpose</u></b>	<b><u>Date of Issue</u></b>	<b><u>Amount of Original Issue</u></b>	<b><u>Interest Rate</u></b>	<b><u>Balance July 1, 2021</u></b>	<b><u>Issued Current Year</u></b>	<b><u>Paid Current Year</u></b>	<b><u>Amount Outstanding June 30, 2022</u></b>
ESIP Equipment Lease	5/5/2021	\$ 1,822,440	2.225%	<u>\$ 1,822,440</u>	<u>                    </u>	<u>                    -</u>	<u>                    1,822,440</u>

**KENILWORTH SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**

Exhibit I-3

**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	\$ 820,776		820,776	820,776	
State Sources:					
Debt Service Aid Type II	<u>422,824</u>		<u>422,824</u>	<u>422,824</u>	
Total Revenues	<u>1,243,600</u>	<u>-</u>	<u>1,243,600</u>	<u>1,243,600</u>	<u>-</u>
Expenditures:					
Regular Debt Service:					
Interest	338,600		338,600	338,600	-
Redemption of Principal	905,000		905,000	905,000	-
Total Regular Debt Service	<u>1,243,600</u>	<u>-</u>	<u>1,243,600</u>	<u>1,243,600</u>	<u>-</u>
Total Expenditures	<u>1,243,600</u>	<u>-</u>	<u>1,243,600</u>	<u>1,243,600</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Other Financing Sources:					
Transfer from Capital Projects Fund				518	(518)
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources	-	-	-	518	(518)
Fund Balance July 1	<u>57</u>	<u>-</u>	<u>57</u>	<u>57</u>	<u>-</u>
Fund Balance June 30	<u>\$ 57</u>	<u>-</u>	<u>57</u>	<u>575</u>	<u>(518)</u>

**STATISTICAL SECTION**

**(Unaudited)**

Borough of Kenilworth Board of Education  
 Net position by Component,  
 Last Ten Fiscal Years  
 (accrual basis of accounting)

Exhibit J-1

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ (1,429,497)	\$ (1,544,137)	\$ (2,332,437)	\$ (2,020,379)	\$ (1,663,205)	\$ (1,509,576)	\$ 7,809,053	\$ (1,097,318)	\$ (2,696,129)	\$ (2,407,500)
Restricted (Debt Service)	\$ 313	\$ 111	\$ 9	\$ 5,506	\$ 49,708					
Restricted (Capital Projects)	\$ 325,878	\$ -	\$ -							
Restricted (Other Purposes)	\$ 2,073,891	\$ 1,810,255	\$ 2,009,363	\$ 1,649,929	\$ 2,476,020	\$ 3,591,382	\$ 4,779,566	\$ 3,590,894	\$ 6,380,021	\$ 4,492,324
Unrestricted	\$ (1,206,178)	\$ (875,997)	\$ (4,404,932)	\$ (4,776,914)	\$ (5,239,070)	\$ (5,505,174)	\$ (14,812,480)	\$ (4,479,278)	\$ (3,390,055)	\$ (2,468,063)
<b>Total governmental activities net position</b>	<b>\$ (235,593)</b>	<b>\$ (609,768)</b>	<b>\$ (4,727,997)</b>	<b>\$ (5,141,858)</b>	<b>\$ (4,376,547)</b>	<b>\$ (3,423,368)</b>	<b>\$ (2,223,861)</b>	<b>\$ (1,985,702)</b>	<b>\$ 293,837</b>	<b>\$ (383,239)</b>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 34,000	\$ 30,470	\$ 25,540	\$ 20,560	\$ 16,580	\$ 12,600	\$ 8,620	\$ 4,640	\$ 660	
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Unrestricted	\$ 88,745	\$ 116,344	\$ -	\$ 137,092	\$ 161,033	\$ 197,427	\$ 216,679	\$ 214,827	\$ 218,078	\$ 316,985
<b>Total business-type activities net position</b>	<b>\$ 122,745</b>	<b>\$ 146,814</b>	<b>\$ 25,540</b>	<b>\$ 157,652</b>	<b>\$ 177,613</b>	<b>\$ 210,027</b>	<b>\$ 225,299</b>	<b>\$ 219,467</b>	<b>\$ 218,738</b>	<b>\$ 316,985</b>
<b>District-wide</b>										
Invested in capital assets, net of related debt	\$ (1,395,497)	\$ (1,513,667)	\$ (2,307,897)	\$ (1,999,819)	\$ (1,646,625)	\$ (1,496,976)	\$ 7,817,673	\$ (1,092,678)	\$ (2,695,469)	\$ (2,407,500)
Restricted	\$ 326,191	\$ 111	\$ 9	\$ 5,506	\$ 49,708					
Other Purposes	\$ 2,073,891	\$ 1,810,255	\$ 2,009,363	\$ 1,649,929	\$ 2,476,020	\$ 3,591,382	\$ 4,779,566	\$ 3,590,894	\$ 6,380,021	\$ 4,492,324
Unrestricted	\$ (1,117,433)	\$ (764,836)	\$ (4,288,588)	\$ (4,639,822)	\$ (5,078,037)	\$ (5,307,747)	\$ (14,595,801)	\$ (4,264,451)	\$ (3,171,977)	\$ (2,151,078)
<b>Total district net position</b>	<b>\$ (112,848)</b>	<b>\$ (468,137)</b>	<b>\$ (4,587,113)</b>	<b>\$ (4,984,206)</b>	<b>\$ (4,198,934)</b>	<b>\$ (3,213,341)</b>	<b>\$ (1,998,562)</b>	<b>\$ (1,766,235)</b>	<b>\$ 512,575</b>	<b>\$ (66,254)</b>

Source: CAFR Schedule A-1 (Net position)





Borough of Kenilworth Board of Education  
 Changes in Net position  
 Last Ten Fiscal Years  
 (accrual basis of accounting)  
 Fiscal Year Ending June 30,

