

**BOARD OF EDUCATION
OF THE
TOWNSHIP OF MONROE
SCHOOL DISTRICT
WILLIAMSTOWN, NEW JERSEY**



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

TOWNSHIP OF MONROE SCHOOL DISTRICT
Table of Contents

INTRODUCTORY SECTION	Page
Letter of Transmittal	2
Organizational Chart	6
Roster of Officials	7
Consultants and Advisors	8
FINANCIAL SECTION	
Independent Auditor's Report	10
Required Supplementary Information - Part I Management's Discussion and Analysis	17
Basic Financial Statements	
A. Government-Wide Financial Statements:	
A-1 Statement of Net Position	26
A-2 Statement of Activities	27
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	29
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	31
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	32
Proprietary Funds:	
B-4 Statement of Net Position	33
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	34
B-6 Statement of Cash Flows	35
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	N/A
B-8 Statement of Changes in Fiduciary Net Position	N/A
Notes to the Financial Statements	36
Required Supplementary Information - Part II	
C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule - General Fund	80
C-1a Combining Schedule of Revenues, Expenditures and Changes In Fund Balance - Budget and Actual	N/A
C-1b Community Development Block Grant - Budget and Actual	N/A
C-2 Budgetary Comparison Schedule - Special Revenue Fund	94
C-3 Budgetary Comparison Schedule - Note to RSI	98

TOWNSHIP OF MONROE SCHOOL DISTRICT
Table of Contents (Cont'd)

FINANCIAL SECTION (CONT'D)		Page
Required Supplementary Information - Part III		
L. Schedules Related to Accounting and Reporting for Pensions		
L-1	Schedule of the School District's Proportionate Share of the Net Pension Liability – PERS	100
L-2	Schedule of the School District's Contributions – PERS	101
L-3	Schedule of the School District's Proportionate Share of the Net Pension Liability – TPAF	102
L-4	Schedule of the School District's Contributions – TPAF	103
L-5	Notes to the Required Supplementary Information - Part IV	104
 Required Supplementary Information - Part IV		
M. Schedules Related to Accounting and Reporting for OPEB		
M-1	Schedule of Changes in the School District's Total OPEB Liability and Related Ratios	107
M-2	Notes to the Required Supplementary Information - Part IV	108
M-3	Schedule of Changes in the School District's Total OPEB Liability and Related Ratios	109
M-4	Notes to the Required Supplementary Information - Part IV	110
 Other Supplementary Information		
D. School Based Budget 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
E. Special Revenue Fund:		
E-1 ^(a-n)	Combining Schedule of Program Revenues and Expenditures - Budgetary Basis	113
E-2	Preschool Education Aid Schedule of Expenditures - Budgetary Basis	120
F. Capital Projects Fund:		
F-1	Summary Statement of Project Expenditures- Budgetary Basis	122
F-2	Summary Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budgetary Basis	123
F-2 ^(a-h)	Schedules of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis	124

TOWNSHIP OF MONROE SCHOOL DISTRICT
Table of Contents (Cont'd)

FINANCIAL SECTION (CONT'D)	Page
Other Supplementary Information (Cont'd)	
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Statement of Net Position	133
G-2 Statement of Revenues, Expenses and Changes in Fund Net Position	134
G-3 Statement of Cash Flows	135
Internal Service Fund:	
G-4 Combining Statement of Net Position	N/A
G-5 Combining Statement of Revenues, Expenses and Changes in Fund Net Position	N/A
G-6 Combining Statement of Cash Flows	N/A
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	N/A
H-2 Combining Statement of Changes in Fiduciary Net Position	N/A
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds and Loans Payable	137
I-2 Schedule of Obligations under Leases	N/A
I-3 Debt Service Fund Budgetary Comparison Schedule	138
STATISTICAL SECTION (Unaudited)	
Introduction to the Statistical Section	
Financial Trends	
J-1 Net Position by Component	141
J-2 Changes in Net Position	142
J-3 Fund Balances - Governmental Funds	145
J-4 Changes in Fund Balances - Governmental Funds	146
J-5 General Fund Other Local Revenue by Source	148
Revenue Capacity	
J-6 Assessed Value and Actual Value of Taxable Property	150
J-7 Direct and Overlapping Property Tax Rates	151
J-8 Principal Property Taxpayers	152
J-9 Property Tax Levies and Collections	153
Debt Capacity	
J-10 Ratios of Outstanding Debt by Type	155
J-11 Ratios of Net General Bonded Debt Outstanding	156
J-12 Direct and Overlapping Governmental Activities Debt	157
J-13 Legal Debt Margin Information	158

TOWNSHIP OF MONROE SCHOOL DISTRICT
Table of Contents (Cont'd)

	Page
STATISTICAL SECTION (Unaudited) (Cont'd)	
Demographic and Economic Information	
J-14 Demographic and Economic Statistics	160
J-15 Principal Employers (Monroe Township)	161
Operating Information	
J-16 Full-time Equivalent District Employees by Function/Program	163
J-17 Operating Statistics	164
J-18 School Building Information	165
J-19 Schedule of Required Maintenance Expenditures by School Facility	166
J-20 Insurance Schedule	167
SINGLE AUDIT SECTION	
K-1 Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	14
K-2 Report on Compliance for Each Major Program and Report on Internal Control over Compliance Required by the Uniform Guidance and State of New Jersey Circular 15-08-OMB	169
K-3 Schedule of Expenditures of Federal Awards, Schedule A	172
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	176
K-5 Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	180
K-6 Schedule of Findings and Questioned Costs	
Section 1 - Summary of Auditor's Results	182
Section 2 - Schedule of Financial Statement Findings	184
Section 3 - Schedule of Federal Award Findings and Questioned Costs	185
Section 4 - Schedule of State Financial Assistance Findings and Questioned Costs	186
K-7 Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management	187

INTRODUCTORY SECTION



Monroe Township Public Schools

MAPLE GROVE ADMINISTRATION BUILDING
75 E. ACADEMY STREET
WILLIAMSTOWN, NJ 08094
(856) 629-6400 • Fax (856) 262-2499

SUSAN B. FICKE, Ed. D.
Superintendent of Schools
LISA SCHULZ
Business Administrator/Board Secretary
JOHN L. BERSH, Ed. D.
Supervisor of Special Services

March 14, 2023

Honorable President and
Members of the Board of Education
Township of Monroe School District
County of Gloucester, New Jersey

Dear Board Members:

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

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the District's Management's Discussion and Analysis, financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); and State of New Jersey Circular 15-08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Information related to this single audit, including the auditor's report on compliance and on internal control with applicable laws and regulations and findings and questioned costs, over financial reporting and administrative findings - financial, compliance and performance, is included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: The Township of Monroe 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 Township of Monroe Board of Education and its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, vocational, as well as special education for handicapped youngsters. The District completed the 2021-22 fiscal year with an average daily enrollment of 5634.9 students, which is 75.7 students more than the previous year's average daily enrollment. The following details the changes in the student enrollment of the District over the last ten years.

1. REPORTING ENTITY AND ITS SERVICES (Cont'd.):

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2021-2022	5,634.9	1.36%
2020-2021	5,559.2	-5.29%
2019-2020	5,869.6	-1.94%
2018-2019	5,985.5	1.28%
2017-2018	5,910.0	-6.04%
2016-2017	6,290.2	3.59%
2015-2016	6,072.1	0.61%
2014-2015	6,035.1	2.23%
2013-2014	5,903.4	-1.67%
2012-2013	6,003.8	-0.86%

2. ECONOMIC CONDITION AND OUTLOOK: The Monroe Township area is experiencing a period of moderate development and expansion which is expected to continue. The national economic conditions' slow growth results in little increase in the tax base, both residential and commercial. This condition is expected to continue which suggests that the Monroe Township area will continue to maintain the status quo.

3. DISTRICT ASSESSMENT RESULTS AND INITIATIVES: Monroe Township Public School's total population scores, for the 2021-2022 school year on the following New Jersey assessments:

<u>Grade/Subject</u>	<u>Total % Met and Exceeded</u>
3rd Grade	
ELA	48.2
Math	53.9
4th Grade	
ELA	51.9
Math	47.4
5th Grade	
ELA	28.3
Math	20.1
6th Grade	
ELA	33.9
Math	22.8
7th Grade	
ELA	34.3
Math	28.3
8th Grade	
ELA	57.0
Math	24.4

3. DISTRICT ASSESSMENT RESULTS AND INITIATIVES (CONT'D):

Algebra I	33.0
Geometry	14.9
9th Grade ELA	27.7

√ **Provide Support Resources**

- Online ASCD Best Practice Research Library
- Ongoing LinkIt! Support
- Teaching and Learning time devoted to each school
- iObservation Resource Library
- Schoolwide and Open Up consultants

√ **Continued District Professional Development Focus on:**

- Continued Implementation of NJSLs
- District teacher and leader evaluation model (Marzano/iObservation)
- Continued Implementation and Training on LinkIt!
- Rigorous and Quality Assessments
- Ongoing Data Analysis
- Differentiated Instruction
- Ongoing Integration of Technology into Instruction
- Improving Student Achievement

√ **NCLB Program Status**

- Increased Parent Involvement
- Focus on Student Achievement
- Ongoing, Sustained Professional Development
- Ongoing Implementation of NJSLs

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

As a recipient of federal and state 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 the portion related to federal awards and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

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

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-appropriations of fund balance in the subsequent year. Those amounts to be included as re-appropriated are reported as an assignment of fund balance at June 30, 2022.

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

7. **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 1. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The Law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

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

9. **OTHER INFORMATION:** Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman and Company LLP was selected by the Board's audit committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Uniform Guidance and the State of New Jersey Circular 15-08-OMB. The auditor's report on the general purpose financial statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

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

Respectfully submitted,



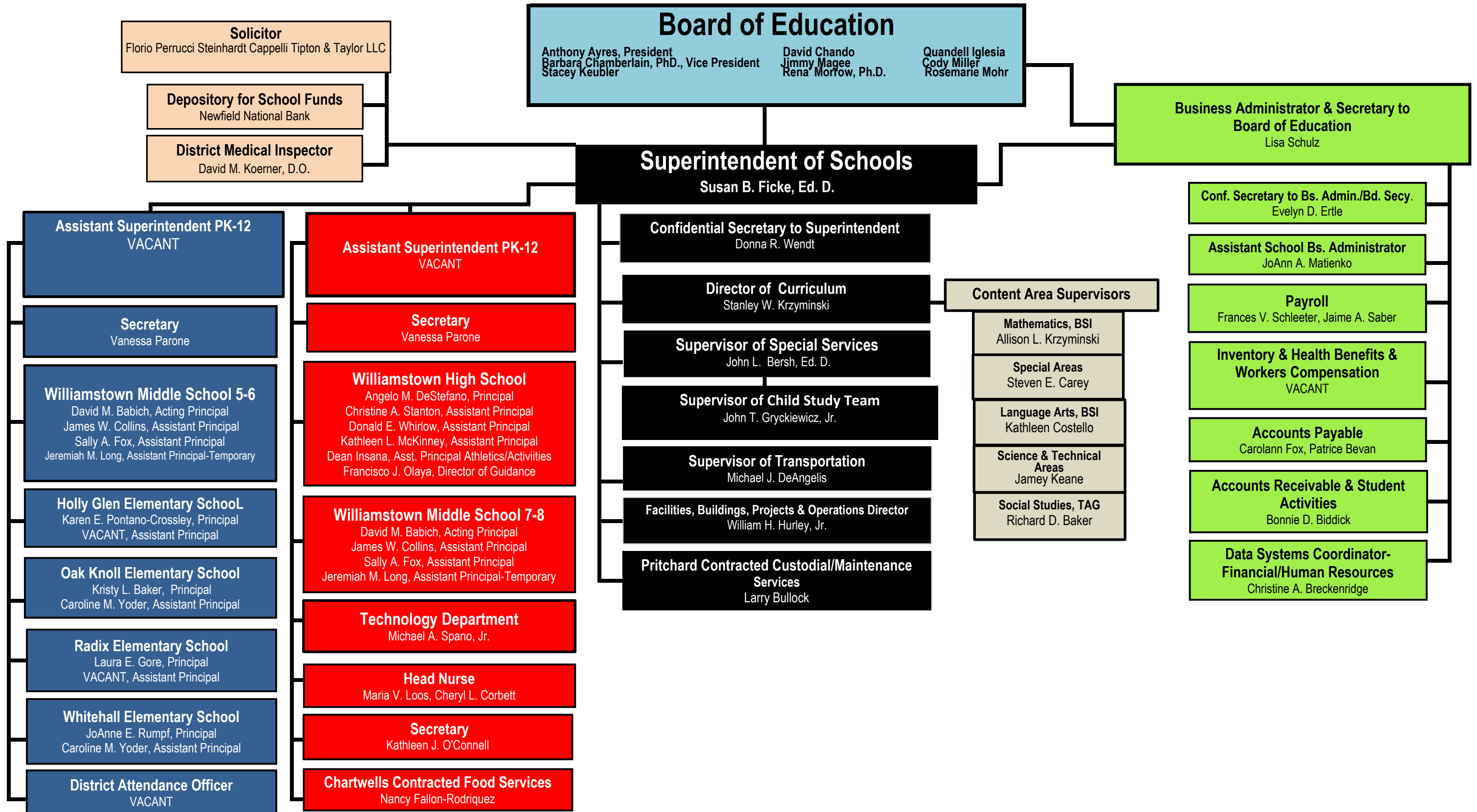
Dr. Susan Ficke, Superintendent of Schools



Lisa Schulz/Board Secretary
Business Administrator

MONROE TOWNSHIP PUBLIC SCHOOLS

Organization Table



**BOARD OF EDUCATION OF THE
TOWNSHIP OF MONROE
WILLIAMSTOWN, NEW JERSEY**

**ROSTER OF OFFICIALS
June 30, 2022**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Cody Miller, President	2024
Tiffany Walker Winters, Vice President	2023
Anthony Ayres	2024
David Chando	2023
Michael D'Andrea	2022
Donald Heverly	2022
Stacey Keubler.	2024
Rena' Morrow	2022
Bruce Rice	2022
<u>Other Officials</u>	
Dr. Susan Ficke, Superintendent of Schools	
Lynn DiPietropolo, Assistant Superintendent of Schools	
Lisa Schulz, School Business Administrator/Board Secretary	
Bonnie Biddick, Board Designee	
Caitlin Pletcher, Esq., Solicitor	

**BOARD OF EDUCATION
OF THE
TOWNSHIP OF MONROE**

Consultants and Advisors

Audit Firm

Bowman & Company LLP
6 North Broad Street
Suite 201
Woodbury, New Jersey 08096

Attorney

Caitlin Pletcher, Esquire
Florio Perrucci Steinhardt Cappelli Tipton & Taylor LLC
1010 Kings Highway South, Building 2
Cherry Hill, New Jersey 08034

Official Depository

Newfield Bank
320 South Main Street
Williamstown, NJ 08094

Insurance Agent

Hardenbergh Insurance Group
8000 Sagemore Drive
Marlton, NJ 08053

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Monroe School District
County of Gloucester, New Jersey

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Township of Monroe School District, in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Emphasis of Matter

Change in Accounting Principle

As described in note 1 to the financial statements, during the fiscal year ended June 30, 2022, the School District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Consistency of Financial Statements

Because of the implementation of GASB Statement No. 87, the School District has determined that certain disclosures of long-term liabilities relating to capital leases in the prior fiscal year are now disclosed as financed purchases (note 7). Our opinion is not modified with respect to this matter.

26500

Emphasis of Matter

Restatement of Prior Period Financial Statements

Because of the implementation of GASB Statement No. 87, net position of governmental activities as of July 1, 2021 on the statement of activities has been restated, as discussed in note 22 to the financial statements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Required Supplementary Information

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

Supplementary Information

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

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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 March 14, 2023, on our consideration of the Township of Monroe School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township of Monroe School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Monroe District's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Michael J. Welding
Certified Public Accountant
Public School Accountant No. CS 00886

Woodbury, New Jersey
March 14, 2023

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

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Monroe School District
County of Gloucester, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and each major fund of the Township of Monroe School District, in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated March 14, 2023. Our report on the financial statements included an emphasis of matter paragraph describing the adoption of a new accounting principle and an additional paragraph on the consistency of financial statements resulting from the new accounting principle. Also, our report on the financial statements included an additional emphasis of matter paragraph describing the restatement of the prior period financial statements resulting from the adoption of a new accounting principle.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying *Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance*, as finding number 2022-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Monroe School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and which is described in the accompanying *Schedule of Findings and Questioned Costs* and *Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* as finding number 2022-001.

The Township of Monroe School District's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Michael J. Welding
Certified Public Accountant
Public School Accountant No. CS 00886

Woodbury, New Jersey
March 14, 2023

REQUIRED SUPPLEMENTARY INFORMATION
PART I
MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWNSHIP OF MONROE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Unaudited)

The discussion and analysis of Monroe Township School District's (the School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2022 and 2021. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2022 are as follows:

- In total, net position increased \$12,344,576.00, due primarily to a decrease in unallocated benefits, which includes decreases in expenses related to GASB 68 and GASB 75.
- General revenues accounted for \$102,805,632.73 in revenue or 79% of all governmental activity revenues. Program specific revenues in the form of charges for services, and operating grants and contributions, accounted for \$28,050,788.81 or 21% of total revenues for governmental activities of \$130,856,421.54.
- The School District had \$121,305,596.87 in total expenses; \$31,534,715.46 of these expenses were offset by program specific charges for services, grants or contributions.
- Among major funds, the General Fund had \$120,600,890.48 in revenues and other sources, \$124,203,732.90 in expenditures and other uses. The General Fund balance decreased \$3,602,842.42 over 2021 mainly due to the transfers to capital projects from both capital outlay and capital reserve.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of this annual report consists two parts: Part I, management's discussion and analysis (this section), the basic financial statements with the accompanying note disclosures; and Part II, budgetary comparison schedules, notes to the required supplementary information and other supplementary information. The basic financial statements include two kinds of statements that present different views of the School District:

- The first two statements, Exhibit A-1 and A-2, are government-wide financial statements that provide both long-term and short-term information about the School District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the School District's operations in more detail than the government-wide statements.

The governmental fund statements tell how general government services were financed in the short-term as well as what remains for future spending.

Proprietary fund statements offer short-term and long-term financial information about those types of activities that operate like a business.

TOWNSHIP OF MONROE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Unaudited) (Cont'd)

OVERVIEW OF THE FINANCIAL STATEMENTS (CONT'D)

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

The statements are followed by another section, Part II that contains required supplementary information that further explains and supports the information in the financial statements including; budget schedules, reconciliations and individual fund statements.

REPORTING THE SCHOOL DISTRICT AS A WHOLE

Statement of Net Position and the Statement of Activities

The Statement of Net Position and the Statement of Activities include all assets and liabilities of the School District 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 net position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position 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 facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District reports governmental and business – type activities. Governmental activities are the activities where most of the School District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation and special schools.

REPORTING THE SCHOOL DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The Fund financial reports provide detailed information about the School District's major funds. The School District uses several funds to account for a variety 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, the Special Revenue Fund, Debt Service and the Capital Projects Fund; the School District has no Permanent Fund.

Governmental Funds

Most of 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 periods. These funds are reported using an accounting method called modified accrual basis of 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.

TOWNSHIP OF MONROE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Unaudited) (Cont'd)

THE SCHOOL DISTRICT AS A WHOLE

The Statement of Net Position provides the perspective of the School District as a whole.

The table below provides a summary of the School District's net position for 2022 and 2021.

	2022	2021 (Restated)
Assets		
Current and Other Assets	\$ 37,373,487.16	\$ 33,457,108.95
Capital Assets	102,636,066.42	98,579,970.61
Total Assets	<u>140,009,553.58</u>	<u>132,037,079.56</u>
Deferred Outflows of Resources		
Related to Pensions	940,247.00	1,596,054.00
Deferred Loss on Refunding of Debt	2,303,710.81	2,014,828.93
Total Deferred Outflows of Resources	<u>3,243,957.81</u>	<u>3,610,882.93</u>
Liabilities		
Noncurrent Liabilities	80,601,236.85	89,600,100.73
Other Liabilities	11,318,489.82	6,856,952.31
Total Liabilities	<u>91,919,726.67</u>	<u>96,457,053.04</u>
Deferred Inflows of Resources		
Related to Pensions	<u>5,874,276.00</u>	<u>5,460,158.00</u>
Net Position		
Net Investment in Capital Assets	46,164,042.26	38,136,327.34
Restricted	20,520,461.03	17,274,920.38
Unrestricted (Deficit)	(21,224,994.57)	(21,680,496.27)
Total Net Position	<u>\$ 45,459,508.72</u>	<u>\$ 33,730,751.45</u>

TOWNSHIP OF MONROE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Unaudited) (Cont'd)

THE SCHOOL DISTRICT AS A WHOLE (CONT'D)

The following shows a summary of the School District's changes in net position for fiscal year 2022 and 2021.

	2022	2021
Program Revenues:		
Charges for Services	\$ 327,511.87	\$ 385,913.56
Operating Grants and Contributions	27,089,475.14	34,580,199.71
Capital Grants and Contributions	633,801.80	75,485.76
General Revenues:		
Property Taxes	56,354,753.00	55,804,486.00
Federal and State Aid, Not Restricted	44,848,897.20	41,094,241.32
Other	1,601,982.53	1,081,638.76
Total Revenues	<u>\$ 130,856,421.54</u>	<u>\$ 133,021,965.11</u>
Program Expenses		
Governmental Activities:		
Instruction	\$ 41,856,989.36	\$ 42,094,982.02
Support Services:		
Student Administrative Services	19,862,042.52	18,094,783.37
School Administrative Services	3,751,608.99	3,669,216.70
General and Business Administrative Services	3,627,731.47	3,846,465.46
Plant Operation and Maintenance	9,580,069.62	8,473,774.00
Pupil Transportation	8,876,595.18	7,457,129.93
Unallocated Benefits	29,987,346.22	40,830,750.72
Transfer to Charter Schools	146,540.00	81,955.00
Unallocated Depreciation		40,514.42
Interest on Long-Term Debt	578,699.12	2,197,070.80
Cost of Issuance	236,003.91	
Loss on Disposal of Fixed Assets	8,219.15	
Total Expenses, Governmental Activities	<u>118,511,845.54</u>	<u>126,786,642.42</u>
Change in Governmental Activities Net Position	<u>\$ 12,344,576.00</u>	<u>\$ 6,235,322.69</u>
	2022	2021
Business-Type Activities Net Income:		
Food Service	\$ 3,483,926.65	\$ 1,459,396.80
Business-Type Activities Expenses	<u>(2,793,751.31)</u>	<u>(1,424,551.60)</u>
Change in Business-Type Activities Net Position	<u>\$ 690,175.34</u>	<u>\$ 34,845.20</u>

TOWNSHIP OF MONROE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Unaudited) (Cont'd)

THE SCHOOL DISTRICT AS A WHOLE (CONT'D)

The next table provides an illustration of the impact of the School District's Net Position for the implementation of GASB 68, which is related to pensions.

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Change</u>	<u>% Change</u>
Deferred Outflows Related to Pensions	\$ 940,247.00	\$ 1,596,054.00	\$ (655,807.00)	-41.09%
Less: Net Pension Liability	7,084,515.00	10,424,134.00	(3,339,619.00)	-32.04%
Less: Deferred Inflows Related to Pensions	5,874,276.00	5,460,158.00	414,118.00	7.58%
	<u>\$ 13,899,038.00</u>	<u>\$ 17,480,346.00</u>	<u>\$ (3,581,308.00)</u>	<u>-20.49%</u>

GOVERNMENTAL ACTIVITIES

Municipal appropriations, state aid and federal aid made up 77% of revenues for governmental activities for the School District for fiscal year 2022.

Instruction comprises 35% of District governmental expenses. Support services expenses (excluding debt service costs) make up 64% of the governmental expenses. Debt service expenses are 1% of the governmental expenses.

The Statement of Activities shows the cost of the governmental activities' program services and the charges for services and grants offsetting those services. The table below shows the total cost of services and the net cost of services for fiscal year 2022. That is, it identifies the cost of these services supported by general revenues.

	Total Cost of Services	Net Cost of Services
Instruction	\$ 41,856,989.36	\$ 38,331,270.09
Support Services:		
Student and Instruction Related Services	19,862,042.52	15,461,958.25
School Administrative Services	3,751,608.99	3,751,608.99
General and Business Administrative Services	3,627,731.47	3,627,731.47
Plant Operation and Maintenance	9,580,069.62	9,580,069.62
Pupil Transportation	8,876,595.18	8,876,595.18
Unallocated Benefits	29,987,346.22	10,337,964.15
Transfer to Charter Schools	146,540.00	146,540.00
Interest on Long-Term Debt	578,699.12	103,095.92
Total Expenses	<u>\$ 118,267,622.48</u>	<u>\$ 90,216,833.67</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and pupil.

Student and instruction related services include the activities designed to assess and improve the wellbeing of students and to supplement the teaching process.

TOWNSHIP OF MONROE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Unaudited) (Cont'd)

GOVERNMENTAL ACTIVITIES (CONT'D)

Administrative services include expenses associated with establishing and administering policy for the School District and include board of education services and executive administration services.

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

Pupil transportation includes activities involved with the conveyance of students to and from school activities.

Business and other support services include activities for support not classified elsewhere, including support services for business activities and support services for central activities.

Employee benefits includes the cost of benefits for the School District staff for social security, retirement contributions, workers' compensation, health benefits and other employee benefits.

The dependence upon municipal appropriations and state aid is apparent. The local communities and the State are the primary support for the Monroe Township School District.

THE SCHOOL DISTRICT'S FUNDS

The School District's major funds are accounted for using the modified accrual basis of accounting. All Governmental funds had total revenues and other sources of \$161,989,123.57, expenditures of \$163,464,465.71.

GENERAL FUND BUDGETING HIGHLIGHTS

This fund is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting.

During the course of the 2022 fiscal year, the School District modified its General Fund budget numerous times as needed for including:

- Staffing changes based on student needs
- Additional cost for Purchased Professional Educational Services
- Changes in appropriations to prevent budget overruns

For the General Fund, the final budgetary basis revenue estimate was \$98,160,385.00, which was equivalent to the original budget.

During fiscal year 2022, the School District budgeted \$52,633,492.00 and \$44,635,873.00 for municipal tax levy and state aid revenues, respectively. The School District also budgeted \$165,421.00 for federal aid revenues. The School District also received \$3,006,297.07 in reimbursed TPAF Social Security aid, \$17,189,615.00 in reimbursed TPAF pension aid, and other un-budgeted state aid of \$830,417.00 resulting in a favorable revenue variance for the fiscal year.

The final budgetary basis expenditure appropriation estimate was \$105,201,649.01, which was equal to the original budget and the carryover of prior year encumbrances.

TOWNSHIP OF MONROE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Unaudited) (Cont'd)

CAPITAL ASSETS

At the end of the fiscal year 2022, the School District had \$102,001,164.65 invested in land, buildings, furniture and equipment net of accumulated depreciation.

The table below shows a summary of the fiscal 2022 capital asset balances.

Land	\$ 2,264,917.00
Construction in Progress	27,622,810.88
Buildings and Improvements	70,507,235.61
Equipment	1,606,201.16
Totals	\$ 102,001,164.65

Overall capital assets, net of depreciation, increased \$3,707,923.40 from fiscal year 2021 to fiscal year 2022 mainly due to the School District continuing construction projects and the School District's energy saving improvement program.

DEBT ADMINISTRATION

The School District receives state aid and municipal tax levy funds for the payment of debt.

