

**SCHOOL DISTRICT  
OF  
BOROUGH OF NEWFIELD**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**of the**

**Borough of Newfield Board of Education**

**Newfield, New Jersey**

**For the Fiscal Year Ended June 30, 2022**

# **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**of the**

**Borough of Newfield Board of Education  
Newfield, New Jersey**

**For the Fiscal Year Ended June 30, 2022**

**Prepared by**

**Borough of Newfield Board of Education**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
OF THE BOROUGH OF NEWFIELD BOARD OF EDUCATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**TABLE OF CONTENTS**

<b><u>INTRODUCTORY SECTION</u></b>	<b><u>Page</u></b>
Letter of Transmittal	1-3
Organizational Chart	4
Roster of Officials	5
Consultants and Advisors	6
<b><u>FINANCIAL SECTION</u></b>	
<b>Independent Auditor's Report</b>	7-9
<b>Required Supplementary Information - Part I Management's Discussion and Analysis (Unaudited)</b>	10-17
<b>Basic Financial Statements</b>	
A. District-wide Financial Statements:	
A-1 Statement of Net Position	18
A-2 Statement of Activities	19
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	20
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	21
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	22
Not Used	23
Proprietary Funds:	
B-4 Statement of Net Position	N/A
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	N/A
B-6 Statement of Cash Flows	N/A
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	N/A
B-8 Statement of Changes in Fiduciary Net Position	N/A
<b>Notes to the Financial Statements</b>	24-48
Not Used	49

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
OF THE BOROUGH OF NEWFIELD BOARD OF EDUCATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**TABLE OF CONTENTS  
(Page 2)**

<b><u>FINANCIAL SECTION (continued)</u></b>	<b><u>Page</u></b>
<b>Required Supplementary Information - Part II</b>	
C. Budgetary Comparison Schedule:	
C-1 Budgetary Comparison Schedule - General Fund	50-52
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	53
<b>Notes to the Required Supplementary Information – Part II</b>	
C-3 Budget-to-GAAP Reconciliation	54
<b>Required Supplementary Information - Part III</b>	
L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L-1 Schedule of the District’s Proportionate Share of the Net Pension Liability – PERS	55
L-2 Schedule of District Contributions – PERS	56
L-3 Schedule of the District’s Proportionate Share of the Net Pension Liability – TPAF	N/A
M. Schedules Related to Accounting and Reporting for OPEB (GASB 75)	
M-1 Schedule of Changes in the Total OPEB Liability and Related Ratios	57

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
OF THE BOROUGH OF NEWFIELD BOARD OF EDUCATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**TABLE OF CONTENTS  
(Page 3)**

<b><u>FINANCIAL SECTION (continued)</u></b>	<b><u>Page</u></b>
<b>Other Supplementary Information</b>	
<b>D. School Based Budget Schedules</b>	
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
<b>E. Special Revenue Fund:</b>	
E-1 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis	58
E-2 Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis	N/A
<b>F. Capital Projects Fund:</b>	
F-1 Summary Schedule of Project Expenditures	N/A
F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budgetary Basis	N/A
F-2(x) Schedule(s) of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis	N/A
<b>G. Proprietary Funds:</b>	
<b>Enterprise Fund:</b>	
G-1 Combining Schedule of Net Position	N/A
G-2 Combining Schedule of Revenues, Expenses and Changes in Fund Net Position	N/A
G-3 Combining Schedule of Cash Flow	N/A
<b>Internal Service Fund:</b>	
G-4 Combining Schedule of Net Position	N/A
G-5 Combining Schedule of Revenues, Expenses and Changes in Fund Net Position	N/A
G-6 Combining Schedule of Cash Flows	N/A

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
OF THE BOROUGH OF NEWFIELD BOARD OF EDUCATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**TABLE OF CONTENTS  
(Page 4)**

<b><u>FINANCIAL SECTION</u> (continued)</b>	<b><u>Page</u></b>
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	N/A
I-2 Schedule of Obligations under Capital Leases	N/A
I-3 Debt Service Fund Budgetary Comparison Schedule	N/A
 <b><u>STATISTICAL SECTION</u> (Unaudited)</b>	
<b>Financial Trends</b>	
J-1 Net Position by Component	59
J-2 Changes in Net Position	60
J-3 Fund Balances – Governmental Funds	61
J-4 Changes in Fund Balance, Governmental Funds	62
J-5 General Fund Other Local Revenue by Source	63
<b>Revenue Capacity</b>	
J-6 Assessed Value and Estimated Actual Value of Taxable Property	64
J-7 Direct and Overlapping Property Tax Rates	65
J-8 Principal Property Taxpayers	66
J-9 Property Tax Levies and Collections	67
<b>Debt Capacity</b>	
J-10 Ratios of Outstanding Debt by Type	68
J-11 Ratios of General Bonded Debt Outstanding	69
J-12 Direct and Overlapping Governmental Activities Debt	70
J-13 Legal Debt Margin Information	71
<b>Demographic and Economic Information</b>	
J-14 Demographic and Economic Statistics	72
J-15 Principal Employers	73
<b>Operating Information</b>	
J-16 Full-time Equivalent District Employees by Function/Program	N/A
J-17 Operating Statistics	N/A
J-18 School Building Information	N/A
J-19 Schedule of Required Maintenance Expenditures by School Facility	74
J-20 Insurance Schedule	75

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
OF THE BOROUGH OF NEWFIELD BOARD OF EDUCATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**TABLE OF CONTENTS  
(Page 5)**

**SINGLE AUDIT SECTION**

	<u>Page</u>
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 <i>Government Auditing Standards</i>	76-77
K-2 Report on Compliance with Requirements Applicable to Each Major Program Report on Internal Control Over Compliance in Accordance with New Jersey OMB Treasury Circular 15-08	78-80
K-3 Schedule of Expenditures of Federal Awards, Schedule A	81
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	82
K-5 Notes to Schedules of Expenditures of Awards and Financial Assistance	83-84
K-6 Schedule of Findings and Questioned Costs- Summary of Auditor's Results	85-86
K-6 Schedule of Findings and Questioned Costs - Financial Statement Federal Awards and State Financial Assistance	87-89
K-7 Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management	90

## **INTRODUCTORY SECTION**



# BOROUGH OF NEWFIELD BOARD OF EDUCATION

724 Dauphin Road  
Vineland, New Jersey 08360

Henry Bermann  
Business Administrator / Board Secretary

Phone (856) 365-1000 x369  
Fax (856) 295-0023

February 17, 2022

Honorable President and  
Members of the Board of Education  
Borough of Newfield School District  
Gloucester County  
Newfield, New Jersey 08344

Dear Board Members:

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

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), "Audits of States, Local Governments, and Non-Profit Organizations" and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

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

The Newfield Public School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB statement No. 14. All funds of the District are included in this report. The Newfield Borough Board of Education, as a sending district, constitutes the District's reporting entity.

As of July 1, 2012, the District will end its only term of educational relationship with the Buena Regional School District. The relationship has been replaced by new full send/receive contracts with both Franklin Township for grades K-6 and Delsea Regional for grades 7-12. The Newfield School District will continue to operate as a nonoperating school district. As required by law, it shall maintain a board of education, a board secretary's office and a budget for its expenditures, including board operations, tuition, transportation, insurance and any other needs.

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

Newfield is not experiencing any measurable growth in development or expansion.

## **3. INTERNAL ACCOUNTING CONTROLS:**

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

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

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

## **4. BUDGETARY CONTROLS:**

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year.

## **5. ACCOUNTING SYSTEM AND REPORTS:**

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements," Note 2.

**6. DEBT ADMINISTRATION:**

At June 30, 2022 the District had no outstanding debt. The available debt amount that may be voted upon is \$3,482,609.

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

**8. RISK MANAGEMENT:**

The Board carries various forms of insurance, including but not limited to general liability, 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 Nightlinger, Colavita and Volpa, Pa. was appointed by the Board. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Title 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and State of New Jersey Treasury Circular 15-08 OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. The auditor's report on the basic financial statements and combining and individual fund statements and schedules are included in the financial section of this report. The auditor's report related specifically to the single audit are included in the single audit section of this report.

**10. ACKNOWLEDGMENTS:**

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

Respectfully submitted,

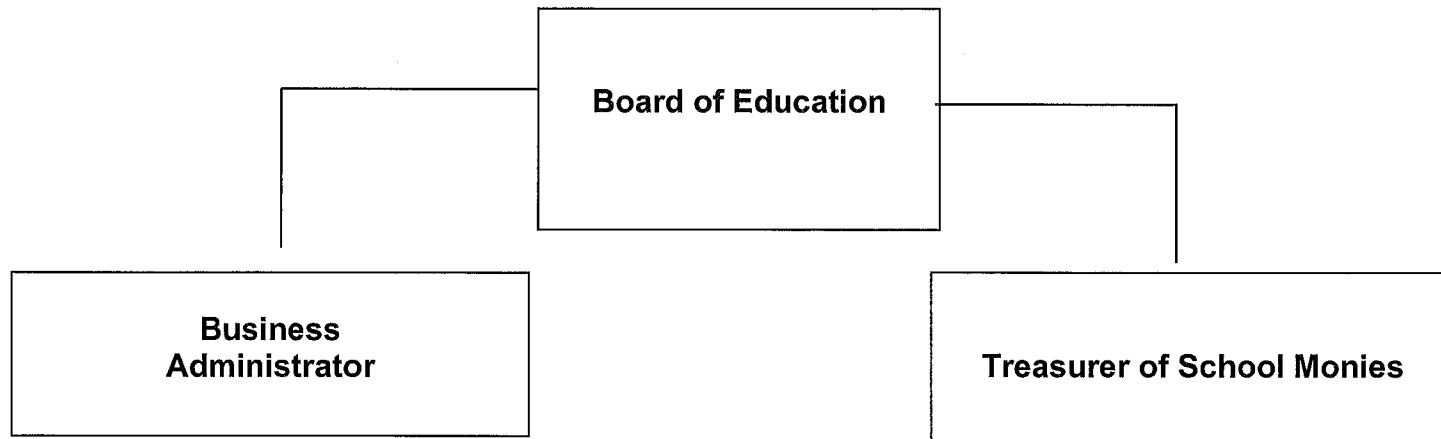
*Joseph Giambri*

Joseph Giambri  
Business Administrator

**BOROUGH OF NEWFIELD BOARD OF EDUCATION  
NEWFIELD, NEW JERSEY**

**Organizational Chart**

**JUNE 30, 2022**



**BOROUGH OF NEWFIELD BOARD OF EDUCATION**  
**NEWFIELD, NEW JERSEY**  
**ROSTER OF OFFICIALS**  
**JUNE 30, 2022**

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Barbara Carey	2022
Joanna Corwonski	2023
Stephanie Moratelli	2024

<u>OTHER OFFICIALS</u>	<u>Bond Amount</u>
Henry Bermann, Business Administrator (To March 2022)	\$132,000
Joseph Giambri, Business Administrator (From March 2022)	\$132,000
Dawn Ramos, Board Secretary (To November 2021)	\$132,000
Joseph Giambri, Board Secretary (From November, 2021)	\$132,000
Terri A. Oliver, Treasurer of School Monies	\$150,000
Ms. Kerri Wright, Solicitor	
Connor Strong and Buckelew Companies, Inc.	

**BOROUGH OF NEWFIELD BOARD OF EDUCATION**  
**CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

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

**ATTORNEY**

**Kerri Wright**  
100 Southgate Parkway  
PO Box 1977  
Morristown, NJ 07962

**OFFICIAL DEPOSITORY**

**Newfield National Bank**  
18-24 West Boulevard  
Newfield, NJ 08344

**FINANCIAL SECTION**

# NIGHTLINGER, COLAVITA & VOLPA

*A Professional Association*  
*Certified Public Accountants*

991 S. Black Horse Pike  
P.O. Box 799  
Williamstown, NJ 08094

(856) 629-3111  
Fax (856) 728-2245  
[www.colavita.net](http://www.colavita.net)

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Borough of Newfield School District  
County of Gloucester, New Jersey 08318

### **Opinions**

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Borough of Newfield 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 year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Board of Education of the Borough of Newfield School District in the County of Gloucester, State of New Jersey, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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



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

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

## **Required Supplementary Information**

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

## Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board of Education of the Borough of Newfield School District in the County of Gloucester, State of New Jersey's basic financial statements. The combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and is also not a required part of the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and related major fund supporting financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## Other Information

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

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

## Other Reporting Required by Government Auditing Standards

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

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, P.A.**



Raymond Colavita, C.P.A., R.M.A.  
Licensed Public School Accountant  
No. 915  
February 17, 2023

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

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

The discussion and analysis of Borough of Newfield Public School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; 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:

- ❖ General revenues accounted for \$5,133,937 in net revenue or 98% percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, accounted for \$116,770 or 2% percent to total revenues of \$5,133,937.
- ❖ Total net position of governmental activities increased by \$250,900 from the prior year.
- ❖ The School District had \$4,999,807 in expenses and \$116,770 of these expenses was offset by program specific charges for services, grants or contributions. Property taxes of \$2,923,137 and Federal and State Aid of \$2,145,469 were adequate to provide for these programs.
- ❖ The General Fund had \$4,999,298 in revenues, \$4,822,026 in expenditures and \$10,774 in other financing uses, which was a transfer to Charter Schools. The General Fund's fund balance increased \$166,498 over 2021.