Exhibit J-2

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Taxes levied for debt service	690,794	695,330	787,607	848,149	849,641	840,369	786,818	838,600	811,990	820,776
Unrestricted grants and contributions	6,690,044	6,550,917	7,061,340	7,572,120	7,812,472	8,739,355	11,021,497	11,273,738	12,575,897	14,956,899
Investment Income	-	-	-	-	-	-	-	-	-	-
Tuition Received	-	-	-	-	-	-	-	-	-	-
Miscellaneous income	177,111	216,515	135,601	114,596	186,968	177,812	573,494	153,759	328,706	414,181
Other	-	(20,630)	-	-	-	-	-	-	22,941	-
Transfers	-	-	-	-	-	-	-	-	-	-
<b>Total governmental activities</b>	<b>23,802,464</b>	<b>23,961,756</b>	<b>25,067,565</b>	<b>26,644,865</b>	<b>28,234,061</b>	<b>29,490,892</b>	<b>32,111,106</b>	<b>32,381,236</b>	<b>34,299,861</b>	<b>37,260,428</b>
Business-type activities:										
investment earnings	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	659	1,319	-	182	135
<b>Total business-type activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>659</b>	<b>1,319</b>	<b>-</b>	<b>182</b>	<b>135</b>
<b>Total district-wide</b>	<b>23,802,464</b>	<b>23,961,756</b>	<b>25,067,565</b>	<b>26,644,865</b>	<b>28,234,061</b>	<b>29,491,551</b>	<b>32,112,425</b>	<b>32,381,236</b>	<b>34,300,043</b>	<b>37,260,563</b>
<b>Change in Net position</b>										
Governmental activities	162,201	(365,123)	323,230	(413,861)	765,311	953,179	1,199,507	238,159	1,498,217	(677,076)
Business-type activities	(125,676)	(153,119)	1,203	16,768	19,961	32,414	15,272	(5,832)	(729)	98,247
<b>Total district</b>	<b>36,525</b>	<b>(518,242)</b>	<b>324,433</b>	<b>(397,093)</b>	<b>785,272</b>	<b>985,593</b>	<b>1,214,779</b>	<b>232,327</b>	<b>1,497,488</b>	<b>(578,829)</b>

Source: CAFR Schedule A-2

**Borough of Kenilworth Board of Education**  
**Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

**Exhibit J-3**

	<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>
General Fund										
Reserved	1,921,935	1,715,888	1,918,625	1,589,859	2,575,143	3,547,179	4,779,566	5,019,566	6,138,124	743,558
Unreserved	213,115	140,272	222,304	148,522	166,214	67,183	(61,611)	(62,117)	579,794	5,128,913
Total general fund	<u>\$2,135,050</u>	<u>\$1,856,160</u>	<u>\$2,140,929</u>	<u>\$1,738,381</u>	<u>\$ 2,741,357</u>	<u>\$ 3,614,362</u>	<u>\$ 4,717,955</u>	<u>\$ 4,957,449</u>	<u>\$6,717,918</u>	<u>\$5,872,471</u>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue fund	89,999	55,426	46,318	73,356	64,972				241,897	257,520
Capital projects fund	325,878	-	-						1,784,940	1,156,770
Debt service fund	313	111	9	5,506	49,708	44,203	1	1	57	575
Permanent fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 416,190</u>	<u>\$ 55,537</u>	<u>\$ 46,327</u>	<u>\$ 78,862</u>	<u>\$ 114,680</u>	<u>\$ 44,203</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$2,026,894</u>	<u>\$1,414,865</u>
Total all Governmental Funds:	<u>\$2,551,240</u>	<u>\$1,911,697</u>	<u>\$2,187,256</u>	<u>\$1,817,243</u>	<u>\$ 2,856,037</u>	<u>\$ 3,658,565</u>	<u>\$ 4,717,956</u>	<u>\$ 4,957,450</u>	<u>\$8,744,812</u>	<u>\$7,287,336</u>