CURRENT FINANCIAL ISSUES AND CONCERNS

The School District has a long record of financial stability. Despite unpredictable funding from the State of New Jersey, the District manages to provide an excellent educational opportunity for all School District students. The School District's management has worked diligently on trying to minimize the impact of increasing costs on the taxpayers. The 2011-2012 actual general fund expenses were \$77,404,171.10, while the 2022-2023 budget contemplates spending of \$109,755,704.00 an average increase of 3.22% per year. These increases are the result of salary increases, additions to staff resulting from higher enrollments, significant increases for health benefits and transportation costs without any corresponding increase in state aid until the 2017 – 2018 school year.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

These financial reports are designed to provide our citizens, taxpayers and creditors with a general overview of the School District's finances and to show the accountability for money received from the state and local government. If you have questions about this report or need additional information, contact Lisa Schulz Secretary to the Board of Education and School Business Administrator at Monroe Township Board of Education, 75 East Academy Street, Williamstown, New Jersey 08094.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOWNSHIP OF MONROE SCHOOL DISTRICT
Statement of Net Position
As of June 30, 2022

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 21,850,618.64	\$ 797,764.66	\$ 22,648,383.30
Cash with Fiscal Agents	967,137.36		967,137.36
Receivables, net	13,451,371.71	235,356.98	13,686,728.69
Inventories		71,237.81	71,237.81
Capital Assets, net	102,001,164.65	634,901.77	102,636,066.42
Total Assets	138,270,292.36	1,739,261.22	140,009,553.58
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions	940,247.00		940,247.00
Deferred Loss on Refunding of Debt	2,303,710.81		2,303,710.81
Total Deferred Outflows Of Resources	3,243,957.81	-	3,243,957.81
LIABILITIES:			
Accounts Payable and Other Current Liabilities	4,211,186.70	253,074.97	4,464,261.67
Unearned Revenue	6,222,258.04	27,996.30	6,250,254.34
Accrued Interest Payable	485,161.55		485,161.55
Accrued Expense	118,812.26		118,812.26
Noncurrent Liabilities:			
Due within One Year	5,280,108.31		5,280,108.31
Due Beyond One Year	75,321,128.54		75,321,128.54
Total Liabilities	91,638,655.40	281,071.27	91,919,726.67
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions	5,874,276.00	-	5,874,276.00
NET POSITION:			
Net Investment in Capital Assets	45,582,737.14	581,305.12	46,164,042.26
Restricted for:			
Excess Surplus	8,982,901.58		8,982,901.58
Capital Projects	10,024,296.90		10,024,296.90
Special Revenue	1,012,343.35		1,012,343.35
Other Purposes	500,919.20		500,919.20
Unrestricted (Deficit)	(22,101,879.40)	876,884.83	(21,224,994.57)
Total Net Position	\$ 44,001,318.77	\$ 1,458,189.95	\$ 45,459,508.72

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2022

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES:							
Instruction:							
Regular	\$ 29,001,681.98	\$ 327,511.87	\$ 3,198,207.40		\$ (25,475,962.71)		\$ (25,475,962.71)
Special Education	9,292,172.83				(9,292,172.83)		(9,292,172.83)
Other Special Instruction	2,184,620.80				(2,184,620.80)		(2,184,620.80)
Other Instruction	1,378,513.75				(1,378,513.75)		(1,378,513.75)
Support Services:							
Student and Instruction Related Services	19,862,042.52		3,766,282.47	\$ 633,801.80	(15,461,958.25)		(15,461,958.25)
School Administrative Services	3,751,608.99				(3,751,608.99)		(3,751,608.99)
General and Business Administrative Services	3,627,731.47				(3,627,731.47)		(3,627,731.47)
Plant Operations and Maintenance	9,580,069.62				(9,580,069.62)		(9,580,069.62)
Pupil Transportation	8,876,595.18				(8,876,595.18)		(8,876,595.18)
Unallocated Benefits	29,987,346.22		19,649,382.07		(10,337,964.15)		(10,337,964.15)
Transfer to Charter Schools	146,540.00				(146,540.00)		(146,540.00)
Interest Expense	578,699.12		475,603.20		(103,095.92)		(103,095.92)
Total Governmental Activities	118,267,622.48	327,511.87	27,089,475.14	633,801.80	(90,216,833.67)	-	(90,216,833.67)
BUSINESS-TYPE ACTIVITIES:							
Food Service	2,793,146.72	15,501.17	3,468,425.48			\$ 690,779.93	690,779.93
Total Business-Type Activities	2,793,146.72	15,501.17	3,468,425.48	-	-	690,779.93	690,779.93
Total Government	\$ 121,060,769.20	\$ 343,013.04	\$ 30,557,900.62	\$ 633,801.80	(90,216,833.67)	690,779.93	(89,526,053.74)
GENERAL REVENUES (EXPENSES):							
Property Tax Levy					56,354,753.00		56,354,753.00
Federal and State Aid					44,848,897.20		44,848,897.20
Investment Earnings					27,676.54		27,676.54
Miscellaneous Income					1,574,305.99		1,574,305.99
Cost of Issuance					(236,003.91)		(236,003.91)
(Loss) on Disposal of Capital Assets					(8,219.15)	(604.59)	(8,823.74)
Total General Revenues (Expenses)					102,561,409.67	(604.59)	102,560,805.08
Change in Net Position					12,344,576.00	690,175.34	13,034,751.34
Net Position -- July 1,					32,962,736.82	768,014.61	33,730,751.43
Prior Period Adjustments (Note 22)					(1,305,994.05)		(1,305,994.05)
Net Position -- July 1, Restated					31,656,742.77	768,014.61	32,424,757.38
Net Position - June 30					\$ 44,001,318.77	\$ 1,458,189.95	\$ 45,459,508.72

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

FUND FINANCIAL STATEMENTS

TOWNSHIP OF MONROE SCHOOL DISTRICT
GOVERNMENTAL FUNDS
 Balance Sheet
 As of June 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 16,072,787.25	\$ 881,848.13	\$ 4,892,384.03	\$ 3,599.23	\$ 21,850,618.64
Cash with Fiscal Agents	967,137.36				967,137.36
Due from Other Funds	25,581.80				25,581.80
Intergovernmental Accounts Receivable:					
State	1,432,820.20				1,432,820.20
Federal	81,009.40	7,336,867.00			7,417,876.40
Other	4,539,024.13				4,539,024.13
Other Accounts Receivable	16,275.00	19,794.18			36,069.18
Total Assets	\$ 23,134,635.14	\$ 8,238,509.31	\$ 4,892,384.03	\$ 3,599.23	\$ 36,269,127.71
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 1,946,750.49	\$ 1,153,612.76	\$ 113,354.50		\$ 3,213,717.75
Accrued Expense	118,812.26				118,812.26
Due to Other Funds		25,581.80			25,581.80
Payroll Deductions Payable	30,289.80				30,289.80
Unemployment Claims Payable	52,829.35				52,829.35
Due to Grantor		97,077.00			97,077.00
Unearned Revenue	131,216.00	6,091,042.04			6,222,258.04
Total Liabilities	2,279,897.90	7,367,313.60	113,354.50	\$ -	9,760,566.00
Fund Balances:					
Restricted:					
Capital Reserve Account	5,245,267.37				5,245,267.37
Maintenance Reserve Account	100,012.44				100,012.44
Excess Surplus	8,982,901.58				8,982,901.58
Unemployment Compensation	400,906.76				400,906.76
Student Activities		571,068.36			571,068.36
Scholarship		98,774.39			98,774.39
Visual and Performing Arts		342,500.60			342,500.60
Capital Projects			4,779,029.53		4,779,029.53
Committed	967,137.36				967,137.36
Assigned:					
Other Purposes	539,113.44				539,113.44
Unassigned	4,619,398.29	(141,147.64)		3,599.23	4,481,849.88
Total Fund Balances	20,854,737.24	871,195.71	4,779,029.53	3,599.23	26,508,561.71
Total Liabilities and Fund Balances	\$ 23,134,635.14	\$ 8,238,509.31	\$ 4,892,384.03	\$ 3,599.23	

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 are \$164,148,409.01 and the accumulated depreciation is \$62,147,244.36. 102,001,164.65

Losses arising from the issuance of refunding bonds that are a result of the difference in the carrying value of the refunded bonds and the new bonds are deferred and amortized over the life of the new bonds. 2,303,710.81

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
GOVERNMENTAL FUNDS
 Balance Sheet
 As of June 30, 2022

Amounts reported for *governmental activities* in the statement of Net Position (A-1) are different because (Cont'd):

Accrued interest payable is not due and payable in the current period and therefore is not reported as liabilities in the funds.	\$ (485,161.55)
Postemployment benefits other than pension are accrued during an employees tenure and not due and payable in the current period and therefore are not reported as liabilities in the funds.	(10,288,868.00)
Long-term liabilities, including compensated absences, financed purchases, purchase agreements and pension deferrals, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(63,227,853.85)
Net Pension Liability	(7,084,515.00)
Accounts Payable related to the April 1, 2022 required PERS pension contribution that is not to be liquidated with current financial resources.	(791,691.00)
Deferred Outflows of Resources - Related to Pensions	940,247.00
Deferred Inflows of Resources - Related to Pensions	<u>(5,874,276.00)</u>
Net Position of governmental activities	<u><u>\$ 44,001,318.77</u></u>

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Tax Levy	\$ 52,633,492.00			\$ 3,721,261.00	\$ 56,354,753.00
Miscellaneous Revenue	965,950.88	\$ 963,543.52			1,929,494.40
State Sources	65,269,147.07	1,385,052.23		1,033,920.00	67,688,119.30
Federal Sources	287,272.55	5,143,312.29			5,430,584.84
Total Revenues	119,155,862.50	7,491,908.04	\$ -	4,755,181.00	131,402,951.54
EXPENDITURES:					
Current:					
Regular Instruction	25,591,341.25	3,198,207.40			28,789,548.65
Special Education Instruction	8,923,358.15				8,923,358.15
Other Special Instruction	2,098,626.96				2,098,626.96
Other Instruction	1,308,824.35				1,308,824.35
Support Services and Undistributed Costs:					
Student and Instruction Related Services	15,304,008.19	3,766,282.47			19,070,290.66
School Administrative Services	3,602,603.82				3,602,603.82
Other Administrative Services	3,585,231.88				3,585,231.88
Plant Operations and Maintenance	10,774,797.14				10,774,797.14
Pupil Transportation	8,876,595.18				8,876,595.18
Unallocated Benefits	34,727,707.22				34,727,707.22
Transfer Funds to Charter Schools	146,540.00				146,540.00
Debt Service:					
Principal				3,595,000.00	3,595,000.00
Interest and Other Charges				1,156,581.77	1,156,581.77
Capital Outlay	6,295,083.76	633,801.80	314,874.37		7,243,759.93
Total Expenditures	121,234,717.90	7,598,291.67	314,874.37	4,751,581.77	133,899,465.71
Excess (Deficiency) of Revenues over Expenditures	(2,078,855.40)	(106,383.63)	(314,874.37)	3,599.23	(2,496,514.17)
OTHER FINANCING SOURCES (USES):					
Proceeds from Purchasing Agreements	1,021,172.03				1,021,172.03
Bond Proceeds				29,565,000.00	29,565,000.00
Refunding Escrow Deposit				(29,328,996.09)	(29,328,996.09)
Cost of Issuance				(236,003.91)	(236,003.91)
Operating Transfers:					
Capital Projects - Transfer to Capital Reserve	423,855.95		(423,855.95)		
Capital Outlay- Transfer to Capital Projects	(1,902,090.00)		1,902,090.00		
Capital Reserve - Transfer to Capital Projects	(1,066,925.00)		1,066,925.00		
Total Other Financing Sources (Uses)	(1,523,987.02)	-	2,545,159.05	-	1,021,172.03
Net Change in Fund Balances	(3,602,842.42)	(106,383.63)	2,230,284.68	3,599.23	(1,475,342.14)
Fund Balance -- July 1,	24,457,579.66	977,579.34	2,548,744.85	-	27,983,903.85
Fund Balance -- June 30	\$ 20,854,737.24	\$ 871,195.71	\$ 4,779,029.53	\$ 3,599.23	\$ 26,508,561.71

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

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

Total Net Change in Fund Balances - Governmental Funds		\$ (1,475,342.14)
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>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 actual capital outlays exceeded depreciation in the period.</p>		
Depreciation Expense	\$ (3,527,617.38)	
Capital Outlay	<u>7,243,759.93</u>	
		3,716,142.55
<p>Repayment of financed purchased and purchase agreement principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of Net Position and is not reported in the statement of activities.</p>		
		2,851,165.10
<p>In the statement of activities, postemployment benefits other than pension that are unpaid or unfunded are accrued while an employee is employed by the School District. In the governmental funds, postemployment benefits other than pension are recorded as expenditures when the benefits are paid to the retirees.</p>		
		1,989,042.00
<p>The loss on disposal of capital assets is reported as an expense in the statement of activities, but is not reported as an expenditure in the governmental funds.</p>		
		(8,219.15)
<p>The issuance of long-term debt (e.g. bonds, loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction; however, has any effect on Net Position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
		2,244,040.80
<p>In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due.</p>		
		679,512.91
<p>Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.</p>		
		2,196,942.00
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation; when the paid amount exceeds the earned amount the difference is an addition to the reconciliation.</p>		
		<u>151,291.93</u>
Change in Net Position of Governmental Activities		<u>\$ 12,344,576.00</u>

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
PROPRIETARY FUNDS
Statement of Net Position
As of June 30, 2022

	Business Type Activities - Enterprise Funds
	<u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 797,764.66
Intergovernmental Accounts Receivable:	
State	2,503.73
Federal	208,021.21
Other Accounts Receivable, Net of Allowance for Doubtful Accounts of \$24,832.04	24,832.04
Inventories	71,237.81
	1,104,359.45
Total Current Assets	
Capital Assets (Net of Accumulated Depreciation)	634,901.77
Total Assets	1,739,261.22
LIABILITIES:	
Current Liabilities:	
Accounts Payable	
Due to Grantor	
State	1,744.20
Other	251,330.77
Unearned Revenue	
Prepaid Meals	27,996.30
	281,071.27
Total Liabilities	
NET POSITION:	
Net Investment in Capital Assets	581,305.12
Unrestricted	876,884.83
Total Net Position	\$ 1,458,189.95

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
PROPRIETARY FUNDS
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2022

	<u>Business Type Activities - Enterprise Funds</u>
	<u>Food Service</u>
OPERATING REVENUES:	
Charges for Services:	
Daily Sales - Reimbursable Programs (Net of Accounts Receivable Write Off)	\$ (1,833.85)
Daily Sales - Non- Reimbursable Programs	
Miscellaneous Revenues (Net of Accounts Receivable Write Off)	17,335.02
	17,335.02
Total Operating Revenues	15,501.17
OPERATING EXPENSES:	
Salaries	788,411.73
Benefits	232,988.43
General Supplies	283,218.48
Management Fees	130,909.12
Other Purchased Technical Services	10,615.00
Repairs and Maintenance	23,187.67
Cost of Sales - Reimbursable Programs	1,266,168.29
Cost of Sales - Non- Reimbursable Programs	7,343.00
Depreciation	50,305.00
	50,305.00
Total Operating Expenses	2,793,146.72
Operating Loss	(2,777,645.55)
NON-OPERATING REVENUES (EXPENSES):	
(Loss) on Disposal of Capital Assets	(604.59)
State Sources:	
State School Lunch Program	54,733.38
Federal Sources:	
National School Lunch Program	2,324,591.36
National School Breakfast Program	779,690.14
School Equipment Grant	54,891.30
Food Distribution Program	254,519.30
	254,519.30
Total Non-operating Revenue	3,467,820.89
Change in Net Position	690,175.34
Net Position - Beginning	768,014.61
	768,014.61
Net Position - Ending	\$ 1,458,189.95

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
PROPRIETARY FUNDS
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2022

	<u>Business Type Activities - Enterprise Funds</u>
	<u>Food Service</u>
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES:	
Receipts from Customers	\$ 23,617.66
Payments to Employees	(1,021,400.16)
Payments to Suppliers	(1,612,641.15)
	(2,610,423.65)
CASH FLOWS (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES:	
Capital Acquisitions	(345,485.35)
	(345,485.35)
CASH FLOWS PROVIDED BY NONCAPITAL FINANCING ACTIVITIES:	
State Sources	60,067.69
Federal Sources	3,436,844.42
	3,496,912.11
Net Cash Provided by Noncapital Financing Activities	3,496,912.11
Net Increase in Cash and Cash Equivalents	541,003.11
Cash and Cash Equivalents -- July 1	256,761.55
Cash and Cash Equivalents -- June 30	\$ 797,764.66
Reconciliation of Operating (Loss) to Net Cash	
Used by Operating Activities:	
Operating Loss	\$ (2,777,645.55)
Adjustments to Reconcile Operating Loss to	
Cash Used in Operating Activities:	
Depreciation	50,305.00
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	11,172.89
(Increase) Decrease in Inventory	7,417.28
Increase (Decrease) in Unearned Revenue	(3,056.40)
Increase (Decrease) in Accounts Payable	101,383.13
	101,383.13
Net Cash Used for Operating Activities	\$ (2,610,423.65)

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

TOWNSHIP OF MONROE SCHOOL DISTRICT

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Township of Monroe School District (the "School District") have been prepared to conform with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant of these policies.

Description of the Financial Reporting Entity

The School District is a Type II district located in the County of Gloucester, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades kindergarten through high school at the School District's six schools. The School District has an approximate enrollment at June 30, 2022 of 5,639.

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

Government-wide and Fund Financial Statements

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

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

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

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

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

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

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

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

The School District reports the following major governmental funds:

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

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

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

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

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

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

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

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

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

The School District reports the following major proprietary fund:

Enterprise Funds

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

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

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

Budgets / Budgetary Control

Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds, and are submitted to the county office. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012, to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2(f)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

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

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only, and the special revenue fund. N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

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

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

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to reserve a portion of the applicable appropriation, is utilized for budgetary control purposes. Encumbrances are a component of fund balance at fiscal year-end as they do not constitute expenditures or liabilities, but rather commitments related to unperformed contracts for goods and services. Open encumbrances in the governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

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

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

Cash, Cash Equivalents and Investments

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

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

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

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

Inventories

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

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

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

Tuition Receivable

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

Lease Receivable

Lease receivables recorded on the government-wide financial statement, in the governmental funds, and in the proprietary fund types represents a contract that conveys control of the right to use the School District's (lessor) nonfinancial asset. At the commencement of the lease term, the lessor recognizes a lease receivable and a deferred inflow of resources. The lease receivable is measured at the present value of lease payments expected to be received during the lease term. The School District was not a lessor during the fiscal year ended June 30, 2022.

Prepaid Expenses

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2022. The School District had no prepaid expenses for the fiscal year ended June 30, 2022.

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Short-Term Interfund Receivables / Payables**

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

Capital Assets

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

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

<u>Description</u>	Governmental Activities <u>Estimated Lives</u>	Business-Type Activities <u>Estimated Lives</u>
Buildings and Improvements	10-50 Years	N/A
Equipment	5-20 Years	12 Years

The School District does not possess any infrastructure assets.

Deferred Outflows of Resources and Deferred Inflows of Resources

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

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

Tuition Payable

Tuition charges for the fiscal years ended June 20, 2022 and 2021 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Unearned Revenue**

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

Accrued Salaries and Wages

Certain School District employees who provide services to the School District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2022, the amounts earned by these employees were disbursed to the employees' own individual credit union accounts.

Compensated Absences

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

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

Accrued Liabilities and Long-Term Obligations

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

Bond Discounts / Premiums

Bond discounts / premiums arising from the issuance of long-term debt (bonds) are amortized over the life of the bonds, in systematic and rational method, as a component of interest expense. Bond discounts / premiums are presented as an adjustment of the face amount of the bonds on the government-wide statement of net position and on the proprietary fund statement of net position.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Net Position**

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

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

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

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

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

Fund Balance

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

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

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

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

Assigned - The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes but are neither restricted nor committed. *Intent* is expressed by 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.

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

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

Interfund Activity

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

Accounting Estimates

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

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

The School District implemented the following GASB Statement for the fiscal year ended June 30, 2022:

Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

Because of the implementation of GASB Statement No. 87, the School District has determined that lease agreements in the prior fiscal year formerly reported and / or disclosed have now been reported and disclosed in accordance with the Statement (note 7).

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Impact of Recently Issued Accounting Principles****Recently Issued Accounting Pronouncements**

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

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

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds, salary withholdings, and student activity funds, or funds that may pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of June 30, 2022, the School District's bank balances of \$25,078,602.87 were exposed to custodial credit risk as follows:

Insured by FDIC	\$ 500,000.00
Insured by GUDPA	23,227,647.09
Uninsured and uncollateralized	<u>1,350,955.78</u>
	<u>\$ 25,078,602.87</u>

New Jersey Cash Management Fund - During the fiscal year, the School District participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At June 30, 2022, the School District's deposits with the New Jersey Cash Management Fund were \$877,285.26.

Note 3: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District during the fiscal year ended June 30, 1995 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan ("LRFP"). Upon submission of the LRFP to the Department, a school district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Beginning Balance July 1, 2021		\$ 4,388,125.74
Increased by:		
Deposits:		
Interest earned on Capital Reserve Funds	\$ 210.68	
Surplus Funds from Completed Capital Projects	110,709.80	
Surplus Funds from Cancelled Capital Projects	313,146.15	
Transfer per Board Resolution	1,500,000.00	
	<u>1,924,066.63</u>	1,924,066.63
		6,312,192.37
Decreased by:		
Transfer to Capital Projects		<u>1,066,925.00</u>
Ending Balance June 30, 2022		<u><u>\$ 5,245,267.37</u></u>

The June 30, 2022 LRFP balance of local support costs of uncompleted projects at June 30, 2022 is \$30,418,434.80. The withdrawals from the capital reserve were for use in a Department of Education approved facilities projects, consistent with the School District's LRFP.

Note 4: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2022 consisted of accounts (fees for services) and intergovernmental awards / grants. All intergovernmental receivables are considered collectible in full due to the stable condition of federal and state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey. Other accounts receivable in the proprietary fund are reported below net of allowance for doubtful accounts.

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

	<u>Governmental Funds</u>		<u>Total</u> <u>Governmental</u> <u>Activities</u>	<u>Proprietary</u> <u>Fund</u>	<u>Total</u>
	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>			
Receivables:					
Intergovernmental:					
Federal	\$ 81,009.40	\$ 7,336,867.00	\$ 7,417,876.40	\$ 208,021.21	\$ 7,625,897.61
State	1,432,820.20		1,432,820.20	2,503.73	1,435,323.93
Local - Property Taxes	4,539,024.13		4,539,024.13		4,539,024.13
Other Receivables	41,856.80	19,794.18	61,650.98	24,832.04	86,483.02
Total	<u>\$ 6,094,710.53</u>	<u>\$ 7,356,661.18</u>	<u>\$ 13,451,371.71</u>	<u>\$ 235,356.98</u>	<u>\$ 13,686,728.69</u>

Note 5: INVENTORY

There was no inventory in the General Fund at June 30, 2022.

Inventory in the Food Service Fund at June 30, 2022 consisted of \$71,237.81 of food and supplies.

Note 6: CAPITAL ASSETS

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

	<u>Balance</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Transfers</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2022</u>
Governmental Activities:					
Land	\$ 2,264,917.00				\$ 2,264,917.00
Construction in Progress	21,618,571.32	\$ 6,282,080.91	\$ (269,622.20)	8,219.15	27,622,810.88
Total Capital Assets not being Depreciated	<u>23,883,488.32</u>	<u>6,282,080.91</u>	<u>(269,622.20)</u>	<u>8,219.15</u>	<u>29,887,727.88</u>
Building and Improvements	128,110,704.65	40,743.00	1,738,840.51		129,890,288.16
Equipment	5,067,496.78	920,936.02	(1,469,218.31)	\$ 148,821.52	4,370,392.97
Total Capital Assets being Depreciated	<u>133,178,201.43</u>	<u>961,679.02</u>	<u>269,622.20</u>	<u>148,821.52</u>	<u>134,260,681.13</u>
Total Assets	<u>157,061,689.75</u>	<u>7,243,759.93</u>	<u>-</u>	<u>157,040.67</u>	<u>164,148,409.01</u>
Less Accumulated Depreciation:					
Building and Improvements	55,188,234.37	3,353,719.74	841,098.44		59,383,052.55
Equipment	3,580,214.13	173,897.64	(841,098.44)	148,821.52	2,764,191.81
Total Accumulated Depreciation	<u>58,768,448.50</u>	<u>3,527,617.38</u>	<u>-</u>	<u>148,821.52</u>	<u>62,147,244.36</u>
Governmental Activities Capital Assets, Net	<u>\$ 98,293,241.25</u>	<u>\$ 3,716,142.55</u>	<u>\$ -</u>	<u>\$ 8,219.15</u>	<u>\$ 102,001,164.65</u>
Business-Type Activities:					
Equipment	\$ 775,047.00	\$ 399,082.00		\$ 29,539.00	\$ 1,144,590.00
Less Accumulated Depreciation	488,317.64	50,305.00		28,934.41	509,688.23
Business-Type Activities Capital Assets, Net	<u>\$ 286,729.36</u>	<u>\$ 348,777.00</u>	<u>\$ -</u>	<u>\$ 604.59</u>	<u>\$ 634,901.77</u>

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

Governmental Activities:	
Instruction	\$ 1,799,495.52
Support Services	828,668.81
School Administration	155,979.22
General and Business Administrative Services	177,171.75
Plant Operations and Maintenance	566,302.08
Total Depreciation Expense - Governmental Activities	<u>\$ 3,527,617.38</u>
Business-Type Activities:	
Food Service	\$ 50,305.00
Total Depreciation Expense - Business-Type Activities	<u>\$ 50,305.00</u>

Note 7: LONG-TERM LIABILITIES

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

	(Restated) Principal Outstanding June 30, 2021	Additions	Reductions	Principal Outstanding June 30, 2022	Due Within One Year
Governmental Activities:					
Bonds	\$34,900,000.00	\$ 29,565,000.00	\$ (30,385,000.00)	\$ 34,080,000.00	\$ 2,835,000.00
Premium on Bonds	2,635,427.20		(2,156,330.95)	479,096.25	
Total Bonds Payable	37,535,427.20	29,565,000.00	(32,541,330.95)	34,559,096.25	2,835,000.00
Financed Purchases	24,923,045.00		(1,867,903.10)	23,055,141.90	1,016,447.01
Purchase Agreements	1,305,994.05	1,021,172.03	(983,262.00)	1,343,904.08	616,585.60
PERS Deferral	45,556.50		(18,581.00)	26,975.50	19,398.00
Net Pension Liability	10,424,134.00	4,130,712.00	(7,470,331.00)	7,084,515.00	
Net OPEB Liability	12,277,910.00	265,098.00	(2,254,140.00)	10,288,868.00	
Compensated Absences	4,394,028.03	507,812.29	(659,104.20)	4,242,736.12	792,677.70
Governmental Activities Long-term Liabilities	\$ 90,906,094.78	\$ 35,489,794.32	\$ (45,794,652.25)	\$ 80,601,236.85	\$ 5,280,108.31

The bonds payable are generally liquidated by the debt service fund, while compensated absences, pension deferral, net pension liability, and other postemployment benefits are liquidated by the general fund.

Bonds Payable - Bonds and loans are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds and will be paid from property taxes.

On May 5, 2010, the School District issued \$11,995,000.00 in general obligation bonds to advance refund \$12,127,000.00 of the \$13,812,000.00 outstanding 2002 bonds. The bonds carry interest rates ranging from 2.00% to 5.00% and matured in 2022.

On June 27, 2014, the School District issued \$40,420,000.00 in general obligation bonds to advance refund \$41,129,000.00 of the \$42,169,000.00 outstanding 2007 bonds. The bonds carry interest rates ranging from 1.00% to 5.00% and mature in 2032. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$3,296,551.00. This difference, reported in the accompanying government-wide financial statements as a deferred outflow of resources, is being charged to interest expense over the life of the refunding bonds. The advance refunding was undertaken to reduce total debt payments over the next 10 years by \$2,931,243.00 and to obtain a present value economic gain of \$2,254,883.00. These bonds were partially refunded by the 2021 bonds and will now mature in 2023.

On September 9, 2021, the School District issued \$29,565,000.00 in general obligation bonds to advance refund \$26,790,000.00 of the \$33,715,000.00 outstanding 2014 bonds. The bonds carry interest rates ranging from 3.00% to 5.00% and mature in 2032. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$2,087,744.98. This difference, reported in the accompanying government-wide financial statements as a deferred outflow of resources, is being charged to interest expense over the life of the refunding bonds. The advance refunding was undertaken to reduce total debt payments over the next 10 years by \$1,474,996.87 and to obtain a present value economic gain of \$1,350,214.34.

Note 7: LONG-TERM LIABILITIES (CONT'D)

Principal and interest due on bonds outstanding is as follows:

Fiscal Year				
Ending June 30	Principal	Interest	Total	
2023	\$ 2,835,000.00	\$ 703,098.66	\$ 3,538,098.66	
2024	2,995,000.00	583,949.66	3,578,949.66	
2025	3,190,000.00	455,235.36	3,645,235.36	
2026	3,285,000.00	425,695.96	3,710,695.96	
2027	3,395,000.00	388,706.86	3,783,706.86	
2028-2032	18,380,000.00	1,096,984.96	19,476,984.96	
	<u>\$ 34,080,000.00</u>	<u>\$ 3,653,671.46</u>	<u>\$ 37,733,671.46</u>	

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

Financed Purchases - The School District's payments on financed purchases are budgeted and paid from the general fund on an annual basis.

As of June 30, 2022, the School District is financing the following items:

- A phone system with a total cost of \$638,361.00. The agreement is for a term of five (5) years with an interest rate of 1.5%. The final maturity of the financed purchase is July 15, 2025.
- Various energy efficiency upgrade with a total cost of \$24,284,684.00. The agreement is for a term of nineteen (19) years with an interest rate of 2.86%. The final maturity of the financed purchase is July 15, 2039.

The following is a schedule of the remaining future minimum payments under the financed purchases at June 30, 2022:

Fiscal Year				
Ending June 30	Principal	Interest	Total	
2023	\$ 1,016,447.01	\$ 639,682.24	\$ 1,656,129.25	
2024	1,287,658.42	608,457.87	1,896,116.29	
2025	1,059,413.37	576,644.94	1,636,058.31	
2026	1,137,426.89	547,006.59	1,684,433.48	
2027	1,042,034.48	515,748.92	1,557,783.40	
2028-2032	6,536,643.12	2,063,668.19	8,600,311.31	
2033-2037	8,000,933.75	963,488.94	8,964,422.69	
2038-2040	2,974,584.86	130,542.58	3,105,127.44	
	<u>\$ 23,055,141.90</u>	<u>\$ 6,045,240.27</u>	<u>\$ 29,100,382.17</u>	

Note 7: LONG-TERM LIABILITIES (CONT'D)

Purchase Agreements - The School District's payments on purchase agreements are budgeted and paid from the general fund on an annual basis.

As of June 30, 2022, the School District has purchase agreements financing the following items:

- Information Technology solution for laptops and classroom equipment with a total cost of \$1,291,558.00. The agreement is for a term of three (3) years with an interest rate of 6.73%. The final maturity of the financed purchase was September 1, 2021.
- Information Technology solution for laptops and classroom equipment with a total cost of \$772,517.87. The agreement is for a term of three (3) years with an interest rate of 7.07%. The final maturity of the financed purchase is September 1, 2022.
- Information Technology solution for laptops and classroom equipment with a total cost of \$824,799.96. The agreement is for a term of three (3) years with an interest rate of 6.86%. The final maturity of the financed purchase is October 1, 2023.
- Information Technology solution for laptops and classroom equipment with a total cost of \$1,021,172.03. The agreement is for a term of four (4) years with an interest rate of 6.00%. The final maturity of the financed purchase is October 1, 2024.

The following is a schedule of the remaining future minimum payments under the purchase agreements at June 30, 2022:

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 616,585.60	\$ 88,622.52	\$ 705,208.12
2024	458,266.68	46,727.76	504,994.44
2025	269,051.79	16,594.54	285,646.33
	<u>\$ 1,343,904.08</u>	<u>\$ 151,944.81</u>	<u>\$ 1,495,848.89</u>

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

Public Employees' Retirement System (PERS) Payment Deferral - On March 17, 2009, P.L. 2009, c.19 (S-21) was signed into legislation and provided regular and vocational school districts the option of deferring fifty percent (50%) of the school district's 2008-09 regular PERS pension liability. School districts that elected to defer the pension liability are required to begin repaying the deferred amount over fifteen (15) years, starting in April of 2012. The amount to be paid will fluctuate based on the pension system investment earnings on the unfunded liability. At any time, however, upon requesting a payoff amount from the Division of Pensions and Benefits, a school district may pay off the deferred amount. The deferral of the aforementioned PERS payment is only an option for the 2008-09 fiscal year. Commencing in fiscal year 2010 and beyond, the full annual PERS pension liability will be required to be budgeted and paid.

On April 2, 2009, the School District adopted a resolution electing to defer fifty percent (50%) of the April 2009 payment, equaling a total deferral of \$162,225.00. The following is a schedule for the payment of the PERS deferral, based on an interest rate of 8.25%. N.J.S.A 43:15A-24b requires the use of "regular interest" when the actuary calculates the amortization of the unfunded accrued liability of the pension system, which is set by the State Treasurer (N.J.S.A. 43:15A-6n) and currently is 8.25%.

Note 7: LONG-TERM LIABILITIES (CONT'D)

Public Employees' Retirement System (PERS) Payment Deferral (Cont'd) - Principal and interest due on the outstanding pension deferral is as follows:

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Deferral</u> <u>Payment</u>	<u>Interest</u>	<u>Total</u> <u>Projected</u> <u>Payments</u>
2023	\$ 19,398.00	\$ 6,029.00	\$ 25,427.00
2024	6,743.88	2,464.21	9,208.09
2025	6,743.88	1,642.81	8,386.69
2026	6,743.88	821.40	7,565.28
	<u>\$ 39,629.63</u>	<u>\$ 10,957.42</u>	<u>\$ 50,587.05</u>

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

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

Note 8: PENSION PLANS

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

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

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

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

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

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

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

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

Vesting and Benefit Provisions

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

The following represents the membership tiers for TPAF:

Tier Definition

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

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

Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

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

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service.