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

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

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Borough of Newfield School District, the General Fund is by far the most significant fund.

## **Reporting the School District as a Whole Statement of Net Position and the Statement of Activities**

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

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

In the Statement of Net Position and the Statement of Activities, the School District maintains only one type of activity:

- ❖ Governmental activities – All of the School District’s programs and services are reported here including, but not limited to, tuition for instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

## **Reporting the School District’s Most Significant Funds Fund Financial Statements**

The analysis of the School District’s major (all) funds begins on page 20. Fund financial reports provide detailed information about the School District’s major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District’s most significant funds. The School District’s major governmental funds are the General Fund, and Special Revenue Fund.

### **Governmental Funds**

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

## The School District as a Whole

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

Table 1 provides a comparative summary of the District's Net Position for the years ended in 2022 and 2021.

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Current and Other Assets	\$ 888,229	\$ 560,318
Capital Assets, Net	1,578,376	1,672,560
Total Assets	<u>2,466,605</u>	<u>2,232,878</u>
<b>Deferred Outflows of Resources</b>		
Deferred Pension Outflows		
<b>Liabilities</b>		
Other Liabilities	526,421	365,018
Total Liabilities	<u>526,421</u>	<u>365,018</u>
<b>Deferred Inflows of Resources</b>		
Deferred Pension Inflows	186,422	365,008
<b>Net Position</b>		
Invested in Capital Assets, Net of Debt	1,578,376	1,672,560
Restricted	16,638	84,259
Unrestricted (Deficit)	158,738	(253,967)
Total Net Position	<u>\$ 1,753,752</u>	<u>\$ 1,502,852</u>

Table 2 shows the changes in Net Position from fiscal year's 2022 and 2021.

Table 2  
Changes in Net Position

	<u>2022</u>	<u>2021</u>
<b>Revenues</b>		
Programs Revenues		
Shared Services Division	\$	\$
Operating Grants and Contributions	116,770	144,280
General Revenues		
Property Taxes	2,923,137	2,845,351
Grants and Entitlements	2,145,469	1,744,489
Other	65,331	41,320
<b>Total Revenues</b>	<u>5,250,707</u>	<u>4,775,440</u>
<b>Program Expenses</b>		
Instruction	32,661	105,321
Support Services		
Tuition	4,317,760	3,997,800
Other Student Support	50,936	6,386
General Administration and Business	29,329	32,693
Central Services	53,435	55,208
Operations and Maintenance of Facilities	27,642	14,803
Pupil Transportation	392,517	425,708
Other	95,527	129,121
<b>Total Expenses</b>	<u>4,999,807</u>	<u>4,767,040</u>
Increase/(Decrease) in Net Position	<u>\$ 250,900</u>	<u>8,400</u>

### Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. The District's total Governmental Activity revenues were \$5,133,937 for the fiscal year ended June 30, 2022, excluding transfers out of \$10,774. Property taxes of \$2,923,137. made up 57% percent of revenues for governmental activities for fiscal year 2022. Federal, state and local grants accounted for \$2,145,469 or 42%, rental revenue of \$27,284 accounted for .1% and miscellaneous revenue of \$48,821 accounted for .9%. The total cost of all programs and services was \$4,883,037 after eliminating operating grant revenue of \$116,770. Instruction, including tuition charges, was funded by operating grants of \$32,661.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows a comparison of the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3

	<u>Total Cost of Services 2022</u>	<u>Net Cost of Services 2022</u>	<u>Total Cost of Services 2021</u>	<u>Net Cost of Services 2021</u>
Instruction				
Other Instruction	\$ 32,661	\$	\$ 105,321	\$ -
Tuition				
Support Services				
Tuition	4,317,760	4,317,760	3,997,800	3,997,800
Pupils and Instructional Staff	50,936	(33,173)	6,386	(32,573)
General Administration and Business	29,329	29,329	32,693	32,693
Central Services	53,435	53,435	55,208	55,208
Operation and Maintenance of Facilities	27,642	27,642	14,803	14,803
Pupil Transportation	392,517	392,517	425,708	425,708
Employee Benefits				
Other	95,527	95,527	94,755	94,755
Total Expenses	<u>\$ 4,999,807</u>	<u>\$ 4,883,037</u>	<u>\$ 4,732,674</u>	<u>\$ 4,588,394</u>

The only instructional expenses, which included activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities were in the pass through federal and state grants. This is because the District is a total sending district.

Pupils and instructional staff activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development is the responsibility of the receiving district, which receives tuition funds from the Newfield Board of Education.

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

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

The District is responsible for pupil transportation, which includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Extracurricular activities for the students, which are designated to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement, are provided by the tuition receiving district.

Other includes unallocated depreciation and amortization of debt issue costs.

**Business-Type Activities**

- ❖ There was no current year operating activity in the Enterprise Fund.



## The School District's Funds

Information about the School District's major funds starts on page 20. These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., general fund, special revenue fund and capital projects fund presented in the fund-based statements) had total revenues of \$5,294,654 and expenditures of \$5,117,382. The net change in fund balance for the year was an increase of \$166,498, which includes other financing uses of \$10,774

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

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2021</u>	<u>Percent Increase/ (Decrease)</u>
Local Sources	\$ 2,999,242	56.65%	\$ 112,571	3.90%
State Sources	2,295,412	43.35%	401,761	21.22%
Federal Sources	-	0.00%	(28,291)	-100.00%
<b>Total</b>	<b>\$ 5,294,654</b>	<b>100.00%</b>	<b>\$ 486,041</b>	<b>10.11%</b>

The increase in Local Sources is attributed to increases in local tax levy of \$77,786 and \$34,785 in miscellaneous revenue.

The increase in State Sources is attributed to increases in various categorical aids totaling \$332,700, offset by a decrease in special project grants of \$69,061.

The decrease in Federal Sources is attributed to having no federal grants this year.

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

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2021</u>	<u>Percent Increase/ (Decrease)</u>
Current:				
Instruction - Grant Programs	\$ 211,247	4.13%	\$ (4,380)	-2.03%
Undistributed Expenditures	4,905,515	95.86%	339,744	7.44%
Capital Outlay	620	0.01%	49	8.58%
<b>Total</b>	<b>\$ 5,117,382</b>	<b>100.00%</b>	<b>\$ 335,413</b>	<b>7.01%</b>

The increase in Current – Grant Instruction is attributed to other instruction.

The increase in undistributed expenditures is attributed to increases in tuition of \$319,960, employee benefits of \$723, student and instruction related services of \$44,550 and maintenance of \$12,839, offset by decreases in general administrative services of \$3,364, central services of \$1,773 and transportation cost of \$33,191,

### General Fund Budgeting Highlights

The School District's Budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the fiscal year 2022, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

- ❖ Additional costs for student transportation both in regular education and special education.
- ❖ Accounting changes in maintenance and operations
- ❖ Changes in appropriations to prevent budget overruns.

While the District's final budget for the general fund anticipated that revenues would be equal to expenditures, the actual results for the year show an increase of \$208,104 after other financing sources and uses of \$10,774, related to the transfer to a charter school.

- ❖ Actual revenues were \$48,690 more than expected, due to positive variances in state aid of \$870 and miscellaneous revenue of \$47,820.
- ❖ The actual expenditures were \$446,761 lower than expected, which was mostly attributable to a positive variance in undistributed expenditures.

### Capital Assets

At the end of the fiscal year 2022, the School District had \$1,578,376 invested in land, buildings, furniture and equipment. Table 4 shows fiscal 2022 balances compared to 2021.

Table 4  
Capital Assets (Net of Depreciation) at June 30

	<u>2022</u>	<u>2021</u>
Land	\$ 116,231	\$ 116,231
Building and Improvements	1,462,145	1,556,329
Totals	<u>\$ 1,578,376</u>	<u>\$ 1,672,560</u>

Overall capital assets decreased \$94,184 from fiscal year 2021 to fiscal year 2022. The decrease in capital assets resulted from depreciation expense for the year.

## **Debt Administration**

At June 30, 2022, the School District did not have any outstanding debt payable and the School District's overall legal debt margin was \$3,482,609, which fully represents the unvoted debt margin.

## **For the Future**

The Borough of Newfield School District's financial condition remains to be of concern, as the current year improvement was the result of prior year refunds. The major concerns remain the same in a number of areas, which are increased reliance of the district on local property taxes, the unstable ratables over time, and the flat state aid the District faces.

In the past, the Borough of Newfield school budgets have been defeated. The contributing factors for the defeated budgets are thought to be the continuing problems with the high tax rate and the change in the economy. The Board has moved away from a vote on the budget and has built the budget within the 2% cap as established by law. Adequate funding of future budgets within the statutory tax levy limits will continue to present challenges.

The Borough of Newfield is primarily a residential community, with very few ratables; thus the tax burden is focused on homeowners. During the budget process, it was a concern to the Administration and Board of Education how future budgets would be financed. The District is also closely monitoring administrative cost and routinely conduct reviews of all costs centers in the District. The District plans to embark on a service model in the area of shared maintenance to enhance revenue to support the increasing costs of the District. There has been an effort by the board to consolidate the district with a neighboring K-12 system.

In conclusion, the Newfield School District has committed itself to proper financial planning and budgeting. The School District also endeavors to employ proper internal financial controls in providing sound fiscal management to meet the challenges of the future.

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

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Henry Bermann, Superintendent/Business Administrator at Borough of Newfield Board of Education, 724 Dauphin Road, Vineland, N.J. 08360.

**BASIC FINANCIAL STATEMENTS**

## **DISTRICT - WIDE FINANCIAL STATEMENTS**

The statement of net assets and the statement of activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities.