Source: CAFR Schedule B-1

**Borough of Kenilworth Board of Education  
Changes in Fund Balances, Governmental Funds,  
Last Ten Fiscal Years**

**Exhibit J-4**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues</b>										
Tax levy	16,935,309	17,214,954	17,870,624	18,958,149	19,384,980	20,573,725	20,516,115	20,953,739	21,372,317	21,889,348
Tuition charges	320,292	384,828	512,972	426,985	550,660	468,448	486,093	303,133	288,484	311,237
Interest earnings	-	-	-	-	-	-	-	-	-	-
Miscellaneous	190,511	216,515	109,833	130,935	85,313	173,339	336,425	165,859	513,578	582,262
Erate	-	38,185	40,568	17,309	28,503	19,537	-	-	-	-
State sources	6,871,595	6,648,776	7,162,943	7,704,670	7,457,821	8,841,605	11,108,058	11,341,592	12,682,034	15,102,075
Federal sources	487,204	441,294	515,182	510,254	9,813	511,908	563,772	559,064	842,827	1,358,941
<b>Total revenue</b>	<b>24,804,911</b>	<b>24,944,552</b>	<b>26,212,122</b>	<b>27,748,302</b>	<b>27,517,090</b>	<b>30,588,562</b>	<b>33,010,463</b>	<b>33,323,387</b>	<b>35,699,240</b>	<b>39,243,863</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular instruction	7,176,047	7,324,796	7,169,752	8,177,657	7,781,065	7,944,748	8,658,743	9,053,122	9,452,763	9,872,745
Special education instruction	2,320,339	2,210,861	2,065,575	3,117,115	2,568,039	2,950,083	3,054,278	3,010,348	3,232,954	4,224,697
Other special instruction	373,782	576,846	1,044,459	469,834	603,002	-	-	-	-	-
Vocational education	-	-	-	-	-	-	-	-	-	-
Other instruction	506,685	498,965	546,340	739,128	552,346	1,171,465	1,153,566	1,116,066	1,136,579	1,344,759
<b>Support Services:</b>										
Tuition	1,670,299	1,759,129	2,142,778	1,818,728	1,942,494	1,918,923	1,701,486	1,413,536	1,337,124	1,284,283
Student & instruction related services	2,127,791	2,220,803	2,157,614	2,362,969	2,350,501	2,665,729	2,972,560	3,228,994	3,736,560	4,078,677
General administrative services	615,750	557,611	560,944	681,306	669,683	644,210	704,742	712,004	643,301	740,622
School Administrative services	580,411	645,822	655,129	530,194	504,056	889,916	1,006,865	916,515	946,636	976,225
Information Technology	194,879	198,449	199,118	179,575	191,046	172,608	150,356	209,113	197,201	244,744
Business administrative services	288,741	295,949	299,178	322,113	323,505	-	-	-	-	-
Plant operations and maintenance	1,378,877	1,774,694	1,496,737	1,604,097	1,605,136	1,615,633	1,891,810	1,888,832	2,086,763	2,157,207
Pupil transportation	616,852	665,699	643,591	635,830	816,755	847,979	842,707	577,407	805,516	985,763
Unallocated employee benefits	5,529,995	5,399,365	5,700,081	6,146,609	6,542,372	7,430,553	8,310,331	8,550,887	9,512,653	11,612,756
Special Schools	45,116	60,934	64,423	67,053	76,978	44,927	38,845	47,017	13,598	31,055
Charter Schools	-	-	-	-	-	-	-	-	-	-
Capital outlay	135,511	356,327	-	28,614	6,800	164,624	481,776	853,359	225,170	1,904,206
<b>Debt service:</b>										
Principal	385,000	405,000	585,000	705,000	855,000	770,000	800,000	845,000	840,000	905,000
Interest and other charges	610,231	590,357	576,106	559,531	368,429	470,000	438,612	406,088	371,763	338,600
ARRA/Education Jobs	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>24,556,306</b>	<b>25,541,607</b>	<b>25,906,825</b>	<b>28,145,353</b>	<b>27,757,207</b>	<b>29,701,398</b>	<b>32,206,677</b>	<b>32,828,288</b>	<b>34,538,581</b>	<b>40,701,339</b>
<b>Excess (Deficiency) of revenues over (under) expenditures</b>	<b>248,605</b>	<b>(597,055)</b>	<b>305,297</b>	<b>(397,051)</b>	<b>(240,117)</b>	<b>887,164</b>	<b>803,786</b>	<b>495,099</b>	<b>1,160,659</b>	<b>(1,457,476)</b>
<b>Other Financing sources (uses)</b>										
Adjustment to Fund Balance	-	-	-	-	-	-	255,605	(255,605)	-	-
State of NJ Grant	-	-	-	-	-	-	-	-	-	-
Lease Proceeds	-	-	-	-	-	-	-	-	1,822,440	-
Cancel Accounts Receivable	-	-	-	-	-	-	-	-	-	-
Adjustment prior year refund	-	-	-	-	-	-	-	-	22,941	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>255,605</b>	<b>(255,605)</b>	<b>1,845,381</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>248,605</b>	<b>(597,055)</b>	<b>305,297</b>	<b>(397,051)</b>	<b>(240,117)</b>	<b>887,164</b>	<b>1,059,391</b>	<b>239,494</b>	<b>3,006,040</b>	<b>(1,457,476)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>4.1%</b>	<b>4.0%</b>	<b>4.5%</b>	<b>4.5%</b>	<b>4.4%</b>	<b>4.2%</b>	<b>3.9%</b>	<b>3.9%</b>	<b>3.5%</b>	<b>3.3%</b>

Source: CAFR Schedule B-2

**Borough of Kenilworth Board of Education**  
**GENERAL FUND OTHER LOCAL REVENUE BY SOURCE**  
**LAST TEN FISCAL YEARS**  
**UNAUDITED**

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u> <u>Revenue</u>	<u>Rentals</u>	<u>Misc.</u>	<u>Ticket Sales</u>	<u>Contribution</u> <u>EE Benefits</u>	<u>E-Rate</u>	<u>Choice Trans</u>	<u>Total</u>
2013	\$ -	\$ 320,292	\$ 99,434	\$ 41,398	\$ -	\$ -	\$ 9,268	\$ -	\$ 470,392
2014	\$ -	\$ 446,828	\$ 83,647	\$ 71,174	\$ -	\$ -	\$ 38,185	\$ -	\$ 639,834
2015	\$ -	\$ 525,407	\$ 43,955	\$ 33,955	\$ -	\$ -	\$ 40,568	\$ -	\$ 643,885
2016	\$ 9,646	\$ 435,634	\$ 51,485	\$ 21,710	\$ -	\$ -	\$ 17,309	\$ -	\$ 535,784
2017	\$ 25,250	\$ 510,173	\$ 47,058	\$ 16,870	\$ -	\$ -	\$ 28,504	\$ -	\$ 627,855
2018	\$ 65,803	\$ 483,473	\$ 56,628	\$ 21,930	\$ 12,248	\$ -	\$ 19,537	\$ -	\$ 659,619
2019	\$ 99,772	\$ 485,075	\$ 59,443	\$ 12,250	\$ 12,250	\$ -	\$ 17,400	\$ -	\$ 686,190
2020	\$ 79,526	\$ 303,133	\$ 18,570	\$ 10,403	\$ 10,403	\$ -	\$ 12,295	\$ -	\$ 434,330
2021	\$ 12,909	\$ 15,846	\$ 4,220	\$ 89,874	\$ -	\$ -	\$ 72,376	\$ -	\$ 195,225
2022	\$ 9,608	\$ 6,417	\$ 21,420	\$ 254,837	\$ 12,624	\$ -	\$ 15,707	\$ -	\$ 320,612

Source: District Records

Borough of Kenilworth Board of Education  
 Assessed Value and Actual Value of Taxable Property,  
 Last Ten Fiscal Years