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

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

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

Contributions

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

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

The School District's contractually required contribution rate for the fiscal year ended June 30, 2022 was 23.46% of the School District's covered payroll, of which 0.00% of payroll was required from the School District and 100.00% of payroll was required from the State of New Jersey. The School District was not required to contribute to the pension plan during the fiscal year ended June 30, 2022 because of the 100.00% special funding situation with the State of New Jersey.

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

Teachers' Pension and Annuity Fund (Cont'd) - Based on the most recent TPAF measurement date of June 30, 2021, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2022 was \$9,570,418.00, and was paid by April 1, 2022. School District employee contributions to the Plan during the fiscal year ended June 30, 2022 were \$3,098,614.79.

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

The School District's contractually required contribution rate for the fiscal year ended June 30, 2022 was 16.69% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2021, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2022 was \$700,358.00, and was paid by April 1, 2022. School District employee contributions to the Plan during the fiscal year ended June 30, 2022 were \$358,298.86.

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

For the fiscal year ended June 30, 2022, employee contributions totaled \$83,289.74 and the School District recognized pension expense, which equaled the required contributions, of \$61,410.14. There were no forfeitures during the fiscal year.

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

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

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

School District's Proportionate Share of Net Pension Liability	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	157,003,113.00
	<u>\$ 157,003,113.00</u>

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

Pension Liability (Cont'd) - The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2021. For the June 30, 2021 measurement date, the School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At the June 30, 2021 measurement date, the School District proportion was 0.00% due to the 100% special funding situation with the State of New Jersey; however, the State's proportionate share of the TPAF net pension liability associated with the School District was .3265782577%, which was a decrease of .0143234885% from its proportion measured as of June 30, 2020.

Pension (Benefit) Expense - For the fiscal year ended June 30, 2022, the State's proportionate share of the pension (benefit) expense, associated with the School District, calculated by the Plan as of June 30, 2021 measurement date, was \$3,694,352.00. This on-behalf expense has been recognized by the School District in the government-wide financial statements.

Public Employees' Retirement System

Pension Liability - At June 30, 2022, the School District reported a liability of \$7,084,515.00 for its proportionate share of the net pension liability for PERS. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2021. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2021 measurement date, the School District's proportion was .0598026041%, which was a decrease of .0041201784% from its proportion measured as of June 30, 2020.

Pension (Benefit) Expense - For the fiscal year ended June 30, 2022, the School District recognized pension (benefit) expense of (\$1,419,775.00), in the government-wide financial statements. This pension expense was based on the pension plan's June 30, 2021 measurement date.

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 111,732.00	\$ 50,717.00
Changes of Assumptions	36,896.00	2,522,133.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	1,866,247.00
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	-	1,435,179.00
School District Contributions Subsequent to the Measurement Date	<u>791,619.00</u>	<u>-</u>
	<u>\$ 940,247.00</u>	<u>\$ 5,874,276.00</u>

Deferred outflows of resources in the amount of \$791,619.00 will be included as a reduction of the net pension liability in the subsequent fiscal year, June 30, 2023. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Fiscal Year
Ending June 30,**

2023	\$ (2,168,738.00)
2024	(1,625,517.00)
2025	(1,106,109.00)
2026	(802,752.00)
2027	<u>(22,532.00)</u>
	<u>\$ (5,725,648.00)</u>

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

Public Employees' Retirement System (Cont'd)

Deferred Outflows and Inflows of Resources (Cont'd) - The other deferred outflows of resources and deferred inflows of resources related to pensions will be amortized over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	5.21	-
June 30, 2020	5.16	-
June 30, 2021	-	5.13
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	5.13	-
Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2017	-	5.00
June 30, 2018	-	5.00
June 30, 2019	-	5.00
June 30, 2020	-	5.00
June 30, 2021	-	5.00
Changes in Proportion		
Year of Pension Plan Deferral:		
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16
June 30, 2021	5.13	5.13

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

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

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

⁽¹⁾ based on years of service

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

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

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

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

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

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

Discount Rate -

Teachers' Pension and Annuity Fund - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.16% as of the June 30, 2021 measurement date based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers would be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to projected benefit payments in determining the total pension liability.

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

Public Employees' Retirement System - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.16% as of the June 30, 2021 measurement date based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity would be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments in determining the total pension liability.

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

Teachers' Pension and Annuity Fund (TPAF) - As previously mentioned TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2021, the Plan's measurement date, attributable to the School District is \$0.00. The following, however, presents the net pension liability of the State as of June 30, 2021 (Plan's measurement date), attributable to the School District, calculated using the discount rate of 7.00% as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	<u>185,760,908.00</u>	<u>157,003,113.00</u>	<u>132,848,372.00</u>
	<u>\$ 185,760,908.00</u>	<u>\$ 157,003,113.00</u>	<u>\$ 132,848,372.00</u>

Note 8: PENSION PLANS (CONT'D)

Public Employees' Retirement System (PERS) - The following presents the School District's proportionate share of the net pension liability at June 30, 2021, the Plan's measurement date, calculated using a discount rate of 7.00%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's Proportionate Share of the Net Pension Liability	\$ 9,647,673.00	\$ 7,084,515.00	\$ 4,909,312.00

Pension Plan Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions, and pension expense, information about the respective fiduciary net position of the TPAF and PERS and additions to/deductions from TPAF and PERS' respective fiduciary net position have been determined on the same basis as they are reported by TPAF and PERS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

Plan Description and Benefits Provided - The State Health Benefit Local Education Retired Employees Plan (the "OPEB Plan") is a multiple-employer defined benefit OPEB plan, with a special funding situation, that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75 - *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*. The OPEB Plan is administered by the State of New Jersey Division of Pensions and Benefits (the "Division") and is part of the New Jersey State Health Benefits Program (SHBP). The Division issues a publicly available financial report that includes financial statements and required supplementary information which can be obtained by writing to or at the following website:

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

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

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

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

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

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

Total Non-Employer OPEB Liability

The State of New Jersey, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to the OPEB Plan for qualified retired TPAF, PERS, PFRS and ABP pension participants. The School District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the statement of net position.

The State's proportionate share of the net OPEB liability associated with the School District as of June 30, 2022 was \$207,960,690.00. Since the OPEB liability associated with the School District is 100% attributable to the State, the OPEB liability will be referred to as the total non-employer OPEB liability.

The total non-employer OPEB liability was measured as of June 30, 2021, and was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. For the June 30, 2021 measurement date, the State's proportionate share of the non-employer OPEB liability associated with the School District was .3465569617%, which was an increase of .0005727214% from its proportion measured as of June 30, 2020.

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

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

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

* based on service years

Inflation Rate - 2.50%.

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

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

Experience Studies - The actuarial assumptions used in the June 30, 2020 valuation, which was rolled forward to June 30, 2021, were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018, July 1, 2014 - June 30, 2018, and July 1, 2013 - June 30, 2018 for TPAF, PERS, and PFRS, respectively.

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

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

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

The below table summarizes the State's proportionate share of the change in the Total Non-Employer OPEB Liability associated with the School District:

Balance at June 30, 2021		\$ 234,611,784.00
Changes for the Year:		
Service Cost	\$ 11,564,299.00	
Interest Cost	5,394,719.00	
Changes in Benefit Terms	(221,349.00)	
Difference between Expected and Actual Experience	(39,482,318.00)	
Changes in Assumptions	205,169.00	
Member Contributions	137,916.00	
Gross Benefit Payments	<u>(4,249,528.00)</u>	
Net Changes		<u>(26,651,092.00)</u>
Balance at June 30, 2022		<u>\$ 207,960,692.00</u>

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

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

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

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

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 249,104,262.00</u>	<u>\$ 207,960,692.00</u>	<u>\$ 175,562,600.00</u>

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

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

	<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	\$ 168,344,856.00	\$ 207,960,692.00	\$ 261,161,832.00

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

OPEB Expense - For the fiscal year ended June 30, 2022, the School District recognized \$12,943,806.00 in OPEB expense and revenue, in the government-wide financial statements, for the State's proportionate share of the OPEB Plan's OPEB expense, associated with the School District. This expense and revenue was based on the OPEB Plan's June 30, 2021 measurement date.

Deferred Outflows and Inflows of Resources - In accordance with GASBS No. 75, the School District's proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources by the School District; however, at June 30, 2022, the State's proportionate share of the total non-employer OPEB liability's deferred outflows of resources and deferred inflows of resources, associated with School District, from the following sources are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between Expected and Actual Experience	\$ 31,349,151.00	\$ 62,412,701.00
Changes of Assumptions	35,277,894.00	22,312,245.00
Changes in Proportion	5,242,953.00	58,817.00
	<u>\$ 71,869,998.00</u>	<u>\$ 84,783,763.00</u>

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

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

Fiscal Year Ending June 30,	
2023	\$ (3,390,427.00)
2024	(3,390,427.00)
2025	(3,390,427.00)
2026	(3,390,427.00)
2027	(2,200,577.00)
Thereafter	<u>2,848,520.00</u>
	<u>\$ (12,913,765.00)</u>

TOWNSHIP OF MONROE SCHOOL DISTRICT – RETIREE WELFARE BENEFITS PLAN**General Information about the OPEB Plan**

Plan Description and Benefits Provided - In addition to post-retirement medical benefits covered under the School Employees Health Benefits Program, the School District also provides post-retirement health care benefits through a health plan for retirees, which includes a medical, dental, and prescription plan. The plan was closed as of June 30, 2010 and is no longer available to employees who retire after June 30, 2010, except as noted in the following paragraphs. The plan requires that the coverage must never decrease from that which was available as of June 30, 2010. Because the level of benefits cannot decrease, it is estimated that the District may have to pay "Cadillac" excise taxes because the benefits are higher than the thresholds allowed in the Federal Affordable Care Act. While the coverage cannot decrease, the insurance carrier is allowed to change to the School District's current insurance carrier. This Plan was created by the Board of Education of the School District and is a single-employer defined benefit OPEB plan administered by the School District with premium payments being made directly to the insurance carriers. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Administrators retiring after twenty-five (25) years of service with the School District will have health, prescription drug and dental benefits provided for both the retiree and spouse, where applicable, for life. If a spouse predeceases the retiree, the benefit will continue for the retiree only and cannot be expanded for any change in marital status. Effective July 1, 2010, any administrator who retires on or after July 1, 2010 will not be eligible to receive medical, prescription drug, and dental benefits from the School District except for three administrators who were grandfathered, and two administrators who will be eligible to receive dental benefits.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB) (CONT'D)**TOWNSHIP OF MONROE SCHOOL DISTRICT - RETIREE WELFARE BENEFITS PLAN (CONT'D)****General Information about the OPEB Plan (Cont'd)**

Plan Description and Benefits Provided (Cont'd)- Secretaries retiring after twenty-five (25) years of service with the School District will have health, prescription drug and dental benefits provided for both the retiree and spouse, where applicable. Upon the death of retiree, coverage does not continue for the surviving spouse. If a spouse predeceases the retiree, the benefit will continue for the retiree only and cannot be expanded for any change in marital status. Effective July 1, 2010, any secretary who retires on or after July 1, 2010 will not be eligible to receive medical, prescription drug, and dental benefits from the School District except for two secretaries who were grandfathered.

Teachers retiring after twenty-five (25) years of service with the School District will have prescription drug and dental benefits provided for both the retiree and spouse, where applicable, until the retiree attains age 65 upon which they enter the New Jersey School Employees Health Benefits Program. If a spouse predeceases the retiree, the benefit will continue for the retiree only and cannot be expanded for any change in marital status. Effective July 1, 2009, any teacher who retires on or after July 1, 2009 will not be eligible to receive prescription drug and dental benefits from the School District.

Full-time paraprofessionals are not eligible for post-retirement welfare benefits from the School District.

No benefits are payable upon pre-retirement death or disability if the employee has less than 25 years of service.

Employees Covered by Benefit Terms – At June 30, 2022, the most recent Actuarial Valuation date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	44
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	-
Active Employees	<u>1</u>
	<u>45</u>

Total OPEB Liability

The School District's total OPEB liability of \$10,288,868.00 was measured as of June 30, 2022 and was determined by an actuarial valuation as of June 30, 2021, adjusted for the change in applicable assumptions, and projected to July 1, 2022 assuming no actuarial gains or losses due to plan demographics.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB) (CONT'D)**TOWNSHIP OF MONROE SCHOOL DISTRICT - RETIREE WELFARE BENEFITS PLAN (CONT'D)****Total OPEB Liability (Cont'd)**

Actuarial Assumptions and Other Inputs - The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50% Annually
Salary Increases	3.00% Annually
Discount Rate	3.55%
Healthcare Cost Trend Rates:	
Medical	5.20% for 2022, Decreasing .20% from 2023-2025, then Decreasing .10% to an Ultimate Rate of 4.50% for 2026 and Later Years
Prescription Drug	6.25% for 2022, Decreasing .25% per Year to 2023, then Decreasing .50% from 2024 - 2026 to an Ultimate Rate of 4.50% for 2026 and Later Years
Dental	4.00% for 2022 and Later
Retirees' Share of Benefit-Related Costs	None

The discount rate was based on the Bond Buyer 20-Bond GO Index.

Mortality rates were based on the PUB-2010 mortality table using projection Scale MP-2021.

An experience study was not performed on the actuarial assumptions used in the June 30, 2021 valuation since the plan had insufficient data to produce a study with credible results. Mortality rates, termination rates and retirement rates were based on standard tables either issued by the SOA or developed for the applicable State Pension system in which the District participates. The actuary has used their professional judgement in applying these assumptions to this plan.

Changes in the Total OPEB Liability

Balance at June 30, 2021		\$ 12,277,910.00
Changes for the Year:		
Service Cost	\$ 8,095.00	
Interest Cost	257,003.00	
Benefit Payments	(613,657.00)	
Actuarial Assumption Changes	(1,640,483.00)	
Actuarial Demographic Gains	-	
Net Changes		<u>(1,989,042.00)</u>
Balance at June 30, 2022		<u>\$ 10,288,868.00</u>

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB) (CONT'D)**TOWNSHIP OF MONROE SCHOOL DISTRICT - RETIREE WELFARE BENEFITS PLAN (CONT'D)****Changes in the Total OPEB Liability (Cont'd)**

Changes of assumptions and other inputs reflect the following changes:

- The discount rate changed from 2.15% as of June 30, 2021 to 3.55% as of June 30, 2022.
- The mortality table projection scale was updated from the PUB-2010 mortality table using projection Scale MP-2020 to the PUB-2010 mortality table using projection Scale MP-2021.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated for using a discount rate that is 1-percentage -point lower or 1-percentage-point higher than the current discount rate:

	1.00% Decrease (2.55%)	Current Discount Rate (3.55%)	1.00% Increase (4.55%)
Total OPEB Liability	<u>\$ 11,461,230.00</u>	<u>\$ 10,288,868.00</u>	<u>\$ 9,303,551.00</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the total OPEB liability of the District, as well as what the District'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:

	1.00% Decrease	Healthcare Cost Trend Rates	1.00% Increase
Total OPEB Liability	<u>\$ 9,260,788.00</u>	<u>\$ 10,288,868.00</u>	<u>\$ 11,484,795.00</u>

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

For the year ended June 30, 2022, the School District recognized an OPEB benefit of \$1,375,385.00. At June 30, 2022, there were no deferred outflow of resources or deferred inflows of resources related to the OPEB plan.

Note 10: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2022, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs, post-retirement medical costs, and non-contributory insurance related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance were \$13,736,263.00, \$193,799.00, \$3,254,626.00, and \$4,927.00, respectively.

Note 11: RISK MANAGEMENT

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

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

The following is a summary of the activity of the School District's unemployment claims for the current and previous two fiscal years:

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Employee</u> <u>Contributions</u>	<u>Interest</u> <u>Income</u>	<u>Claims</u> <u>Paid /</u> <u>Accrued</u>	<u>Ending Balance</u>	
				<u>Claims</u> <u>Payable</u>	<u>Restricted</u> <u>Fund</u> <u>Balance</u>
2022	\$ 86,886.51	\$ 500.96	\$ 118,812.26	\$ 52,829.35	\$ 400,906.76
2021	81,130.05	442.56	16,347.37	84,755.10	400,405.80
2020	75,906.07	1,721.79	18,729.82	16,347.37	403,588.29

Joint Insurance Pool - The School District is a member of the Gloucester, Cumberland, Salem School Districts Joint Insurance Fund Joint Insurance Fund. The Fund provides its members with the following coverage:

Workers' Compensation including Employer's Liability
 General Liability including Police Professional and Employee Benefit Liability
 Automobile Liability
 Blanket Crime including Public Employee Dishonesty
 Property Including Boiler and Machinery
 Public Officials and Employment Practices Liability
 Volunteer Directors and Officers Liability
 Cyber Liability

The following coverages are provided to the Fund's member local units by their membership in the Municipal Excess Liability Joint Insurance Fund (MEL):

Excess Workers' Compensation
 Excess General Liability
 Non-Owned Aircraft Liability
 Excess Auto Liability
 Fidelity and Performance (Blanket)
 Excess Property including Boiler and Machinery
 Crime including Excess Public Employee and Public Official Coverage

Environmental Impairment Liability coverage is provided to the Fund's member local units by the Fund's membership in the New Jersey Municipal Environmental Risk Management Fund.

Note 11: RISK MANAGEMENT (CONT'D)

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

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

Gloucester, Cumberland, Salem County Municipal Joint Insurance Fund
P.O. Box 449
Marlton, New Jersey 08053

Note 12: DEFERRED COMPENSATION

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

***Washington
Prudential
Equitable
Travelers***

Note 13: COMPENSATED ABSENCES

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

School District employees who are employed for ten months are entitled to ten paid sick leave days per fiscal school year. School District employees who are employed for twelve months are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. School District employees are entitled to three personal days which may be carried forward as sick days to subsequent years. Vacation days not used during the year may not be accumulated and carried forward. Benefits paid in any future year will be calculated according to formulas outlined in the School Districts' agreements with the various employee unions and included in the current years' budget.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. As of June 30, 2022, the estimated liability for compensated absences in the governmental activities was \$4,242,736.12.

Note 14: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 25,581.80	
Special Revenue		\$ 25,581.80
	<u>\$ 25,581.80</u>	<u>\$ 25,581.80</u>

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

Transfers –

<u>Transfer Out:</u>	<u>Transfer In:</u>	
	<u>General Fund</u>	<u>Capital Projects Fund</u>
General Fund		\$ 2,969,015.00
Capital Projects Fund	\$ 423,855.95	
	<u>\$ 423,855.95</u>	<u>\$ 2,969,015.00</u>

The above transfers all relate to the Capital Projects Fund as detailed in the F Exhibits. The \$2,969,015.00 are transfers from Capital Outlay and the Capital Reserve Account to the Capital Projects Fund, funding certain projects. The \$423,855.95 transfers represent projects that were closed out and/or cancelled in the Capital Projects Fund and returning those funds to the Capital Reserve.

Note 15: CONTINGENCIES

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

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

Note 16: CONCENTRATIONS

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

Note 17: COMMITMENTS

The School District had multiple construction projects ongoing as of the fiscal year ended June 30, 2022 that are to continue into the subsequent fiscal year(s). These projects, which are related to the capital projects fund, are as follows:

<u>Contract</u>	<u>Commitment Date</u>	<u>Amount Outstanding</u>
Johnson Controls	7/1/2020	\$ 832,373.490
Levy Construction Company	4/21/2022	142,414.47
		<u>\$ 974,787.960</u>

Note 18: DEFICIT FUND BALANCES

The School District has a deficit fund balance of \$141,147.64 in the special revenue fund as of June 30, 2022 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Note 19: FUND BALANCES**RESTRICTED**

As stated in note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

General Fund –

For Capital Reserve Account – As of June 30, 2022, the balance in the capital reserve account is \$5,245,267.37. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long-Range Facilities Plan (LRFP).

For Maintenance Reserve Account - As of June 30, 2022, the balance in the maintenance reserve account is \$100,012.44. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

For Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation. New Jersey school districts are required to restrict general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2022 is \$6,550,353.75. Additionally, \$6,678,914.83 of excess fund balance generated during 2020-2021 has been restricted and designated for utilization in the 2022-2023 budget.

Note 19: FUND BALANCES (Cont'd)**RESTRICTED (Cont'd)****General Fund (Cont'd) –**

For Unemployment Compensation - Pursuant to N.J.S.A. 43:21-7.3(g), the School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method" (see note 11). As a result, there exists at June 30, 2022, a restricted fund balance from employer contributions in the amount of \$400,906.76 for future unemployment claims.

Capital Projects Fund –

For Capital Projects - As of June 30, 2022, the restricted fund balance in the capital projects fund was \$4,779,029.53. This balance is a result of transfer from capital reserve fund balance for the various building renovations and an HVAC project. In addition, surplus funds from completed and cancelled projects were transferred from capital outlay.

Special Revenue Fund –

For Student Activities - In accordance with N.J.A.C. 6A:23A-16.12(c), each school district shall ensure through adoption of a formal board policy that all financial and bookkeeping controls are adequate to ensure appropriate fiscal accountability and sound business practices for funds collected for student activities. As such, borrowing from student activity funds is prohibited. The balance of these funds as of June 30, 2022 is \$571,068.36.

For Scholarships - The School District reports fund balance resulting from the receipt of an endowment to be used for scholarships. These funds are required to be used as restricted by the donor. The balance of these funds as of June 30, 2022 is \$98,774.39.

For Visual and Performing Arts - The School District reports fund balance resulting from the receipt of facility rental spaces. These funds are required to be used as restricted. The balance of these funds as of June 30, 2022 is \$342,500.60.

COMMITTED

As stated in note 1, 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 is the Board of Education. Specific commitments of the School District's fund balance are summarized as follows:

General Fund – As of June 30, 2022, the School District has committed \$967,137.36 of general fund balance for the acquisition of equipment and supplies. This fund balance represents the proceeds received from the various purchase agreements that the School District has entered, net of expenditures (see note 7).

ASSIGNED

As stated in note 1, the assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes but are neither restricted nor committed. Specific assignments of the School District's fund balance are summarized as follows:

General Fund –

Other Purposes – As of June 30, 2022, the School District had \$539,113.44 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

Note 19: FUND BALANCES (Cont'd)**UNASSIGNED**

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

General Fund – As of June 30, 2022, \$4,611,550.29 of general fund balance was unassigned.

Special Revenue Fund - As of June 30, 2022, the fund balance of the special revenue fund was a deficit of \$141,147.64 thus resulting in the fund balance classification of unassigned. The deficit is a result from a delay in the payment of state aid until the following fiscal year. As stated in note 18, since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties. The unassigned deficit on the GAAP financial statements of \$141,147.64 is equal to the last state aid payment.

Debt Service Fund – As of June 30, 2022, \$3,599.23 of debt service fund balance was unassigned.

Note 20: TAX ABATEMENTS

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

The Township of Monroe has entered into give property tax abatement agreements with properties having aggregate assessed valuations of \$11,439,800.00. Based on the School District's 2022 certified tax rate of \$2.008, abated taxes totaled \$229,711.18.

Note 21: SUBSEQUENT EVENTS

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

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

Note 22: RESTATEMENT OF PRIOR PERIOD NET POSITION AND FUND BALANCE

For the fiscal year ended June 30, 2022, the School District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. As a result, the following net position as of July 1, 2021 has been restated. The following table illustrates the restatement:

	<u>Governmental Activities</u>
Beginning Net Position as Previously Reported at July 1, 2021	\$ 32,962,736.82
Prior Period Adjustment:	
Reclassification of Purchase Agreements Related to Operations	<u>(1,305,994.05)</u>
Fund Balance, as Restated, July 1, 2021	<u>\$ 31,656,742.77</u>

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

BUDGETARY COMPARISON SCHEDULES

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 GENERAL FUND
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2022

	Original Budget	Transfers/ Modifications	Final Budget	Actual	Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 52,633,492.00		\$ 52,633,492.00	\$ 52,633,492.00	
Tuition from Other LEA's Within the State	252,284.00		252,284.00	327,511.87	\$ 75,227.87
Tuition from Other Sources	237,955.00		237,955.00	73,153.38	(164,801.62)
Transportation Fees from Other LEA's	33,815.00		33,815.00		(33,815.00)
Miscellaneous	201,430.00		201,430.00	481,637.81	280,207.81
Other Restricted Miscellaneous Revenues				500.96	500.96
Interest Earned on Capital Reserve Funds	100.00		100.00		(100.00)
Interest Earned on Maintenance Reserve	15.00		15.00		(15.00)
Total - Local Sources	53,359,091.00	\$ -	53,359,091.00	53,516,296.02	157,205.02
State Sources:					
Equalization Aid	37,781,647.00		37,781,647.00	37,781,647.00	
Categorical Special Education Aid	3,586,669.00		3,586,669.00	3,586,669.00	
Categorical Security Aid	1,005,014.00		1,005,014.00	1,005,014.00	
Extraordinary Aid	198,450.00		198,450.00	727,734.00	529,284.00
Categorical Transportation Aid	2,064,093.00		2,064,093.00	2,064,093.00	
Additional Nonpublic School Transportation Aid				74,741.00	74,741.00
Water Lead Testing Program				30,192.00	30,192.00
School Security Grant				196,200.00	196,200.00
On-behalf TPAF Pension Contributions (non-budgeted):					
Normal Cost and Non-Contributory Insurance				13,736,263.00	13,736,263.00
Post-Retirement Medical				3,254,626.00	3,254,626.00
Long-Term Disability Insurance				4,927.00	4,927.00
Non-Contributory Group Insurance Costs				193,799.00	193,799.00
Reimbursed TPAF Social Security Contributions				3,006,297.07	3,006,297.07
Total - State Sources	44,635,873.00	-	44,635,873.00	65,662,202.07	21,026,329.07
Federal Sources:					
Special Education Medicaid Initiative	165,421.00		165,421.00	287,272.55	121,851.55
Total Revenues	98,160,385.00	-	98,160,385.00	119,465,770.64	21,305,385.64

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 GENERAL FUND
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Transfers/ Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
EXPENDITURES:					
General Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool	\$ 211,294.20	\$ (210,700.20)	\$ 594.00	\$ 594.00	
Kindergarten	1,364,064.45	(31,784.67)	1,332,279.78	1,328,401.98	\$ 3,877.80
Grades 1-5	8,494,001.38	(374,808.97)	8,119,192.41	8,094,190.61	25,001.80
Grades 6-8	5,882,173.98	(257,966.45)	5,624,207.53	5,509,436.18	114,771.35
Grades 9-12	7,383,672.23	128,050.63	7,511,722.86	7,268,711.20	243,011.66
Regular Programs - Home Instruction:					
Salaries of Teachers	90,000.00	81,981.75	171,981.75	170,700.75	1,281.00
Purchased Professional/Educational Services	95,000.00		95,000.00	36,844.29	58,155.71
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	421,497.80	35,650.82	457,148.62	300,505.31	156,643.31
Purchased Professional/Educational Services	98,779.00	1,887.62	100,666.62	100,666.62	
Purchased Technical Services	336,347.36	(29,661.62)	306,685.74	291,351.41	15,334.33
Other Purchased Services	1,341,694.00	(2,435.67)	1,339,258.33	1,247,966.10	91,292.23
General Supplies	736,894.84	55,270.70	792,165.54	535,107.69	257,057.85
Textbooks	12,341.93	1,800.59	14,142.52	12,717.52	1,425.00
Other Objects	12,903.37	(7,739.86)	5,163.51	5,021.01	142.50
Total Regular Programs	26,480,664.54	(610,455.33)	25,870,209.21	24,902,214.67	967,994.54
Learning and/or Language Disabilities:					
Salaries of Teachers	194,005.65	(50,327.15)	143,678.50	143,300.96	377.54
Other Salaries for Instruction	90,950.09	(33,690.56)	57,259.53	56,315.73	943.80
General Supplies	1,881.61	(250.00)	1,631.61	1,631.05	0.56
Total Learning and/or Language Disabilities	286,837.35	(84,267.71)	202,569.64	201,247.74	1,321.90
Behavioral Disabilities:					
Salaries of Teachers	263,628.50	4,202.33	267,830.83	267,830.83	
Other Salaries for Instruction	108,229.26	28,299.24	136,528.50	109,562.97	26,965.53
General Supplies	1,000.00	(1,000.00)			
Other Objects	1,000.00	(400.00)	600.00		600.00
Total Behavioral Disabilities	373,857.76	31,101.57	404,959.33	377,393.80	27,565.53

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 GENERAL FUND
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2022

	Original <u>Budget</u>	Transfers/ <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
General Current Expenses (Cont'd):					
Multiple Disabilities:					
Salaries of Teachers	\$ 675,262.85	\$ 25,336.86	\$ 700,599.71	\$ 672,235.61	\$ 28,364.10
Other Salaries for Instruction	489,870.33	(10,394.33)	479,476.00	393,764.15	85,711.85
General Supplies		300.00	300.00		300.00
General Supplies	5,988.09	83.76	6,071.85	5,626.07	445.78
Other Objects		1,100.00	1,100.00	1,100.00	
Total Multiple Disabilities	1,171,121.27	16,426.29	1,187,547.56	1,072,725.83	114,821.73
Resource Room/Resource Center:					
Salaries of Teachers	5,889,766.60	(437,266.19)	5,452,500.41	5,039,547.95	412,952.46
Other Salaries for Instruction	429,495.45	(198,594.50)	230,900.95	190,920.89	39,980.06
Purchased Technical Services	515.00	3,825.00	4,340.00	4,340.00	
General Supplies	37,197.05	6,208.94	43,405.99	24,342.81	19,063.18
Textbooks	3,376.00		3,376.00	2,566.08	809.92
Other Objects	20,000.00	(10,340.00)	9,660.00	5,534.50	4,125.50
Total Resource Room/Resource Center	6,380,350.10	(636,166.75)	5,744,183.35	5,267,252.23	476,931.12
Autism:					
Salaries of Teachers	472,131.40	114,090.35	586,221.75	586,221.53	0.22
Other Salaries for Instruction	329,071.90	108,479.83	437,551.73	420,754.75	16,796.98
General Supplies	18,200.70	9,508.00	27,708.70	26,455.38	1,253.32
Total Autism	819,404.00	232,078.18	1,051,482.18	1,033,431.66	18,050.52
Preschool Disabilities - Part-Time:					
Salaries of Teachers	257,963.50	(257,963.50)			
Other Salaries for Instruction	162,849.12	(129,410.19)	33,438.93		33,438.93
General Supplies	888.78	(300.00)	588.78	496.42	92.36
Total Preschool Disabilities - Part-Time	421,701.40	(387,673.69)	34,027.71	496.42	33,531.29