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

**BOROUGH OF NEWFIELD SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

	<b><u>Governmental</u></b>	<b><u>Business-type</u></b>	<b><u>Total</u></b>
	<b><u>Activities</u></b>	<b><u>Activities</u></b>	
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 763,525	\$	\$ 763,525
Receivables, Net	124,704		124,704
Capital Assets, Net (Note 8)	1,578,376		1,578,376
	<hr/>	<hr/>	<hr/>
Total Assets	2,466,605		2,466,605
	<hr/>	<hr/>	<hr/>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Pension Outflows			
	<hr/>	<hr/>	<hr/>
<b>LIABILITIES</b>			
Accounts Payable	515,548		515,548
Due to Grantor	8,167		8,167
Unearned Revenue	2,716		2,716
	<hr/>	<hr/>	<hr/>
Total Liabilities	526,431		526,431
	<hr/>	<hr/>	<hr/>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Pension Inflows	186,422		186,422
	<hr/>	<hr/>	<hr/>
<b>Net Position</b>			
Invested in Capital Assets, Net of Related Debt	1,578,376		1,578,376
Restricted:			
Maintenance Reserve	16,638		16,638
Unrestricted (Deficit)	158,738		158,738
	<hr/>	<hr/>	<hr/>
Total Net Position	\$ 1,753,752	\$	\$ 1,753,752
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

**BOROUGH OF NEWFIELD SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022**

<u>Functions/Programs</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total</u>
Governmental Activities:						
Instruction:						
Other Instruction	\$ 32,661	\$	\$ 32,661	\$	\$	
Support Services:						
Tuition	4,317,760			(4,317,760)		(4,317,760)
Student & Instruction Related Services	50,936		84,109	33,173		33,173
General Administrative Services	29,329			(29,329)		(29,329)
Central Services	53,435			(53,435)		(53,435)
Plant Operations and Maintenance	27,642			(27,642)		(27,642)
Pupil Transportation	392,517			(392,517)		(392,517)
Other	1,343			(1,343)		(1,343)
Unallocated Depreciation	94,184			(94,184)		(94,184)
Total Governmental Activities	<u>4,999,807</u>		<u>116,770</u>	<u>(4,883,037)</u>		<u>(4,883,037)</u>
Business-type Activities:						
Shared Services Division						
Total Business-type Activities						
Total Primary Government	<u>\$ 4,999,807</u>	<u>\$</u>	<u>\$ 116,770</u>	<u>\$ (4,883,037)</u>	<u>\$</u>	<u>\$ (4,883,037)</u>
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				\$ 2,923,137	\$	2,923,137
Federal and State Aid not Restricted				2,145,469		2,145,469
Rent				27,284		27,284
Miscellaneous Income				48,821		48,821
Transfers				(10,774)		(10,774)
Total General Revenues, Special Items, Extraordinary Items and Transfers				<u>5,133,937</u>		<u>5,133,937</u>
Change in Net Position				250,900		250,900
Net Position—Beginning				1,502,852		1,502,852
Net Position—Ending				<u>\$ 1,753,752</u>	<u>\$</u>	<u>\$ 1,753,752</u>

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

## **FUND FINANCIAL STATEMENTS**

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



**GOVERNMENTAL FUNDS**

**BOROUGH OF NEWFIELD SCHOOL DISTRICT**  
**BALANCE SHEETS**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2022**

	General Fund	Special Revenue Fund	Total Governmental Funds
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 643,700	\$ 119,825	\$ 763,525
Accounts Receivable -Intergovernmental	110,268		110,268
Interfund Accounts Receivable		9,353	9,353
Accounts Receivable - State	870	13,566	14,436
	<u>\$ 754,838</u>	<u>\$ 142,744</u>	<u>\$ 897,582</u>
Total Assets			
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts Payable	\$ 380,971	\$ 134,577	\$ 515,548
Due to Grantor		8,167	8,167
Interfund Accounts Payable	9,353		9,353
Deferred Revenue	2,716		2,716
	<u>393,040</u>	<u>142,744</u>	<u>535,784</u>
Total Liabilities			
Fund Balances:			
Assigned Fund Balance:			
Restricted:			
Excess Surplus Designated for Subsequent Years Expenditures			
Excess Surplus			
Assigned - Dedsignated for Subsequent Year's expenditures	290,751		290,751
Maintenance Reserve	16,638		16,638
Unassigned Reported In:			
General Fund	54,409		54,409
	<u>361,798</u>	<u>142,744</u>	<u>361,798</u>
Total Fund Balances			
Total Liabilities and Fund Balances	<u>\$ 754,838</u>	<u>\$ 142,744</u>	

Amounts reported for *governmental activities* in the statement of net assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$4,549,184 and the accumulated depreciation is \$2,970,808 (Note 8).	1,578,376
Deferred Outflow of Resources - Deferred Pension Contribution.	-
Deferred Inflows of Resources - Pension Actuarial Gains.	(186,422)
Net Position of Governmental Activities	<u>\$ 1,753,752</u>

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>			
Local Sources:			
Local Tax Levy	\$ 2,923,137	\$	\$ 2,923,137
Rent	27,284		27,284
Miscellaneous	48,821		48,821
Total - Local Sources	2,999,242		2,999,242
State Sources	2,000,056	295,356	2,295,412
Federal sources			
Total Revenues	4,999,298	295,356	5,294,654
<b>EXPENDITURES</b>			
Current:			
Instruction:			
Other Instruction		211,247	211,247
Support Services:			
Tuition	4,317,760		4,317,760
Student & Instruction Related Services		84,109	84,109
General Administrative Services	29,329		29,329
Central Services	53,435		53,435
Plant Operations and Maintenance	27,642		27,642
Pupil Transportation	392,517		392,517
Unallocated Benefits	723		723
Capital Outlay	620		620
Total Expenditures	4,822,026	295,356	5,117,382
Excess (Deficiency) of Revenues			
Over Expenditures	177,272		177,272
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer of Funds to Charter Schools	(10,774)		(10,774)
Total Other Financing Sources (Uses)	(10,774)		(10,774)
Net Change in Fund Balances	166,498		166,498
Fund Balance—July 1	195,300		195,300
Fund Balance—June 30	\$ 361,798	\$	\$ 361,798

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

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

<b>Total Net Change in Fund Balances - Governmental Funds (from B-2)</b>	<b>\$ 166,498</b>
<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 capital outlays exceeded depreciation in the period.</p>	
Depreciation expense	(94,184)
<p>Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period.</p>	
	178,586
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.</p>	
<p>Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.</p>	
<b>Change in net assets of governmental activities (A-2)</b>	<b>\$ 250,900</b>

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

**BOROUGH OF NEWFIELD SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

**A. Reporting Entity:**

The Borough of Newfield School District is a Type II district located in the County of Gloucester, State of New Jersey. As a Type II district, the Newfield School District functions independently through a Board of Education. The board is comprised of five members elected to three-year terms. These terms are staggered so that some members' terms expire each year. The purpose of the district is to provide education to students in grades K-12. The Newfield School District is a sending district. A Board Secretary is appointed under a contracted service agreement by the Board and is responsible for the administrative control of the District.

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

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

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

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

**New Accounting Standards:**

The School District has adopted the following GASB statements:

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

**BOROUGH OF NEWFIELD SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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

**New Accounting Standards (Cont'd):**

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

**B. Basis of Presentation:**

The District's basic financial statements consist of District-wide statements, including a statement of Net Position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

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

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

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

Fund Financial Statements: During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds,

**BOROUGH OF NEWFIELD SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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

**B. Basis of Presentation (Cont'd):**

including its fiduciary funds. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* – are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting.

**C. Fund Accounting:**

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate.

Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds and accounts are grouped, in the financial statements in this report into three broad funds:

**GOVERNMENTAL FUNDS**

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

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

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

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

**Capital Projects Fund** - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election. The District currently has no capital projects, and, therefore, the accounting system of the District does not include a capital projects fund.

**BOROUGH OF NEWFIELD SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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

**C. Fund Accounting (Cont'd):**

**Debt Service Fund** – The District would account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance majority property acquisition, construction and improvement programs in the debt service fund. There was, however, no bonded debt as of June 30, 2022.

**PROPRIETARY FUNDS**

The accounting system of the district includes a Shared Services proprietary type Enterprise Fund, whereby services are provided on a cost-reimbursement basis.

**FIDUCIARY FUNDS**

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

**Expendable Trust Fund** - The District maintained an Expendable Trust Fund for Unemployment.

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

**Agency Fund** - Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Payroll deductions were accounted for in this fund. There was no student activity fund during fiscal year 2021-2022.

**D. Basis of Accounting and Measurement Focus:**

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

*District-wide, Proprietary and Fiduciary Fund Financial Statements:* The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under the New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available.

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

*Governmental Fund Financial Statements:* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to



**BOROUGH OF NEWFIELD SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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

**D. Basis of Accounting and Measurement Focus (Cont'd):**

pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989. The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned, and expenses are recognized when they are incurred.

**E. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds, which are submitted to the county office. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012 and to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any.

Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2 (f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year.

Formal budgetary integration into the accounting system is 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 last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

Because the District is a non-operating district and grant funds are passed through to the Upper Township School District, the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General and Special Revenue Funds and the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balance - All Governmental Fund Types are the same and no reconciliation of the two bases of accounting is necessary.

**BOROUGH OF NEWFIELD SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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

**E. Budgets/Budgetary Control (Cont'd):**

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

**F. Encumbrances:**

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

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end. The District had no amount reserved for encumbrances at June 30, 2022.

**G. Cash, Cash Equivalents and Investments:**

Cash and cash equivalents 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. 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.

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

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 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 Act. Public depositories include Savings and Loan institutions,

banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having 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 full amount of their deposits to the Governmental Units.

**BOROUGH OF NEWFIELD SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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

**H. Tuition Receivable/Payable:**

Tuition charges payable for the fiscal years 2019-2020, 2020-2021, and 2021-2022 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined. There is no tuition income and, therefore, no tuition receivables.

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

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

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

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

Capital Assets - Capital assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. Capital assets acquired or constructed prior to June 30, 2006 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Capital assets are reflected as expenditures in the applicable governmental funds, and the related assets are reported in the statement of Net Position. Expenditures that enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the asset's currently capitalized cost. The cost of normal repairs and maintenance are not capitalized.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Building	50
Building Improvements	20
Equipment	5-10

**K. Accrued Salaries and Wages:**

As of June 30, 2022, there were no wages earned or accrued.

**L. Compensated Absences:**

The District has no compensated absence liability.

**M. Unearned Revenue:**

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

**BOROUGH OF NEWFIELD SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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

**N. Fund Equity:**

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

**O. Comparative Data/Reclassifications:**

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

**P. Use of Estimates:**

In order for the preparation of basic financial statements to be in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Q. Accrued Liabilities and Long-term Obligations:**

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

**R. Net Position:**

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**S. Fund Balance Reserves:**

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

**BOROUGH OF NEWFIELD SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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

**T. Bond and Lease Acquisition Costs:**

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

**U. Revenues – Exchange and Non-exchange Transactions:**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end. Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or for the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year-end: property taxes available as an advance, interest, and tuition.

**NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

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

	<b><u>Cash and Cash Equivalents</u></b>
Checking accounts	\$ 763,525
Total	\$ <u>763,525</u>

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

**BOROUGH OF NEWFIELD SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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

As of June 30, 2022, the School District's bank balances of \$1,651,887 custodial credit risk as follows:

Insured by Depository Insurance	\$ 250,000
Collateralized under GUDPA	<u>1,401,887</u>
Total	\$ 1,651,887

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

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

All bank deposits and investments as of the balance sheet date are entirely insured or collateralized by a pool maintained by public depositories as required by the Governmental Unit Protection Act and are classified as to credit risk by the following three categories described below.

Custodial Credit Risk for deposits is the risk that, in the event of a bank failure, the districts deposits may not be returned to it. Although the district does not have a formal policy regarding custodial credit risk, as described in Note 1: 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 Protection Act. The Board of Education designates and approves a list of authorized depository institutions based on an evaluation of solicited responses and presentation of GUDPA certifications provided. As of June 30, 2022, the District did not have any investments.

**NOTE 4. TUITION RESERVE ACCOUNT**

There is no current balance in a reserve for tuition.

**NOTE 5. OPERATING AND CAPITAL LEASES**

The District does not have any operating leases or balance in Capital Leases as of June 30, 2022.

**NOTE 6. MAINTENANCE RESERVE**

Maintenance Reserve - New Jersey Statute 18A:7G-9 permits school districts to accumulate funds for the required maintenance of a facility in accordance with EFCFA. The balance may only be increased through an appropriation in the annual general fund budget certified for taxes. Upon completion of a school facilities projects, districts are required to submit a plan for maintenance of that facility. As of June 30, 2022, the District had a balance in maintenance reserve of \$16,638.

**NOTE 7. CAPITAL RESERVE ACCOUNT**

Capital reserve accounts may be established by New Jersey School Districts for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years and are maintained in the general fund, with its activity included in the annual budget. Funds placed in the capital reserve account are restricted to capital projects in the districts approved Long Range Facilities Plan (LRFP).

**BOROUGH OF NEWFIELD SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 7. CAPITAL RESERVE ACCOUNT (CONT'D)**

Upon submission of the LRFP to the Department of Education, a district may increase Capital Reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the account balance cannot at any time exceed the local support cost of uncompleted capital projects in its approved LRFP. The June 30, 2022 LRFP balance of local support costs of uncompleted capital projects is \$225,254. The balance in a Capital Reserve as of June 30, 2022 is \$0.