Exhibit J-6

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Cfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax- Exempt Property	Personal Tangible Property	Net Valuation Taxable	Total Direct School Tax Rate <sup>a</sup>	Estimated Actual (County Equalized Value)
2013	\$ 7,816,300	\$ 448,142,500	\$ -	\$ -	\$ 85,952,000	\$ 269,868,100	\$ -	\$ 811,778,900	\$ -	\$ 654,527	\$ 812,433,427	2.119	
2014	\$ 7,826,100	\$ 449,556,100	\$ -	\$ -	\$ 88,522,400	\$ 269,859,600	\$ -	\$ 815,764,200	\$ -	\$ 622,822	\$ 816,387,022	2.189	
2015	\$ 7,820,300	\$ 451,270,500	\$ -	\$ -	\$ 89,904,100	\$ 269,142,200	\$ -	\$ 818,137,100	\$ -	\$ 629,922	\$ 818,767,022	2.316	
2016	\$ 7,977,900	\$ 452,547,700	\$ -	\$ -	\$ 89,797,200	\$ 269,079,300	\$ -	\$ 819,402,100	\$ -	\$ 658,808	\$ 820,060,908	2.467	
2017	\$ 8,058,300	\$ 455,339,700	\$ -	\$ -	\$ 87,565,800	\$ 266,955,100	\$ -	\$ 817,918,900	\$ -	\$ 658,767	\$ 818,577,667	2.514	
2018	\$ 7,898,200	\$ 456,530,900	\$ -	\$ -	\$ 86,825,700	\$ 269,920,500	\$ -	\$ 816,174,300	\$ -	\$ 650,570	\$ 816,824,870	2.512	
2019	\$ 7,859,600	\$ 457,857,700	\$ -	\$ -	\$ 87,240,700	\$ 264,284,900	\$ -	\$ 817,648,500	\$ -	\$ 599,570	\$ 818,248,070	2.561	
2020	\$ 7,805,400	\$ 461,658,300	\$ -	\$ -	\$ 90,794,200	\$ 265,614,000	\$ -	\$ 826,410,800	\$ -	\$ 588,587	\$ 826,999,387	2.585	
2021	\$ 8,299,600	\$ 462,874,300	\$ -	\$ -	\$ 89,133,700	\$ 256,614,000	\$ -	\$ 826,460,500	\$ -	\$ 584,606	\$ 827,045,106	2.647	
2022	\$ 8,328,400	\$ 464,201,300	\$ -	\$ -	\$ 91,382,000	\$ 263,571,200	\$ 538,900	\$ 828,021,800	\$ -	\$ 538,068	\$ 828,559,868	2.715	

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

**Borough of Kenilworth Board of Education  
Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years**

**Exhibit J-7**

*(rate per \$100 of assessed value)*

Fiscal Year Ended June 30,	Kenilworth Board of Education			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt	Total Direct	Kenilworth Borough	County Open Space	Union County	
		Service <sup>b</sup>					
2013	2.119		2.119	1.337	0.027	0.899	4.382
2014	2.189		2.189	1.387	0.025	0.874	4.475
2015	2.316		2.316	1.405	0.026	0.921	4.668
2016	2.467		2.467	1.402	0.025	0.900	4.794
2017	2.514		2.514	1.433	0.025	0.902	4.874
2018	2.512		2.512	1.472	0.026	0.899	4.909
2019	2.559		2.559	1.507	0.028	0.952	5.046
2020	2.561		2.561	1.552	0.029	0.958	5.100
2021	2.612		2.612	1.592	0.029	0.943	5.176
2022	2.715		2.715	1.650	0.032	0.951	5.348

Source: District Records and Municipal Tax Collector

**Note:**

NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax 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 calcu

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

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

Borough of Kenilworth Board of Education  
 Principal Property Tax Payers,  
 Current Year and Ten Years Ago

Exhibit J-8

Taxpayer	2022			2013		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Merck	\$ 162,606,900	1	19.64%	\$ 177,667,000	1	26.39%
251 Monroe Owner LLC	\$ 7,867,100	1	0.95%	\$ -		0.00%
Kenilworth-Grocery/Berenson	\$ 7,643,700	3	0.92%	\$ 9,031,800	3	1.07%
Cristie Properties	\$ 6,903,600	4	0.83%	\$ 6,903,600	5	0.78%
251 S. 31st Street, LLC	\$ 5,974,000	5	0.72%	\$ -		0.00%
FDV Realty	\$ 5,046,400	6	0.61%	\$ 4,605,100	6	0.52%
Lakhani Associates	\$ 3,605,900	7	0.44%	\$ -		0.00%
141 Market Street Realty, LLC.	\$ 4,494,700	8	0.83%	\$ -		0.00%
Boright Realty	\$ 5,071,600	9	0.61%	\$ 7,426,800	4	0.84%
K'worth Storage, LLC	\$ 5,595,000	10	0.68%	\$ 340,000	9	0.04%
<b>Total</b>	<b>\$ 214,808,900</b>		<b>26.23%</b>	<b>\$ 205,974,300</b>		<b>29.65%</b>
 Total Assessed Value:	 \$ 828,021,800			 \$ 881,785,800		

Source: Municipal Tax Assessor



**Borough of Kenilworth Board of Education  
Property Tax Levies and Collections,  
Last Ten Fiscal Years**

**Exhibit J-9**

Fiscal Year Ended December 31,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2013	\$ 35,711,990	\$ 35,395,437	99.09%	
2014	\$ 36,638,155	\$ 36,316,828	99.12%	
2015	\$ 38,283,875	\$ 38,021,915	99.31%	
2016	\$ 39,427,384	\$ 39,109,601	99.19%	
2017	\$ 40,074,496	\$ 39,662,278	98.94%	
2018	\$ 40,175,885	\$ 39,797,014	98.99%	
2019	\$ 41,427,539	\$ 41,064,006	99.12%	
2020	\$ 42,423,754	\$ 42,013,140	99.03%	
2021	\$ 43,170,747	\$ 42,741,891	99.01%	

Source: Borough Tax Office

Borough of Kenilworth Board of Education  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2013	14,550,000	-	-	-	-	14,550,000	0.20%	\$ 29,363
2014	14,145,000	-	-	-	-	14,145,000	0.21%	\$ 29,182
2015	13,560,000	-	-	-	-	13,560,000	0.25%	\$ 33,914
2016	12,575,000	-	-	-	-	12,575,000	0.33%	\$ 41,792
2017	11,720,000	-	-	-	-	11,720,000	0.36%	\$ 42,123
2018	10,950,000	-	-	-	-	10,950,000	0.38%	\$ 42,123
2019	10,015,000	-	-	-	-	10,015,000	0.35%	\$ 35,161
2020	9,305,000	-	-	-	-	9,305,000	0.38%	\$ 35,161
2021	8,465,000	-	-	-	-	8,465,000	0.42%	\$ 35,161
2022	7,560,000	-	-	-	-	7,560,000	0.46%	\$ 35,015