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 GENERAL FUND
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2022

	Original Budget	Transfers/ Modifications	Final Budget	Actual	Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
General Current Expenses (Cont'd):					
Preschool Disabilities - Full-Time:					
Salaries of Teachers	\$ 242,812.20	\$ 256,332.30	\$ 499,144.50	\$ 465,742.77	\$ 33,401.73
Other Salaries for Instruction	113,502.17	195,927.03	309,429.20	256,385.45	53,043.75
General Supplies		16,019.13	16,019.13	8,393.04	7,626.09
Total Preschool Disabilities - Full-Time	356,314.37	468,278.46	824,592.83	730,521.26	94,071.57
Total Special Education - Instruction	9,809,586.25	(360,223.65)	9,449,362.60	8,683,068.94	766,293.66
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	1,840,412.42	(71,500.12)	1,768,912.30	1,712,971.72	55,940.58
Other Salaries for Instruction	9,703.63		9,703.63		9,703.63
Other Objects		400.00	400.00	200.00	200.00
Total Basic Skills/Remedial - Instruction	1,850,116.05	(71,100.12)	1,779,015.93	1,713,171.72	65,844.21
Bilingual Education - Instruction:					
Salaries of Teachers	190,709.65	133,186.28	323,895.93	298,583.83	25,312.10
Other Salaries for Instruction	37,558.97	(4,926.46)	32,632.51	28,061.21	4,571.30
Other Purchased Services	100.00	(100.00)			
General Supplies	3,168.98	100.00	3,268.98	2,298.13	970.85
Total Bilingual Education - Instruction	231,537.60	128,259.82	359,797.42	328,943.17	30,854.25
School-Sponsored Cocurricular & Extracurricular Activities - Instruction:					
Salaries	318,394.38	(33,476.00)	284,918.38	256,398.34	28,520.04
Other Purchased Services	33,375.50	(8,000.00)	25,375.50	14,980.77	10,394.73
Supplies and Materials	56,998.07	8,000.00	64,998.07	52,318.28	12,679.79
Other Objects	87,311.00	(1,693.17)	85,617.83	39,618.18	45,999.65
Total School-Sponsored Cocurricular & Extracurricular Activities - Instruction	496,078.95	(35,169.17)	460,909.78	363,315.57	97,594.21
School-Sponsored Athletics - Instruction:					
Salaries	452,408.15	21,411.43	473,819.58	470,215.29	3,604.29
Purchased Services	183,940.60	(48,590.00)	135,350.60	126,239.46	9,111.14
Supplies and Materials	87,187.57	53,893.71	141,081.28	88,774.56	52,306.72
Other Objects	116,631.48	(8,408.71)	108,222.77	88,266.47	19,956.30
Total School-Sponsored Athletics - Instruction	840,167.80	18,306.43	858,474.23	773,495.78	84,978.45

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 GENERAL FUND
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2022

	Original <u>Budget</u>	Transfers/ <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
General Current Expenses (Cont'd):					
Summer School - Instruction:					
Salaries	\$ 44,924.00	\$ 30,353.50	\$ 75,277.50	\$ 74,415.00	\$ 862.50
Supplies and Materials	780.00	3,300.00	4,080.00	3,224.58	855.42
Total Summer School - Instruction	45,704.00	33,653.50	79,357.50	77,639.58	1,717.92
Summer School - Support Services:					
Salaries	1,000.00	1,260.50	2,260.50	2,260.50	
Supplies and Materials	112.00		112.00		112.00
Other Objects	4,800.00	(3,300.00)	1,500.00		1,500.00
Total Summer School - Support Services	5,912.00	(2,039.50)	3,872.50	2,260.50	1,612.00
Total Summer School	51,616.00	31,614.00	83,230.00	79,900.08	3,329.92
Instructional/Alternative Education Program - Instruction:					
Purchased Professional & Technical Services	14,500.00	390.00	14,890.00	14,890.00	-
Instructional/Alternative Education Program - Support Services:					
Salaries	6,000.00	(6,000.00)	-	-	-
Total Instructional/Alternative Education Program	20,500.00	(5,610.00)	14,890.00	14,890.00	-
Work Study:					
Salaries	45,000.00	-	45,000.00	41,978.75	3,021.25
Total Instruction	39,825,267.19	(904,378.02)	38,920,889.17	36,900,978.68	2,019,910.49

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 GENERAL FUND
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2022

	Original <u>Budget</u>	Transfers/ <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
General Current Expenses (Cont'd):					
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Regular	\$ 237,445.00	\$ (15,006.00)	\$ 222,439.00	\$ 190,266.43	\$ 32,172.57
Tuition to Other LEAs Within the State-Special	195,417.00	36,095.67	231,512.67	214,690.69	16,821.98
Tuition to County Voc School Dist - Regular	394,785.00	750.00	395,535.00	381,399.10	14,135.90
Tuition to CSSD & Regional Day Schools	1,575,130.00	4,703.72	1,579,833.72	1,451,438.19	128,395.53
Tuition to Private School for the Handicapped-State	3,192,583.00	(176,131.39)	3,016,451.61	2,493,336.95	523,114.66
Tuition to Private School and Other LEAs - Outside State	138,931.00	32,000.00	170,931.00	163,837.81	7,093.19
Tuition - State Facilities	57,925.00		57,925.00	57,925.00	
Tuition - Other	210,151.00	13,489.00	223,640.00	135,449.00	88,191.00
Total Undistributed Expenditures - Instruction	6,002,367.00	(104,099.00)	5,898,268.00	5,088,343.17	809,924.83
Undistributed Expenditures - Attendance and Social Work:					
Salaries	31,672.50		31,672.50	27,266.44	4,406.06
Other Purchased Services	875.00		875.00	92.05	782.95
Total Undistributed Expenditures - Attendance and Social Work	32,547.50	-	32,547.50	27,358.49	5,189.01
Undistributed Expenditures - Health Services:					
Salaries	713,951.03	(16,497.96)	697,453.07	679,175.21	18,277.86
Purchased Professional and Technical Services	741,900.00	663.17	742,563.17	261,872.25	480,690.92
Supplies and Materials	34,354.45	(11,484.65)	22,869.80	16,237.91	6,631.89
Health / Other	765.00	(379.52)	385.48	148.50	236.98
Total Undistributed Expenditures - Health Services	1,490,970.48	(27,698.96)	1,463,271.52	957,433.87	505,837.65
Undistributed Expenditures - Other Related Services:					
Salaries	1,231,949.01	(4,500.18)	1,227,448.83	1,219,643.62	7,805.21
Purchased Professional and Technical Services	38,200.00		38,200.00	25,559.40	12,640.60
Supplies and Materials	13,933.55		13,933.55	7,692.19	6,241.36
Other Objects	1,710.00		1,710.00	1,620.00	90.00
Total Undistributed Expenditures - Other Related Services	1,285,792.56	(4,500.18)	1,281,292.38	1,254,515.21	26,777.17

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 GENERAL FUND
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2022

	Original <u>Budget</u>	Transfers/ <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
General Current Expenses (Cont'd):					
Undistributed Expenditures - Guidance:					
Salaries of Other Professional Staff	\$ 1,462,085.89		\$ 1,462,085.89	\$ 1,388,628.49	\$ 73,457.40
Salaries of Secretarial and Clerical Assistants	391,253.99		391,253.99	362,561.97	28,692.02
Other Salaries	29,430.00		29,430.00	17,918.19	11,511.81
Purchased Professional Educational Services	2,100.00		2,100.00	1,767.25	332.75
Other Purchased Professional and Technical Services	8,995.00	\$ 400.00	9,395.00	9,395.00	
Other Purchased Services	300.00	(300.00)			
Supplies and Materials	52,748.57	(771.00)	51,977.57	44,092.61	7,884.96
Other Objects	2,778.00	1,881.00	4,659.00	4,659.00	
Total Undistributed Expenditures - Guidance	1,949,691.45	1,210.00	1,950,901.45	1,829,022.51	121,878.94
Undistributed Expenditures - Child Study Team:					
Salaries of Other Professional Staff	1,627,234.70	(41,184.41)	1,586,050.29	1,513,807.39	72,242.90
Salaries of Secretarial and Clerical Assistants	318,774.12		318,774.12	283,371.41	35,402.71
Other Salaries	266,785.40	2,000.00	268,785.40	106,038.49	162,746.91
Purchased Professional Educational Services	131,186.00	(17,000.00)	114,186.00	31,625.11	82,560.89
Other Purchased Professional & Technical Services	42,708.00		42,708.00	28,759.49	13,948.51
Supplies and Materials	46,168.57	15,000.00	61,168.57	50,220.51	10,948.06
Other Objects	33,730.00	(1,100.00)	32,630.00	18,778.15	13,851.85
Total Undistributed Expenditures - Child Study Team	2,466,586.79	(42,284.41)	2,424,302.38	2,032,600.55	391,701.83
Undistributed Expenditures - Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	642,187.28	(21,854.62)	620,332.66	615,116.84	5,215.82
Salaries of Secretarial and Clerical Assistants	113,719.59	3,821.32	117,540.91	117,540.91	
Other Salaries for Instruction	48,053.00	8,789.43	56,842.43	56,561.93	280.50
Purchased Professional Educational Services	1,122,227.00	(7,108.00)	1,115,119.00	857,203.49	257,915.51
Total Undistributed Expenditures - Improvement of Instructional Services	1,926,186.87	(16,351.87)	1,909,835.00	1,646,423.17	263,411.83

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 GENERAL FUND
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2022

	Original <u>Budget</u>	Transfers/ <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
General Current Expenses (Cont'd):					
Undistributed Expenditures - Educational Media/Library Services:					
Salaries	\$ 1,211,889.98	\$ (7,096.88)	\$ 1,204,793.10	\$ 1,152,304.08	\$ 52,489.02
Salaries of Tech Coordinators	406,664.60	10,058.40	416,723.00	378,863.34	37,859.66
Purchased Professional & Technical Services	61,582.07	993.88	62,575.95	61,842.01	733.94
Supplies and Materials	113,147.03	4,801.73	117,948.76	113,736.35	4,212.41
Total Undistributed Expenditures - Educational Media/Library Services	1,793,283.68	8,757.13	1,802,040.81	1,706,745.78	95,295.03
Undistributed Expenditures - Instructional Staff Training Services:					
Other Salaries	61,084.00	30.00	61,114.00	45,933.00	15,181.00
Purchased Professional Educational Services	72,500.00	18,792.00	91,292.00	83,589.60	7,702.40
Other Purchased Professional & Technical Services	215,000.00		215,000.00	209,052.20	5,947.80
Other Purchased Services	7,636.00		7,636.00	1,453.49	6,182.51
Supplies and Materials	737,200.00	(24,348.00)	712,852.00	415,918.15	296,933.85
Other Objects	7,000.00		7,000.00	5,619.00	1,381.00
Total Undistributed Expenditures - Instructional Staff Training Services	1,100,420.00	(5,526.00)	1,094,894.00	761,565.44	333,328.56
Undistributed Expenditures - Support Services - General Admin.:					
Salaries	713,243.87	(279.85)	712,964.02	675,996.04	36,967.98
Legal Services	330,000.00	(1,200.00)	328,800.00	200,817.44	127,982.56
Audit Fees	68,585.00	915.00	69,500.00	69,500.00	
Other Purchased Professional Services	77,843.00	(6,799.00)	71,044.00	70,675.71	368.29
Purchased Technical Services	3,990.00	(1,631.49)	2,358.51	2,336.65	21.86
Communications/Telephone	92,000.00	61,155.11	153,155.11	124,099.89	29,055.22
Other Purchased Services	500.00	(500.00)			
Miscellaneous Purchased Services	574,932.74	110,266.42	685,199.16	622,136.15	63,063.01
General Supplies	27,318.50	(17,336.64)	9,981.86	9,957.66	24.20
Miscellaneous Expenditures	46,777.00	(16,421.99)	30,355.01	30,223.01	132.00
BOE Membership Dues and Fees	36,360.00	(9,650.00)	26,710.00	26,662.70	47.30
Total Undistributed Expenditures - Support Services - General Admin.	1,971,550.11	118,517.56	2,090,067.67	1,832,405.25	257,662.42

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 GENERAL FUND
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2022

	Original Budget	Transfers/ Modifications	Final Budget	Actual	Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
General Current Expenses (Cont'd):					
Undistributed Expenditures - Support Services - School Admin.:					
Salaries of Principals/Assistant Principals	\$ 2,176,788.79	\$ 223,416.83	\$ 2,400,205.62	\$ 2,235,253.40	\$ 164,952.22
Salaries of Secretarial and Clerical Assistants	1,312,546.15	3,833.17	1,316,379.32	1,247,616.27	68,763.05
Other Salaries	17,000.00	165.00	17,165.00	165.00	17,000.00
Purchased Professional & Technical Services	15,588.00	(7,199.35)	8,388.65	294.64	8,094.01
Other Purchased Services	17,007.00	(3,808.33)	13,198.67	5,219.53	7,979.14
Supplies and Materials	120,125.36	(6,685.59)	113,439.77	90,544.07	22,895.70
Other Objects	44,607.00	(8,259.44)	36,347.56	23,510.91	12,836.65
Total Undistributed Expenditures - Support Services - School Admin.	3,703,662.30	201,462.29	3,905,124.59	3,602,603.82	302,520.77
Undistributed Expenditures - Central Services:					
Salaries	724,906.79	580.80	725,487.59	725,487.59	
Purchased Technical Services	16,387.50	700.00	17,087.50	17,022.40	65.10
Supplies and Materials	16,862.00	(1,912.10)	14,949.90	13,471.61	1,478.29
Interest on Purchases Agreements	97,490.87	10.00	97,500.87	97,500.87	
Miscellaneous Expenditures	500.00		500.00	18.00	482.00
Total Undistributed Expenditures - Central Services	856,147.16	(621.30)	855,525.86	853,500.47	2,025.39
Undistributed Expenditures - Administration Information Technology:					
Salaries	176,312.33	3,938.97	180,251.30	172,491.60	7,759.70
Purchased Professional Services	6,000.00	(6,000.00)			
Purchased Professional and Technical Services	365,259.20	(181.97)	365,077.23	345,362.11	19,715.12
Other Purchased Services	5,500.00	(4,895.85)	604.15	604.15	
Supplies and Materials	92,015.62	17,077.82	109,093.44	87,974.31	21,119.13
Total Undistributed Expenditures - Administration Information Technology	645,087.15	9,938.97	655,026.12	606,432.17	48,593.95

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 GENERAL FUND
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2022

	Original <u>Budget</u>	Transfers/ <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
General Current Expenses (Cont'd):					
Undistributed Expenditures - Required Maintenance for School Facilities:					
Salaries	\$ 185,725.00	\$ (23,686.28)	\$ 162,038.72	\$ 161,697.35	\$ 341.37
Cleaning, Repair, and Maintenance Service	475,677.00	(4,248.87)	471,428.13	424,289.88	47,138.25
General Supplies	97,000.00	(65,355.00)	31,645.00	31,360.80	284.20
Total Undistributed Expenditures - Required Maintenance for School Facilities	758,402.00	(93,290.15)	665,111.85	617,348.03	47,763.82
Undistributed Expenditures - Custodial Services:					
Salaries of Non Instructional Aides	204,990.46	35,047.90	240,038.36	239,587.67	450.69
Purchased Professional and Technical Services		6,000.00	6,000.00	5,998.00	2.00
Cleaning, Repair, and Maintenance Service	3,535,071.38	(78,930.05)	3,456,141.33	3,448,549.14	7,592.19
Other Purchased Property Services	400,560.00	120,750.50	521,310.50	521,134.79	175.71
Insurance	1,300.00	38.00	1,338.00	1,338.00	
Misc Purchased Services	1,900.00	(1,800.00)	100.00		100.00
General Supplies	356,742.93	55,170.00	411,912.93	394,526.31	17,386.62
Energy (Natural Gas)	591,406.00	50,686.00	642,092.00	581,493.25	60,598.75
Energy (Electricity)	1,153,519.42	459,941.00	1,613,460.42	1,332,483.01	280,977.41
Energy (Oil)	5,800.00	(2,260.00)	3,540.00	3,254.59	285.41
Energy (Gas)		15,985.50	15,985.50	15,972.35	13.15
Other Objects	19,354.00	29,757.90	49,111.90	45,797.64	3,314.26
Interest - Energy Savings Impr Prog Bonds	1,016,929.00		1,016,929.00	1,016,928.49	0.51
Principal - Energy Savings Impr Prog Bonds	1,740,171.00	(107,261.55)	1,632,909.45	1,632,909.45	
Total Undistributed Expenditures - Custodial Services	9,027,744.19	583,125.20	9,610,869.39	9,239,972.69	370,896.70
Undistributed Expenditures - Care and Upkeep of Grounds:					
Cleaning, Repair, and Maintenance Service	346,484.21	87,320.37	433,804.58	427,429.67	6,374.91
General Supplies	85,443.53	(26,749.00)	58,694.53	56,931.68	1,762.85
Total Undistributed Expenditures - Care and Upkeep of Grounds	431,927.74	60,571.37	492,499.11	484,361.35	8,137.76
Undistributed Expenditures - Security:					
Other Purchased Services	282,000.00	2,708.00	284,708.00	284,673.12	34.88
Cleaning, Repair, and Maintenance Service	133,157.87	10,984.28	144,142.15	143,056.62	1,085.53
General Supplies	16,288.00	(10,588.74)	5,699.26	5,385.33	313.93
Total Undistributed Expenditures - Security	431,445.87	3,103.54	434,549.41	433,115.07	1,434.34

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 GENERAL FUND
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2022

	Original Budget	Transfers/ Modifications	Final Budget	Actual	Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
General Current Expenses (Cont'd):					
Undistributed Expenditures - Student Transportation:					
Salaries for Pupil Transportation (Other Than Between Home & School)	\$ 244,355.87	\$ 4,260.54	\$ 248,616.41	\$ 248,616.41	
Purchased Professional & Technical Services	10,000.00	(2,890.00)	7,110.00	7,110.00	
Contracted Services (Between Home & School) - Vendors	3,681,539.07	(179,561.11)	3,501,977.96	3,138,455.69	\$ 363,522.27
Contracted Services (Other Than Between Home & School) - Vendors	598,420.00	(122,500.00)	475,920.00	404,118.59	71,801.41
Contracted Services (Home & School) - Joint Agreements	26,439.40		26,439.40	24,094.68	2,344.72
Contracted Services (Special Ed. Students) - Vendors	4,174,286.12	722,768.15	4,897,054.27	4,746,519.72	150,534.55
Contracted Services (Special Ed. Students) - Joint Agreements	80,000.00	1,779.36	81,779.36	79,587.49	2,191.87
Contracted Services - Aid in Lieu Payments - Nonpublic	230,000.00	(15,625.90)	214,374.10	203,220.45	11,153.65
Contracted Services - Aid in Lieu Payments - Charter	15,000.00		15,000.00	6,733.60	8,266.40
Contracted Services - Aid in Lieu Payments - Choice	12,000.00	15,000.00	27,000.00	10,138.80	16,861.20
Supplies and Materials	5,000.00	8,877.10	13,877.10	7,916.45	5,960.65
Other Objects	2,400.00	(2,314.60)	85.40	83.30	2.10
Total Undistributed Expenditures - Student Transportation	9,079,440.46	429,793.54	9,509,234.00	8,876,595.18	632,638.82
Undistributed Expenditures - Unallocated Benefits:					
Social Security Contributions	802,000.00		802,000.00	705,600.09	96,399.91
Other Retirement Contributions - PERS	670,000.00	115,783.08	785,783.08	785,783.08	
Other Retirement Contributions - Deferred PERS Payment	25,913.00	515.00	26,428.00	26,428.00	
Other Retirement Contributions - Regular	54,380.00	7,030.14	61,410.14	61,410.14	
Unemployment Compensation	25,000.00		25,000.00		25,000.00
Workman's Compensation	190,512.00	18,144.00	208,656.00	208,656.00	
Health Benefits	12,606,725.00	(493,231.82)	12,113,493.18	11,444,255.06	669,238.12
Tuition Reimbursement	151,000.00		151,000.00	94,351.11	56,648.89
Other Employee Benefits	1,150,000.00		1,150,000.00	1,041,784.85	108,215.15
Unused Sick Payments to Terminated / Retired Staff	300,000.00		300,000.00	163,526.82	136,473.18
Total Undistributed Expenditures - Unallocated Benefits	15,975,530.00	(351,759.60)	15,623,770.40	14,531,795.15	1,091,975.25

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 GENERAL FUND
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Transfers/ Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
On-behalf TPAF Pension Contributions:					
Normal Cost (non-budgeted)				\$ 13,736,263.00	\$ (13,736,263.00)
Post Retirement Costs (non-budgeted)				3,254,626.00	(3,254,626.00)
Non-Contributory Group Insurance Costs (non-budgeted)				193,799.00	(193,799.00)
Long-Term Disability Insurance (non-budgeted)				4,927.00	(4,927.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)				3,006,297.07	(3,006,297.07)
Total Undistributed Expenditures- Non-budgeted	\$ -	\$ -	\$ -	20,195,912.07	(20,195,912.07)
Total Undistributed Expenditures	60,928,783.31	770,348.13	61,699,131.44	76,578,049.44	(14,878,918.00)
Interest Earned to Maintenance Reserve	15.00	-	15.00	-	15.00
Total General Current Expense	100,754,065.50	(134,029.89)	100,620,035.61	113,479,028.12	(12,858,992.51)
Capital Outlay:					
Equipment:					
Athletics - Non-Instructional Equipment	37,600.00	3,105.00	40,705.00	40,549.79	155.21
Undistributed - Non-Instructional Equipment:					
Instruction	80,263.72		80,263.72	71,499.21	8,764.51
Health	8,000.00	13,449.00	21,449.00	20,882.12	566.88
Media	9,297.47		9,297.47	9,297.47	
Required Maintenance for School Facilities		13,100.12	13,100.12	10,469.29	2,630.83
Custodial Services	16,625.00		16,625.00		16,625.00
Care and Upkeep of Grounds	13,495.00	3,690.00	17,185.00	17,185.00	
Security		4,130.89	4,130.89		4,130.89
Total Equipment	165,281.19	37,475.01	202,756.20	169,882.88	32,873.32

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
GENERAL FUND
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Transfers/ Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
Capital Outlay (Cont'd):					
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	\$ 226,205.00	\$ 20,068.81	\$ 246,273.81	\$ 107,624.41	\$ 138,649.40
Construction Services	3,625,833.32	(1,929,702.93)	1,696,130.39	1,586,964.82	109,165.57
Land & Improvements	150,000.00		150,000.00		150,000.00
Assessment for Debt Service on SDA Funding	219,099.00		219,099.00	219,099.00	
Total Facilities Acquisition and Construction Services	4,221,137.32	(1,909,634.12)	2,311,503.20	1,913,688.23	397,814.97
Capital Reserve - Transfer to Capital Projects		1,902,090.00	1,902,090.00	1,902,090.00	
Interest Deposit to Capital Reserve	100.00		100.00		100.00
Total Capital Outlay	4,386,518.51	29,930.89	4,416,449.40	3,985,661.11	430,788.29
Transfer Funds to Charter Schools	61,065.00	104,099.00	165,164.00	146,540.00	18,624.00
Total Expenditures	105,201,649.01	-	105,201,649.01	117,611,229.23	(12,409,580.22)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,041,264.01)	-	(7,041,264.01)	1,854,541.41	8,895,805.42
Other Financing Sources (Uses):					
Operating Transfers:					
Capital Projects - Transfer to Capital Reserve				423,855.95	423,855.95
Capital Reserve - Transfer to Capital Projects				(1,066,925.00)	(1,066,925.00)
Total Other Financing Sources (Uses)	-	-	-	(643,069.05)	(643,069.05)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(7,041,264.01)	-	(7,041,264.01)	1,211,472.36	8,252,736.37
Fund Balances, July 1,	14,117,794.83	(962,319.00)	13,155,475.83	22,914,646.52	9,759,170.69
Fund Balances - June 30,	\$ 7,076,530.82	\$ (962,319.00)	\$ 6,114,211.82	\$ 24,126,118.88	\$ 18,011,907.06

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 GENERAL FUND
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Transfers/ Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
Recapitulation of Fund Balance:					
Restricted Fund Balances:					
Capital Reserve				\$ 5,245,267.37	
Maintenance Reserve				100,012.44	
Excess Surplus - Designated for Subsequent Year Expenditures				6,678,914.83	
Excess Surplus - Current Year				6,542,505.75	
Unemployment Compensation				400,906.76	
Assigned Fund Balance:					
Encumbrances				539,113.44	
Unassigned Fund Balance				<u>4,619,398.29</u>	
				24,126,118.88	
Reconciliation to Governmental Funds Statements (GAAP):					
Proceeds from Finance Purchases(Net of Expenditures)				967,137.36	
Last FY State Aid Payment not recognized on GAAP basis				<u>(4,238,519.00)</u>	
Fund Balance per Governmental Funds (GAAP)				<u><u>\$ 20,854,737.24</u></u>	

TOWNSHIP OF MONROE SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES:					
Local Sources:					
Revenue from Local Sources	\$ 1,625,934.10	\$ 96,090.75	\$ 1,722,024.85	\$ 963,543.52	\$ (758,481.33)
Total - Local Sources	1,625,934.10	96,090.75	1,722,024.85	963,543.52	(758,481.33)
State Sources:					
Preschool education Expansion Aid		1,399,892.00	1,399,892.00	1,385,499.64	(14,392.36)
SDA Emergent and Capital Needs		140,183.00	140,183.00	140,183.00	
Nonpublic Auxiliary Aid (Ch. 192):					
Compensatory Education	148,545.15	25,239.85	173,785.00	126,935.00	(46,850.00)
English as Second Language	775.00	139.00	914.00		(914.00)
Transportation	16,750.00	2,955.00	19,705.00	7,624.00	(12,081.00)
Nonpublic Handicapped Aid (Ch. 193):					
Corrective Speech	50,000.00	12,310.00	62,310.00	49,197.00	(13,113.00)
Examination & Classification	56,876.00	16,520.00	73,396.00	65,036.00	(8,360.00)
Supplementary Instruction	48,300.00	12,824.00	61,124.00	45,926.00	(15,198.00)
Nonpublic Nursing Services	36,241.00	8,335.00	44,576.00	44,576.00	
Nonpublic Security Aid	62,177.00	7,473.00	69,650.00	69,650.00	
Nonpublic Technology Initiative Aid		16,716.00	16,716.00	16,187.00	(529.00)
Nonpublic Textbook Aid	21,706.00	2,182.00	23,888.00	23,856.00	(32.00)
Total - State Sources	441,370.15	1,644,768.85	2,086,139.00	1,974,669.64	(111,469.36)

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2022

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES (CONT'D):					
Federal Sources:					
Title I	\$ 503,539.15	\$ 160,725.11	\$ 664,264.26	\$ 648,379.00	\$ (15,885.26)
Title II	107,544.55	45,641.45	153,186.00	82,561.00	(70,625.00)
Title III	15,050.95	13,063.04	28,113.99	18,248.00	(9,865.99)
Title III - Immigrant		1,902.00	1,902.00	954.00	(948.00)
Title IV	39,759.60	28,264.40	68,024.00	38,599.00	(29,425.00)
I.D.E.A.	1,244,687.30	396,285.70	1,640,973.00	1,501,709.00	(139,264.00)
I.D.E.A. - Preschool	50,909.05	38,091.95	89,001.00	77,806.00	(11,195.00)
Education Stabilization Fund (CARES Act)	415,982.00	(81,193.85)	334,788.15	334,393.00	(395.15)
Coronavirus Response and Relief Supplemental Appropriations Act					
ESSER II	2,082,907.00	(460,666.00)	1,622,241.00	515,414.00	(1,106,827.00)
Learning Acceleration	133,670.00		133,670.00	60,545.00	(73,125.00)
Mental Health	45,000.00		45,000.00		(45,000.00)
American Rescue Plan Act of 2021					
Elementary and Secondary Schools Emergency Relief Fund					
ESSER III		4,681,199.00	4,681,199.00	1,123,808.00	(3,557,391.00)
Learning Acceleration		499,104.00	499,104.00	149,459.00	(349,645.00)
Summer Learning and Enrichment		40,000.00	40,000.00	5,931.00	(34,069.00)
Beyond the School Day Activities		40,000.00	40,000.00		(40,000.00)
Mental Health		45,000.00	45,000.00		(45,000.00)
I.D.E.A.		282,778.00	282,778.00	109,935.56	(172,842.44)
I.D.E.A. - Preschool		24,082.00	24,082.00	21,515.56	(2,566.44)
ACSERS		328,191.00	328,191.00	328,191.00	
Carl D. Perkins Vocational and Technical Education	27,590.15	876.85	28,467.00	28,208.00	(259.00)
Total - Federal Sources	4,666,639.75	6,083,344.65	10,749,984.40	5,045,656.12	(5,704,328.28)
Total Revenues	6,733,944.00	7,824,204.25	14,558,148.25	7,983,869.28	(6,574,278.97)

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES:					
Instruction:					
Salaries	\$ 817,408.70	\$ 1,434,050.19	\$ 2,251,458.89	\$ 1,404,425.84	\$ 847,033.05
Other Salaries for Instruction		115,661.40	115,661.40	112,886.62	2,774.78
Purchased Services		46,124.00	46,124.00	43,883.24	2,240.76
Other Professional Services		923,191.00	923,191.00	923,191.00	
General Supplies	988,257.91	(177,446.27)	810,811.64	425,277.43	385,534.21
Miscellaneous Expenditures	321,246.45	75,487.55	396,734.00	288,209.53	108,524.47
Total Instruction	2,126,913.06	2,417,067.87	4,543,980.93	3,197,873.66	1,346,107.27
Support Services:					
Salaries	1,244,687.30	(485,428.60)	759,258.70	569,564.02	189,694.68
Salaries of Program Directors		44,185.54	44,185.54	44,184.34	1.20
Personnel Services-Employee Benefits	15,784.22	1,461,353.31	1,477,137.53	922,104.30	555,033.23
Purchased Educational Services - Contracted Pre-K		202,644.02	202,644.02	202,644.02	
Purchased Professional Services	297,793.85	980,214.58	1,278,008.43	573,614.10	704,394.33
Other Purchased Services (400-500 series)	64,575.00	462,580.65	527,155.65	345,197.00	181,958.65
General Supplies	236,116.10	63,292.30	299,408.40	52,338.00	247,070.40
Miscellaneous Expenditures	36,240.60	17,178.42	53,419.02	44,676.00	8,743.02
Student Activities	1,286,071.87		1,286,071.87	866,882.28	419,189.59
Scholarships Awarded	26,700.00	5,000.00	31,700.00	31,700.00	
Total Support Services	3,207,968.94	2,751,020.22	5,958,989.16	3,652,904.06	2,306,085.10