**NOTE 8. CAPITAL ASSETS**

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

	<b>Beginning Balance 7/1/21</b>	<b>Additions</b>	<b>Retirements</b>	<b>Ending Balance 6/30/22</b>
Governmental Activities:				
Capital Assets that are not being Depreciated:				
Land	\$ 116,231	\$ -	\$ -	\$ 116,231
Total Capital Assets not being Depreciated	116,231			116,231
Site Improvement	30,245			30,245
Building and Building Improvements	4,396,488			4,396,488
Machinery and Equipment	9,760			9,760
Totals at Historical Cost	4,436,493			4,436,493
Less Accumulated Depreciation for :				
Site Improvement	(30,245)			(30,245)
Building and Improvements	(2,840,159)	(94,184)		(2,934,343)
Equipment	(9,760)			(9,760)
Total Accumulated Depreciation	(2,880,164)	(94,184)		(2,974,348)
Total Capital Assets being Depreciated, Net of Accumulated Depreciation	1,556,329	(94,184)		1,462,145
<b>Government Activities Capital Assets, Net</b>	<b>\$ 1,672,560</b>	<b>\$ (94,184)</b>	<b>\$ -</b>	<b>\$ 1,578,376</b>
				<b>To A-1</b>
Depreciation expense was charged to governmental functions as Unallocated				<u>\$ 94,184</u>

**NOTE 9. INTERFUND RECEIVABLES AND PAYABLES**

Interfunds represent amounts due to/from the General Fund and Special Revenue Fund, as of June 30, 2022.

**BOROUGH OF NEWFIELD SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 10. LONG-TERM OBLIGATIONS AND SHORT-TERM DEBT**

At June 30, 2022, the District had no long-term obligations.

**NOTE 11. COMPENSATED ABSENCES**

The District does not have any compensated absence liability as June 30, 2022.

**NOTE 12. PENSION PLANS**

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

**Public Employees' Retirement System**

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

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

The following represents the membership tiers for PERS:

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

**Contributions** - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The PERS member total contribution rate as of July 1, 2020 was 7.5% of base salary.



**BOROUGH OF NEWFIELD SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 12. PENSION PLANS (CONTINUED)**

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

The District employees' contributions for the year ended June 30, 2022 were . Employers in PERS are required to contribute at an actuarially determined rate which includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. The PERS employer rate due in 2022 is 15.98% of covered payroll. The District is billed annually for its normal contribution plus any accrued liability. These contributions were paid by the District and equal to the required contributions for each year. The District's contributions to PERS for the years ended June 30, 2022, and 2021, were \$0 and \$0 respectively.

The total payroll for the year ended June 30, 2022 was \$0. Payroll covered by PERS was \$0 for fiscal year 2022.

**Components of Net Pension Liability** - At June 30, 2022, the District's proportionate share of the PERS net pension liability was \$. The net pension liability was measured as of June 30, 2021. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2021. The District's proportion measured as of June 30, 2021 was 0.0% which was unchanged from its proportion measured as of June 30, 2020.

**Pension Expense and Deferred Outflows/Inflows of Resources** - The District's 2022 PERS pension expense, with respect to GASB 68, was \$(178,586). The District's 2022 deferred outflows of resources and deferred inflows of resources were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$
Changes of assumptions		
Net difference between projected and actual earnings on pension plan investments		
Changes in proportion		
Contributions subsequent to the measurement date		
Total	\$	\$

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

Year		PERS
2022	\$	(85,910)
2023		24,380
2024		34,199
2025		32,978
2026		(5,647)
Thereafter		-
Total	\$	-

**BOROUGH OF NEWFIELD SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 12. PENSION PLANS (CONTINUED)**

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

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

<u>Year</u>	<u>2022</u>	<u>2021</u>
Collective deferred outflows of resources	\$	\$
Collective deferred inflows of resources	\$	- \$ 365,008
Collective Net Pension Liability	\$	\$
District's Proportion		

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

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

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

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

**BOROUGH OF NEWFIELD SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 12. PENSION PLANS (CONTINUED)**

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

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

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

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

**BOROUGH OF NEWFIELD SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 12. PENSION PLANS (CONTINUED)**

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

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

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the Net Pension Liability	\$ _____	\$ _____	\$ _____

**Teachers' Pension and Annuity Fund**

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

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

The following represents the membership tiers for TPAF:

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

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

**BOROUGH OF NEWFIELD SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 12. PENSION PLANS (CONTINUED)**

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

**Contributions** - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. The member contribution rate was 7.5% in as of July 1, 2020. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2021, the State's pension contribution was less than the actuarial determined amount. Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the District and all other related non-contributing employers. No normal or accrued liability contribution by the District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, Accounting and Financial Reporting for Pensions. The District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2022 because of the 100% special funding situation with the State of New Jersey.

During the fiscal year ended June 30, 2022, the State of New Jersey contributed \$0 to the TPAF for pension contributions, \$0 for post-retirement benefits on behalf of the School, and \$0 for long-term disability. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$0 during the year ended June 30, 2022 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

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

**Pension Expense** - For the year ended June 30, 2022, the District recognized pension expense of \$0 and revenue of \$0 for support provided by the State.

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

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

**BOROUGH OF NEWFIELD SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 12. PENSION PLANS (CONTINUED)**

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

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

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

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

**BOROUGH OF NEWFIELD SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 12. PENSION PLANS (CONTINUED)**

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

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

	<u>1% Decrease (6.00%)</u>	<u>Current Discount (7.00%)</u>	<u>1% Increase (8.00%)</u>
State's Share of the Net Pension Liability associated with the District	\$	\$	\$
State's Share of the Net Pension Liability	\$ <u>56,988,413,045</u>	\$ <u>48,165,991,182</u>	\$ <u>40,755,711,186</u>

**Defined Contribution Retirement Program (DCRP)**

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

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

Eligibility

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

**Contributions** – The contribution policy is set by N.J.S.A 43:15C-3 and requires contributions by active members and contributing employers. Plan members are required to contribute 5.5% of their base salary and the District's employer match is an additional 3% contribution. For the year ended June 30, 2022, employee contributions totaled \$0 and the District's employer contribution, recognized in pension expense, was \$0. There were no forfeitures during the fiscal year.

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

**BOROUGH OF NEWFIELD SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 13. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

**General Information about the OPEB Plan**

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

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

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

**Special Funding Situation**

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



**BOROUGH OF NEWFIELD SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 13. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

**Total OPEB Liability**

The State of New Jersey’s total OPEB liability, as of the measurement date of June 30, 2021, was \$60,007,650,970. Of this amount, the total OPEB liability attributable to the School District was \$0.00. The State of New Jersey’s proportionate share of the total OPEB liability is 100%, including the proportion attributable to the School District of 0.00000%. The total OPEB liability for the School District measured as of June 30, 2021 is zero as a result of the Special Funding Situation with the State of New Jersey. The School District’s proportionate share of the total OPEB liability measured as of June 30, 2021 is 0.00%. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position.

**Total Nonemployer OPEB Liability**

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

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

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

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

**Health Care Trend Assumptions**

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

**BOROUGH OF NEWFIELD SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 13. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

**Discount rate**

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

**Changes in the Total OPEB Liability**

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

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

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

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

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

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

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

**BOROUGH OF NEWFIELD SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 13. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

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

For the year ended June 30, 2022, the School District recognized OPEB expense of \$(33,173). The School District reported deferred outflows of resources and deferred inflows of resources from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Expected and Actual Experience	\$	\$
Changes of Assumptions		
Net difference Between Projected and Actual Earnings on OPEB Plan Investments		
Changes in Proportion		203,946
Contributions Subsequent to the Measurement Date		
Total	\$ 0	\$ 203,946

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

Measurement Period Ending June 30,		OPEB
2022	\$	(34,428)
2023		(34,428)
2024		(34,428)
2025		(34,428)
2026		(33,037)
Thereafter		(33,197)
Total	\$	(203,946)

**NOTE 14. LITIGATION**

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

**NOTE 15. RISK MANAGEMENT**

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

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

**BOROUGH OF NEWFIELD SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 15. RISK MANAGEMENT (Continued)**

**New Jersey Unemployment Compensation Insurance** - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and prior year:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2020-2021	None	0	0	0
2019-2020	None	0	0	0
2018-2019	None	0	0	0

**NOTE 16. FUND BALANCE APPROPRIATED**

**General Fund** – Of the \$361,798 General Fund balance at June 30, 2022, None is restricted for Encumbrances, \$16,638 is Restricted for Maintenance Reserve, \$0 is Restricted for Excess Surplus and none is appropriated in the 2022-2023 budget, \$0 restricted for Capital Reserve, \$290,751 none is assigned as fund balance appropriated and included as anticipated revenue for the year ended June 30, 2023 and \$54,409 is unassigned.

**NOTE 17. CALCULATION OF EXCESS SURPLUS**

In accordance with N.J.S.A. 18A:7F-7, as amended, the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey School Funding Reform Act of 2008 (SFRA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. There was no excess fund balance at June 30, 2022 to be appropriated in 2022-2023 budget.

**NOTE 18. DEFICIT FUND BALANCES**

The District did not have a deficit in the Unrestricted Fund Balance in the General Fund and none 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, districts must record the last state aid payment as revenue, for budgeted 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 as asset, the other government recognizes a liability. Since the state is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the state records the payable. Due to the timing difference of recording the last state aid payment, the deficit in the General Fund balance does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2, any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District's GAAP funds statements of the General Fund reflects the last two state aid payments totaled \$196,461.

**BOROUGH OF NEWFIELD SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 19. DEFERRED COMPENSATION**

There are no employees and therefore, no deferred compensation.

**NOTE 20. TAX ABATEMENT**

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

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

**NOTE 21. RECEIVABLES**

Receivables at June 30, 2023 consisted of State Aid in the amount of \$870 in the General Fund, excluding the last 2 State Aid payments totaling \$196,461 and \$13,566 of State Aid in the Special Revenue Fund.

**NOTE 22. DEFERRED TUITION PAYABLE**

Due to budget constraints, which limit the maximum tax levy by statute, the budgets of Newfield Board of Education and Delsea Regional School District are not in sync. As a result, Newfield Board of Education owes back tuition to Delsea Regional School District in the amount of \$309,000 on June 30, 2022, the amount of which is greater than the capacity of Newfield Board of Education to absorb in its ensuing operating budgets. The Newfield Board of Education and Delsea Regional school district developed and agreed to a six-year plan to fund this shortfall over several years, as appropriate within statutory budgetary constraints and with the least fiscally disruptive tax levies. The district is in year three of the plan and has budgeted the third payment in the upcoming year.

**NOTE 23. SUBSEQUENT EVENTS**

There were no other events noted, between the year-end and the date of the audit report February 17, 2023, requiring disclosure.

**End of Notes to Financial Statements**

**REQUIRED SUPPLEMENTARY INFORMATION – PART II**

**BUDGETARY COMPARISON SCHEDULES**

**BOROUGH OF NEWFIELD SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original</u>	<u>Budget</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
	<u>Budget</u>	<u>Transfers</u>	<u>Budget</u>		<u>Final to Actual</u>
					<u>Favorable</u>
					<u>(Unfavorable)</u>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 2,923,137	\$	\$ 2,923,137	\$ 2,923,137	\$
Rent	27,284		27,284	27,284	
Miscellaneous	1,000		1,000	48,821	47,821
Interest Earned on Maintenance Reserve	1		1		(1)
<b>Total - Local Sources</b>	<b>2,951,422</b>		<b>2,951,422</b>	<b>2,999,242</b>	<b>47,820</b>
State Sources:					
Categorical Special Education Aid	130,013		130,013	130,013	
Equalization Aid	1,734,860		1,734,860	1,734,860	
Categorical Security Aid	43,725		43,725	43,725	
Transportation Aid	132,194		132,194	132,194	
Other State Aid:					
Non-Public Transportation Aid				870	870
<b>Total - State Sources</b>	<b>2,040,792</b>		<b>2,040,792</b>	<b>2,041,662</b>	<b>870</b>
Federal Sources:					
<b>TOTAL REVENUES</b>	<b>4,992,214</b>		<b>4,992,214</b>	<b>5,040,904</b>	<b>48,690</b>
<b>EXPENDITURES:</b>					
<b>  Current Expense:</b>					
Regular Programs - Home Instruction					
Purchased Professional-Educational Services					
<b>Total Regular Programs - Home Instruction</b>					
Undistributed Expenditures:					
Instruction:					
Tuition - Other LEAs Within the State - Regular	3,486,211	10,188	3,496,399	3,494,460	1,939
Tuition - Other LEAs Within the State - Special	622,745		622,745	622,745	
Tuition - Co Spec Serv and Regional Day Schools	191,610	1,885	193,495	49,736	143,759
Tuition - Private Schls/Handicapped within State	277,973	(12,670)	265,303	150,819	114,484
<b>Total Undistributed Expenditures - Instruction</b>	<b>\$ 4,578,539</b>	<b>\$ (597)</b>	<b>\$ 4,577,942</b>	<b>\$ 4,317,760</b>	<b>\$ 260,182</b>