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

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

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

b Includes Early Retirement Incentive Plan (ERIP) refunding

**Borough of Kenilworth Board of Education  
Ratios of Net General Bonded Debt Outstanding  
Last Ten Fiscal Years**

**Exhibit J-11**

General Bonded Debt Outstanding

Fiscal Year Ended June 30,	General Obligation Bonds	Additions	Refinanced	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
2013	14,935,000			385,000	14,550,000	0.47%	\$ 1,809.70
2014	14,550,000			405,000	14,145,000	0.46%	\$ 1,748.45
2015	14,145,000			585,000	13,560,000	0.44%	\$ 1,663.19
2016	13,560,000	9,395,000	10,375,000	5,000	12,575,000	0.41%	\$ 1,542.38
2017	12,575,000			855,000	11,720,000	0.38%	\$ 1,426.66
2018	11,720,000			770,000	10,950,000	0.36%	\$ 1,347.03
2019	10,950,000			800,000	10,150,000	0.33%	\$ 1,234.79
2020	10,150,000			845,000	9,305,000	0.30%	\$ 1,104.19
2021	9,305,000			840,000	8,465,000	0.27%	\$ 1,004.51
2022	8,465,000			905,000	7,560,000	0.25%	\$ 886.39

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

**a** See Exhibit NJ J-6 for property tax data.

**b** Population data can be found in Exhibit NJ J-14.

**Borough of Kenilworth Board of Education  
Ratios of Overlapping Governmental Activities Debt  
As of June 30, 2022**

**Exhibit J-12**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Borough of Kenilworth (12-31-21)	12,062,670	100.000%	12,062,670
<b>Other debt</b>			
County of Union - Borough's Share	539,920,860	2.12%	11,466,132
Rahway Valley Sewerage Authority	120,556,793	4.79%	5,774,670
Subtotal, overlapping debt			29,303,472
<b>Kenilworth Borough School District Direct Debt</b>			<u>7,560,000</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 36,863,472</u></u>

**Sources:** Borough of Kenilworth Tax Office  
School District Records  
County of Union (908-527-4099/4050)

**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 Kenilworth. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

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

Equalized valuation basis	
2021	\$ 1,775,425,349
2020	\$ 1,629,358,833
2019	\$ 1,586,127,061
[A]	\$ 3,215,485,894
[A/3]	\$ 1,071,828,631
	42,873,145 <sup>a</sup>
[C]	- (District Debt 6/30)
[B-C]	\$ 42,873,145

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	\$ 64,170,313	\$ 38,836,672	\$ 52,092,654	\$ 52,092,654	\$ 50,806,358	\$ 50,806,358	\$ 50,806,358	\$ 61,258,152	\$ 63,191,151	\$ 42,873,145
Loss of Business Income										
Total net debt applicable to limit	\$ 14,550,000	\$ 14,145,000	\$ 13,560,000	\$ 12,575,000	\$ 11,720,000	\$ 10,950,000	\$ 10,150,000	\$ 9,305,000	\$ 8,465,000	\$ 7,560,000
Legal debt margin	\$ 49,620,313	\$ 24,691,672	\$ 38,532,654	\$ 39,517,654	\$ 39,086,358	\$ 39,856,358	\$ 40,656,358	\$ 51,953,152	\$ 54,726,151	\$ 35,313,145
Total net debt applicable to the limit as a percentage of debt limit	22.67%	36.42%	26.03%	24.14%	23.07%	21.55%	19.98%	15.19%	13.40%	17.63%

Source: Abstract of Ratables and District Records CAFR Schedule J-11

<sup>a</sup> Limit set by NJSA 18A:24-19 for a K through 12 district

**Borough of Kenilworth Board of Education  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

**Exhibit J-14**

<u>Year</u>	<u>Kenilworth Population**</u>	<u>Personal Income (thousands of dollars)*</u>	<u>Per Capita Personal Income*</u>	<u>Unemployment Rate</u>
2013	8,040	23,607,852	29,363	9.20%
2014	8,090	23,608,238	29,182	6.60%
2015	8,153	23,608,642	28,957	5.80%
2016	8,215	23,608,267	28,738	5.20%
2017	8,194	23,608,553	28,812	4.50%
2018	8,129	23,608,242	29,042	4.60%
2019	8,220	28,902,342	35,161	3.10%
2020	8,427	29,630,175	35,161	16.40%
2021	8,427	29,630,175	35,161	8.10%
2022	8,529	29,864,294	35,015	3.80%

**Source:** NJ Dept of Labor and Workforce Development: [http://lwd.dol.state.nj.us/labor/lpa/employ/emp\\_index.html](http://lwd.dol.state.nj.us/labor/lpa/employ/emp_index.html)  
<http://quickfacts.census.gov/> (Population & Per Capita Income)  
<http://www.homefacts.com/unemployment/New-Jersey/Union-County/Kenilworth.html> (Unemployment)

\*\*April 1, 2020 is the latest census data

Borough of Kenilworth Board of Education  
 Principal Employers,  
 Current Year and Nine Years Ago

Employer	2022			2013		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
-	-			-		
-	-	1	0.00%	-	1	0.00%
-	-	2	0.00%	-	2	0.00%
-	-	3	0.00%	-	3	0.00%
-	-	4	0.00%	-	4	0.00%
-	-	5	0.00%	-	5	0.00%
-	-	6	0.00%	-	6	0.00%
-	-	7	0.00%	-	7	0.00%
-	-	8	0.00%	-	8	0.00%
-	-	9	0.00%	-	9	0.00%
-	-	10	0.00%	-	10	0.00%
-	-		0.00%	-		0.00%

Source: Borough of Kenilworth

Not Available

**Borough of Kenilworth Board of Education  
Full-time Equivalent District Employees by Function/Program,  
Last Ten Fiscal Years**

**Exhibit J-16**

<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	91.2	94.55	95.7	97.29	101.23	99.1	101.83	107.18	108.03	107.22
Special education	35.5	34.22	39.57	44.61	47.34	42.06	42.1	42.57	44.17	47.39
Other special education (CST)	7	7	7	7	7	7	8	8	6.8	7.6
Other instruction	9	11.27	11.64	11.5	10.5	10.5	10.5	10	10	10
Support Services:										
Student & instruction related services	11	10	11	12	13.94	14.5	14.5	15.5	15.5	16
General administrative services	7	8	7	7	7.5	8.5	8.5	9.5	9.5	10
School administrative services	8.9	9.5	9.5	9.5	10.5	10.5	11.5	11.5	11.5	10.5
Business administrative services	4	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75
Plant operations and maintenance	8.5	8.75	8.75	8.75	8.75	8.75	8.75	8.75	8.75	9.35
Pupil transportation	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<u>182.1</u>	<u>187.0</u>	<u>193.9</u>	<u>201.4</u>	<u>210.5</u>	<u>204.7</u>	<u>209.4</u>	<u>216.8</u>	<u>218.0</u>	<u>221.8</u>