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2022

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
Facilities Acquisition and Construction Services:					
Construction Services	\$ 1,399,062.00	\$ 1,976,321.16	\$ 3,375,383.16	\$ 640,434.18	\$ 2,734,948.98
Instructional Equipment		129,637.14	129,637.14	9,829.56	119,807.58
Non-Instructional Equipment		550,157.86	550,157.86	448,063.81	102,094.05
Total Facilities Acquisition and Construction Services	1,399,062.00	2,656,116.16	4,055,178.16	1,098,327.55	2,956,850.61
Total Expenditures	6,733,944.00	7,824,204.25	14,558,148.25	7,949,105.27	6,609,042.98
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	34,764.01	\$ -
Fund Balance, July 1				977,579.34	
Fund Balance, June 30				<u>\$ 1,012,343.35</u>	
Recapitulation:					
Restricted:					
Scholarship				\$ 98,774.39	
Student Activities				571,068.36	
Visual and Performing Arts				342,500.60	
Total Fund Balance				1,012,343.35	
Reconciliation to Governmental Fund Statements (GAAP):					
2021-22 Carryover - Preschool Education Aid Program				\$ 14,392.36	
Fiscal Year 2022 - 19th & 20th State Aid Payments not Recognized on GAAP Basis				<u>(155,540.00)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 871,195.71</u>	

TOWNSHIP OF MONROE SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

Note to RSI

For the Fiscal Year Ended June 30, 2022

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 119,465,770.64	\$ 7,983,869.28
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(350,813.60)
Amortized portion of upfront payment for agreement realized in 2021-22	82,569.65	
The last two 2020-21 State aid payments were 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.	3,845,464.00	
Revenues related to purchasing agreements are not recognized on the budgetary comparison schedule but are considered revenues on the governmental fund financial statements.	577.21	
The Restricted State Aids recorded in the Special Revenue Fund are realized utilizing the budgetary basis which dictates that revenue must equal expenditures and differs from GAAP which recognizes the revenue once the eligibility criteria are met as specified in Note 1 and GASB 33.		14,392.36
The last two 2021-22 State aid payments are 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.	<u>(4,238,519.00)</u>	<u>(155,540.00)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 119,155,862.50</u>	<u>\$ 7,491,908.04</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 117,611,229.23	\$ 7,949,105.27
Differences - Budget to GAAP:		
Expenditures related to purchasing agreements are not recognized on the budgetary comparison schedule but are considered expenditures on the governmental fund financial statements.	5,525,578.67	
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		<u>(350,813.60)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 123,136,807.90</u>	<u>\$ 7,598,291.67</u>

**REQUIRED SUPPLEMENTARY INFORMATION
PART III**

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

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

	<u>Measurement Date Ending June 30,</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
School District's Proportion of the Net Pension Liability	0.0598026041%	0.0639227825%	0.0661938318%	0.0681719850%	0.0710132587%
School District's Proportionate Share of the Net Pension Liability	\$ 7,084,515.00	\$ 10,424,134.00	\$ 11,927,124.00	\$ 13,422,724.00	\$ 16,530,752.00
School District's Covered Payroll (Plan Measurement Period)	\$ 4,685,124.00	\$ 4,911,424.00	\$ 4,968,996.00	\$ 5,102,100.00	\$ 5,283,944.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	151.21%	212.24%	240.03%	263.08%	312.85%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.33%	58.32%	56.27%	53.60%	48.10%
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	
School District's Proportion of the Net Pension Liability	0.0722184056%	0.0716568815%	0.0707118145%	0.0697338080%	
School District's Proportionate Share of the Net Pension Liability	\$ 21,389,020.00	\$ 16,085,534.00	\$ 13,239,186.00	\$ 13,327,516.00	
School District's Covered Payroll (Plan Measurement Period)	\$ 5,358,980.00	\$ 5,282,948.00	\$ 5,301,328.00	\$ 5,220,680.00	
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	399.12%	304.48%	249.73%	255.28%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%	

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the School District's Contributions
 Public Employees' Retirement System (PERS)
 Last Nine Fiscal Years

	Fiscal Year Ended June 30,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually Required Contribution	\$ 791,619.00	\$ 700,358.00	\$ 699,284.00	\$ 643,871.00	\$ 678,091.00
Contributions in Relation to the Contractually Required Contribution	<u>(791,619.00)</u>	<u>(700,358.00)</u>	<u>(699,284.00)</u>	<u>(643,871.00)</u>	<u>(678,091.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll (Fiscal Year)	\$ 4,741,856.00	\$ 4,517,667.00	\$ 4,415,104.00	\$ 4,511,329.00	\$ 4,692,924.00
Contributions as a Percentage of School District's Covered Payroll	16.69%	15.50%	15.84%	14.27%	14.45%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Contractually Required Contribution	\$ 657,862.00	\$ 641,578.00	\$ 616,057.00	\$ 582,938.00	
Contributions in Relation to the Contractually Required Contribution	<u>(657,862.00)</u>	<u>(641,578.00)</u>	<u>(616,057.00)</u>	<u>(582,938.00)</u>	
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
School District's Covered Payroll (Fiscal Year)	\$ 4,774,704.00	\$ 4,903,183.00	\$ 4,960,025.00	\$ 4,915,697.00	
Contributions as a Percentage of School District's Covered Payroll	13.78%	13.08%	12.42%	11.86%	

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

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

	Measurement Date Ending June 30,								
	2021	2020	2019	2018	2017	2016	2015	2014	2013
School 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%
State's Proportion of the Net Pension Liability Associated with the School District	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the School District	157,003,113.00	224,479,698.00	201,162,267.00	211,763,122.00	225,828,984.00	260,543,383.00	207,424,336.00	176,359,592.00	161,579,903.00
	<u>\$ 157,003,113.00</u>	<u>\$ 224,479,698.00</u>	<u>\$ 201,162,267.00</u>	<u>\$ 211,763,122.00</u>	<u>\$ 225,828,984.00</u>	<u>\$ 260,543,383.00</u>	<u>\$ 207,424,336.00</u>	<u>\$ 176,359,592.00</u>	<u>\$ 161,579,903.00</u>
School District's Covered Payroll (Plan Measurement Period)	\$ 44,712,780.00	\$ 42,724,128.00	\$ 43,263,348.00	\$ 40,816,156.00	\$ 40,922,168.00	\$ 40,327,848.00	\$ 39,502,564.00	\$ 38,128,396.00	\$ 37,720,504.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	351.14%	525.42%	464.97%	518.82%	551.85%	646.06%	525.09%	462.54%	428.36%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
Required Supplementary Information
Schedule of School District's Contributions
Teachers' Pension and Annuity Fund (TPAF)
Last Ten Fiscal Years

This schedule is not applicable.

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

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

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

Teachers' Pension and Annuity Fund (TPAF)

Changes of Benefit Terms -

None.

Changes of Assumptions -

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

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

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

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

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

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

Public Employees' Retirement System (PERS)

Changes of Benefit Terms -

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

Changes of Assumptions -

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

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

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

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

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

**REQUIRED SUPPLEMENTARY INFORMATION
PART IV**

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 State Health Benefit Local Education Retired Employees Plan
 Schedule of Changes in the School District's Total OPEB Liability and Related Ratios
 Last Five Plan Years

	Measurement Date Ending June 30,				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total Non-Employer OPEB Liability - State's Proportionate Share of the Total OPEB Liability Associated with the School District					
Changes for the Year:					
Service Cost	\$ 11,564,299.00	\$ 6,508,840.00	\$ 6,275,879.00	\$ 7,050,932.00	\$ 8,519,008.00
Interest Cost	5,394,719.00	5,125,585.00	6,165,451.00	6,608,578.00	5,706,403.00
Changes in Benefit Terms	(221,349.00)				
Difference Between Expected and Actual Experience	(39,482,318.00)	42,182,722.00	(23,561,984.00)	(16,252,207.00)	
Changes in Assumptions	205,169.00	42,855,511.00	2,115,737.00	(17,802,107.00)	(24,383,399.00)
Gross Benefit Payments	137,916.00	123,798.00	(4,355,899.00)	(4,148,159.00)	(4,158,319.00)
Member Contributions	(4,249,528.00)	(4,084,398.00)	129,121.00	143,367.00	153,120.00
Net Change in Total Non-Employer OPEB Liability	(26,651,092.00)	92,712,058.00	(13,231,695.00)	(24,399,596.00)	(14,163,187.00)
Total Non-Employer OPEB Liability - Beginning of Fiscal Year	234,611,784.00	141,899,726.00	155,131,421.00	179,531,017.00	193,694,204.00
Total Non-Employer OPEB Liability - End of Fiscal Year	<u>\$ 207,960,692.00</u>	<u>\$ 234,611,784.00</u>	<u>\$ 141,899,726.00</u>	<u>\$ 155,131,421.00</u>	<u>\$ 179,531,017.00</u>
School District's Covered Payroll (Plan Measurement Period)	<u>\$ 44,136,244.00</u>	<u>\$ 41,695,734.00</u>	<u>\$ 40,346,147.00</u>	<u>\$ 40,950,682.00</u>	<u>\$ 38,660,334.00</u>
State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District as a Percentage of Covered Payroll	471.18%	562.68%	351.71%	378.82%	464.38%

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

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

Changes of Benefit Terms -

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

Changes of Assumptions -

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

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

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

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 Township of Monroe School District - Retiree Welfare Benefits Plan
 Schedule of Changes in the School District's Total OPEB Liability and Related Ratios
 Last Five Plan Years

	Measurement Date Ending June 30,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability					
Changes for the Year:					
Service Cost	\$ 8,095.00	\$ 21,226.00	\$ 19,835.00	\$ 24,332.00	\$ 27,437.00
Interest Cost	257,003.00	304,902.00	495,797.00	575,799.00	580,216.00
Changes in Assumptions	(613,657.00)	(588,028.00)	(641,305.00)	(735,557.00)	(706,703.00)
Actuarial Assumption Changes	(1,640,483.00)	(153,155.00)	(211,043.00)	1,046,071.00	
Actuarial Demographic Gains		(1,463,490.00)		(2,146,202.00)	
Net Change in Total Non-Employer OPEB Liability	(1,989,042.00)	(1,878,545.00)	(336,716.00)	(1,235,557.00)	(99,050.00)
Total Non-Employer OPEB Liability - Beginning of Fiscal Year	12,277,910.00	14,156,455.00	14,493,171.00	15,728,728.00	15,827,778.00
Total Non-Employer OPEB Liability - End of Fiscal Year	<u>\$ 10,288,868.00</u>	<u>\$ 12,277,910.00</u>	<u>\$ 14,156,455.00</u>	<u>\$ 14,493,171.00</u>	<u>\$ 15,728,728.00</u>
School District's Covered Payroll (Plan Measurement Period)	<u>\$ 158,745.00</u>	<u>\$ 156,094.90</u>	<u>\$ 313,402.00</u>	<u>\$ 299,493.76</u>	<u>\$ 293,552.00</u>
Total Non-Employer OPEB Liability as a Percentage of Covered Payroll	6481.38%	7865.67%	4517.03%	4839.22%	5358.07%

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

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

Changes of Benefit Terms -

None

Changes of Assumptions -

The discount rate changed as follows:

June 30, 2018	3.75%	June 30, 2021	2.15%
June 30, 2019	3.50%	June 30, 2022	3.55%
June 30, 2020	2.20%		

The inflation rate changed as follows:

June 30, 2018	3.00%	June 30, 2021	2.50%
June 30, 2019	2.50%	June 30, 2022	2.50%
June 30, 2020	2.50%		

The mortality assumption was updated to the recently published mortality improvement scale MP-2021.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

TOWNSHIP OF MONROE SCHOOL DISTRICT
SPECIAL REVENUE FUND
Combining Schedule of Revenues and Expenditures -- Budgetary Basis
For the Fiscal Year Ended June 30, 2022

REVENUES:	
Local Sources	\$ 963,543.52
State Sources	1,974,669.64
Federal Sources	<u>5,045,656.12</u>
 Total Revenues	 <u>7,983,869.28</u>
EXPENDITURES:	
Instruction:	
Salaries	1,404,425.84
Other Salaries for Instruction	112,886.62
Purchased Services	43,883.24
Other Professional Services	923,191.00
General Supplies	425,277.43
Miscellaneous Expenditures	<u>288,209.53</u>
 Total Instruction	 <u>3,197,873.66</u>
Support Services:	
Salaries	569,564.02
Salaries of Program Directors	44,184.34
Personnel Services-Employee Benefits	922,104.30
Purchased Educational Services - Contracted Pre-K	202,644.02
Purchased Professional Services	573,614.10
Other Purchased Services (400-500 series)	345,197.00
General Supplies	52,338.00
Miscellaneous Expenditures	44,676.00
Student Activities	866,882.28
Scholarships Awarded	<u>31,700.00</u>
 Total Support Services	 <u>3,652,904.06</u>
Facilities Acquisition and Construction Services:	
Construction Services	640,434.18
Instructional Equipment	9,829.56
Non-Instructional Equipment	<u>448,063.81</u>
 Total Facilities Acquisition and Construction Services	 <u>1,098,327.55</u>
 Total Expenditures	 <u>7,949,105.27</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>34,764.01</u>
 Fund Balance, July 1	 <u>977,579.34</u>
 Fund Balance, June 30	 <u><u>\$ 1,012,343.35</u></u>

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
SPECIAL REVENUE FUND
Combining Schedule of Revenues and Expenditures -- Budgetary Basis
For the Fiscal Year Ended June 30, 2022

	ESEA						Total Brought Forward
	Total	Title I Part A	Title II Part A	Title III Immigrant	Title III	Title IV	
REVENUES:							
Local Sources	\$ 963,543.52						\$ 963,543.52
State Sources	1,974,669.64						1,974,669.64
Federal Sources	5,045,656.12	\$ 648,379.00	\$ 82,561.00	\$ 954.00	\$ 18,248.00	\$ 38,599.00	4,256,915.12
Total Revenues	7,983,869.28	648,379.00	82,561.00	954.00	18,248.00	38,599.00	7,195,128.28
EXPENDITURES:							
Instruction:							
Salaries	1,404,425.84	441,064.80	25,933.84		3,432.00		933,995.20
Other Salaries for Instruction	112,886.62						112,886.62
Purchased Services	43,883.24	4,020.24		625.00		28,249.00	10,989.00
Other Professional Services	923,191.00						923,191.00
General Supplies	425,277.43			329.00	12,014.05		412,934.38
Miscellaneous Expenditures	288,209.53						288,209.53
Total Instruction	3,197,873.66	445,085.04	25,933.84	954.00	15,446.05	28,249.00	2,682,205.73
Support Services:							
Salaries	569,564.02						569,564.02
Salaries of Program Directors	44,184.34						44,184.34
Personnel Services-Employee Benefits	922,104.30	198,893.96	23,673.16		262.55		699,274.63
Purchased Educational Services - Contracted Pre-K	202,644.02						202,644.02
Purchased Professional Services	573,614.10		32,954.00		879.40	10,350.00	529,430.70
Other Purchased Services (400-500 series)	345,197.00				1,660.00		343,537.00
General Supplies	52,338.00	4,400.00					47,938.00
Miscellaneous Expenditures	44,676.00						44,676.00
Student Activities	866,882.28						866,882.28
Scholarships Awarded	31,700.00						31,700.00
Total Support Services	3,652,904.06	203,293.96	56,627.16	-	2,801.95	10,350.00	3,379,830.99
Facilities Acquisition and Construction Services:							
Construction Services	640,434.18						640,434.18
Instructional Equipment	9,829.56						9,829.56
Non-Instructional Equipment	448,063.81						448,063.81
Total Facilities Acquisition and Construction Services	1,098,327.55	-	-	-	-	-	1,098,327.55
Total Expenditures	7,949,105.27	648,379.00	82,561.00	954.00	18,248.00	38,599.00	7,160,364.27
Excess (Deficiency) of Revenues Over (Under) Expenditures	34,764.01	-	-	-	-	-	34,764.01
Fund Balance, July 1	977,579.34	-	-	-	-	-	977,579.34
Fund Balance, June 30	\$ 1,012,343.35	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,012,343.35

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 SPECIAL REVENUE FUND
 Combining Schedule of Revenues and Expenditures -- Budgetary Basis
 For the Fiscal Year Ended June 30, 2022

	Total Carried Forward	I.D.E.A.		Carl D. Perkins Grant	CARES	Coronavirus Response and Relief Supplemental		Total Brought Forward
		Basic	Preschool			ESSER II	Accelerated Learning	
REVENUES:								
Local Sources	\$ 963,543.52							\$ 963,543.52
State Sources	1,974,669.64							1,974,669.64
Federal Sources	4,256,915.12	\$ 1,501,709.00	\$ 77,806.00	\$ 28,208.00	\$ 334,393.00	\$ 515,414.00	\$ 60,545.00	1,738,840.12
Total Revenues	7,195,128.28	1,501,709.00	77,806.00	28,208.00	334,393.00	515,414.00	60,545.00	4,677,053.28
EXPENDITURES:								
Instruction:								
Salaries	933,995.20			660.00	63,216.88		15,579.00	854,539.32
Other Salaries for Instruction	112,886.62							112,886.62
Purchased Services	10,989.00			805.00				10,184.00
Other Professional Services (400-500 series)	923,191.00	550,000.00	45,000.00					328,191.00
General Supplies	412,934.38	26,238.30	29,397.68	20,407.49	90,802.33			246,088.58
Miscellaneous Expenditures	288,209.53	788.46	327.07					287,094.00
Total Instruction	2,682,205.73	577,026.76	74,724.75	21,872.49	154,019.21	-	15,579.00	1,838,983.52
Support Services:								
Salaries	569,564.02	542,073.82		461.70				27,028.50
Salaries of Program Directors	44,184.34							44,184.34
Personnel Services-Employee Benefits	699,274.63	211,390.13		85.81	3,832.79	2,195.07		481,770.83
Purchased Educational Services - Contracted Pre-K	202,644.02							202,644.02
Purchased Professional Services	529,430.70	154,574.51	2,425.00		169,900.00			202,531.19
Other Purchased Services (400-500 series)	343,537.00	1,150.00	656.25	3,414.00	6,641.00	12,967.75	44,966.00	273,742.00
General Supplies	47,938.00	15,493.78		259.00				32,185.22
Miscellaneous Expenditures	44,676.00							44,676.00
Student Activities	866,882.28							866,882.28
Scholarships Awarded	31,700.00							31,700.00
Total Support Services	3,379,830.99	924,682.24	3,081.25	4,220.51	180,373.79	15,162.82	44,966.00	2,207,344.38
Facilities Acquisition and Construction Services:								
Construction Services	640,434.18					500,251.18		140,183.00
Instructional Equipment	9,829.56			2,115.00				7,714.56
Non-Instructional Equipment	448,063.81							448,063.81
Total Facilities Acquisition and Construction Services	1,098,327.55	-	-	2,115.00	-	500,251.18	-	595,961.37
Total Expenditures	\$ 7,160,364.27	\$ 1,501,709.00	\$ 77,806.00	\$ 28,208.00	\$ 334,393.00	\$ 515,414.00	\$ 60,545.00	\$ 4,642,289.27
Excess (Deficiency) of Revenues Over (Under) Expenditures	34,764.01	-	-	-	-	-	-	34,764.01
Fund Balance, July 1	977,579.34	-	-	-	-	-	-	977,579.34
Fund Balance, June 30	\$ 1,012,343.35	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,012,343.35

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
SPECIAL REVENUE FUND
Combining Schedule of Revenues and Expenditures -- Budgetary Basis
For the Fiscal Year Ended June 30, 2022

	Total Carried Forward	American Rescue Plan Act of 2021					Total Brought Forward
		IDEA Basic	IDEA Preschool	ESSER III	Accelerated Learning	Summer Learning	
REVENUES:							
Local Sources	\$ 963,543.52						\$ 963,543.52
State Sources	1,974,669.64						1,974,669.64
Federal Sources	1,738,840.12	\$ 109,935.56	\$ 21,515.56	\$ 1,123,808.00	\$ 149,459.00	\$ 5,931.00	328,191.00
Total Revenues	4,677,053.28	109,935.56	21,515.56	1,123,808.00	149,459.00	5,931.00	3,266,404.16
EXPENDITURES:							
Instruction:							
Salaries	854,539.32			445,144.67	16,962.00		392,432.65
Other Salaries for Instruction	112,886.62						112,886.62
Purchased Services	10,184.00	10,184.00					
Other Professional Services	328,191.00						328,191.00
General Supplies	246,088.58	7,455.76	399.98	26,100.21		5,931.00	206,201.63
Miscellaneous Expenditures	287,094.00						287,094.00
Total Instruction	1,838,983.52	17,639.76	399.98	471,244.88	16,962.00	5,931.00	1,326,805.90
Support Services:							
Salaries	27,028.50	1,320.00		25,708.50			
Salaries of Program Directors	44,184.34						44,184.34
Personnel Services-Employee Benefits	481,770.83			318,335.63	1,216.81		162,218.39
Purchased Educational Services - Contracted Pre-K	202,644.02						202,644.02
Purchased Professional Services	202,531.19	63,676.00			131,280.19		7,575.00
Other Purchased Services (400-500 series)	273,742.00			266,118.00			7,624.00
General Supplies	32,185.22	14,401.27	12,228.37				5,555.58
Miscellaneous Expenditures	44,676.00						44,676.00
Student Activities	866,882.28						866,882.28
Scholarships Awarded	31,700.00						31,700.00
Total Support Services	2,207,344.38	79,397.27	12,228.37	610,162.13	132,497.00	-	1,373,059.61
Facilities Acquisition and Construction Services:							
Construction Services	140,183.00						140,183.00
Instructional Equipment	7,714.56	5,192.42					2,522.14
Non-Instructional Equipment	448,063.81	7,706.11	8,887.21	42,400.99			389,069.50
Total Facilities Acquisition and Construction Services	595,961.37	12,898.53	8,887.21	42,400.99	-	-	531,774.64
Total Expenditures	4,642,289.27	109,935.56	21,515.56	1,123,808.00	149,459.00	5,931.00	3,231,640.15
Excess (Deficiency) of Revenues Over (Under) Expenditures	34,764.01	-	-	-	-	-	34,764.01
Fund Balance, July 1	977,579.34	-	-	-	-	-	977,579.34
Fund Balance, June 30	\$ 1,012,343.35	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,012,343.35

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
SPECIAL REVENUE FUND
Combining Schedule of Revenues and Expenditures -- Budgetary Basis
For the Fiscal Year Ended June 30, 2022

	Total Carried Forward	ACSEERS	N.J. Nonpublic Technology Initiative	N.J. Nonpublic Textbook Aid, Ch. 194, L. 1979	N.J. Nonpublic Auxiliary Services, Ch. 192, L.1977		Total Brought Forward
					Compensatory Education	Transportation	
REVENUES:							
Local Sources	\$ 963,543.52						\$ 963,543.52
State Sources	1,974,669.64		\$ 16,187.00	\$ 23,856.00	\$ 126,935.00	\$ 7,624.00	1,800,067.64
Federal Sources	328,191.00	\$ 328,191.00					
Total Revenues	3,266,404.16	328,191.00	16,187.00	23,856.00	126,935.00	7,624.00	2,763,611.16
EXPENDITURES:							
Instruction:							
Salaries	392,432.65						392,432.65
Other Salaries for Instruction	112,886.62						112,886.62
Purchased Services							
Other Professional Services	328,191.00	328,191.00					
General Supplies	206,201.63		16,187.00	23,856.00			166,158.63
Miscellaneous Expenditures	287,094.00				126,935.00		160,159.00
Total Instruction	1,326,805.90	328,191.00	16,187.00	23,856.00	126,935.00	-	831,636.90
Support Services:							
Salaries							
Salaries of Program Directors	44,184.34						44,184.34
Personnel Services-Employee Benefits	162,218.39						162,218.39
Purchased Educational Services - Contracted Pre-K	202,644.02						202,644.02
Other Professional Services	7,575.00						7,575.00
Other Purchased Services	7,624.00					7,624.00	
General Supplies	5,555.58						5,555.58
Miscellaneous Expenditures	44,676.00						44,676.00
Student Activities	866,882.28						866,882.28
Scholarships Awarded	31,700.00						31,700.00
Total Support Services	1,373,059.61	-	-	-	-	7,624.00	1,365,435.61
Facilities Acquisition and Construction Services:							
Construction Services	140,183.00						140,183.00
Instructional Equipment	2,522.14						2,522.14
Non-Instructional Equipment	389,069.50						389,069.50
Total Facilities Acquisition and Construction Services	531,774.64	-	-	-	-	-	531,774.64
Total Expenditures	3,231,640.15	328,191.00	16,187.00	23,856.00	126,935.00	7,624.00	2,728,847.15
Excess (Deficiency) of Revenues Over (Under) Expenditures	34,764.01	-	-	-	-	-	34,764.01
Fund Balance, July 1	977,579.34	-	-	-	-	-	977,579.34
Fund Balance, June 30	\$ 1,012,343.35	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,012,343.35

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
SPECIAL REVENUE FUND
Combining Schedule of Revenues and Expenditures -- Budgetary Basis
For the Fiscal Year Ended June 30, 2022

	Total Carried Forward	N.J. Handicapped Services, Ch. 193, L. 1977			N.J. Nonpublic Nursing	N.J. Nonpublic Security	Total Brought Forward
		Corrective Speech	Examination and Classification	Supplemental Instruction			
REVENUES:							
Local Sources	\$ 963,543.52						\$ 963,543.52
State Sources	1,800,067.64	\$ 49,197.00	\$ 65,036.00	\$ 45,926.00	\$ 44,576.00	\$ 69,650.00	1,525,682.64
Federal Sources							
Total Revenues	2,763,611.16	49,197.00	65,036.00	45,926.00	44,576.00	69,650.00	2,489,226.16
EXPENDITURES:							
Instruction:							
Salaries	392,432.65						392,432.65
Other Salaries for Instruction	112,886.62						112,886.62
Purchased Services							
Other Professional Services							
General Supplies	166,158.63						166,158.63
Miscellaneous Expenditures	160,159.00	49,197.00	65,036.00	45,926.00			
Total Instruction	831,636.90	49,197.00	65,036.00	45,926.00	-	-	671,477.90
Support Services:							
Salaries							
Salaries of Program Directors	44,184.34						44,184.34
Personnel Services-Employee Benefits	162,218.39						162,218.39
Purchased Educational Services - Contracted Pre-K	202,644.02						202,644.02
Other Professional Services	7,575.00						7,575.00
Other Purchased Services							
General Supplies	5,555.58					4,350.00	1,205.58
Miscellaneous Expenditures	44,676.00				44,576.00		100.00
Student Activities	866,882.28						866,882.28
Scholarships Awarded	31,700.00						31,700.00
Total Support Services	1,365,435.61	-	-	-	44,576.00	4,350.00	1,316,509.61
Facilities Acquisition and Construction Services:							
Construction Services	140,183.00						140,183.00
Instructional Equipment	2,522.14						2,522.14
Non-Instructional Equipment	389,069.50					65,300.00	323,769.50
Total Facilities Acquisition and Construction Services	531,774.64	-	-	-	-	65,300.00	466,474.64
Total Expenditures	2,728,847.15	49,197.00	65,036.00	45,926.00	44,576.00	69,650.00	2,454,462.15
Excess (Deficiency) of Revenues Over (Under) Expenditures	34,764.01	-	-	-	-	-	34,764.01
Fund Balance, July 1	977,579.34	-	-	-	-	-	977,579.34
Fund Balance, June 30	\$ 1,012,343.35	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,012,343.35

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
SPECIAL REVENUE FUND
Combining Schedule of Revenues and Expenditures -- Budgetary Basis
For the Fiscal Year Ended June 30, 2022

	Total Carried <u>Forward</u>	SDA Emergent and Capital <u>Needs</u>	Preschool Education Expansion <u>Aid</u>	Local <u>Grants</u>	Scholarship <u>Fund</u>	Student Activity / Athletics <u>Fund</u>	Visual and Performing Arts <u>Fund</u>
REVENUES:							
Local Sources	\$ 963,543.52			\$ 555.00	\$ 19,289.60	\$ 878,484.92	\$ 65,214.00
State Sources	1,525,682.64	\$ 140,183.00	\$ 1,385,499.64				
Federal Sources							
Total Revenues	<u>2,489,226.16</u>	<u>140,183.00</u>	<u>1,385,499.64</u>	<u>555.00</u>	<u>19,289.60</u>	<u>878,484.92</u>	<u>65,214.00</u>
EXPENDITURES:							
Instruction:							
Salaries	392,432.65		378,344.40				14,088.25
Other Salaries for Instruction	112,886.62		112,886.62				
Purchased Services							
Other Professional Services							
General Supplies	166,158.63		166,158.63				
Miscellaneous Expenditures							
Total Instruction	<u>671,477.90</u>	<u>-</u>	<u>657,389.65</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,088.25</u>
Support Services:							
Salaries							
Salaries of Program Directors	44,184.34		44,184.34				
Personnel Services-Employee Benefits	162,218.39		162,218.39				
Purchased Educational Services - Contracted Pre-K	202,644.02		202,644.02				
Other Professional Services	7,575.00		7,575.00				
Other Purchased Services							
General Supplies	1,205.58		650.58	555.00			
Miscellaneous Expenditures	100.00		100.00				
Student Activities	866,882.28					866,882.28	
Scholarships Awarded	31,700.00				31,700.00		
Total Support Services	<u>1,316,509.61</u>	<u>-</u>	<u>417,372.33</u>	<u>555.00</u>	<u>31,700.00</u>	<u>866,882.28</u>	<u>-</u>
Facilities Acquisition and Construction Services:							
Construction Services	140,183.00	140,183.00					
Instructional Equipment	2,522.14		2,522.14				
Non-Instructional Equipment	323,769.50		308,215.52				15,553.98
Total Facilities Acquisition and Construction Services	<u>466,474.64</u>	<u>140,183.00</u>	<u>310,737.66</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,553.98</u>
Total Expenditures	<u>2,454,462.15</u>	<u>140,183.00</u>	<u>1,385,499.64</u>	<u>555.00</u>	<u>31,700.00</u>	<u>866,882.28</u>	<u>29,642.23</u>
Excess (Deficiency) of Revenues							
Over (Under) Expenditures	34,764.01	-	-	-	(12,410.40)	11,602.64	35,571.77
Fund Balance, July 1	977,579.34	-	-	-	111,184.79	559,465.72	306,928.83
Fund Balance, June 30	<u>\$ 1,012,343.35</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 98,774.39</u>	<u>\$ 571,068.36</u>	<u>\$ 342,500.60</u>

Monroe Township Board of Education
 Special Revenue Fund
 Schedule of Preschool Education Aid
 Budgetary Basis
 For the Fiscal Year Ended June 30, 2022