**BOROUGH OF NEWFIELD SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FISCAL YEAR ENDED JUNE 30, 2022**  
**(CONTINUED)**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
<b>EXPENDITURES: (Continued)</b>					
<b>CURRENT EXPENSES: (Continued)</b>					
Undistributed Expenditures: (Continued)					
Speech, OT, PT and Related Services:					
Purchased Professional - Educational Services	\$ 1,900	\$	\$ 1,900	\$	\$ 1,900
Total Speech, OT, PT and Related Services	<u>1,900</u>		<u>1,900</u>		<u>1,900</u>
Child Study Team:					
Purchased Professional - Educational Services	600		600		600
Total Child Study Team	<u>600</u>		<u>600</u>		<u>600</u>
Support Services General Administration:					
Legal Services	10,000	(67)	9,933	7,519	2,414
Audit Fees	7,500		7,500	7,500	
Other Purchased Professional Services	2,400		2,400	2,400	
Other Purchased Professional Services		67	67	67	
Miscellaneous Purchased services	6,890		6,890	6,890	
General Supplies	1,000	(28)	972	972	
BEO In-House Training/Meeting Supplies	1,386	(161)	1,225	1,225	
Miscellaneous Expenditures	1,000	262	1,262	1,262	
BOE Member Dues/Fees	1,500	(6)	1,494	1,494	
Total Support Services General Administration	<u>31,676</u>	<u>67</u>	<u>31,743</u>	<u>29,329</u>	<u>2,414</u>
Support Services School Administration					
Other Purchased Services	2,000	(2,000)			
Total Support Services School Administration	<u>2,000</u>	<u>(2,000)</u>			
Central Services:					
Salaries		6,255	6,255	6,255	
Purchased Professional Services	44,737	(1,085)	43,652	39,482	4,170
Purchased Technical Services	12,011	(5,436)	6,575	6,046	529
Supplies and Materials	500		500	386	114
Miscellaneous Expenditures	1,000	266	1,266	1,266	
Total Central Services	<u>58,248</u>		<u>58,248</u>	<u>53,435</u>	<u>4,813</u>
Required Maintenance for School Facilities:					
Cleaning, Repair and Maintenance Services	25,500		25,500	9,000	16,500
Total Required Maintenance for School Facilities	<u>25,500</u>		<u>25,500</u>	<u>9,000</u>	<u>16,500</u>
Other Operation and Maintenance of Plant:					
Purchased Professional and Technical Services	14,855	10,000	24,855	10,000	14,855
Cleaning, Repair and Maintenance Services	4,250		4,250	725	3,525
Insurance	7,964		7,964	7,917	47
Total Custodial Services	<u>27,069</u>	<u>10,000</u>	<u>37,069</u>	<u>18,642</u>	<u>18,427</u>
Student Transportation Services:					
Contr Serv - Aid in Lieu of Payments - Nonpublic	8,000	2,000	10,000	10,000	
Contracted Services (Home/School) - Joint Agreement	215,873		215,873	215,872	1
Contracted Services (Special Ed. Students) - Joint Agreements	103,548		103,548	103,548	
Contracted Services (Special Ed. Students) ESCs & CTSA	156,572	(241)	156,331	63,097	93,234
Total Student Transportation Services	<u>\$ 483,993</u>	<u>\$ 1,759</u>	<u>\$ 485,752</u>	<u>\$ 392,517</u>	<u>\$ 93,235</u>

**BOROUGH OF NEWFIELD SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FISCAL YEAR ENDED JUNE 30, 2022**  
**(CONTINUED)**

	<u>Original</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
<b>EXPENDITURES: (Continued)</b>					
<b>CURRENT EXPENSES: (Continued)</b>					
Unallocated Benefits					
Social Security Contributions	\$	\$ 479	\$ 479	\$ 479	\$
Unemployment Compensation		244	244	244	
Total Unallocated Benefits		723	723	723	
Total Undistributed Expenditures	5,209,525	9,952	5,219,477	4,821,406	398,071
Interest Earned on Maintenance Reserve	1	(1)			
<b>TOTAL EXPENDITURES - CURRENT EXPENSE</b>	<u>5,209,526</u>	<u>9,951</u>	<u>5,219,477</u>	<u>4,821,406</u>	<u>398,071</u>
<b>CAPITAL OUTLAY:</b>					
Increase in Capital Reserve					
Facilities Acquisition and Construction Services					
Debt Service Assessment	571	49	620	620	
<b>TOTAL CAPITAL OUTLAY</b>	<u>571</u>	<u>49</u>	<u>620</u>	<u>620</u>	
<b>TOTAL EXPENDITURES</b>	<u>5,210,097</u>	<u>10,000</u>	<u>5,220,097</u>	<u>4,822,026</u>	<u>398,071</u>
Excess (Deficiency) of Revenues and Other Over (Under) Expenditures	(217,883)	(10,000)	(227,883)	218,878	446,761
<b>Other Financing Sources (Uses):</b>					
Transfer of Funds to Charter Schools	(23,737)		(23,737)	(10,774)	12,963
<b>Total Other Financing Sources (Uses)</b>	<u>(23,737)</u>		<u>(23,737)</u>	<u>(10,774)</u>	<u>12,963</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(241,620)	(10,000)	(251,620)	208,104	459,724
Fund Balances, July 1	350,155		350,155	350,155	
Fund Balances, June 30	\$ 108,535	\$ (10,000)	\$ 98,535	\$ 558,259	\$ 459,724
<b>Recapitulation:</b>					
<b>Restricted Fund Balance</b>					
Excess Surplus Designated for Subsequent Expenditures				\$	
Excess Surplus					
Capital Reserve					
Maintenance Reserve				16,638	
<b>Assigned Fund Balance:</b>					
Year-End Encumbrances					
Designated for Subsequent Year's Expenditures				290,751	
<b>Unassigned Fund Balance</b>				<u>250,870</u>	
				558,259	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP Basis				(196,461)	
<b>Fund Balance per Governmental funds (GAAP)</b>				<u>\$ 361,798</u>	

**BOROUGH OF NEWFIELD SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
**AS OF JUNE 30, 2022**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
State Sources	\$ 157,309	\$ 305,341	\$ 462,650	\$ 280,648	\$ 182,002
Federal Sources					
<b>Total Revenues</b>	<u>157,309</u>	<u>305,341</u>	<u>462,650</u>	<u>280,648</u>	<u>182,002</u>
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Textbooks	8,333	138,112	146,445	14,645	131,800
Purchased Professional - Educational Services	108,659	112,563	221,222	186,354	34,868
General Supplies	5,619	4,629	10,248	10,248	
<b>Total Instruction</b>	<u>122,611</u>	<u>255,304</u>	<u>377,915</u>	<u>211,247</u>	<u>166,668</u>
<b>Support Services</b>					
Materials and Supplies	19,559	37,848	57,407	42,073	15,334
Purchased Professional Technical Services	15,139	12,189	27,328	27,328	
<b>Total Support Services</b>	<u>34,698</u>	<u>50,037</u>	<u>84,735</u>	<u>69,401</u>	<u>15,334</u>
<b>Facilities Acquisition and Construction Services:</b>					
Non-instructional Equipment					
<b>Total Facilities Acquisition and Construction Services</b>					
<b>Total Expenditures</b>	<u>157,309</u>	<u>305,341</u>	<u>462,650</u>	<u>280,648</u>	<u>182,002</u>
<b>Other Financing Sources (Uses)</b>					
<b>Total Outflows</b>	<u>157,309</u>	<u>305,341</u>	<u>462,650</u>	<u>280,648</u>	<u>182,002</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BOROUGH OF NEWFIELD SCHOOL DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**NOTE TO RSI**  
**FISCAL YEAR ENDED JUNE 30, 2022**

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

	General Fund	Special Revenue Fund
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 5,040,904	[C-2] \$ 280,648
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current Year		
Prior Year		14,708
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	154,855	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until subsequent year.	(196,461)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ 4,999,298	[B-2] \$ 295,356
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 4,822,026	[C-2] \$ 280,648
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Current Year		
Prior Year		14,708
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.		
Net transfers (outflows) to general fund		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2] \$ 4,822,026	[B-2] \$ 295,356

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Pension Liability					0.022950%	0.004210%	0.004725%	0.003429%
District's Proportionate Share of the Net Pension Liability	\$	\$	\$	\$	\$ 534,221	\$ 1,246,780	\$ 1,060,607	\$ 641,976
District's Covered-Employee Payroll	\$	\$	\$	\$	\$	\$ 33,698	\$ 241,983	\$ 314,898
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll						3699.86%	438.30%	203.87%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability		58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%

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

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

**BOROUGH OF NEWFIELD SCHOOL DISTRICT**  
**Schedule of District Contributions**  
**Public Employees' Retirement System (PERS)**  
**Last Ten Fiscal Years\***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$	\$	\$	\$	\$ 21,260	\$ 37,622	\$ 40,620	\$ 28,261
Contributions in relation to the Contractually Required Contribution					(21,260)	(37,622)	(40,620)	(28,261)
Contribution Deficiency (Excess)	\$	\$	\$	\$	\$	\$	\$	\$
District's Covered-Employee Payroll	\$	\$	\$	\$	\$	\$ 33,698	\$ 241,983	\$ 314,898
Contributions as a Percentage of Covered-Employee Payroll						111.64%	16.79%	8.97%

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



**BOROUGH OF NEWFIELD SCHOOL DISTRICT**  
**Required Supplementary Information - Part III**  
**Schedule of Changes in the Total OPEB Liability and Related Ratios**  
**State Health Benefit Local Education Retired Employees Plan**  
**Last Ten Fiscal Years**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total OPEB Liability</b>					
Service Cost	\$	\$	8,019	\$ 12,913	\$ 15,754
Interest Cost			7,923	9,940	8,785
Changes of Benefit Terms					
Differences Between Expected and Actual Experiences			(212,663)	(65,736)	
Changes of Assumptions				(22,575)	(46,787)
Member Contributions				182	228
Gross Benefit Payments				(5,260)	(6,190)
<b>Net Change in Total OPEB Liability</b>			(196,721)	(70,536)	(28,210)
<b>Total OPEB Liability - Beginning</b>			196,721	267,257	295,467
<b>Total OPEB Liability - Ending</b>	\$	\$	\$	\$ 196,721	\$ 267,257
<b>Covered-Employee Payroll</b>	\$	\$	\$	\$	\$
<b>Total OPEB Liability as a Percentage of Covered-Employee Payroll</b>	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to Schedule:

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

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

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

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

**OTHER SUPPLEMENTARY INFORMATION**

## **SPECIAL REVENUE FUND DETAIL STATEMENTS**

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

**BOROUGH OF NEWFIELD SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
**COMBINING SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2021)**

	<u>Auxiliary Services</u> Chapter 192			<u>Handicapped Services</u> Chapter 193			<u>Non Public</u> <u>Tech Svcs</u>	<u>Non Public</u> <u>Nursing</u>	<u>Non Public</u> <u>Security</u>	<u>Total</u>	
	<u>Non Public</u> <u>Textbooks</u>	<u>Non Public</u> <u>Basic Skills</u>	<u>Non Public</u> <u>Transport</u>	<u>Non Public</u> <u>Exam/Class</u>	<u>Non Public</u> <u>Supp Instr</u>	<u>Non Public</u> <u>Speech</u>				<u>2022</u>	<u>2021</u>
<b>REVENUES:</b>											
State Sources	\$ 14,645	\$ 72,738	\$ 4,656	\$ 40,009	\$ 29,240	\$ 39,711	\$ 10,248	\$ 27,328	\$ 42,073	\$ 280,648	\$ 241,003
Federal Sources											28,291
Local Programs											
<b>Total Revenues</b>	<b>\$ 14,645</b>	<b>\$ 72,738</b>	<b>\$ 4,656</b>	<b>\$ 40,009</b>	<b>\$ 29,240</b>	<b>\$ 39,711</b>	<b>\$ 10,248</b>	<b>\$ 27,328</b>	<b>\$ 42,073</b>	<b>\$ 280,648</b>	<b>\$ 269,294</b>
<b>EXPENDITURES:</b>											
Instruction:											
Textbooks	\$ 14,645	\$	\$	\$	\$	\$	\$	\$	\$	\$ 14,645	\$ 12,706
Purchased Professional Educational Services		72,738	4,656	40,009	29,240	39,711				186,354	174,630
General Supplies							10,248			10,248	28,291
<b>Total Instruction</b>	<b>14,645</b>	<b>72,738</b>	<b>4,656</b>	<b>40,009</b>	<b>29,240</b>	<b>39,711</b>	<b>10,248</b>			<b>211,247</b>	<b>215,627</b>
Support Services:											
Purchased Professional Tech Serv.								27,328		27,328	21,930
Supplies and Materials									42,073	42,073	31,737
<b>Total Support Services</b>								<b>27,328</b>	<b>42,073</b>	<b>69,401</b>	<b>53,667</b>
Facilities Acquisition and Const. Serv. Non-Instructional Equipment											
<b>Total Expenditures</b>	<b>\$ 14,645</b>	<b>\$ 72,738</b>	<b>\$ 4,656</b>	<b>\$ 40,009</b>	<b>\$ 29,240</b>	<b>\$ 39,711</b>	<b>\$ 10,248</b>	<b>\$ 27,328</b>	<b>\$ 42,073</b>	<b>\$ 280,648</b>	<b>\$ 269,294</b>