**Source:** District Position Control Roster



Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle/High School				
2013	1,400	23,425,564	\$ 16,733	0.86%	129.70	11.24	10.30	1,395.70	1,322.30	2.57%	94.74%
2014	1,389	24,189,923	\$ 17,415	4.08%	136.91	10.69	10.73	1,442.90	1,386.30	3.38%	96.08%
2015	1,412	24,745,719	\$ 17,532	0.67%	141.20	10.63	10.01	1,414.14	1,338.75	-1.99%	94.67%
2016	1,353	26,852,208	\$ 19,846	13.20%	146.73	12.00	11.00	1,411.57	1,341.37	-0.18%	95.03%
2017	1,355	26,526,978	\$ 19,577	-1.36%	99.10	12.00	11.00	1,433.97	1,357.47	1.59%	94.67%
2018	1,465	28,296,774	\$ 19,315	-1.34%	141.16	12.00	11.00	1,438.53	1,359.75	0.32%	94.52%
2019	1,445	30,486,289	\$ 21,098	9.23%	143.93	11.00	11.00	1,422.29	1,351.37	-1.13%	95.01%
2020	1,424	30,723,841	\$ 21,576	2.27%	149.75	11.00	11.00	1,424.02	1,292.97	0.12%	90.80%
2021	1,437	28,536,188	19858.168	-7.96%	152.20	11.00	11.00	1,422.18	1,375.11	-0.13%	96.69%
2022	1,405	31,247,166	22239.976	11.99%	155.03	11.00	11.00	1,422.14	1,349.67	0.00%	94.90%

Sources: District records, ASSA and Schedules J-4, J-6, J-12; NJ School Report Card

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service, capital outlay and State Share of TPAF Pension; Schedule J-4
- b Teaching staff includes only full-time equivalents of certificated staff - Position Control Roster-Certified Staff Total
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).
- d Pupil Teacher Ratio - NJDOE School Performance Report

**Borough of Kenilworth Board of Education  
School Building Information  
Last Ten Fiscal Years**

Exhibit J-18

<b>District Building</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Elementary</b>										
Warren Harding (1923)										
Square Feet	90,500	90,500	90,500	90,500	90,500	90,500	90,500	90,500	90,500	90,500
Capacity (students)	650	650	650	650	650	650	650	650	650	650
Enrollment	680	714	730	679	682	706	691	700	666	693
<b>Middle/High School</b>										
David Brearley (1966)										
Square Feet	150,267	150,267	150,267	150,267	150,267	150,267	150,267	150,267	150,267	150,267
Capacity (students)	804	804	804	804	804	804	804	804	804	804
Enrollment	716	729	721	744	752	759	754	724	771	769
<b>DISTRICT TOTALS</b>	<b>1,396</b>	<b>1,443</b>	<b>1,451</b>	<b>1,423</b>	<b>1,434</b>	<b>1,465</b>	<b>1,445</b>	<b>1,424</b>	<b>1,437</b>	<b>1,462</b>

Number of Schools at June 30, 2022

Elementary = 1

Middle/High School = 1

**Source:** District records- School Register ADE

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

BOROUGH OF KENILWORTH BOARD OF EDUCATION  
 GENERAL FUND  
 SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
 LAST FIVE FISCAL YEARS  
 UNAUDITED

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

School Facilities	Project # (s)	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Warren Harding Elementary School	N/A	17,572	89,786	52,110	77,115	76,941	109,920	57,341	50,935	28,700	62,398
David Brearley Middle/High School	N/A	259,262	78,328	53,592	110,695	49,087	56,353	108,322	104,459	69,033	54,125
District Level	N/A	146,219	217,505	224,519	155,454	193,145	267,626	158,295	88,333	136,512	103,436
<b>Total School Facilities</b>		<u>423,053</u>	<u>385,619</u>	<u>330,221</u>	<u>343,264</u>	<u>319,173</u>	<u>433,899</u>	<u>323,958</u>	<u>243,727</u>	<u>234,245</u>	<u>219,959</u>

Source: Comprehensive Maintenance Plan and M-1 & District Records

**BOROUGH OF KENILWORTH BOARD OF EDUCATION  
INSURANCE SCHEDULE  
UNAUDITED**

Exhibit J-20

**NJ SCHOOLS INSURANCE FUND (NJSIG) JOINT INSURANCE FUND  
2021-2022**

	Limits	Deductible	
<b>PROPERTY:</b>			
Building & Personal Property - Pool	\$500,000,000	\$5,000	
Equipment Breakdown - Pool	\$100,000,000	\$25,000	
EDP - Electronic Data Processing Equip	\$500,000,000	\$1,000	
Valuable Papers - Pool	\$10,000,000	\$5,000	
Newly Acquired Property up to 120 days after acquisition - Pool	\$10,000,000	\$5,000	
Auto Physical Damage	Per Schedule	\$1,000	
Flood for properties all zones - Pool	\$75,000,000		
Special Flood Hazard Zone Deductible		\$500,000	Building
Special Flood Hazard Zone Deductible		\$500,000	Contents
All Other Flood Zones Deductible		\$10,000	
Earthquake - Pool	\$50,000,000	\$5,000	
Accounts Receivable - Pool	\$250,000	\$5,000	
Fine Arts (if scheduled) - Pool	\$1,000,000	\$5,000	None scheduled
Loss of Rents	\$150,000	\$5,000	
Loss of Business Income	\$300,000	\$5,000	
<b>CRIME &amp; FIDELITY:</b>			
Money & Securities	\$100,000	\$500	
Public Employee Dishonesty	\$250,000	\$1,000	
<b>COMMERCIAL GENERAL &amp; AUTO LIABILITY :</b>			
Limit of Liability; Per Occurrence	\$16,000,000		
<b>SCHOOL LEADERS PROFESSIONAL LIABILITY</b>			
Limit of Liability; Per Occurrence/Aggregate	\$16,000,000	\$5,000	
<b>EMPLOYEE DISHONESTY BONDS:</b>			
Treasurer off School Monies	\$250,000	\$ 1,000	
Board Secretary/Business Administrator	\$80,000	\$ 500	
<b>CYBER LIABILITY:</b>			
Limit of Liability; Each Event Claim/Aggregate	\$2,000,000	\$ 5,000	

Source: District Records

**SINGLE AUDIT SECTION**

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

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RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

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

K-1

Honorable President and Members  
of the Board of Education  
Kenilworth School District  
County of Union  
Kenilworth, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Kenilworth Board of Education, County of Union, State of New Jersey as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Kenilworth Board of Education, County of Union, State of New Jersey's basic financial statements, and have issued our report thereon dated February 15, 2023.

**Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

Respectfully submitted,

**ROBERT A. HULSART AND COMPANY**

*Robert A. Hulsart*

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

February 15, 2023

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

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;**  
**REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE**  
**OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**REQUIRED BY UNIFORM ADMINISTRATIVE AWARDS (UNIFORM GUIDANCE), AND**  
**NEW JERSEY OMB'S CIRCULAR 15-08**

K-2

Honorable President and Members  
of the Board of Education  
Kenilworth School District  
County of Union  
Kenilworth, New Jersey

**Report on Compliance for Each Major Federal & State Program**

**Opinion on Each Major Federal & State Program**

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

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

**Basis for Opinion on Each Major Federal and State Program**

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



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

### **Responsibilities of Management for Compliance**

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

### **Auditor's Responsibilities for the Audit of Compliance**

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

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

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

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

## Other Matters

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

## Report on Internal Control Over Compliance

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of a 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.

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

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

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

Respectfully submitted,

**ROBERT A. HULSART AND COMPANY**

*Robert A. Hulsart*

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

February 15, 2023

**KENILWORTH SCHOOL DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

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

Schedule A  
K-3

Federal Grantor/ Pass-Through Grantor/ Project Title	Federal CFDA Number	Federal Fain Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2021	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Balance at June 30, 2022				
					From	To						(Accounts Receivable)	Deferred Revenue	Due to Grantor		
General Fund:																
Medical Assistance Program SEMI	93.778	2205NJ5MAP	N/A	\$ 17,866	07/01/2021	06/30/2022	\$ -		17,866	(17,866)						
U.S. Department of Agriculture Passed Through State Department of Education:																
National School Lunch Program	10.555	211NJ304N1099	N/A	224,500	07/01/2020	06/30/2021	(16,680)		16,680							
National School Lunch Program	10.555	221NJ304N1099	N/A	544,215	07/01/2021	06/30/2022			510,758	(544,215)		(33,457)				
School Breakfast Program	10.553	221NJ304N1099	N/A	43,318	07/01/2021	06/30/2022			40,114	(43,318)		(3,204)				
School Breakfast Program	10.553	211NJ304N1099	N/A	145,160	07/01/2020	06/30/2021	(10,911)		10,911							
HHEKA	10.555	211NJ304N1099	N/A	4,477	07/01/2020	06/30/2021	(332)		332							
PEBT	10.555	221NJ304N1099	N/A	1,242	07/01/2021	06/30/2022			614	(1,242)		(628)				
Emergency Operational Costs	10.555	221NJ304N1099	N/A	12,282	07/01/2021	06/30/2022			12,282	(12,282)						
Food Distribution Program	10.550	221NJ304N1099	N/A	46,304	07/01/2021	06/30/2022			46,304	(46,304)						
<b>Total U.S. Department of Agriculture</b>							<b>(27,923)</b>	<b>-</b>	<b>637,995</b>	<b>(647,361)</b>	<b>-</b>	<b>(37,289)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
U.S. Department of Education Passed Through State Department of Education:																
Title I	84.010	S101A210030	N/A	220,628	07/01/2021	09/30/2022			184,363	(203,750)		(19,387)				
Title I	84.010	S101A200030	N/A	194,297	07/01/2020	06/30/2021	(19,809)		19,809							
Title IIA	84.367	S367A200029	N/A	47,567	07/01/2020	06/30/2021	(24,712)		24,712							
Title IIA	84.367	S367A210029	N/A	40,768	07/01/2021	09/30/2022			39,566	(40,767)		(1,201)				
Title III - Immigrant	84.365	S365A210030	N/A	8,988	07/01/2021	09/30/2022			5,231	(7,781)		(2,550)				
Title IV	84.424	S424A210031	N/A	13,793	07/01/2021	09/30/2022			12,216	(13,793)		(1,577)				
Title IV	84.424	S424A210031	N/A	14,891	07/01/2020	06/30/2021	(4,673)		4,673							
IDEA Part B Basic	84.027	H027A210100	N/A	339,017	07/01/2021	09/30/2022			331,073	(334,493)		(3,420)				
IDEA Part B Basic	84.027	H027A200100	N/A	361,705	07/01/2020	06/30/2021	(1,071)		1,071							
CARES Act	84.425D	S425D200027	N/A	174,067	03/13/2020	09/30/2022				(22,652)		(22,652)				
CRRSA CRF	84.425D	S425D200027	N/A	619,372	03/13/2020	09/30/2023			574,944	(619,372)		(44,428)				
CRRSA Learning Acceleration	84.425D	S425D200027	N/A	39,748	03/13/2020	09/30/2023			29,811	(39,748)		(9,937)				
CRRSA Mental Health	84.425D	S425D200027	N/A	45,000	03/13/2020	09/30/2023			40,500	(45,000)		(4,500)				
ARP ESSER II	84.425U	S425U210027	N/A	1,391,997	03/11/2021	09/30/2024			37,776	(66,938)		(29,162)				
ARP IDEA Part B Basic	84.027X	H027X190100	N/A	73,463	07/01/2021	09/30/2023			72,083	(72,083)						
<b>Total U.S. Department of Education</b>							<b>(50,265)</b>	<b>-</b>	<b>1,377,828</b>	<b>(1,466,377)</b>	<b>-</b>	<b>(138,814)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Federal Financial Assistance</b>							<b>\$ (78,188)</b>	<b>-</b>	<b>2,033,689</b>	<b>(2,131,604)</b>	<b>-</b>	<b>(176,103)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

See Accompanying Notes to Schedules of Financial Assistance.