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries	\$ 379,062.60	\$ 378,344.40	\$ 718.20
Other Salaries for Instruction	115,661.40	112,886.62	2,774.78
General Supplies	<u>167,277.00</u>	<u>166,158.63</u>	<u>1,118.37</u>
Total Instruction	<u>662,001.00</u>	<u>657,389.65</u>	<u>4,611.35</u>
Support Services:			
Salaries	44,185.54	44,184.34	1.20
Salaries of Program Directors	163,860.78	162,218.39	1,642.39
Personnel Services-Employee Benefits	202,644.02	202,644.02	
Purchased Educational Services - Contracted Pre-K	9,975.00	7,575.00	2,400.00
Other Purchased Services	1,508.35	650.58	857.77
General Supplies	<u>1,950.00</u>	<u>100.00</u>	<u>1,850.00</u>
Total Support Services	<u>424,123.69</u>	<u>417,372.33</u>	<u>6,751.36</u>
Facilities Acquisition and Construction Services:			
Instructional Equipment	2,522.14	2,522.14	
Non-Instructional Equipment	<u>308,215.52</u>	<u>308,215.52</u>	
Total Facilities Acquisition and Construction Services	<u>310,737.66</u>	<u>310,737.66</u>	<u>-</u>
Total Expenditures	<u><u>\$ 1,396,862.35</u></u>	<u><u>\$ 1,385,499.64</u></u>	<u><u>\$ 11,362.71</u></u>
<u>Calculation of Budget and Carryover</u>			
Total Revised 2021-22 Preschool Education Aid Allocation			\$ 1,399,892.00
Add: Actual Preschool Education Aid Carryover (June 30, 2021)			
Budgeted Transfer from General Fund			
Canceled Prior Year Accounts Payable/Encumbrances Payable			<u> </u>
Total Preschool Education Aid Funds Available for 2020-21 Budget			1,399,892.00
Less: 2020-21 Budgeted Preschool Education Aid (Including Prior Year Budgeted Carryover)			<u>1,396,862.35</u>
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2022			3,029.65
Add: June 30, 2022 Unexpended Preschool Education Aid			<u>11,362.71</u>
2021-22 Carryover - Preschool Education Aid Programs			<u><u>\$ 14,392.36</u></u>
2021-22 Preschool Education Aid Carryover Budgeted Preschool Programs in 2022-23			<u><u>\$ -</u></u>

CAPITAL PROJECTS FUND

TOWNSHIP OF MONROE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Summary Statement of Project Expenditures
 For the Fiscal Year Ended June 30, 2022

<u>Project Title</u>	<u>Original Date</u>	<u>Appropriation</u>	<u>Expenditures to Date</u>		<u>Total Expenditures</u>	<u>Unexpended Balance June 30, 2022</u>
			<u>Prior Years</u>	<u>Current Year</u>		
(a) Acquisition and Renovation of an Administration Building	06/27/13	\$ 2,845,381.00	\$ 1,100,632.15	\$ 26,192.12	\$ 1,126,824.27	\$ 1,718,556.73
(b) Radix Roof Replacement	06/25/21	1,630,000.00	99,068.00	6,151.20	105,219.20	1,524,780.80
(c) WHS Fieldhouse Roof	06/25/21	104,290.20	16,555.00	87,735.20	104,290.20	
(d) Oak Knoll Pre-School Classroom Improvements	02/17/22	375,000.00		186,576.70	186,576.70	188,423.30
(e) WMS Braves Zone Cafeteria	03/17/22	11,853.85		8,219.15	8,219.15	3,634.70
(f) Unit Ventilators for Whitehall and Oak Knoll	06/30/22	476,709.00				476,709.00
(g) District Fire Panel Loops	06/30/22	500,000.00				500,000.00
(h) Oak Knoll and Whitehall - HVAC Services	05/05/22	366,925.00				366,925.00
		<u>\$ 6,310,159.05</u>	<u>\$ 1,216,255.15</u>	<u>\$ 314,874.37</u>	<u>\$ 1,531,129.52</u>	<u>\$ 4,779,029.53</u>

TOWNSHIP OF MONROE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balances
 For the Fiscal Year Ended June 30, 2022

REVENUES AND OTHER FINANCING SOURCES:

Transfer from Capital Reserve	\$ 1,066,925.00	
Transfer from Capital Outlay	<u>1,902,090.00</u>	
Total Revenues		<u>\$ 2,969,015.00</u>

EXPENDITURES AND OTHER FINANCING USES:

Purchased Professional and Technical Services	63,895.62	
Purchased Property and Construction Services	250,978.75	
Return of Funds to Capital Reserve	<u>423,855.95</u>	
Total Expenditures and Other Financing Uses		<u>738,730.32</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures		2,230,284.68
Fund Balance -- July 1		<u>2,548,744.85</u>
Fund Balance -- June 30		<u>\$ 4,779,029.53</u>

TOWNSHIP OF MONROE SCHOOL DISTRICT
CAPITAL PROJECTS FUND

Schedule of Project Revenues, Expenditures, Project Balance and Project Status
Acquisition and Renovation of an Administration Building
From Inception and for the Fiscal Year Ended June 30, 2022

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES:				
Transfer from Capital Reserve	\$ 1,920,000.00		\$ 1,920,000.00	\$ 1,920,000.00
Transfer from Capital Outlay		\$ 925,381.00	925,381.00	925,381.00
Total Revenues	<u>1,920,000.00</u>	<u>925,381.00</u>	<u>2,845,381.00</u>	<u>2,845,381.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased Professional and Technical Services	179,007.03	24,001.12	203,008.15	202,823.43
Purchased Property and Construction Services	266,719.59	2,191.00	268,910.59	1,989,213.51
Supplies and Material	2,799.85		2,799.85	1,238.38
Acquisition of Property	652,105.68		652,105.68	652,105.68
Total Expenditures	<u>1,100,632.15</u>	<u>26,192.12</u>	<u>1,126,824.27</u>	<u>2,845,381.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 819,367.85</u>	<u>\$ 899,188.88</u>	<u>\$ 1,718,556.73</u>	<u>\$ -</u>
Designated for Subsequent Years Expenditures			<u>\$ 1,718,556.73</u>	
ADDITIONAL PROJECT INFORMATION:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 1,000,000.00			
Additional Authorized Cost	1,845,381.00			
Revised Authorized Cost	2,845,381.00			
Estimated Completion Date	6/30/2024			
Percentage Increase over Original Authorized Cost	184.54%			
Percentage Completion	39.60%			

TOWNSHIP OF MONROE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 Radix Roof Replacement
 From Inception and for the Fiscal Year Ended June 30, 2022

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES:				
Transfer from Capital Reserve	\$ 1,630,000.00	\$ -	\$ 1,630,000.00	\$ 1,630,000.00
EXPENDITURES AND OTHER FINANCING USES:				
Purchased Professional and Technical Services	99,068.00	6,151.20	105,219.20	263,857.00
Purchased Property and Construction Services				1,366,143.00
Total Expenditures	99,068.00	6,151.20	105,219.20	1,630,000.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 1,530,932.00	\$ (6,151.20)	\$ 1,524,780.80	\$ -
Encumbered			\$ 33,330.80	
Designated for Subsequent Years Expenditures			1,491,450.00	
			<u>\$ 1,524,780.80</u>	

ADDITIONAL PROJECT INFORMATION:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,630,000.00
Reduction in Authorized Cost	-
Revised Authorized Cost	1,630,000.00
Estimated Completion Date	12/1/2022
Percentage Decrease over Original Authorized Cost	6.46%

TOWNSHIP OF MONROE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
Schedule of Project Revenues, Expenditures, Project Balance and Project Status
WHS Fieldhouse Roof
From Inception and for the Fiscal Year Ended June 30, 2022

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES:				
Transfer from Capital Reserve	\$ 215,000.00	\$ (110,709.80)	\$ 104,290.20	\$ 104,290.20
EXPENDITURES AND OTHER FINANCING USES:				
Purchased Professional and Technical Services	16,555.00	4,335.00	20,890.00	20,890.00
Purchased Property and Construction Services		83,400.20	83,400.20	83,400.20
Total Expenditures	16,555.00	87,735.20	104,290.20	104,290.20
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 198,445.00	\$ (87,735.20)	\$ -	\$ -
Designated for Subsequent Years Expenditures			<u>\$ -</u>	
ADDITIONAL PROJECT INFORMATION:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 215,000.00			
Reduction in Authorized Cost	110,709.80			
Revised Authorized Cost	104,290.20			
Estimated Completion Date	12/31/2021			
Percentage Decrease over Original Authorized Cost	-51.49%			
Percentage Completion	100.00%			

TOWNSHIP OF MONROE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
Schedule of Project Revenues, Expenditures, Project Balance and Project Status
Oak Knoll Pre-School Classroom Improvements
From Inception and for the Fiscal Year Ended June 30, 2022

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES:				
Transfer from Capital Reserve	\$ -	\$ 375,000.00	\$ 375,000.00	\$ 375,000.00
EXPENDITURES AND OTHER FINANCING USES:				
Purchased Professional and Technical Services		22,391.20	22,391.20	75,000.00
Purchased Property and Construction Services		164,185.50	164,185.50	300,000.00
Total Expenditures	-	186,576.70	186,576.70	375,000.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ 188,423.30	\$ 188,423.30	\$ -
Encumbered			\$ 161,164.50	
Designated for Subsequent Years Expenditures			27,258.80	
			<u>\$ 188,423.30</u>	
ADDITIONAL PROJECT INFORMATION:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 375,000.00			
Additional Authorized Cost	-			
Revised Authorized Cost	375,000.00			
Estimated Completion Date	10/31/2022			
Percentage Decrease over Original Authorized Cost				
Percentage Completion	49.75%			

TOWNSHIP OF MONROE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 WMS Braves Zone Cafeteria
 From Inception and for the Fiscal Year Ended June 30, 2022

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES:				
Transfer from Capital Reserve	\$ -	\$ 11,853.85	\$ 11,853.85	\$ 11,853.85
EXPENDITURES AND OTHER FINANCING USES:				
Purchased Professional and Technical Services		7,017.10	7,017.10	10,651.80
Purchased Property and Construction Services		1,202.05	1,202.05	1,202.05
Total Expenditures	-	8,219.15	8,219.15	11,853.85
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ 3,634.70	\$ 3,634.70	\$ -
Encumbered			\$ 3,634.70	
Designated for Subsequent Years Expenditures			(0.00)	
			<u>\$ 3,634.70</u>	

ADDITIONAL PROJECT INFORMATION:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 325,000.00
Additional Authorized Cost	(313,146.15)
Revised Authorized Cost	11,853.85
Estimated Completion Date	Cancelled
Percentage Decrease over Original Authorized Cost	-96.35%
Percentage Completion	69.34%

TOWNSHIP OF MONROE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 Unit Ventilators for Whitehall and Oak Knoll
 From Inception and for the Fiscal Year Ended June 30, 2022

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES:				
Transfer from Capital Outlay	\$ -	\$ 476,709.00	\$ 476,709.00	\$ 476,709.00
EXPENDITURES AND OTHER FINANCING USES:				
Purchased Professional and Technical Services				76,709.00
Purchased Property and Construction Services				400,000.00
Total Expenditures	-	-		476,709.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ 476,709.00	\$ 476,709.00	\$ -
Designated for Subsequent Years Expenditures			<u>\$ 476,709.00</u>	
ADDITIONAL PROJECT INFORMATION:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 476,709.00			
Additional Authorized Cost	-			
Revised Authorized Cost	476,709.00			
Estimated Completion Date	6/30/2023			
Percentage Decrease over Original Authorized Cost				
Percentage Completion	0%			

TOWNSHIP OF MONROE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 District Fire Panel Loops
 From Inception and for the Fiscal Year Ended June 30, 2022

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES:				
Transfer from Capital Outlay	\$ -	\$ 500,000.00	\$ 500,000.00	\$ 500,000.00
EXPENDITURES AND OTHER FINANCING USES:				
Purchased Professional and Technical Services				75,000.00
Purchased Property and Construction Services				425,000.00
Total Expenditures	-	-		500,000.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ 500,000.00	\$ 500,000.00	\$ -
Designated for Subsequent Years Expenditures			<u>\$ 500,000.00</u>	
ADDITIONAL PROJECT INFORMATION:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 500,000.00			
Additional Authorized Cost	-			
Revised Authorized Cost	500,000.00			
Estimated Completion Date	6/30/2023			
Percentage Decrease over Original Authorized Cost				
Percentage Completion	0%			

TOWNSHIP OF MONROE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 Oak Knoll and Whitehall - HVAC Services
 From Inception and for the Fiscal Year Ended June 30, 2022

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES:				
Transfer from Capital Reserve		\$ 366,925.00	\$ 366,925.00	\$ 366,925.00
EXPENDITURES AND OTHER FINANCING USES:				
Purchased Professional and Technical Services				66,925.00
Purchased Property and Construction Services				300,000.00
Total Expenditures	-	-		366,925.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ 366,925.00	\$ 366,925.00	\$ -

Designated for Subsequent Years Expenditures \$ 366,925.00

ADDITIONAL PROJECT INFORMATION:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 366,925.00
Additional Authorized Cost	-
Revised Authorized Cost	366,925.00
Estimated Completion Date	6/30/2023
Percentage Decrease over Original Authorized Cost	
Percentage Completion	0%

PROPRIETARY FUNDS

TOWNSHIP OF MONROE SCHOOL DISTRICT
ENTERPRISE FUNDS
Statement of Net Position
As of June 30, 2022

	<u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 797,764.66
Intergovernmental Accounts Receivable:	
State	2,503.73
Federal	208,021.21
Other Accounts Receivable, Net of Allowance for Doubtful Accounts of \$24,832.04	24,832.04
Inventories	<u>71,237.81</u>
 Total Current Assets	 <u>1,104,359.45</u>
 Capital Assets (Net of Accumulated Depreciation)	 <u>634,901.77</u>
 Total Assets	 <u>1,739,261.22</u>
LIABILITIES:	
Current Liabilities:	
Accounts Payable	
Due to Grantor	
State	1,744.20
Other	251,330.77
Unearned Revenue	
Prepaid Meals	<u>27,996.30</u>
 Total Liabilities	 <u>281,071.27</u>
NET POSITION:	
 Net Investment in Capital Assets	 581,305.12
Unrestricted	<u>876,884.83</u>
 Total Net Position	 <u>\$ 1,458,189.95</u>

TOWNSHIP OF MONROE SCHOOL DISTRICT
ENTERPRISE FUNDS
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2022

	<u>Food Service</u>
OPERATING REVENUES:	
Charges for Services:	
Daily Sales - Reimbursable Programs (Net of Accounts Receivable Write Off)	\$ (1,833.85)
Miscellaneous Revenues	<u>17,335.02</u>
Total Operating Revenues	<u>15,501.17</u>
OPERATING EXPENSES:	
Salaries	788,411.73
Benefits	232,988.43
General Supplies	283,218.48
Management Fees	130,909.12
Other Purchased Technical Services	10,615.00
Repairs and Maintenance	23,187.67
Cost of Sales - Reimbursable Programs	1,266,168.29
Cost of Sales - Non- Reimbursable Programs	7,343.00
Depreciation	<u>50,305.00</u>
Total Operating Expenses	<u>2,793,146.72</u>
Operating Loss	<u>(2,777,645.55)</u>
NON-OPERATING REVENUES (EXPENSES):	
(Loss) on Disposal of Capital Assets	(604.59)
State Sources:	
State School Lunch Program	54,733.38
Federal Sources:	
National School Lunch Program	2,324,591.36
National School Breakfast Program	779,690.14
School Equipment Grant	54,891.30
Food Distribution Program	<u>254,519.30</u>
Total Non-operating Revenue	<u>3,467,820.89</u>
Change in Net Position	690,175.34
Net Position - Beginning	<u>768,014.61</u>
Net Position - Ending	<u><u>\$ 1,458,189.95</u></u>

TOWNSHIP OF MONROE SCHOOL DISTRICT
ENTERPRISE FUNDS
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2022

	<u>Food Service</u>
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES:	
Receipts from Customers	\$ 23,617.66
Payments to Employees	(1,021,400.16)
Payments to Suppliers	<u>(1,612,641.15)</u>
Net Cash (Used in) Operating Activities	<u>(2,610,423.65)</u>
CASH FLOWS (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES:	
Capital Acquisitions	<u>(345,485.35)</u>
CASH FLOWS PROVIDED BY NONCAPITAL FINANCING ACTIVITIES:	
State Sources	60,067.69
Federal Sources	<u>3,436,844.42</u>
Net Cash Provided by Noncapital Financing Activities	<u>3,496,912.11</u>
Net Increase in Cash and Cash Equivalents	541,003.11
Cash and Cash Equivalents -- July 1	<u>256,761.55</u>
Cash and Cash Equivalents -- June 30	<u><u>\$ 797,764.66</u></u>
Reconciliation of Operating (Loss) to Net Cash Used by Operating Activities:	
Operating Loss	\$ (2,777,645.55)
Adjustments to Reconcile Operating Loss to Cash Used in Operating Activities:	
Depreciation	50,305.00
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	11,172.89
(Increase) Decrease in Inventory	7,417.28
Increase (Decrease) in Unearned Revenue	(3,056.40)
Increase (Decrease) in Accounts Payable	<u>101,383.13</u>
Net Cash Used for Operating Activities	<u><u>\$ (2,610,423.65)</u></u>

LONG-TERM DEBT

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Schedule of Serial Bonds and Loans Payable
 For the Fiscal Year Ended June 30, 2022

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance June 30, 2021</u>	<u>Issued</u>	<u>Decreased</u>	<u>Balance June 30, 2022</u>
Refunding Bonds, Series 2010	05/12/10	\$ 11,995,000.00	03/01/22	\$ 1,185,000.00	5.00%	\$ 1,185,000.00		\$ 1,185,000.00	
Refunding Bonds, Series 2014	06/27/14	40,420,000.00	03/01/23 03/01/24	2,350,000.00 <u>2,505,000.00</u>	5.00% 5.00%				
				<u>4,855,000.00</u>		33,715,000.00		28,860,000.00	\$ 4,855,000.00
Refunding Bonds, Series 2021	09/09/21	29,565,000.00	03/01/23 03/01/24 03/01/25 03/01/26 03/01/27 03/01/28 03/01/29 03/01/30 03/01/31 03/01/32	485,000.00 490,000.00 3,190,000.00 3,285,000.00 3,395,000.00 3,510,000.00 3,630,000.00 3,600,000.00 3,745,000.00 <u>3,895,000.00</u>	5.00% 5.00% 5.00% 5.00% 5.00% 3.00% 3.13% 4.00% 4.00% 4.00%				
				<u>29,225,000.00</u>			\$ 29,565,000.00	340,000.00	<u>29,225,000.00</u>
						<u>\$ 34,900,000.00</u>	<u>\$ 29,565,000.00</u>	<u>\$ 30,385,000.00</u>	34,080,000.00
									Add: Unamortized Premium
									<u>479,096.24</u>
									<u>\$ 34,559,096.24</u>
							Refunded	\$ 26,790,000.00	
							Retired	<u>3,595,000.00</u>	
								<u>\$ 30,385,000.00</u>	

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Budgetary Comparison Schedule
 DEBT SERVICE FUND
 For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES:			
Local Sources:			
Local Tax Levy	\$ 3,721,261.00	\$ 3,721,261.00	
State Sources:			
Debt Service Aid Type II	1,033,920.00	1,033,920.00	
Total Revenues	4,755,181.00	4,755,181.00	\$ -
EXPENDITURES:			
Regular Debt Service:			
Interest	1,500,181.00	1,156,581.77	
Redemption of Principal	3,255,000.00	3,595,000.00	
Total Regular Debt Service	4,755,181.00	4,751,581.77	3,599.23
Total Expenditures	4,755,181.00	4,751,581.77	3,599.23
Excess (Deficiency) of Revenues Over Expenditures	-	3,599.23	(3,599.23)
Fund Balance July 1, 2021	-	-	-
Fund Balance June 30, 2022	\$ -	\$ 3,599.23	\$ (3,599.23)

STATISTICAL SECTION

Financial Trends Information

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

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

	Fiscal Year Ended June 30,									
	<u>2022*^#</u>	<u>2021*^#</u>	<u>2020*^</u>	<u>2019*^</u>	<u>2018*^</u>	<u>2017*^</u>	<u>2016*</u>	<u>2015*</u>	<u>2014*</u>	<u>2013</u>
Governmental Activities:										
Net Investment in Capital Assets	\$ 45,582,737	\$ 37,849,598	\$ 41,351,494	\$ 40,375,490	\$ 38,319,931	\$ 37,426,921	\$ 37,206,779	\$ 36,393,841	\$ 36,126,214	\$ 35,522,429
Restricted	20,520,461	17,274,920	15,590,811	10,850,791	10,929,648	12,120,251	11,408,085	10,476,503	10,455,009	11,220,190
Unrestricted (Deficit)	(22,101,879)	(22,161,782)	(31,416,557)	(32,814,371)	(34,399,094)	(34,280,866)	(21,709,729)	(21,054,373)	(19,395,050)	(7,428,501)
Total Governmental Activities Net Position	\$ 44,001,319	\$ 32,962,737	\$ 25,525,748	\$ 18,411,910	\$ 14,850,486	\$ 15,266,306	\$ 26,905,135	\$ 25,815,971	\$ 27,186,173	\$ 39,314,117
Business-type Activities:										
Net Investment in Capital Assets	\$ 581,305	\$ 286,729	\$ 347,800	\$ 340,665	\$ 263,539	\$ 369,160	\$ 351,415	\$ 260,729	\$ 290,374	\$ 317,865
Unrestricted	876,885	481,285	385,370	441,765	480,839	714,167	651,767	579,526	354,786	343,739
Total Business-type Activities Net Position	\$ 1,458,190	\$ 768,015	\$ 733,169	\$ 782,430	\$ 744,378	\$ 1,083,327	\$ 1,003,182	\$ 840,255	\$ 645,160	\$ 661,604
District-wide:										
Net Investment in Capital Assets	\$ 46,164,042	\$ 38,136,327	\$ 41,699,294	\$ 40,716,155	\$ 38,583,470	\$ 37,796,081	\$ 37,558,194	\$ 36,654,570	\$ 36,416,588	\$ 35,840,294
Restricted	20,520,461	17,274,920	15,590,811	10,850,791	10,929,648	12,120,251	11,408,085	10,476,503	10,455,009	11,220,190
Unrestricted (Deficit)	(21,224,995)	(21,680,496)	(31,031,188)	(32,372,606)	(33,918,255)	(33,566,699)	(21,057,962)	(20,474,847)	(19,040,264)	(7,084,762)
Total District-wide Net Position	\$ 45,459,509	\$ 33,730,751	\$ 26,258,917	\$ 19,194,340	\$ 15,594,864	\$ 16,349,633	\$ 27,908,317	\$ 26,656,226	\$ 27,831,333	\$ 39,975,721

^ Amounts for 2017 through 2022 include the implementation of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

* Amounts for the years 2014 through 2022 include the implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*.

Amounts for the years 2021 through 2022 include the revenues and expenses associated with the implementation of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*.

Source: District Records (Exhibit A-1)

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

	Fiscal Year Ended June 30,									
	<u>2022[^]#</u>	<u>2021[^]#</u>	<u>2020[^]</u>	<u>2019[^]</u>	<u>2018[^]</u>	<u>2017[^]</u>	<u>2016[*]</u>	<u>2015[*]</u>	<u>2014</u>	<u>2013</u>
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 29,001,682	\$ 29,154,899	\$ 26,648,205	\$ 26,036,084	\$ 26,206,277	\$ 24,557,377	\$ 25,367,796	\$ 24,776,151	\$ 23,514,183	\$ 23,096,243
Special Education	9,292,173	9,596,401	9,306,923	8,973,935	9,033,199	8,587,459	8,191,887	8,130,175	7,784,489	7,359,155
Other Special Instruction	2,184,621	2,045,649	1,753,254	1,694,863	1,736,506	1,659,185	1,581,892	1,701,233	1,692,065	1,616,900
Vocational									1,161	99,880
Other Instruction	1,378,514	1,298,033	1,320,559	1,315,212	1,299,921	1,301,933	1,228,483	1,255,832	1,206,403	1,066,166
Support Services:										
Student and Instruction Related Services	19,862,043	18,094,783	16,093,506	15,929,816	15,066,741	15,863,223	14,080,081	14,993,395	14,675,080	13,321,294
School Administrative Services	3,751,609	3,669,217	3,966,286	3,944,959	3,983,728	3,884,764	3,847,739	3,826,290	3,263,911	3,164,330
General and Business Administrative Services	3,627,731	3,846,465	3,614,459	3,792,995	3,606,227	3,637,512	3,237,534	2,986,247	3,015,318	2,812,590
Plant Operations and Maintenance	9,580,070	8,473,774	7,971,780	9,186,838	10,021,069	8,618,819	8,472,030	8,043,389	7,825,281	7,668,365
Pupil Transportation	8,876,595	7,457,130	7,198,006	8,356,171	8,105,955	7,540,316	7,093,824	6,797,967	5,953,489	5,413,803
Unallocated Benefits	29,987,346	40,830,751	31,811,015	35,805,620	36,161,968	54,244,742	32,440,764	27,835,461	18,794,650	18,871,589
Transfer to Charter Schools	146,540	81,955	67,889	33,021	120,119	59,248	66,029	40,286	44,825	34,400
Capital Outlay Expensed									1,134,480	
Interest Expense	578,699	2,197,071	1,683,832	1,777,993	1,899,394	2,077,407	2,147,416	2,283,071	1,923,222	2,561,990
Unallocated Depreciation		40,514	25,515	26,049	29,614	32,770	29,857	27,293	3,069,886	3,067,967
Total Governmental Activities Expenses	<u>118,267,622</u>	<u>126,786,642</u>	<u>111,461,230</u>	<u>116,873,558</u>	<u>117,270,719</u>	<u>132,064,755</u>	<u>107,785,333</u>	<u>102,696,789</u>	<u>93,898,444</u>	<u>90,154,672</u>
Business-type Activities:										
Food Service	2,793,147	1,392,079	1,771,229	1,911,737	2,294,900	2,254,068	2,204,598	2,054,740	2,182,029	2,189,284
Other									221,481	218,613
Total Business-type Activities Expense	<u>2,793,147</u>	<u>1,392,079</u>	<u>1,771,229</u>	<u>1,911,737</u>	<u>2,294,900</u>	<u>2,254,068</u>	<u>2,204,598</u>	<u>2,054,740</u>	<u>2,403,510</u>	<u>2,407,897</u>
Total District Expenses	<u>\$ 121,060,769</u>	<u>\$ 128,178,721</u>	<u>\$ 113,232,460</u>	<u>\$ 118,785,295</u>	<u>\$ 119,565,619</u>	<u>\$ 134,318,823</u>	<u>\$ 109,989,931</u>	<u>\$ 104,751,529</u>	<u>\$ 96,301,954</u>	<u>\$ 92,562,569</u>

(Continued)

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

	Fiscal Year Ended June 30,									
	<u>2022[^]#</u>	<u>2021[^]#</u>	<u>2020[^]</u>	<u>2019[^]</u>	<u>2018[^]</u>	<u>2017[^]</u>	<u>2016[*]</u>	<u>2015[*]</u>	<u>2014</u>	<u>2013</u>
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Instruction: Tuition	\$ 327,512	\$ 385,914	\$ 382,924	\$ 378,716	\$ 481,747	\$ 671,550	\$ 319,193	\$ 361,395	\$ 437,996	\$ 493,982
Operating Grants and Contributions	27,089,475	34,580,200	21,950,161	25,998,988	24,882,550	40,670,432	22,007,382	8,022,652	7,854,734	7,847,525
Capital Grants and Contributions	633,802	75,486	74,060	21,825	456,459	81,525	195,567	12,611	7,181	9,006
Total Governmental Activities Program Revenues	<u>28,050,789</u>	<u>35,041,599</u>	<u>22,407,146</u>	<u>26,399,529</u>	<u>25,820,756</u>	<u>41,423,507</u>	<u>22,522,141</u>	<u>8,396,657</u>	<u>8,299,911</u>	<u>8,350,513</u>
Business-type activities:										
Charges for services:										
Food Service	15,501	(13,310)	593,648	909,115	917,084	1,004,031	1,153,905	1,153,566	1,230,850	1,185,759
Other										221,481
Operating Grants and Contributions	3,468,425	1,472,706	1,140,415	1,041,115	1,072,575	1,162,863	1,182,139	1,111,961	1,018,985	980,123
Total Business-type Activities Program Revenues	<u>3,483,927</u>	<u>1,459,397</u>	<u>1,734,063</u>	<u>1,950,230</u>	<u>1,989,659</u>	<u>2,166,894</u>	<u>2,336,044</u>	<u>2,265,527</u>	<u>2,249,835</u>	<u>2,387,364</u>
Total District Program Revenues	<u>\$ 31,534,715</u>	<u>\$ 36,500,996</u>	<u>\$ 24,141,208</u>	<u>\$ 28,349,760</u>	<u>\$ 27,810,415</u>	<u>\$ 43,590,401</u>	<u>\$ 24,858,185</u>	<u>\$ 10,662,184</u>	<u>\$ 10,549,746</u>	<u>\$ 10,737,877</u>
Net (Expense)/Revenue:										
Governmental Activities	\$ (90,216,834)	\$ (91,745,043)	\$ (89,054,084)	\$ (90,474,029)	\$ (91,449,963)	\$ (90,641,248)	\$ (85,263,192)	\$ (94,300,132)	\$ (85,598,534)	\$ (81,804,159)
Business-type Activities	690,780	67,317	(37,167)	38,493	(305,241)	(87,174)	131,445	210,787	(153,675)	(20,533)
Total District-wide Net Expense	<u>\$ (89,526,054)</u>	<u>\$ (91,677,726)</u>	<u>\$ (89,091,251)</u>	<u>\$ (90,435,535)</u>	<u>\$ (91,755,204)</u>	<u>\$ (90,728,422)</u>	<u>\$ (85,131,746)</u>	<u>\$ (94,089,345)</u>	<u>\$ (85,752,209)</u>	<u>\$ (81,824,692)</u>

(Continued)

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

	Fiscal Year Ended June 30,									
	<u>2022[^]#</u>	<u>2021[^]#</u>	<u>2020[^]</u>	<u>2019[^]</u>	<u>2018[^]</u>	<u>2017[^]</u>	<u>2016[*]</u>	<u>2015[*]</u>	<u>2014</u>	<u>2013</u>
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 56,354,753	\$ 55,804,486	\$ 55,253,487	\$ 54,317,552	\$ 53,290,723	\$ 52,142,577	\$ 50,593,181	\$ 48,608,013	\$ 47,828,524	\$ 46,167,090
Unrestricted Grants and Contributions	44,848,897	41,094,241	40,448,068	38,785,193	36,916,484	36,257,502	35,462,742	45,946,889	38,080,791	36,882,482
Investment Earnings	27,677	37,291	95,063	94,763	100,412	94,281	89,998	85,641	85,822	64,961
Miscellaneous Income	1,574,306	1,044,347	374,504	840,035	751,237	668,266	274,407	42,647	372,577	253,600
Miscellaneous Expenses	(236,004)								(224,688)	
Loss on Disposal of Capital Assets	(8,219)		(3,200)	(2,090)	(24,713)	(28,207)	(67,972)	(1,846,037)	(18,131)	(18,093)
Cancellation of Accounts Receivable/Duplicate Payables									(22,810)	
Total Governmental Activities	102,561,410	97,980,366	96,167,922	94,035,453	91,034,143	89,134,419	86,352,356	92,837,153	86,102,084	83,350,040
Business-type Activities:										
Loss on Disposal of Capital Assets	(605)	(32,472)	(12,094)	(442)	(40,142)	(286)	(1,831)	-	-	-
Total District-wide	\$ 102,560,805	\$ 97,947,894	\$ 96,155,828	\$ 94,035,011	\$ 90,994,001	\$ 89,134,133	\$ 86,350,525	\$ 92,837,153	\$ 86,102,084	\$ 83,350,040
Change in Net Position:										
Governmental Activities	\$ 12,344,576	\$ 6,235,323	\$ 7,113,838	\$ 3,561,424	\$ (415,820)	\$ (1,506,829)	\$ 1,089,165	\$ (1,462,979)	\$ 503,550	\$ 1,545,881
Business-type Activities	690,175	34,845	(49,261)	38,052	(345,383)	(87,460)	129,614	210,787	(153,675)	(20,533)
Total District	\$ 13,034,751	\$ 6,270,168	\$ 7,064,577	\$ 3,599,476	\$ (761,203)	\$ (1,594,289)	\$ 1,218,779	\$ (1,252,193)	\$ 349,875	\$ 1,525,348

[^] Amounts for 2017 through 2022 include the implementation of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

^{*} Amounts for the years 2015 through 2022 include the implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*.