**STATISTICAL SECTION**

**BOROUGH OF NEWFIELD SCHOOL DISTRICT**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
*(Accrual Basis of Accounting)*  
*(Unaudited)*

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Governmental Activities</b>										
Invested in Capital Assets, Net of Related Debt	\$ 2,431,209	\$ 2,336,248	\$ 2,241,287	\$ 2,146,774	\$ 2,049,296	\$ 1,955,112	\$ 1,860,928	\$ 1,766,744	\$ 1,672,560	\$ 1,578,376
Restricted	85,807	251,710			26,030		3,255	84,259	84,259	16,638
Unrestricted (Deficit)	132,539	135,722	(51,304)	171,340	(433,269)	(600,062)	(367,028)	(356,551)	(253,967)	158,738
<b>Total Governmental Activities Net Position</b>	<b>\$ 2,649,555</b>	<b>\$ 2,723,680</b>	<b>\$ 2,189,983</b>	<b>\$ 2,318,114</b>	<b>\$ 1,642,057</b>	<b>\$ 1,355,050</b>	<b>\$ 1,497,155</b>	<b>\$ 1,494,452</b>	<b>\$ 1,502,852</b>	<b>\$ 1,753,752</b>
<b>Business-Type Activities</b>										
Invested in Capital Assets, Net of Related Debt	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted										
Unrestricted		47,891	73,154	77,151						
<b>Total Business-Type Activities Net Position</b>	<b>\$</b>	<b>\$ 47,891</b>	<b>\$ 73,154</b>	<b>\$ 77,151</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>District-Wide</b>										
Invested in Capital Assets, Net of Related Debt	\$ 2,431,209	\$ 2,336,248	\$ 2,241,287	\$ 2,146,774	\$ 2,049,296	\$ 1,955,112	\$ 1,860,928	\$ 1,766,744	\$ 1,672,560	\$ 1,578,376
Restricted	85,807	251,710			26,030		3,255	84,259	84,259	16,638
Unrestricted (Deficit)	152,077	183,613	21,850	248,491	(433,269)	(600,062)	(367,028)	(356,551)	(253,967)	158,738
<b>Total District-Wide Net Position</b>	<b>\$ 2,669,093</b>	<b>\$ 2,771,571</b>	<b>\$ 2,263,137</b>	<b>\$ 2,395,265</b>	<b>\$ 1,642,057</b>	<b>\$ 1,355,050</b>	<b>\$ 1,497,155</b>	<b>\$ 1,494,452</b>	<b>\$ 1,502,852</b>	<b>\$ 1,753,752</b>

Source: ACFR Schedule A-1

**BOROUGH OF NEWFIELD SCHOOL DISTRICT**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
*(Accrual Basis of Accounting)*  
*(Unaudited)*

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Expenses</b>										
<b>Governmental Activities</b>										
Instruction										
Home Instruction	\$ 1,728	\$	\$	\$	\$	\$ 3,096	\$	\$	\$	\$
Regular	80,941	102,257	123,102	108,503	143,795	136,222	135,458	155,469	105,321	32,661
Tuition	71,907	69,605	53,635	77,850	45,583	15,820				
Support Services										
Tuition	2,564,218	2,569,453	3,367,507	2,786,724	3,401,134	3,492,285	3,056,936	3,634,961	3,997,800	4,317,760
Student and Instruction Related Services	9,094	12,970	46,554	23,440	29,800	39,327	58,465	33,519	6,386	50,936
General and Business Administrative Services	11,609	17,748	18,259	39,985	17,455	18,034	18,872	29,280	32,693	29,329
Central Services	48,947	81,192	49,668	97,824	51,921	49,749	43,913	53,765	55,208	53,435
Plant Operations and Maintenance	96,616	158,338	31,926	162,531	77,964	15,615	30,706	14,806	14,803	27,642
Pupil Transportation	334,542	393,075	533,159	300,573	284,109	388,755	394,953	353,052	425,708	392,517
Business and Other Support Services	9674	17107								
Unallocated Benefits				161967	264511	125,561				
Interest on Long-Term Debt	570	504	571	571	571	571	560	571	571	1,343
Unallocated Depreciation and Amortization	101,366	94,961	94,961	94,513	97,478	94,184	94,184	94,184	94,184	94,184
<b>Total Governmental Activities Expenses</b>	<b>3,331,212</b>	<b>3,517,210</b>	<b>4,319,342</b>	<b>3,854,481</b>	<b>4,414,321</b>	<b>4,379,219</b>	<b>3,834,047</b>	<b>4,369,607</b>	<b>4,732,674</b>	<b>4,999,807</b>
<b>Business-Type Activities</b>	<b>175,684</b>	<b>501,105</b>	<b>732,133</b>	<b>869,909</b>	<b>501,680</b>	<b>750</b>				
<b>Total District Expenses</b>	<b>\$ 3,506,896</b>	<b>\$ 4,018,315</b>	<b>\$ 5,051,475</b>	<b>\$ 4,724,390</b>	<b>\$ 4,916,001</b>	<b>\$ 4,379,969</b>	<b>\$ 3,834,047</b>	<b>\$ 4,369,607</b>	<b>\$ 4,732,674</b>	<b>\$ 4,999,807</b>
<b>Program Revenues</b>										
<b>Governmental Activities</b>										
Operating Grants and Contributions	\$ 161,942	\$ 184,832	\$ 223,291	\$ 209,793	\$ 216,678	\$ 193,615	\$ 188,810	\$ 211,267	\$ 144,280	\$ 116,770
<b>Total Governmental Activities Program Revenues</b>	<b>161,942</b>	<b>184,832</b>	<b>223,291</b>	<b>209,793</b>	<b>216,678</b>	<b>193,615</b>	<b>188,810</b>	<b>211,267</b>	<b>144,280</b>	<b>116,770</b>
<b>Business-Type Activities</b>	<b>195,222</b>	<b>529,458</b>	<b>757,396</b>	<b>871,933</b>	<b>426,736</b>	<b>10,000</b>				
<b>Total District Program Revenues</b>	<b>\$ 161,942</b>	<b>\$ 714,290</b>	<b>\$ 980,687</b>	<b>\$ 1,081,726</b>	<b>\$ 643,414</b>	<b>\$ 203,615</b>	<b>\$ 188,810</b>	<b>\$ 211,267</b>	<b>\$ 144,280</b>	<b>\$ 116,770</b>
<b>Net (Expense)/Revenue</b>										
<b>Governmental Activities</b>	<b>\$ (3,169,270)</b>	<b>\$ (3,332,378)</b>	<b>\$ (4,096,051)</b>	<b>\$ (3,644,688)</b>	<b>\$ (4,197,643)</b>	<b>\$ (4,185,604)</b>	<b>\$ (3,645,237)</b>	<b>\$ (4,158,340)</b>	<b>\$ (4,588,394)</b>	<b>\$ (4,883,037)</b>
<b>Business-Type Activities</b>	<b>19,538</b>	<b>28,353</b>	<b>25,263</b>	<b>2,024</b>	<b>(74,944)</b>	<b>9,250</b>				
<b>Total District-Wide Net Expense</b>	<b>\$ (3,169,270)</b>	<b>\$ (3,304,025)</b>	<b>\$ (4,070,788)</b>	<b>\$ (3,642,664)</b>	<b>\$ (4,272,587)</b>	<b>\$ (4,176,354)</b>	<b>\$ (3,645,237)</b>	<b>\$ (4,158,340)</b>	<b>\$ (4,588,394)</b>	<b>\$ (4,883,037)</b>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental Activities</b>										
Property Taxes Levied for General Purposes, net	\$ 1,931,297	\$ 1,950,610	\$ 2,079,911	\$ 2,216,837	\$ 2,261,174	\$ 2,406,245	\$ 2,454,370	\$ 2,503,456	\$ 2,845,351	\$ 2,923,137
Taxes Levied for Debt Service										
Unrestricted Grants and Contributions	1,415,823	1,426,550	1,449,516	1,460,623	1,490,981	1,533,081	1,540,525	1,593,121	1,744,489	2,145,469
Investment Earnings	1,267	711	480	623	498	461	1,026			
Miscellaneous Income	15,000	28,632	32,447	96,709	50,901	67,575	31,414	75,449	41,320	76,105
Cancellation of Prior Year Receivables										
Transfers					(14,175)	(14,175)	(15,939)	(16,389)	(34,366)	(10,774)
Cancellation Prior Year Accounts Receivable					(270,000)	(103,840)	(224,054)			
<b>Total Governmental Activities</b>	<b>3,363,387</b>	<b>3,406,503</b>	<b>3,562,354</b>	<b>3,774,792</b>	<b>3,519,379</b>	<b>3,889,347</b>	<b>3,787,342</b>	<b>4,155,637</b>	<b>4,596,794</b>	<b>5,133,937</b>
<b>Total District-Wide</b>	<b>\$ 3,363,387</b>	<b>\$ 3,406,503</b>	<b>\$ 3,562,354</b>	<b>\$ 3,774,792</b>	<b>\$ 3,519,379</b>	<b>\$ 3,889,347</b>	<b>\$ 3,787,342</b>	<b>\$ 4,155,637</b>	<b>\$ 4,596,794</b>	<b>\$ 5,133,937</b>
<b>Change in Net Position</b>										
<b>Governmental Activities</b>	<b>\$ 194,117</b>	<b>\$ 74,125</b>	<b>\$ (533,697)</b>	<b>\$ 130,104</b>	<b>\$ (678,264)</b>	<b>\$ (296,257)</b>	<b>\$ 142,105</b>	<b>\$ (2,703)</b>	<b>\$ 8,400</b>	<b>\$ 250,900</b>
<b>Business-Type Activities</b>	<b>19,538</b>	<b>28,353</b>	<b>25,263</b>	<b>2,024</b>	<b>(74,944)</b>	<b>9,250</b>				
<b>Total District-Wide</b>	<b>\$ 213,655</b>	<b>\$ 102,478</b>	<b>\$ (508,434)</b>	<b>\$ 132,128</b>	<b>\$ (753,208)</b>	<b>\$ (287,007)</b>	<b>\$ 142,105</b>	<b>\$ (2,703)</b>	<b>\$ 8,400</b>	<b>\$ 250,900</b>

Source: ACFR Schedule A-2

**BOROUGH OF NEWFIELD SCHOOL DISTRICT**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
*(Modified Accrual Basis of Accounting)*  
*(Unaudited)*

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Fund										
Restricted	\$	\$ 85,807	\$ 9,982	\$	\$	\$	\$	\$ 84,259	\$ 84,259	\$ 16,638
Assigned			241,728	9,982	280,082		3,255	13,558	170,616	290,751
Unassigned (Deficit)	(77,137)	132,539	135,722	16,936	131,447	(63,780)	149,400	105,205	(59,575)	54,409
<b>Total General Fund</b>	<b>\$ (77,137)</b>	<b>\$ 218,346</b>	<b>\$ 387,432</b>	<b>\$ 26,918</b>	<b>\$ 411,529</b>	<b>\$ (63,780)</b>	<b>\$ 152,655</b>	<b>\$ 203,022</b>	<b>\$ 195,300</b>	<b>\$ 361,798</b>
All Other Governmental Funds										
Restricted	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Unrestricted, Reported in:										
Special Revenue Fund										
Capital Projects Fund										
Debt Service Fund										
Permanent Fund										
<b>Total All Other Governmental Funds</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