**BOARD OF EDUCATION**

K-5

**KENILWORTH SCHOOL DISTRICT****NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE****JUNE 30, 2022****NOTE 1: General**

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the Board of Education, Kenilworth School District. The Board of Education is defined in Note 1(A) to the Board's general-purpose financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

**NOTE 2: Basis of Accounting**

The accompanying schedules of expenditures of awards and financial assistance are presented using the modified accrual basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting and than recorded in the special revenue fund which are presented using the budgetary basis of accounting. These bases of accounting are described in the Note 1(C) to the Board's general-purpose financial statements.

**NOTE 3: Relationship to General Purpose Financial Statements**

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to 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 state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-4.2.

**NOTE 3:      Relationship to General Purpose Financial Statements**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Food Service</u>	<u>Total</u>
<b><u>State Assistance</u></b>					
Actual Amounts (Budgetary)					
"Revenues" from the Schedule of Expenditures of State Financial Assistance	\$ 14,561,027	165,793	422,824	13,943	15,163,587
Difference – Budget to "GAAP"					
Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures and the Related Revenue is Recognized		(2,751)			(2,751)
The Last State Aid Payment Is Recognized as Revenue for Budgetary Purposes, and Differs from GAAP Which does not Recognize This Revenue Until the Subsequent Year When the State Recognizes the Related Expense (GASB 33)	(44,818)				(44,818)
Total State Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	<u>\$ 14,516,209</u>	<u>163,042</u>	<u>422,824</u>	<u>13,943</u>	<u>15,116,018</u>

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Food Service</u>	<u>Total</u>
<b><u>Federal Assistance</u></b>					
Actual Amounts (Budgetary)					
“Revenues” from the Schedule					
of Expenditures of Federal					
Awards					
	\$ 17,866	1,466,377		647,361	2,131,604
Difference -- Budget to “GAAP”					
Grant Accounting Budgetary					
Basis Differs from GAAP in that					
Encumbrances are Recognized as					
Expenditures, and the Related					
Revenue is Recognized					
	_____	(125,302)	_____	_____	(125,302)
Total Federal Revenue as					
Reported on the Statement					
of Revenue, Expenditures,					
and Changes in Fund					
Balances					
	<u>\$ 17,866</u>	<u>1,341,075</u>	<u>0</u>	<u>647,361</u>	<u>2,006,302</u>

**NOTE 4: Relationship to Federal and State Financial Reports**

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

**NOTE 5: Other**

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

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

K-6

*Part 1 - Summary of Auditor's Results*

**Financial Statement Section**

(A) Type of auditor's report issued:	<u>Unmodified</u>
(B) Internal control over financial reporting:	
1) Material weakness(es) identified?	_____ Yes <u>  x  </u> No
2) Were reportable conditions(s) identified that were not considered to be material weaknesses?	_____ Yes <u>  x  </u> No
(C) Noncompliance material to general purpose financial statements noted?	_____ Yes <u>  x  </u> No

**Federal Awards Section**

Internal control over compliance

1) Material weakness(es) identified?	_____ Yes <u>  x  </u> No
2) Reportable conditions(s) identified that are not considered to be material weaknesses?	_____ Yes <u>  x  </u> <span style="float:right">None Reported</span>

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

	<u>Unmodified</u>
--	-------------------

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133?

	_____ Yes <u>  x  </u> No
--	---------------------------

Identification of major programs:

<b><u>CFDA Number(s)</u></b>	<b><u>Name of Federal Program or Cluster</u></b>
<u>84.027</u>	<u>IDEA Part B (Special Education Cluster)</u>
<u>84.425D</u>	<u>CRRSA ESSER II (CRRSA Cluster)</u>
<u>84.425D</u>	<u>CRRSA Learning Acceleration (CRRSA Cluster)</u>
<u>84.425D</u>	<u>CRRSA Mental Health (CRRSA Cluster)</u>
<u>84.027X</u>	<u>ARP IDEA Part B (Special Education Cluster)</u>

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

Auditee qualified as low-risk auditee?   x   Yes \_\_\_\_\_ No



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

K-6

*Part 1 - Summary of Auditor's Results (Continued)*

**State Awards Section**

(J) Dollar threshold used to determine Type A programs: \$750,000

(K) Auditee qualified as low-risk auditee?  x  Yes   No

(L) Type of auditor's report on compliance for major programs: Unmodified

(M) Internal control over compliance:

(1) Material Weakness(es) identified?   Yes  x  No

(2) Were reportable condition(s) identified that were not considered to material weaknesses?   Yes  x  No

(N) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB's Circular 04-04?   Yes  x  No

(O) Identification of major programs:

<b><u>GMIS Number(s)</u></b>	<b><u>Name of State Program</u></b>
<u>22-100-034-5095-002</u>	<u>Reimbursed TPAF Social Security Contributions</u>
<u>22-495-034-5120-030</u>	<u>Equalization Aid (Public Cluster)</u>
<u>22-495-034-5120-068</u>	<u>School Choice (Public Cluster)</u>
<u>22-495-034-5120-084</u>	<u>Security Aid (Public Cluster)</u>
<u>22-495-034-5120-089</u>	<u>Special Education Aid (Public Cluster)</u>

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

K-6

*Part 2 - Schedule of Financial Statement Findings*

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

Finding: None

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Recommendation: N/A

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

K-6

*Part 3 - Schedule of Federal and State Award Findings and Questioned Costs*

This section identifies audit findings required to be reported by Title 2 U.S. Code of Federal Regulations Part 200 and OMB Circular Letter 15-08.

**FEDERAL AWARDS**

Finding: None

Federal program information: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause: N/A

Recommendation: N/A

Management's response: N/A

**BOROUGH OF KENILWORTH SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

K-6

*Part 3 - Schedule of Federal and State Award Findings and Questioned Costs*

**STATE AWARDS**

Finding: None

State program information: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Recommendation: N/A

Management's response: N/A

**BOROUGH OF KENILWORTH SCHOOL DISTRICT**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

K-7

**Prior Audit Findings:**

No prior year audit findings.