[#] Amounts for the years 2021 through 2022 include the revenues and expenses associated with the implementation of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*.

Source: District Records (Exhibit A-2)

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

	Fiscal Year Ended June 30,									
	<u>2022#</u>	<u>2021#</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Fund:										
Restricted:										
Capital Reserve Account	\$ 5,245,267	\$ 4,388,126	\$ 6,052,411	\$ 955,591	\$ 1,453,356	\$ 1,053,298	\$ 1,752,950	\$ 1,250,550	\$ 550	\$ 550
Maintenance Reserve Account	100,012	100,007	50,003							
Excess Surplus	8,982,902	8,860,057	8,296,650	7,380,287	7,528,256	8,688,511	8,715,241	8,082,886	8,480,560	7,913,796
Unemployment Compensation	400,907	400,406								
Committed	967,137	5,470,967								
Assigned:										
Other Purposes	539,113	454,658	1,011,793	179,766	876,668	53,786	118,104	128,308	717,769	2,014,292
Subsequent Year's Expenditure		523,297	173,927				97,254	90,324		
Unassigned (Deficit)	4,619,398	4,260,062	1,829,987	1,878,610	1,549,545	1,728,350	1,628,804	1,673,832	1,689,013	1,559,233
Total General Fund	\$ 20,854,737	\$ 24,457,580	\$ 17,414,771	\$ 10,394,254	\$ 11,407,825	\$ 11,523,945	\$ 12,312,353	\$ 11,225,899	\$ 10,887,892	\$ 11,487,872
All Other Governmental Funds:										
Unassigned (Deficit),										
Reported in:										
Special Revenue Fund	\$ (141,148)									
Restricted:										
Capital Projects Fund	4,779,030	\$ 2,548,745	\$ 882,974	\$ 2,198,055	\$ 1,507,656	\$ 1,938,175	\$ 468,260	\$ 476,704	\$ 856,759	\$ 1,000,000
Special Revenue Fund	1,012,343	977,579	308,774	316,858	440,381	440,267	465,177	441,274	398,821	346,589
Debt Service Fund	3,599						6,457	6,458	19,043	19,063
Total All Other Governmental Funds	\$ 5,653,824	\$ 3,526,324	\$ 1,191,748	\$ 2,514,913	\$ 1,948,037	\$ 2,378,442	\$ 939,894	\$ 924,436	\$ 1,274,623	\$ 1,365,652

#

Amounts for the years 2021 through 2022 include the revenues and expenses associated with the implementation of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*.

Source: District Records (Exhibit B-1)

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

	Fiscal Year Ended June 30,									
	2022#	2021#	2020	2019	2018	2017	2016	2015	2014	2013
Revenues:										
Tax Levy	\$ 56,354,753	\$ 55,804,486	\$ 55,253,487	\$ 54,317,552	\$ 53,290,723	\$ 52,142,577	\$ 50,593,181	\$ 48,608,013	\$ 47,828,524	\$ 46,874,002
Miscellaneous	1,929,494	1,467,552	852,492	1,313,514	1,357,287	1,434,097	683,598	557,159	966,157	911,194
State Sources	67,688,119	58,083,314	54,404,304	51,752,300	49,040,762	46,246,271	44,874,235	43,527,613	42,695,060	42,948,655
Federal Sources	5,430,585	3,830,434	2,471,656	2,639,743	2,567,473	2,842,175	2,778,053	2,671,526	3,141,592	2,353,478
Total Revenue	131,402,952	119,185,786	112,981,939	110,023,109	106,256,244	102,665,120	98,929,066	95,364,311	94,631,333	93,087,329
Expenditures:										
Instruction										
Regular Instruction	28,789,549	27,733,581	25,403,712	25,198,735	25,012,004	23,839,727	24,309,862	23,753,531	23,907,815	23,115,299
Special Education Instruction	8,923,358	9,139,015	8,871,631	8,675,216	8,590,188	8,235,965	7,857,929	7,834,359	7,896,527	7,522,903
Other Special Instruction	2,098,627	1,948,149	1,671,253	1,638,445	1,651,343	1,591,273	1,517,403	1,632,299	1,722,550	1,595,165
Vocational									1,150	96,424
Other Instruction	1,308,824	1,213,215	1,235,962	1,254,417	1,223,513	1,241,421	1,164,585	1,192,836	1,225,963	1,061,882
Support Services:										
Student and Instruction Related Services	19,070,291	17,224,237	15,328,782	15,394,941	14,322,307	15,210,177	13,500,690	14,349,774	14,874,575	13,232,495
School Administrative Services	3,602,604	3,492,692	3,778,619	3,809,343	3,783,515	3,721,707	3,685,863	3,665,863	3,304,835	3,141,849
Other Administrative Services	3,585,232	3,570,320	3,312,959	3,517,584	3,157,274	3,344,075	2,984,351	2,756,213	2,873,474	2,704,970
Plant Operations and Maintenance	10,774,797	8,030,128	7,564,926	8,796,718	9,501,882	8,191,299	8,075,543	7,695,038	7,803,366	7,603,882
Pupil Transportation	8,876,595	7,457,130	7,198,006	8,356,171	8,105,955	7,540,316	7,093,824	6,797,967	6,137,801	5,384,896
Unallocated Benefits	34,727,707	29,640,409	26,835,078	26,667,770	25,158,502	23,731,635	21,746,432	19,949,220	18,847,770	18,806,638
Transfer to Charter Schools	146,540	81,955	67,889	33,021	120,119	59,248	66,029	40,286	44,825	34,400
Capital Outlay	7,243,760	21,697,799	1,380,364	2,250,138	1,360,353	738,108	1,196,070	1,262,635	2,818,508	1,849,512
Debt Service:										
Principal	3,595,000	3,070,000	2,880,000	3,003,000	2,815,000	2,610,000	2,500,000	2,945,000	2,959,474	2,824,474
Interest and Other Charges	1,156,582	1,634,481	1,755,406	1,874,304	2,000,815	2,109,364	2,210,565	1,777,331	2,500,010	2,603,302
Total Expenditures	133,899,466	135,933,112	107,284,588	110,469,804	106,802,769	102,164,315	97,909,146	95,652,352	96,918,642	91,578,091
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,496,515)	(16,747,326)	5,697,351	(446,695)	(546,525)	500,805	1,019,920	(288,041)	(2,287,309)	1,509,239

(Continued)

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

	Fiscal Year Ended June 30,									
	2022#	2021#	2020	2019	2018	2017	2016	2015	2014	2013
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,496,515)	(16,747,326)	5,697,351	(446,695)	(546,525)	500,805	1,019,920	(288,041)	(2,287,309)	1,509,239
Other Financing Sources (Uses):										
Proceeds from Purchasing Agreements	1,021,172	24,923,045								
Bond Proceeds	29,565,000									
Refunding Escrow Deposit	(29,328,996)									
Cost of Issuance	(236,004)									
Capital Leases						149,335	81,992	275,861	1,596,300	663,460
Transfers In	2,545,159	2,225,461	1,802,964	3,056,288		1,563,246	400,000			
Transfers Out	(2,545,159)	(2,225,461)	(1,802,964)	(3,056,288)		(1,563,246)	(400,000)			
Total Other Financing Sources (Uses)	1,021,172	24,923,045	-	-	-	149,335	81,992	275,861	1,596,300	663,460
Net Change in Fund Balances	\$ (1,475,343)	\$ 8,175,719	\$ 5,697,351	\$ (446,695)	\$ (546,525)	\$ 650,140	\$ 1,101,912	\$ (12,180)	\$ (691,009)	\$ 2,172,698
Debt Service as a Percentage of Noncapital Expenditures	3.8%	4.1%	4.4%	4.5%	4.6%	4.7%	4.9%	5.0%	5.8%	6.0%

Amounts for the years 2021 through 2022 include the revenues and expenses associated with the implementation of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*.

Source: District Records (Exhibit B-2)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 General Fund - Other Local Revenue by Source
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Tuition	\$ 400,665	\$ 385,914	\$ 382,924	\$ 378,716	\$ 481,747	\$ 671,550	\$ 319,193	\$ 361,395	\$ 437,996	\$ 493,982
Transportation	66,073	103,358	35,589	39,145	23,891	66,657	87,640			
Interest on Investments	29,488	38,081	108,247	113,722	111,364	98,861	92,008	86,170	85,822	80,971
Refund of Prior Year Expenditures	329,550	45,295	105,120	154,808					131,844	43,180
Athletic Gate Receipts	16,068		40,197	22,198	22,494	19,666	20,066	17,011	24,080	17,499
Lost Book Fees	574	540	413	1,015	2,431	2,479	3,439	4,816	4,573	2,997
Amortize Upfront lease Payment	82,570	76,218	76,218	76,219	69,867					
Miscellaneous	40,964	155,575	91,115	524,634	607,335	561,167	68,363	20,291	175,789	114,668
	<u>\$ 965,951</u>	<u>\$ 804,981</u>	<u>\$ 839,824</u>	<u>\$ 1,310,456</u>	<u>\$ 1,319,129</u>	<u>\$ 1,420,380</u>	<u>\$ 590,708</u>	<u>\$ 489,682</u>	<u>\$ 860,104</u>	<u>\$ 753,297</u>

Source: District Records

Revenue Capacity Information

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Assessed Value and Actual Value of Taxable Property
 Last Ten Fiscal Years
Unaudited

<u>Year Ended Dec. 31</u>	<u>Total Assessed Value</u>	<u>Public Utilities (1)</u>	<u>Net Valuation Taxable</u>	<u>Tax-Exempt Property</u>	<u>Estimated (County Equalized) Value</u>	<u>Total Direct School Tax Rate (2)</u>
2022	\$ 2,777,194,100		\$ 2,777,194,100	\$ 245,093,000	\$ 3,094,374,261	\$ 2.01
2021	2,753,359,000		2,753,359,000	232,574,800	2,830,167,728	2.04
2020	2,721,975,400		2,721,975,400	223,481,600	2,721,404,679	2.04
2019	2,704,193,200		2,704,193,200	219,448,400	2,719,893,037	2.03
2018	2,704,555,200		2,704,555,200	212,987,500	2,649,446,708	2.03
2017	2,658,667,400	\$ 7,894,354	2,666,561,754	218,753,200	2,654,651,348	2.01
2016	2,651,540,600	7,723,031	2,659,263,631	218,650,500	2,630,673,471	1.97
2015	2,631,876,000	7,234,158	2,639,110,158	217,674,300	2,609,444,955	1.88
2014	2,623,249,500	7,329,382	2,630,578,882	216,706,600	2,516,655,477	1.83
2013	2,706,694,800	8,494,571	2,715,189,371	216,209,000	2,625,175,545	1.74

(1) Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

(2) Tax rates are per \$100

Source: Gloucester County Board of Taxation

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

Year Ended <u>Dec. 31</u>	District Direct Rate			Overlapping Rates			Total Direct and Overlapping <u>Tax Rate</u>
	<u>Basic Rate</u>	General Obligation Debt <u>Service</u>	Total Direct School <u>Tax Rate</u>	<u>Special Districts</u>	Township of <u>Monroe</u>	<u>Gloucester County</u>	
2022	\$ 1.968	\$ 0.040	\$ 2.008	N/A	\$ 0.899	\$ 0.711	\$ 3.618
2021	1.996	0.041	2.037	N/A	0.899	0.705	3.641
2020	2.000	0.040	2.040	N/A	0.900	0.697	3.637
2019	1.986	0.040	2.026	N/A	0.901	0.688	3.615
2018	1.990	0.040	2.030	N/A	0.898	0.628	3.556
2017	1.977	0.040	2.017	N/A	0.899	0.626	3.542
2016	1.932	0.041	1.973	N/A	0.899	0.625	3.497
2015	1.740	0.140	1.880	N/A	0.890	0.627	3.397
2014	1.677	0.155	1.832	N/A	0.898	0.614	3.344
2013	1.597	0.147	1.744	N/A	0.828	0.557	3.129

Source: Municipal Tax Collector

TOWNSHIP OF MONROE SCHOOL DISTRICT
Principal Property Tax Payers
Current Year and Ten Years Ago
Unaudited

<u>Taxpayer</u>	2022			2013		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Valuation Taxable</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
Barclay Glenn at Cross Keys LLC	\$ 21,550,000	1	0.78%			Not Available
Wal-Mart Real Estate Business Trust	18,500,000	2	0.67%			Not Available
Nationwide MHC LLC / Continental.Com	16,330,000	3	0.59%		3	
Williamstown Inc Suisse / Walmart	13,905,000	4	0.51%		1	
Jefferson Village	12,630,000	5	0.46%		5	
Friendly Village	12,350,000	6	0.45%		6	
Gordon Partnership LLP	8,979,600	7	0.33%		7	
Laurelton Village Reality	8,970,000	8	0.33%		9	
Barclay Glenn North LLC	7,940,000	9	0.29%			Not Available
Streamwood Association	7,650,000	10	0.28%			Not Available
Total	\$ 128,804,600		4.68%	\$ -		

Source: District ACFR & County Tax Assessor

TOWNSHIP OF MONROE SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Years
Unaudited

Fiscal Year Ended June 30,	School District Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy (1)	
		Amount	Percentage of Levy
2022	\$ 56,354,753	\$ 51,815,729	91.95%
2021	55,804,486	55,804,486	100.00%
2020	55,253,487	55,253,487	100.00%
2019	54,317,552	54,317,552	100.00%
2018	53,290,723	53,290,723	100.00%
2017	52,142,577	52,142,577	100.00%
2016	50,593,181	50,593,181	100.00%
2015	48,608,013	48,608,013	100.00%
2014	47,828,524	47,828,524	100.00%
2013	46,874,002	46,874,002	100.00%

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

Source: District Records

Debt Capacity Information

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years
Unaudited

Fiscal Year Ended <u>June 30,</u>	Governmental Activities				Business- Activities	<u>Total District</u>	Percentage of Personal Income (2)	Outstanding Debt Per Capita (3)
	<u>General Obligation Bonds (1)</u>	<u>Certificates of Participation</u>	<u>Leases</u>	<u>Bond Anticipation Notes (BANs)</u>	<u>Capital</u>			
2022	\$ 34,080,000	\$ -	\$ -	\$ -	\$ -	\$ 34,080,000	Unavailable	Unavailable
2021	34,900,000	-	24,923,045	-	-	59,823,045	Unavailable	\$ 1,580
2020	37,970,000	-	-	-	-	37,970,000	1.70%	1,025
2019	40,850,000	-	37,136	-	-	40,887,136	1.96%	1,109
2018	43,853,000	-	90,948	-	-	43,943,948	2.17%	1,189
2017	46,668,000	-	214,687	-	-	46,882,687	2.43%	1,276
2016	49,278,000	-	387,624	-	-	49,665,624	2.68%	1,355
2015	51,778,000	-	792,453	-	-	52,570,453	2.88%	1,431
2014	54,723,000	-	1,845,723	-	-	56,568,723	3.26%	1,544
2013	58,806,735	-	696,084	-	-	59,502,819	3.55%	1,628

Sources:

- (1) District Records
- (2) Personal income has been estimated based upon the municipal population and per capita personal income presented.
- (3) Per capita personal income by municipality-estimated based upon the 2010 Census published by the US Bureau of Economic Analysis

TOWNSHIP OF MONROE SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding (1)			Percentage of Net Assessed Valuation Taxable (2)	Per Capita (3)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2022	\$ 34,080,000	\$ -	\$ 34,080,000	1.23%	Unavailable
2021	34,900,000	-	34,900,000	1.27%	\$ 922
2020	37,970,000	-	37,970,000	1.39%	1,025
2019	40,850,000	-	40,850,000	1.51%	1,108
2018	43,853,000	-	43,853,000	1.62%	1,186
2017	46,668,000	-	46,668,000	1.75%	1,270
2016	49,278,000	-	49,278,000	1.85%	1,344
2015	51,778,000	-	51,778,000	1.96%	1,409
2014	54,723,000	-	54,723,000	2.08%	1,493
2013	58,806,735	-	58,806,735	2.17%	1,609

Sources:

- (1) District Records
(2) Net Assessed Valuation provided by Abstract of Ratables, County Board of Taxation
(3) Per Capita calculation based upon population information provided by the NJ Dept of Labor

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2021
Unaudited

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Monroe Township</u>
Monroe Township School District	\$ 37,675,000	\$ 37,675,000		
Monroe Township Municipal Utility Authority	5,940,000		\$ 5,940,000	\$ 5,940,000
Monroe Township	<u>32,689,650</u>		<u>32,689,650</u>	<u>32,689,650</u>
	<u>76,304,650</u>	<u>37,675,000</u>	<u>38,629,650</u>	<u>38,629,650</u>
Overlapping Debt Apportioned to the Municipality:				
County of Gloucester: (1)				
General	255,305,000	15,878,532 (2)	239,426,468 (4)	24,658,669
Bonds Issued by Other Public Bodies Guaranteed by the County	<u>239,053,085</u>	<u>239,053,085 (3)</u>		
	<u>494,358,085</u>	<u>254,931,617</u>	<u>239,426,468</u>	<u>24,658,669</u>
	<u>\$ 570,662,735</u>	<u>\$ 292,606,617</u>	<u>\$ 278,056,118</u>	<u>\$ 63,288,319</u>

Sources:

- (1) County's Annual Debt Statement
- (2) Includes County College Bonds
- (3) Deductible in accordance with N.J.S. 40:37A-80
- (4) Such debt is allocated as a proportion of the Issuer's share of the total 2021 Net Valuation on which County taxes are apportioned, which is 10.30%

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Legal Debt Margin Information
 Last Ten Fiscal Years
Unaudited

Legal Debt Margin Calculation for Fiscal Year 2021

Equalized valuation basis (1)

2019	\$ 2,700,142,986
2020	2,794,349,040
2021	<u>3,063,713,141</u>
	<u>\$ 8,558,205,167</u>

Average equalized valuation of taxable property \$ 2,852,735,056

Debt limit (4% of average equalization value) (2) \$ 114,109,402
 Total Net Debt Applicable to Limit 34,080,000

Legal Debt Margin \$ 80,029,402

	Fiscal Year Ended June 30,									
	<u>2021</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Debt limit	\$ 114,109,402	\$ 109,483,637	\$ 107,515,343	\$ 106,486,509	\$ 104,958,910	\$ 103,126,498	\$ 103,042,905	\$ 103,650,810	\$ 107,059,255	\$ 112,221,729
Total net debt applicable to limit (3)	<u>34,080,000</u>	<u>34,900,000</u>	<u>37,970,000</u>	<u>40,850,000</u>	<u>43,853,000</u>	<u>46,668,000</u>	<u>49,278,000</u>	<u>51,778,000</u>	<u>54,723,000</u>	<u>58,806,735</u>
Legal debt margin	<u>\$ 80,029,402</u>	<u>\$ 74,583,637</u>	<u>\$ 69,545,343</u>	<u>\$ 65,636,509</u>	<u>\$ 61,105,910</u>	<u>\$ 56,458,498</u>	<u>\$ 53,764,905</u>	<u>\$ 51,872,810</u>	<u>\$ 52,336,255</u>	<u>\$ 53,414,994</u>
Total net debt applicable to the limit as a percentage of debt limit	29.87%	31.88%	35.32%	38.36%	41.78%	45.25%	47.82%	49.95%	51.11%	52.40%

Sources:

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

Demographic and Economic Information

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2022	Unavailable	Unavailable	Unavailable	Unavailable
2021	37,853	Unavailable	Unavailable	6.40%
2020	37,037	\$ 2,236,516,282	\$ 60,386	10.70%
2019	36,865	2,082,835,635	56,499	4.10%
2018	36,962	2,023,484,690	54,745	4.70%
2017	36,744	1,929,280,464	52,506	5.30%
2016	36,663	1,854,744,507	50,589	5.70%
2015	36,740	1,823,626,640	49,636	6.50%
2014	36,649	1,733,680,945	47,305	8.00%
2013	36,553	1,675,077,778	45,826	9.20%

Source:

- (1) Population information provided by the NJ Dept of Labor and Workforce Development
- (2) Personal income has been estimated based upon the municipal population and per capita personal income presented
- (3) Per capita personal income by municipality-estimated based upon the 2000 Census published by the US Bureau of Economic Analysis
- (4) Unemployment data provided by the NJ Dept of Labor and Workforce Development

TOWNSHIP OF MONROE SCHOOL DISTRICT
Principal Employers (Monroe Township)
Current Year and Ten Years Ago
Unaudited

	2022			2013		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Township Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Township Employment</u>
Rowan University	3,500	1	N/A	1,483	1	N/A
Washington Township School District	1,525	2	N/A	1,498.00	2	N/A
Inspira Health Network	1,222	3	N/A		3	N/A
Jefferson Health	670	4	N/A		4	N/A
County of Gloucester	1,200	5	N/A	1,500.00	5	N/A
Monroe Township School District	835	6	N/A	792.00	6	N/A
Walmart - Turnersville	800	7	N/A		7	N/A
Aryzta LaBrea Bakery, Inc	500	8	N/A		8	N/A
Honda of Turnersville	499	9	N/A		9	N/A
Paulsboro Refinery, LLC	402	10	N/A		10	N/A
	<u>11,153</u>			<u>5,273</u>		

Source: Monroe

Note - The information is provided for the County of Gloucester, information at the municipal level is not readily available.

N/A - Information not available

Operating Information

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Full-time Equivalent District Employees by Function/Program
 Last Ten Fiscal Years
Unaudited

<u>Function/Program</u>	Fiscal Year Ended June 30,									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Instruction										
Regular	373	367	333.0	331.0	330.0	327.0	322.0	328.0	320.0	359.7
Special education	294	306	281.0	269.0	268.0	266.0	260.0	258.0	230.0	105.0
Other special education									24.0	96.0
Vocational							3.0	2.0	2.0	1.0
Other instruction								1.0	1.0	33.8
Support Services:										
Solicitor										1.0
Student & instruction related services	125	125	117.0	116.0	115.0	108.0	109.0	107.0	122.0	119.4
General administrative services	10	9	9.0	11.0	10.0	10.0	10.0	10.0	8.0	10.6
School administrative services	49	49	48.0	52.0	47.0	53.0	53.0	52.0	47.0	45.3
Business administrative services	13	13	13.0	13.0	13.0	14.0	13.0	12.0	12.0	9.6
Plant operations and maintenance	12	9	12.0	19.0	19.0	18.0	17.0	19.0	21.0	2.0
Pupil transportation	4	4	4.0	4.0	4.0	4.0	4.0	5.0	5.0	4.8
Admin Info Tech	10	10	10.0	11.0	11.0	12.0	13.0	12.0	3.0	4.0
Total	<u>890.0</u>	<u>892.0</u>	<u>827.0</u>	<u>826.0</u>	<u>817.0</u>	<u>812.0</u>	<u>804.0</u>	<u>806.0</u>	<u>795.0</u>	<u>792.2</u>

Source: District Records

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2022#	5,639	\$ 133,899,466	\$ 23,745	-2.63%	494	1:10	1:12	1:13	5,634.9	5,224.0	1.36%	92.71%
2021#	5,574	135,933,112	24,387	29.43%	491	1:09	1:12	1:14	5,559.2	5,212.3	-4.94%	93.76%
2020	5,694	107,284,588	18,842	-2.22%	469	1:11	1:12	1:14	5,847.8	5,658.1	1.74%	96.76%
2019	5,733	110,469,804	19,269	6.63%	470	1:11	1:12	1:14	5,747.6	5,419.8	-3.97%	94.30%
2018	5,910	106,802,769	18,072	6.15%	465	1:12	1:12	1:14	5,985.5	5,663.6	-4.84%	94.62%
2017	6,001	102,164,315	17,025	5.49%	467	1:12	1:13	1:14	6,290.2	6,026.1	3.59%	95.80%
2016	6,067	97,909,146	16,138	1.82%	462	1:13	1:13	1:14	6,072.1	5,775.6	0.61%	95.12%
2015	6,035	95,652,353	15,850	-1.39%	453	1:14	1:13	1:13	6,035.1	5,749.1	2.23%	95.26%
2014	6,030	96,918,642	16,073	5.37%	450	1:14	1:13	1:13	5,903.4	5,647.0	-1.67%	95.66%
2013	6,004	91,578,091	15,253	4.16%	439	1:14	1:13	1:14	6,003.8	5,470.5	-0.86%	91.12%

Amounts for the years 2021 through 2022 include the revenues and expenses associated with the implementation of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*.