Source: ACFR Schedule B-1



**BOROUGH OF NEWFIELD SCHOOL DISTRICT**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
*(Unaudited)*

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues</b>										
Tax Levy	\$ 1,931,297	\$ 1,950,610	\$ 2,079,911	\$ 216,837	\$ 2,261,174	\$ 2,406,245	\$ 2,454,370	\$ 2,503,456	\$ 2,845,351	\$ 2,923,137
Rent	15,000	17,500	17,500	21,667	25,000	25,600	26,214	26,738	27,273	27,284
Interest Earnings	1,267	711	480	623	498	461	1,026			
Miscellaneous		11,132	14,947	73,069	25,895	41,975	5,200	48,711	14,047	48,821
State Sources	1,505,858	1,541,777	1,589,501	1,592,566	1,662,076	1,691,033	1,709,492	1,829,542	1,893,651	2,295,412
Federal Sources	71,907	69,605	83,306	77,850	45,583	15,820			28,291	-
<b>Total Revenues</b>	<b>3,525,329</b>	<b>3,591,335</b>	<b>3,785,645</b>	<b>1,982,612</b>	<b>4,020,226</b>	<b>4,181,134</b>	<b>4,196,302</b>	<b>4,408,447</b>	<b>4,808,613</b>	<b>5,294,654</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	82,669	102,257	123,102	108,503	143,795	3,096				
Other Instruction						136,222	135,458	196,583	215,627	211,247
Tuition	71,907	69,605	53,635	77,850	45,583	15,820				
<b>Support Services</b>										
Tuition	2,564,218	2,569,453	3,367,507	2,786,724	3,401,134	3,492,285	3,056,936	3,634,961	3,997,800	4,317,760
Student and Instruction Related Services	9,094	12,970	46,554	23,440	29,800	39,327	58,465	58,673	39,559	84,109
General Administrative Services	11,609	17,748	18,259	39,985	17,455	18,034	18,872	29,280	32,693	29,329
Central Services	48,947	81,192	49,668	97,824	51,921	49,749	43,913	53,765	55,208	53,435
Plant Operations and Maintenance	96,616	158,338	31,926	162,531	77,964	15,615	30,706	14,806	14,803	27,642
Pupil Transportation	334,542	393,075	454,937	300,573	284,109	388,755	394,953	353,052	425,708	392,517
Unallocated Employee Benefits	9,674	17,107			52,876	21,260				723
Capital Outlay	570	504	571	571	571	571	571	571	571	620
<b>Total Expenditures</b>	<b>3,229,846</b>	<b>3,422,249</b>	<b>4,146,159</b>	<b>3,598,001</b>	<b>4,105,208</b>	<b>4,180,734</b>	<b>3,739,874</b>	<b>4,341,691</b>	<b>4,781,969</b>	<b>5,117,382</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	295,483	169,086	(360,514)	384,611	(84,982)	400	456,428	66,756	26,644	177,272
<b>Other Financing Sources (Uses)</b>										
Transfer to Shared Service Fund					(267,787)	(94,590)	(200,852)			
Transfer of Funds to Charter Schools					(14,175)	(14,175)	(15,939)	(16,389)	(34,366)	(10,774)
Cancellation Prior Year Accounts Receivable							(23,202)			
<b>Total Other Financing Sources (Uses)</b>					<b>(281,962)</b>	<b>(108,765)</b>	<b>(239,993)</b>	<b>(16,389)</b>	<b>(34,366)</b>	<b>(10,774)</b>
<b>Net Change in Fund Balances</b>	<b>\$ 295,483</b>	<b>\$ 169,086</b>	<b>\$ (360,514)</b>	<b>\$ 384,611</b>	<b>\$ (366,944)</b>	<b>\$ (108,365)</b>	<b>\$ 216,435</b>	<b>\$ 50,367</b>	<b>\$ (7,722)</b>	<b>\$ 166,498</b>
Debt Service as a Percentage of Noncapital Expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: ACFR Schedule B-2

**BOROUGH OF NEWFIELD SCHOOL DISTRICT**  
**GENERAL FUND OTHER LOCAL REVENUE BY SOURCE**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Rentals</u>	<u>Prior Year</u> <u>Orders</u> <u>Cancelled</u>	<u>Refund of</u> <u>Prior Year</u> <u>Expenditure</u>	<u>Refund of</u> <u>Prior Year</u> <u>Tuition</u>	<u>Misc.</u>	<u>Total</u>
2022	\$	\$	27,284	\$	\$	\$	\$
2021			27,273			48,821	\$ 76,105
2020			26,738			14,047	41,320
2019	1,026		26,214			48,711	75,449
2018	461		25,600			5,200	32,440
2017	498		25,000			39,542	65,603
2016	623		21,667	67,064		25,895	51,393
2015	480		17,500	7,887	4,796	6,005	95,359
2014	711		17,500	6,051	3,174	2,264	32,927
2013	1,267		15,000			1,907	29,343
							16,267

Source: District Records

**BOROUGH OF NEWFIELD SCHOOL DISTRICT**  
**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**  
*(Unaudited)*

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
2022	\$ 3,003,900	114,474,700	1,545,900	111,800	8,856,400	5,402,800	797,400	134,192,900	\$	\$	\$ 134,192,900	\$ 2.178	\$ 136,870,865
2021	3,175,600	113,837,400	1,486,600	98,200	8,856,400	5,402,800	797,400	133,654,400			133,654,400	2.188	136,870,865
2020	3,197,300	113,042,200	1,618,000	115,900	8,783,300	5,402,800	797,400	132,956,900			132,956,900	2.141	136,534,093
2019	3,250,000	110,539,000	1,658,400	113,400	8,924,200	5,149,800	797,400	130,432,200			130,432,200	0.000	129,977,280
2018	3,382,800	110,751,200	1,658,400	113,400	8,923,000	5,149,800	797,400	130,776,000			130,776,000	1.876	126,671,833
2017	3,751,200	106,924,300	1,658,400	124,400	8,923,000	5,149,800	1,072,000	127,603,100	9,800,700	-	127,603,100	1.885	119,132,761
2016	4,370,700	103,545,100	1,497,200	122,500	7,318,300	5,149,800	1,072,000	123,075,600	10,297,600	200,035	123,275,635	1.834	115,126,254
2015	4,369,000	103,164,000	1,515,300	122,500	7,467,400	5,149,800	1,072,000	122,860,000		203,749	123,063,749	1.801	114,908,945
2014	4,529,400	103,287,900	1,604,600	122,500	8,245,600	5,149,800	1,072,000	124,011,800	9,742,400	189,658	124,201,558	1.674	128,347,068
2013	4,905,200	117,804,400	1,461,300	125,100	8,365,900	6,058,600	870,200	139,590,700	12,465,500	267,486	139,858,186	1.395	122,855,047

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

\* Not Available at time of Audit

\*\* Estimate

**BOROUGH OF NEWFIELD SCHOOL DISTRICT**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST TEN FISCAL YEARS**  
*(Rate Per \$100 of Assessed Value)*  
*(Unaudited)*

Year Ended June 30,	Borough of Newfield Board of Education			Overlapping Rates			Total
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Borough of Newfield	Gloucester County	Open Space	
2022	\$ 2.178		\$ 2.178	\$ 0.825	\$ 0.755	\$	\$ 3.758
2021	2.188		2.188	0.824	0.711	0.041	3.764
2020	2.141		2.141	0.815	0.725	0.041	3.722
2019	1.919		1.919	0.815	0.692	0.040	3.466
2018	1.876		1.876	0.861	0.625	0.040	3.402
2017	1.885		1.885	0.884	0.639	0.038	3.446
2016	1.834		1.834	0.849	0.636	0.038	3.357
2015	1.801		1.801	0.785	0.612	0.039	3.237
2014	1.674		1.674	0.74	0.642	0.042	3.098
2013	1.395		1.395	0.619	0.531	0.036	2.581

Source: District Records and Municipal Tax Collector

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

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

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

**BOROUGH OF NEWFIELD SCHOOL DISTRICT**  
**PRINCIPAL PROPERTY TAX PAYERS**  
**CURRENT YEAR AND NINE YEARS AGO**  
*(Unaudited)*

<b>Taxpayer</b>	<b>2022</b>		<b>2013</b>	
	<b>Taxable Assessed Value</b>	<b>% of Total District Net Assessed Value</b>	<b>Taxable Assessed Value</b>	<b>% of Total District Net Assessed Value</b>
Shieldalloy Corp.	\$ 2,847,900	2.12%	\$ 3,177,300	2.27%
Newfield Bank	1,840,800	1.37%	2,431,700	1.74%
Livingston Assoc. Family Dollar	1,217,000	0.91%		
Newfield Properties LLC	708,200	0.53%		
Steel-Men, LLC	644,400	0.48%	839,300	0.60%
Arch Property Group LLC	515,100	0.38%		
Taxpayer #1	429,300	0.32%	609,200	0.44%
Taxpayer #2	439,900	0.33%	556,300	0.40%
Taxpayer #3	389,900	0.29%	539,400	0.39%
Taxpayer #4	372,900	0.28%		
	<b>\$ 9,405,400</b>	<b>7.01%</b>	<b>\$ 8,153,200</b>	<b>5.83%</b>

**BOROUGH OF NEWFIELD SCHOOL DISTRICT**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**  
*(Unaudited)*

<b>Fiscal Year Ended June 30,</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected Within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>
		<b>Amount</b>	<b>% of Levy</b>	
2022	\$ 2,923,137	\$ 2,923,137	100.00%	\$
2021	2,845,351	2,845,351	100.00%	
2020	2,503,456	2,503,456	100.00%	
2019	2,454,370	2,454,370	100.00%	
2018	2,406,245	2,406,245	100.00%	
2017	2,261,174	2,261,174	100.00%	
2016	2,216,837	2,216,837	100.00%	
2015	2,079,911	2,079,911	100.00%	
2014	1,950,610	1,950,610	100.00%	
2013	2,079,911	2,079,911	100.00%	

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

**BOROUGH OF NEWFIELD SCHOOL DISTRICT**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
*(Unaudited)*

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities	Total District	Percentage of	
	General Obligation Bonds <sup>u</sup>	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases		Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
2022	\$	\$	\$	\$	\$	N/A	\$
2021						N/A	
2020						N/A	
2019						N/A	
2018						N/A	
2017						N/A	
2016						N/A	
2015						N/A	
2014						N/A	
2013						N/A	

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

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

**BOROUGH OF NEWFIELD SCHOOL DISTRICT**  
**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**  
*(Unaudited)*

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2022	\$	\$	\$	0.00%	\$
2021				0.00%	
2020				0.00%	
2019				0.00%	
2018				0.00%	
2017				0.00%	
2016				0.00%	
2015				0.00%	
2014				0.00%	
2013				0.00%	

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

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

**b** Population data can be found in Exhibit NJ J-13.

If a district has resources that are restricted to repaying the principal of debt outstanding, these amounts should be shown in a separate column "Deductions" and be subtracted from the total, and the schedule should be named ratios of net general bonded debt outstanding.