Sources: District Records

TOWNSHIP OF MONROE SCHOOL DISTRICT
 School Building Information
 Last Ten Fiscal Years
Unaudited

	Fiscal Year Ended June 30,									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Elementary</u>										
Oak Knoll 1917 (1954, 1970)										
Square Feet	80,528									
Capacity (students)	641									
Enrollment	589	531	544	549	529	560	564	592	581	564
Whitehall 1967 (1970)										
Square Feet	57,017									
Capacity (students)	433									
Enrollment	351	317	354	362	368	400	408	418	414	397
Holly Glen 1967 (1978,1991)										
Square Feet	79,055									
Capacity (students)	545									
Enrollment	469	443	453	466	527	571	602	569	579	571
Radix (1981)										
Square Feet	88,777									
Capacity (students)	667									
Enrollment	648	590	647	671	700	683	689	730	719	728
<u>Williamstown Middle School (1958)</u>										
Square Feet	313,512									
Capacity (students)	1,998									
Enrollment	1,815	1,879	1,909	1,905	1,924	1,969	1,957	1,941	1,981	1,911
<u>Williamstown High School (1997)</u>										
Square Feet	338,067									
Capacity (students)	1,957									
Enrollment	1,767	1,814	1,787	1,780	1,862	1,818	1,847	1,785	1,756	1,790
<u>Other</u>										
Maple Grove Administration Building										
Square Feet	11,281									
Number of Schools at June 30, 2022										
Elementary = 4										
Middle School = 1										
High School = 1										
Other = 1										

Source: District Records

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Schedule of Required Maintenance
 Last Ten Fiscal Years
Unaudited

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

<u>School Facilities</u>	Fiscal Year Ended June 30,									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Williamstown HS	\$ 155,844	\$ 117,179	\$ 92,564	\$ 159,040	\$ 190,028	\$ 147,082	\$ 83,844	\$ 107,581	\$ 179,620	\$ 86,794
Holly Glen Elementary	33,562	38,400	113,491	845,918	1,298,639	56,279	82,889	23,420	19,969	23,569
Oak Knoll Elementary	70,174	38,432	25,167	49,158	97,538	50,020	33,913	17,384	42,981	38,437
Radix Elementary	71,981	95,181	40,850	28,794	87,416	58,368	41,755	37,088	44,988	24,311
Whitehall Elementary	14,603	29,903	28,174	47,972	429,340	22,310	37,064	28,086	14,070	20,269
Williamstown MS	94,656	72,326	37,078	88,180	129,222	110,529	96,723	111,080	161,712	714,065
Undistributed	201,626	206,789	100,070	54,635	185,589	153,746	165,015	151,610	141,482	133,909
Total School Facilities	\$ 642,446	\$ 598,210	\$ 437,394	\$ 1,273,698	\$ 2,417,772	\$ 598,334	\$ 541,203	\$ 476,249	\$ 604,822	\$ 1,041,354

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

Source: District Records

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Insurance Schedule
 June 30, 2022
Unaudited

	<u>Coverage</u>		<u>Deductible</u>
General & Auto Insurance - JIF	\$ 20,000,000		\$0
Property and Auto Physical Damage - JIF	175,000,000		500
Boiler and Machinery - JIF	125,000,000		1,000
Comprehensive Crime Coverage - JIF	500,000		500
Pollution Legal Liability - JIF	3,000,000	General Mold	25,000 100,000
Cyber Liability - JIF	2,000,000		10,000
Violent Malicious Acts - JIF	1,000,000		15,000
Disaster Management Services - JIF	2,000,000		15,000
Educator's Legal Liability - JIF	20,000,000		0
Workers Compensation - JIF	Statutory		0
Business Administrator/ Board Secretary Bond - CNA Surety	446,000		0
Student Accident - AIG	6,000,000		0

Source: District Records

SINGLE AUDIT SECTION

Exhibit K-2**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND
STATE OF NEW JERSEY CIRCULAR 15-08-OMB****INDEPENDENT AUDITOR'S REPORT**

The Honorable President and
Members of the Board of Education
Township of Monroe School District
County of Gloucester, New Jersey

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

We have audited the Township of Monroe School District's, in the County of Gloucester, State of New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2022. The School District's major federal and state programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

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

Basis for Opinion on Each Major Federal and State Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

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 and 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 material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Report on Internal Control over Compliance (Cont'd)

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

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

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Michael J. Welding
Certified Public Accountant
Public School Accountant No. CS 00886

Woodbury, New Jersey
March 14, 2023

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards - Schedule A
 For the Fiscal Year Ended June 30, 2022

<u>Federal Grantor / Pass-through Grantor / Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Additional Award Identification</u>	<u>Federal FAIN Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Award Amount</u>	<u>Grant Period</u>	
						<u>From</u>	<u>To</u>
General Fund:							
U.S. Department of Health and Human Services:							
Passed-through the State Department of Education:							
Special Education--Medicaid Initiative	93.778	N/A	2005NJ5MAP	N/A	\$ 285,244.37	7-1-20	6-30-21
Special Education--Medicaid Initiative	93.778	N/A	2005NJ5MAP	N/A	287,272.55	7-1-21	6-30-22
Total Medical Assistance Program (Medicaid) Cluster							
Special Revenue Fund:							
U.S. Department of Education:							
Passed-through State Department of Education:							
E.S.S.A.:							
Title I Grants to Local Educational Agencies	84.010	N/A	S010A210030	NCLB552021	646,176.00	7-1-20	9-30-21
Title I Grants to Local Educational Agencies	84.010	N/A	S010A220030	NCLB552022	664,132.00	7-1-21	9-30-22
Total Title I Grants to Local Educational Agencies							
Supporting Effective Instruction State Grants (Title II)	84.367	N/A	S367A210029	NCLB552021	203,850.00	7-1-20	9-30-21
Supporting Effective Instruction State Grants (Title II)	84.367	N/A	S367A220029	NCLB552022	153,186.00	7-1-21	9-30-22
Total Supporting Effective Instruction State Grants							
English Language Acquisition Grants (Title III)	84.365	N/A	S365A210030	NCLB552021	22,670.00	7-1-20	9-30-21
English Language Acquisition Grants (Title III)	84.365	N/A	S365A220030	NCLB552022	27,709.00	7-1-21	9-30-22
English Language Acquisition Grants (Title III - Immigrant)	84.365	N/A	S365A220030	NCLB552022	1,902.00	7-1-21	9-30-22
Total English Language Acquisition Grants							
Student Support and Academic Enrichment Grants (Title IV)	84.358	N/A	S424A210031	NCLB552021	51,259.00	7-1-20	9-30-21
Student Support and Academic Enrichment Grants (Title IV)	84.358	N/A	S424A220031	NCLB552022	68,024.00	7-1-21	9-30-22
Total Student Support and Academic Enrichment Grants							
Special Education Cluster (IDEA)							
Special Education - Grants to States (I.D.E.A., Part B)	84.027	N/A	H027A210100	IDEA540021	1,680,201.00	7-1-20	9-30-21
Special Education - Grants to States (I.D.E.A., Part B)	84.027	N/A	H027A220100	IDEA540022	1,637,613.00	7-1-21	9-30-22
Special Education - Grants to States (I.D.E.A., Part B ARP)	84.027	COVID-19	H027X210100	N/A	282,778.00	7-1-21	9-30-22
Total Special Education - Grants to States (I.D.E.A., Part B)							
Special Education - Preschool Grants (I.D.E.A. Preschool)	84.173	N/A	H173A210114	IDEA540021	88,807.00	7-1-20	9-30-21
Special Education - Preschool Grants (I.D.E.A. Preschool)	84.173	N/A	H173A220114	IDEA540022	89,001.00	7-1-21	9-30-22
Special Education - Preschool Grants (I.D.E.A. Preschool ARP)	84.173	COVID-19	H173X210114	N/A	24,082.00	7-1-21	9-30-22
Total Special Education - Preschool Grants (I.D.E.A. Preschool)							
Total Special Education Cluster (IDEA)							
Coronavirus Aid Relief and Economic Security Act (CARES)	84.425	COVID-19, 84.425D	S425D210027	N/A	602,867.00	3-13-20	9-30-22
Coronavirus Response and Relief Supplemental Act							
Learning Acceleration - ESSER II	84.425	COVID-19, 84.425D	S425D210027	N/A	133,670.00	3-13-20	9-30-23
Mental Health - ESSER II	84.425	COVID-19, 84.425D	S425D210027	N/A	45,000.00	3-13-20	9-30-23
Coronavirus Response and Relief Supplemental Appropriations	84.425	COVID-19, 84.425D	S425D210027	N/A	2,082,907.00	3-13-20	9-30-23
Total Coronavirus Response and Relief Supplemental Act							
American Rescue Plan Elementary and Secondary School Emergency							
Learning Acceleration - ESSER III	84.425	COVID-19, 84.425U	S425U210027	N/A	499,104.00	3-13-20	9-30-24
Summer Learning - ESSER III	84.425	COVID-19, 84.425U	S425U210027	N/A	40,000.00	3-13-20	9-30-24
Afterschool - ESSER III	84.425	COVID-19, 84.425U	S425U210027	N/A	40,000.00	3-13-20	9-30-24
Mental Health - ESSER III	84.425	COVID-19, 84.425U	S425U210027	N/A	45,000.00	3-13-20	9-30-24
ARP ESSER III	84.425	COVID-19, 84.425U	S425U210027	N/A	4,681,199.00	3-13-20	9-30-24
Total American Rescue Plan Elementary and Secondary School Emergency							
Carl D. Perkins - Secondary	84.048	N/A	V048A210030	PERK552020	38,032.00	7-1-19	6-30-20
Carl D. Perkins - Secondary	84.048	N/A	V048A210030	PERK552021	32,459.00	7-1-20	6-30-21
Carl D. Perkins - Secondary	84.048	N/A	V048A210030	PERK552021	28,208.00	7-1-21	6-30-22
Total Carl D. Perkins - Secondary							
U.S. Department of Treasury:							
Passed-through State Department of Education:							
Coronavirus State and Local Fiscal Recovery Funds:							
Additional or Compensatory Special Education & Related Services	21.019	COVID-19	S425D200027	N/A	328,191.00	7-1-21	6-30-22
Total Special Revenue Fund							

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards - Schedule A
 For the Fiscal Year Ended June 30, 2022

Balance June 30, 2021		Budgetary Expenditures							Balance June 30, 2022		
Unearned Revenue (Accounts Receivable)	Due to Grantor	Cash Received	Adjustments	Pass-Through Funds	Direct Funds	Total Budgetary Expenditures	Passed-Through to Subrecipients	Repayment of Prior Years' Balances	Accounts Receivable	Unearned Revenue	Due to Grantor
\$ (24,699.43)		\$ 24,699.43		\$ 287,272.55		\$ 287,272.55			\$ (81,009.40)		
		206,263.15									
(24,699.43)	\$ -	230,962.58	\$ -	287,272.55	\$ -	287,272.55	\$ -	\$ -	(81,009.40)	\$ -	\$ -
(235,577.00)		235,577.00		648,379.00		648,379.00			(255,864.00)	15,753.00	
		408,268.00									
(235,577.00)	-	643,845.00	-	648,379.00	-	648,379.00	-	-	(255,864.00)	15,753.00	-
(63,600.00)		63,600.00		82,561.00		82,561.00			(112,778.00)	70,625.00	
		40,408.00									
(63,600.00)	-	104,008.00	-	82,561.00	-	82,561.00	-	-	(112,778.00)	70,625.00	-
(3,337.00)		3,337.00		18,248.00		18,248.00			(14,996.00)	9,461.00	
		12,713.00		954.00		954.00			(1,573.00)	948.00	
		329.00									
(3,337.00)	-	16,379.00	-	19,202.00	-	19,202.00	-	-	(16,569.00)	10,409.00	-
(27,561.00)		27,561.00		38,599.00		38,599.00			(52,092.00)	29,425.00	
		15,932.00									
(27,561.00)	-	43,493.00	-	38,599.00	-	38,599.00	-	-	(52,092.00)	29,425.00	-
(499,175.00)		499,175.00		1,501,709.00		1,501,709.00			(468,212.00)	135,904.00	
		1,169,401.00		109,935.56		109,935.56			(212,392.00)	172,842.44	
		70,386.00									
(499,175.00)	-	1,738,962.00	-	1,611,644.56	-	1,611,644.56	-	-	(680,604.00)	308,746.44	-
(1.00)		1.00		77,806.00		77,806.00			(17,657.00)	11,195.00	
		71,344.00		21,515.56		21,515.56			(23,682.00)	2,566.44	
		400.00									
(1.00)	-	71,745.00	-	99,321.56	-	99,321.56	-	-	(41,339.00)	13,761.44	-
(499,176.00)	-	1,810,707.00	-	1,710,966.12	-	1,710,966.12	-	-	(721,943.00)	322,507.88	-
(48,863.00)	-	285,143.00	-	334,393.00	-	334,393.00	-	-	(98,113.00)	-	-
		73,660.00		60,545.00		60,545.00			(60,010.00)	73,125.00	
		17,920.00							(27,080.00)	45,000.00	
(800,718.00)	-	1,102,031.00	-	515,414.00	-	515,414.00	-	-	(980,876.00)	766,775.00	-
(800,718.00)	-	1,193,611.00	-	575,959.00	-	575,959.00	-	-	(1,067,966.00)	884,900.00	-
		134,808.00		149,459.00		149,459.00			(364,296.00)	349,645.00	
				5,931.00		5,931.00			(40,000.00)	34,069.00	
									(40,000.00)	40,000.00	
									(45,000.00)	45,000.00	
		492,017.00		1,123,808.00		1,123,808.00			(4,189,182.00)	3,557,391.00	
-	-	626,825.00	-	1,279,198.00	-	1,279,198.00	-	-	(4,678,478.00)	4,026,105.00	-
(931.00)	259.00	931.00		28,208.00		28,208.00		259.00	(4,873.00)	-	-
		23,335.00									
(931.00)	259.00	24,266.00	-	28,208.00	-	28,208.00	-	259.00	(4,873.00)	-	-
				328,191.00		328,191.00			(328,191.00)	-	-
(1,679,763.00)	259.00	4,748,277.00	-	5,045,656.12	-	5,045,656.12	-	259.00	(7,336,867.00)	5,359,724.88	-

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards - Schedule A
For the Fiscal Year Ended June 30, 2022

<u>Federal Grantor / Pass-through Grantor / Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Additional Award Identification</u>	<u>Federal FAIN Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Award Amount</u>	<u>Grant Period</u>	
						<u>From</u>	<u>To</u>
Enterprise Fund:							
U.S. Department of Agriculture:							
Passed-through State Department of Education:							
COVID-19 - P-EBT Administrative Cost	10.649	COVID-19	202121S900941	N/A	\$ 3,063.00	7-1-20	6-30-21
Child Nutrition Cluster:							
School Breakfast Program	10.553	N/A	211NJ304N1099	N/A	390,030.80	10-1-20	6-30-21
School Breakfast Program	10.553	N/A	211NJ304N1099	N/A	779,690.14	7-1-21	6-30-22
Total School Breakfast Program							
National School Lunch Program - Commodities (Noncash)	10.555	N/A	221NJ304N1099	N/A	254,519.30	7-1-21	6-30-22
National School Lunch Program	10.555	N/A	191NJ304N1099	N/A	722,852.46	7-1-18	6-30-19
National School Lunch Program	10.555	N/A	211NJ304N1099	N/A	619,540.48	10-1-20	6-30-21
National School Lunch Program	10.555	N/A	221NJ304N1099	N/A	2,324,591.36	7-1-21	6-30-22
COVID-19 - Emergency Operational Cost Program-Schools	10.555	COVID-19	202121H170341	N/A	34,803.46	7-1-20	6-30-21
Total National School Lunch Program							
Total Child Nutrition Cluster							
Equipment Assistance Grant	10.579	N/A	2211NJ354N8103	N/A	54,891.30	6-2-22	9-30-24
Total Enterprise Fund							
Total Federal Financial Assistance							

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards - Schedule A
 For the Fiscal Year Ended June 30, 2022

Balance June 30, 2021			Budgetary Expenditures							Balance June 30, 2022		
Unearned Revenue (Accounts Receivable)	Due to Grantor	Cash Received	Adjustments	Pass-Through Funds	Direct Funds	Total Budgetary Expenditures	Passed-Through to Subrecipients	Repayment of Prior Years' Balances	Accounts Receivable	Unearned Revenue	Due to Grantor	
\$ (3,063.00)	\$ -	\$ 3,063.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
(37,780.42)	463.30	37,317.12		779,690.14		779,690.14			(44,337.10)			
		735,353.04										
(37,780.42)	463.30	772,670.16	-	779,690.14	-	779,690.14	-	-	(44,337.10)	-	-	
		254,519.30		254,519.30		254,519.30						
(155,989.95)	1,744.20	155,989.95									1,744.20	
		2,215,798.55		2,324,591.36		2,324,591.36			(108,792.81)			
(34,803.46)		34,803.46										
(190,793.41)	1,744.20	2,661,111.26	-	2,579,110.66	-	2,579,110.66	-	-	(108,792.81)	-	1,744.20	
(228,573.83)	2,207.50	3,433,781.42	-	3,358,800.80	-	3,358,800.80	-	-	(153,129.91)	-	1,744.20	
				54,891.30		54,891.30			(54,891.30)			
(231,636.83)	2,207.50	3,436,844.42	-	3,413,692.10	-	3,413,692.10	-	-	(208,021.21)	-	1,744.20	
\$ (1,936,099.26)	\$ 2,466.50	\$ 8,416,084.00	\$ -	\$ 8,746,620.77	\$ -	\$ 8,746,620.77	\$ -	\$ 259.00	\$ (7,625,897.61)	\$ 5,359,724.88	\$ 1,744.20	

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance - Schedule B
 For the Fiscal Year Ended June 30, 2022

<u>State Grantor/ Program Title</u>	<u>State Project Number</u>	<u>Program or Award Amount</u>	<u>Matching</u>	<u>Grant Period</u>		<u>Balance June 30, 2021</u>	
				<u>From</u>	<u>To</u>	<u>Unearned Revenue/ (Accounts Receivable)</u>	<u>Due to Grantor</u>
General Fund:							
State Department of Education:							
State Aid - Public:							
Equalization Aid	21-495-034-5120-078	\$ 33,642,178.00	N/A	7-1-20	6-30-21	\$ (3,210,331.34)	
Equalization Aid	22-495-034-5120-078	37,781,647.00	N/A	7-1-21	6-30-22		
Special Education Categorical Aid	21-495-034-5120-089	3,586,669.00	N/A	7-1-20	6-30-21	(342,260.71)	
Special Education Categorical Aid	22-495-034-5120-089	3,586,669.00	N/A	7-1-21	6-30-22		
Security Aid	21-495-034-5120-084	1,005,014.00	N/A	7-1-20	6-30-21	(95,904.25)	
Security Aid	22-495-034-5120-084	1,005,014.00	N/A	7-1-21	6-30-22		
Total State Aid - Public						(3,648,496.30)	\$ -
Transportation Aid:							
Categorical Transportation Aid	21-495-034-5120-014	2,064,093.00	N/A	7-1-20	6-30-21	(196,967.70)	
Categorical Transportation Aid	22-495-034-5120-014	2,064,093.00	N/A	7-1-21	6-30-22		
Additional Nonpublic School Transportation Aid	21-495-034-5120-014	81,958.00	N/A	7-1-20	6-30-20	(81,958.00)	
Additional Nonpublic School Transportation Aid	22-495-034-5120-014	74,741.00	N/A	7-1-21	6-30-22		
Total Transportation Aid:						(278,925.70)	-
School Security Grant	22-588-034-5120-001	327,416.00	N/A	7-1-20	6-30-22	-	-
Water Lead Testing Program	N/A	30,192.00	N/A	7-1-21	6-30-22	-	-
Extraordinary Aid	21-495-034-5120-044	689,881.00	N/A	7-1-20	6-30-21	(689,881.00)	
Extraordinary Aid	22-495-034-5120-044	727,734.00	N/A	7-1-21	6-30-22		
Total Extraordinary Aid						(689,881.00)	-
T.P.A.F. Social Security Aid	21-495-034-5094-003	2,881,042.11	N/A	7-1-20	6-30-21	(133,332.61)	
T.P.A.F. Social Security Aid	22-495-034-5094-003	3,006,297.07	N/A	7-1-21	6-30-22		
Total T.P.A.F. Social Security Aid						(133,332.61)	-
On-behalf T.P.A.F. Pension Contributions							
Post Retirement Medical	22-495-034-5094-001	3,254,626.00	N/A	7-1-21	6-30-22		
Normal Cost	22-495-034-5094-002	13,736,263.00	N/A	7-1-21	6-30-22		
Non-contributory Insurance	22-495-034-5094-004	193,799.00	N/A	7-1-21	6-30-22		
Long-Term Disability Insurance	22-495-034-5094-004	4,927.00	N/A	7-1-21	6-30-22		
Total On-Behalf TPAF Pension Contributions						-	-
Total General Fund						(4,750,635.61)	-
Special Revenue Fund:							
State Department of Education:							
Preschool Education Aid	22-495-034-5120-086	1,399,892.00	N/A	7-1-21	6-30-22		
Nonpublic Aid:							
Nursing Services	22-100-034-5120-070	44,576.00	N/A	7-1-21	6-30-22		
Textbook Aid (Ch. 194, L. 1977)	21-100-034-5120-064	25,536.00	N/A	7-1-20	6-30-21		133.00
Textbook Aid (Ch. 194, L. 1977)	22-100-034-5120-064	23,888.00	N/A	7-1-21	6-30-22		
Security Aid	22-100-034-5120-509	69,650.00	N/A	7-1-21	6-30-22		
Technology Initiative	22-100-034-5120-373	16,716.00	N/A	7-1-21	6-30-22		
Auxiliary Services (Ch. 192, L. 1977)							
Compensatory Education	21-100-034-5120-067	170,698.00	N/A	7-1-20	6-30-21		36,579.00
Compensatory Education	22-100-034-5120-067	173,785.00	N/A	7-1-21	6-30-22		
English as a Second Language	21-100-034-5120-067	3,553.00	N/A	7-1-20	6-30-21		3,553.00
English as a Second Language	22-100-034-5120-067	914.00	N/A	7-1-21	6-30-22		
Transportation	21-100-034-5120-067	21,126.00	N/A	7-1-20	6-30-21		12,636.00
Transportation	22-100-034-5120-067	19,705.00	N/A	7-1-21	6-30-22		
Handicapped Services (Ch. 193, L. 1977)							
Examination and Classification	21-100-034-5120-066	73,038.00	N/A	7-1-20	6-30-21		2,979.00
Examination and Classification	22-100-034-5120-066	73,396.00	N/A	7-1-21	6-30-22		
Corrective Speech	21-100-034-5120-066	57,418.00	N/A	7-1-20	6-30-21		7,382.00
Corrective Speech	22-100-034-5120-066	62,310.00	N/A	7-1-21	6-30-22		
Supplementary Instruction	21-100-034-5120-066	59,902.00	N/A	7-1-20	6-30-21		10,604.00
Supplementary Instruction	22-100-034-5120-066	61,124.00	N/A	7-1-21	6-30-22		
New Jersey School Development Authority:							
Emergent and Capital Maintenance Needs	N/A	140,183.00	N/A	7-1-21	6-30-23		
Total Special Revenue Fund						-	73,866.00

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance - Schedule B
 For the Fiscal Year Ended June 30, 2022

Cash Received	Budgetary Expenditures	Passed-Through to Subrecipients	Repayment of Prior Years' Balances	Balance June 30, 2022			Memo	
				Accounts Receivable	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2022	Cumulative Total Expenditures
\$ 3,210,331.34							\$	33,642,178.00
34,181,164.33	\$ 37,781,647.00			\$ (3,600,482.67)			\$ (3,600,482.67)	37,781,647.00
342,260.71								3,586,669.00
3,242,843.56	3,586,669.00			(343,825.44)			(343,825.44)	3,586,669.00
95,904.25								1,005,014.00
908,671.30	1,005,014.00			(96,342.70)			(96,342.70)	1,005,014.00
<u>41,981,175.49</u>	<u>42,373,330.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(4,040,650.81)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(4,040,650.81)</u>	<u>80,607,191.00</u>
196,967.70								2,064,093.00
1,866,224.81	2,064,093.00			(197,868.19)			(197,868.19)	2,064,093.00
81,958.00								81,958.00
	74,741.00			(74,741.00)				74,741.00
<u>2,145,150.51</u>	<u>2,138,834.00</u>	<u>-</u>	<u>-</u>	<u>(272,609.19)</u>	<u>-</u>	<u>-</u>	<u>(197,868.19)</u>	<u>4,284,885.00</u>
-	196,200.00	-	-	(327,416.00)	131,216.00	-	-	196,200.00
-	30,192.00	-	-	(30,192.00)	-	-	-	30,192.00
689,881.00								689,881.00
	727,734.00			(727,734.00)				727,734.00
<u>689,881.00</u>	<u>727,734.00</u>	<u>-</u>	<u>-</u>	<u>(727,734.00)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,417,615.00</u>
133,332.61								2,881,042.11
2,733,559.87	3,006,297.07			(272,737.20)				3,006,297.07
<u>2,866,892.48</u>	<u>3,006,297.07</u>	<u>-</u>	<u>-</u>	<u>(272,737.20)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,887,339.18</u>
3,254,626.00	3,254,626.00							3,254,626.00
13,736,263.00	13,736,263.00							13,736,263.00
193,799.00	193,799.00							193,799.00
4,927.00	4,927.00							4,927.00
<u>17,189,615.00</u>	<u>17,189,615.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,189,615.00</u>
<u>64,872,714.48</u>	<u>65,662,202.07</u>	<u>-</u>	<u>-</u>	<u>(5,671,339.20)</u>	<u>131,216.00</u>	<u>-</u>	<u>(4,238,519.00)</u>	<u>109,613,037.18</u>
1,244,352.00	1,385,499.64			(155,540.00)	14,392.36		(155,540.00)	1,385,499.64
44,576.00	44,576.00							44,576.00
			133.00					25,403.00
23,888.00	23,856.00					32.00		23,856.00
69,650.00	69,650.00							69,650.00
16,716.00	16,187.00					529.00		16,187.00
			36,579.00					134,119.00
173,785.00	126,935.00					46,850.00		126,935.00
			3,553.00					
914.00						914.00		
			12,636.00					8,490.00
19,705.00	7,624.00					12,081.00		7,624.00
			2,979.00					70,059.00
73,396.00	65,036.00					8,360.00		65,036.00
			7,382.00					50,036.00
62,310.00	49,197.00					13,113.00		49,197.00
			10,604.00					49,298.00
61,124.00	45,926.00					15,198.00		45,926.00
<u>140,183.00</u>	<u>140,183.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>140,183.00</u>
<u>1,930,599.00</u>	<u>1,974,669.64</u>	<u>-</u>	<u>73,866.00</u>	<u>(155,540.00)</u>	<u>14,392.36</u>	<u>97,077.00</u>	<u>(155,540.00)</u>	<u>2,312,074.64</u>

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance - Schedule B
 For the Fiscal Year Ended June 30, 2022

<u>State Grantor/ Program Title</u>	<u>State Project Number</u>	<u>Program or Award Amount</u>	<u>Matching</u>	<u>Grant Period</u>		<u>Balance June 30, 2021</u>	
				<u>From</u>	<u>To</u>	<u>Unearned Revenue/ (Accounts Receivable)</u>	<u>Due to Grantor</u>
Debt Service Fund:							
State Department of Education:							
Debt Service Aid	22-495-034-5120-075	\$ 1,012,363.00	N/A	7-1-21	6-30-22	\$ -	\$ -
Enterprise Fund:							
State School Lunch Aid	21-100-010-3350-023	40,860.25	N/A	7-1-20	6-30-21	(7,838.04)	
State School Lunch Aid	22-100-010-3350-023	54,733.38	N/A	7-1-21	6-30-22		
Total Enterprise Fund						(7,838.04)	-
Total State Financial Assistance						\$ (4,758,473.65)	\$ 73,866.00
Less: State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:							
General Fund (Non-Cash Assistance):							
New Jersey Department of Education:							
On-behalf T.P.A.F. Pension Contributions							
Post Retirement Medical	22-495-034-5094-001	3,254,626.00	N/A	7-1-21	6-30-22		
Normal Cost	22-495-034-5094-002	13,736,263.00	N/A	7-1-21	6-30-22		
Non-contributory Insurance	22-495-034-5094-004	193,799.00	N/A	7-1-21	6-30-22		
Long-Term Disability Insurance	22-495-034-5094-004	4,927.00	N/A	7-1-21	6-30-22		
Total General Fund (Non-Cash Assistance)							
Total State Financial Assistance subject to Major Program Determination for State Single Audit							

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance - Schedule B
 For the Fiscal Year Ended June 30, 2022

Cash Received	Budgetary Expenditures	Passed- Through to Subrecipients	Repayment of Prior Years' Balances	Balance June 30, 2022			Memo	
				Accounts Receivable	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2022	Cumulative Total Expenditures
\$ 1,033,920.00	\$ 1,033,920.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,033,920.00
7,838.04								40,860.25
52,229.65	54,733.38			(2,503.73)				54,733.38
60,067.69	54,733.38	-	-	(2,503.73)	-	-	-	95,593.63
<u>\$ 67,897,301.17</u>	<u>\$ 68,725,525.09</u>	<u>\$ -</u>	<u>\$ 73,866.00</u>	<u>\$ (5,829,382.93)</u>	<u>\$ 145,608.36</u>	<u>\$ 97,077.00</u>	<u>\$ (4,394,059.00)</u>	<u>\$ 113,054,625.45</u>

\$ 3,254,626.00
 13,736,263.00
 193,799.00
4,927.00
 17,189,615.00
\$ 51,535,910.09

TOWNSHIP OF MONROE SCHOOL DISTRICT

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

Note 1: GENERAL

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedules are presented using the budgetary basis of accounting, with the following exceptions: programs recorded in the capital projects fund are presented on the modified accrual basis of accounting and programs recorded in the enterprise fund are presented using the accrual basis of accounting. These bases of accounting are described in note 1 to the School District’s basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Note 3: INDIRECT COST RATE

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

Note 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

**Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance (Cont'd)**

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

The net adjustment related to federal and state grants to reconcile expenditures from the budgetary basis to the GAAP basis is (\$393,055.00) for the general fund and (\$491,961.24) for the special revenue fund. See exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

Awards and financial assistance revenues reported in the School District's basic financial statements on a GAAP basis with a reconciliation to the budgetary basis reported on the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 287,272.55	\$ 65,269,147.07	\$ 65,556,419.62
Special Revenue	5,143,312.29	1,385,052.23	6,528,364.52
Debt Service		1,033,920.00	1,033,920.00
Food Service	3,413,692.10	54,733.38	3,468,425.48
	<u>8,844,276.94</u>	<u>67,742,852.68</u>	<u>76,587,129.62</u>
GAAP Basis Revenues			
GAAP Adjustments:			
State Aid Payments		548,595.00	548,595.00
Preschool Education Aid Carryover		(14,392.36)	(14,392.36)
Encumbrances	(97,656.17)	448,469.77	350,813.60
	<u>(97,656.17)</u>	<u>982,672.41</u>	<u>885,016.24</u>
Total Awards and Financial Assistance Expended	<u>\$ 8,746,620.77</u>	<u>\$ 68,725,525.09</u>	<u>\$ 77,472,145.86</u>

Note 5: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note 6: REIMBURSED AND ON-BEHALF PAYMENTS

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

Note 7: MAJOR PROGRAMS

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

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

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? X yes none reported

Noncompliance material to financial statements noted? X yes no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X none reported

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

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

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
		Economic Security Act - Elementary & Secondary Emergency Relief:
<u>84.425</u>	<u>S425D210027</u>	<u>Coronavirus Aid Relief and Economic Security Act (CARES)</u>
<u>84.425</u>	<u>S425D210027</u>	<u>Coronavirus Response and Relief Supplemental Appropriations - ESSER II</u>
<u>84.425</u>	<u>S425D210027</u>	<u>Learning Acceleration - ESSER II</u>
<u>84.425</u>	<u>S425U210027</u>	<u>Coronavirus Response and Relief Supplemental Appropriations - ESSER III</u>
<u>84.425</u>	<u>S425U210027</u>	<u>Learning Acceleration - ESSER III</u>
<u>84.425</u>	<u>S425U210027</u>	<u>Summer Learning - ESSER III</u>
		Special Education Cluster (I.D.E.A.):
<u>84.027</u>	<u>H027A210100</u>	<u>I.D.E.A. Part B: Basic</u>
<u>84.027</u>	<u>H027X210100</u>	<u>I.D.E.A. Part B: Basic - ARP</u>
<u>84.173</u>	<u>H173A210114</u>	<u>I.D.E.A. Part B: Preschool</u>
<u>84.173</u>	<u>H173X210114</u>	<u>I.D.E.A. Part B: Preschool - ARP</u>
<u>21.019</u>	<u>S425D200027</u>	<u>Additional or Compensatory Special Education & Related Services</u>

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

Auditee qualified as low-risk auditee? X yes no

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

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

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? yes no
Significant deficiency(ies) identified? yes none reported

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

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

Identification of major programs:

Table with 2 columns: GMIS Number(s) and Name of State Program. Lists programs like Equalization Aid, Special Education Categorical Aid, Security Aid, Debt Service Aid, and Transportation Aid.

Dollar threshold used to distinguish between type A and type B programs: \$ 1,546,077.00

Auditee qualified as low-risk auditee? X yes no

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

Section 2- Schedule of Financial Statement Findings

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

Finding No. 2022-001

Criteria or Specific Requirement

Per N.J.A.C. 6A:23A-16.2(f), a School District shall adopt a chart of accounts prepared in conformity with the Uniform Minimum Chart of Accounts for New Jersey Public Schools.

Condition

During our audit, we noted that the controls over recording and monitoring of the charging of budget accounts were insufficient to ensure compliance with recording expenditures in accordance with the Uniform Minimum Chart of Accounts.

Context

During our testing of controls over expenditures, we noted three expenditures that were misclassified and mischarged to incorrect budget accounts.

Effect or Potential Effect

Not properly monitoring controls over charges to budget accounts could result in over-expenditures or incorrect reporting of financial statements.

Cause

The School District did not have the proper internal controls to ensure compliance with recording expenditures in accordance with the Uniform Minimum Chart of Accounts.

Recommendation

That the School District improve the controls over recording and monitoring of the charging of budget accounts to ensure that the School District is in compliance with N.J.A.C. 6A:23A-16.2(f).

View of Responsible Officials and Planned Corrective Action

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

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

Section 3- Schedule of Federal Award Findings and Questioned Costs

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

None

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

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

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

None

TOWNSHIP OF MONROE SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management

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

STATE FINANCIAL ASSISTANCE PROGRAMS

Finding No. 2021-001

Information on the State Program

State Aid Public:

Equalization Aid

G.M.I.S. No. 495-034-5120-078

Special Education Categorical Aid

G.M.I.S. No. 495-034-5120-089

Security Aid

G.M.I.S. No. 495-034-5120-084

Condition

The School District's workpapers and corresponding documentation did not agree with the submitted A.S.S.A. report and as a result, differences were identified.

Current Status

This condition has been resolved.