**BOROUGH OF NEWFIELD SCHOOL DISTRICT**  
**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF JUNE 30, 2022**  
*(Unaudited)*

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Newfield Borough	\$ 901,399	100%	\$ 901,399
<b>Other debt</b>			
Gloucester County - Borough's Share	239,426,468	0.49%	1,176,362
Subtotal, Overlapping Debt			<u>2,077,761</u>
<b>Newfield Borough School District Direct Debt</b>			
<b>Total Direct and Overlapping Debt</b>			<u><u>\$ 2,077,761</u></u>

**Sources:** Borough of Newfield Finance Officer and Gloucester County Finance Office

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

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

**BOROUGH OF NEWFIELD SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(Unaudited)**

**Legal Debt Margin Calculation for Fiscal Year 2021**

	Equalized Valuation Basis	
	2021	\$ 147,815,085
	2020	136,156,580
	2019	133,941,466
		<hr/>
	<b>[A]</b>	<b>\$ 417,913,131</b>
		<hr/>
Average Equalized Valuation of Taxable Property	<b>[A/3]</b>	<b>\$ 139,304,377</b>
Debt Limit (2.5% of Average Equalization Value)	<b>[B]</b>	3,482,609 a
Net Bonded School Debt	<b>[C]</b>	-
Legal Debt Margin	<b>[B-C]</b>	<b>\$ 3,482,609</b>
		<hr/> <hr/>

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Debt Limit	\$ 3,265,633	\$ 3,213,969	\$ 3,067,132	\$ 2,974,154	\$ 2,867,814	\$ 2,938,700	\$ 3,073,535	\$ 3,232,165	\$ 3,336,816	\$ 3,482,609
Total Net Debt Applicable to Limit										
Legal Debt Margin	\$ 3,265,633	\$ 3,213,969	\$ 3,067,132	\$ 2,974,154	\$ 2,867,814	\$ 2,938,700	\$ 3,073,535	\$ 3,232,165	\$ 3,336,816	\$ 3,482,609
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Abstract of Ratables and District Records

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

**BOROUGH OF NEWFIELD SCHOOL DISTRICT**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS**  
*(Unaudited)*

<u>Year</u>	<u>Population</u> <sup>a</sup>	<u>Personal Income</u> <u>(thousands</u> <u>of dollars)</u> <sup>b</sup>	<u>Per Capita</u> <u>Personal</u> <u>Income</u> <sup>c</sup>	<u>Unemployment</u> <u>Rate</u> <sup>d</sup>
2022	** 1,523	\$ 86,306,296	\$ 56,669	10.3%
2021	1,526	86,366,784	56,612	10.5%
2020	1,543	80,768,919	56,555	11.1%
2019	1,541	81,503,264	56,499	4.6%
2018	1,547	81,738,453	54,344	5.3%
2017	1,551	81,541,818	52,496	6.4%
2016	1,555	78,817,662	50,804	7.0%
2015	1,561	77,630,704	49,617	7.7%
2014	1,565	74,174,240	47,365	8.0%
2013	1,569	72,038,472	45,878	9.4%

**Source:**

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Personal income

<sup>c</sup> Per Capita

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

\*\* Estimate

**BOROUGH OF NEWFIELD SCHOOL DISTRICT**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND NINE YEARS AGO**  
*(Unaudited)*

<b>Employer</b>	<b>2022</b>		<b>2013</b>	
	<b>Employees</b>	<b>Percentage of Total Employment</b>	<b>Employees</b>	<b>Percentage of Total Employment</b>
Rowan University	3,500	2.33%	1,300	0.99%
Inspira Healthcare Network	1,222	0.81%		
Jefferson Health	670	0.45%		
Underwood Memorial Hospital			1,825	1.39%
Kennedy Memorial Hospital			1,200	0.92%
GGB Bearing Technology	300	0.20%		
Gloucester County		0.00%	1,500	1.15%
US Foods		0.00%	725	0.55%
Missa Bay, LLC			900	0.69%
Walmart Turnersville	670	0.45%		
Monroe Township School			792	0.61%
Keller Williams Realty	500	0.33%		
Penske		0.00%		
Exxon Mobile Research & Development			750	0.57%
Heritage's Dairy Stores		0.00%		
Goodwin Pumps/ITT			640	0.49%
DGI Services			600	0.46%
Delaware Valley Wholesale Florist			500	0.38%
Checkpoint Systems Inc	250	0.17%		
Honda Turnersville	499	0.33%		
Paulsboro Refining Company	405	0.27%		
Aryzta LaBrea Bakery	500	0.33%		
Washington Twp High School	400	0.27%	1,498	1.14%
Johnson Matthey Inc	379	0.25%		
Walmart Deptford	335	0.22%		
Walmart Williamstown	335	0.22%		
Keystone Industries	250	0.17%		
Xylem Dewatering Solutions Inc.	160	0.11%		
Coperion K-Tron Pitman Inc	100	0.07%		
Heritage's Dairy Stores	55	0.04%		
AA Duckett Inc	30	0.02%		
	<b>10,560</b>	<b>7.04%</b>	<b>12,230</b>	<b>9.34%</b>

**Source:** Gloucester County Department of Economic Development  
 This information is for all of Gloucester County

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

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

<u>School Facilities</u>	<u>Gross Square Footage</u>	<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>
Building A		\$ 9,000	\$ 7,291	\$ 7,706	\$ 16,329	\$ 8,313	\$ 16,332	\$ 145,798	\$ 16,445	\$ 68,960	\$ 52,629
Total School Facilities		<u>9,000</u>	<u>7,291</u>	<u>7,706</u>	<u>16,329</u>	<u>8,313</u>	<u>16,332</u>	<u>145,798</u>	<u>16,445</u>	<u>68,960</u>	<u>52,629</u>
Other Facilities											
Grand Total		<u>\$ 9,000</u>	<u>\$ 7,291</u>	<u>\$ 7,706</u>	<u>\$ 16,329</u>	<u>\$ 8,313</u>	<u>\$ 16,332</u>	<u>\$ 145,798</u>	<u>\$ 16,445</u>	<u>\$ 68,960</u>	<u>\$ 52,629</u>

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

<b>Company</b>	<b>Type of Coverage</b>	<b>Coverage</b>	<b>Deductible</b>
NJSBAIG	School Package Policy		
	Property - Blanket Building & Contents	\$ 7,586,528	\$ 1,000
	Comprehensive General Liability		
	Products and Completed Operation	6,000,000	
	Personal Advertising Injury Limit	6,000,000	
	Bodily Injury & Property Damage	6,000,000	
	Boiler and Machinery	36,586,528	25,000
	Commercial Inland Marine (Hardware/Software)	25,000	1,000
	School Board Legal Liability		
	Coverage A	1,000,000	5,000
	Coverage B	300,000	5,000
Ohio Casualty Insurance Company	Surety Bonds		
	Business Administrator	132,000	
	Treasurer	150,000	

**Source: District Records**

**SINGLE AUDIT SECTION**

# **NIGHTLINGER, COLAVITA & VOLPA**

*A Professional Association*

*Certified Public Accountants*

991 S. Black Horse Pike  
P.O. Box 799  
Williamstown, NJ 08094

(856) 629-3111  
Fax (856) 728-2245  
[www.colavita.net](http://www.colavita.net)

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

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

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

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

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

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

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

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



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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, PA**



Raymond Colavita, CPA  
Licensed Public School Accountant  
No. 915  
February 17, 2023

# **NIGHTLINGER, COLAVITA & VOLPA**

*A Professional Association*

*Certified Public Accountants*

991 S. Black Horse Pike  
P.O. Box 799  
Williamstown, NJ 08094

(856) 629-3111  
Fax (856) 728-2245  
[www.colavita.net](http://www.colavita.net)

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

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

### **Report on Compliance for Each Major State Program**

#### ***Opinion on Each Major State Program***

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

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

#### ***Basis for Opinion on Each Major State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the Office of School Finance, *Department of Education, State of New Jersey*, and New Jersey OMB 15-08. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of The Board of Education of the Newfield School District, in the County of Gloucester, State of New Jersey and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of The Board of Education of the

Newfield School District, in the County of Gloucester, State of New Jersey's compliance with the compliance requirements referred to above.

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

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to The Board of Education of the Newfield School District, in the County of Gloucester, State of New Jersey's state programs.

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

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

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

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

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

## Report on Internal Control over Compliance

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

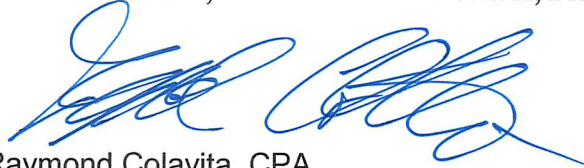
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant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

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

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

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, PA**



Raymond Colavita, CPA  
Licensed Public School Accountant  
No. 915  
February 17, 2023

**NEWFIELD SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - SCHEDULE A**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Federal Grantor/Pass-Through Grant Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period	Balance at		Budgetary Expenditures Pass Through Funds	Budgetary Expenditures Direct	Total Budgetary Expenditures (A)	Adj.	(Accounts Receivable) June 30, 2022	Unearned Revenue June 30, 2022	Due to Grantor at June 30, 2022
						June 30, 2021	Cash Received							
<b>U.S. Department of Education</b>														
<b>Passed-through State Department of Education</b>														
Special Revenue Fund:														
E.S.E.A:														
Coronavirus Relief	21.019	N/A	21E00041	19,035	7/01/20-12/31/21	\$ 97	\$	\$	\$	\$		(97)	\$	\$
CRF - Nonpublic Digital Divide	21.019	C8220COVID19	21E00041	9,353	7/16/20-12/31/20	(9,353)						9,353		
Child Nutrition Cluster:														
P-EBT Administrative Cost Reimb	10.649	202122S900941	N/A	614	7/01/20-06/30/21		614	(614)		(614)				
P-EBT Administrative Cost Reimb	10.649	202222S900941	N/A	628	7/01/21-06/30/22		628	(628)		(628)				
Total U.S. Department of Education						\$ (9,256)	\$ 1,242	\$ (1,242)	\$	\$ (1,242)	\$ 9,256	\$	\$	\$
Total Federal Financial Awards						\$ (9,256)	\$ 1,242	\$ (1,242)	\$	\$ (1,242)	\$ 9,256	\$	\$	\$

(A) There were no awards passed through to subrecipients.

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

These funds were not audited in accordance with Uniform Guidance since the total of all federal grant expenditures was less than \$750,000.

**NEWFIELD SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE - SCHEDULE B**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period	Balance at June 30, 2021				Payment To Grantor	Balance at June 30, 2022			MEMO	
				Unearned Revenue (Accounts Receivable)	Due to Grantor	Cash Received	Budgetary Expenditures		(Accounts Receivable)	Unearned Revenue/	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
<b>State Department of Education:</b>													
General Fund:													
Equalization Aid	22-495-034-5120-078	\$ 1,734,860	7/1/21 to 6/30/22			\$ 1,567,850	\$ (1,734,860)		\$ (167,010)			\$ (167,010)	\$ (1,734,860)
Equalization Aid	21-495-034-5120-078	1,369,744	7/1/20 to 6/30/21	\$ (126,582)		126,582							
Security Aid	22-495-034-5120-084	43,725	7/1/21 to 6/30/22			39,516	(43,725)		(4,209)			(4,209)	(43,725)
Security Aid	21-495-034-5120-084	43,725	7/1/20 to 6/30/21	(4,041)		4,041							
Special Education Categorical Aid	22-495-034-5120-089	130,013	7/1/21 to 6/30/22			117,497	(130,013)		(12,516)			(12,516)	(130,013)
Special Education Categorical Aid	21-495-034-5120-089	130,013	7/1/20 to 6/30/21	(12,015)		12,015							
Transportation Aid	22-495-034-5120-014	132,194	7/1/21 to 6/30/22			119,468	(132,194)		(12,726)			(12,726)	(132,194)
Transportation Aid	21-495-034-5120-014	132,194	7/1/20 to 6/30/21	(12,217)		12,217							
Non Public Transportation	22-495-034-5120-014	870	7/1/21 to 6/30/22				(870)		(870)			(870)	(870)
Non Public Transportation	21-495-034-5120-014	1,160	7/1/20 to 6/30/21	(1,160)		1,160							
<b>Total General Fund</b>				<b>(156,015)</b>		<b>2,000,346</b>	<b>(2,041,662)</b>		<b>(197,331)</b>			<b>(197,331)</b>	<b>(2,041,662)</b>
<b>State Department of Education:</b>													
<b>Passed - Through State Department of Education</b>													
Special Revenue Fund:													
N.J. Nonpublic Aid:													
Nonpublic Nursing Aid	22-100-034-5120-070	27,328	7/1/21 to 6/30/22			27,328	(27,328)					*	(27,328)
Nonpublic Technology Aid	22-100-034-5120-070	10,248	7/1/21 to 6/30/22			10,248	(10,248)					*	(10,248)
Nonpublic Textbook Aid	22-100-034-5120-064	14,645	7/1/21 to 6/30/22			14,645	(14,645)					*	(14,645)
Nonpublic Textbook Aid	21-100-034-5120-064	13,134	7/1/20 to 6/30/21		\$ 428			\$ (428)					
Nonpublic Security Aid	22-100-034-5120-509	42,700	7/1/21 to 6/30/22			42,700	(42,073)			\$ 627	*		(42,073)
Nonpublic Security Aid	21-100-034-5120-509	37,625	7/1/20 to 6/30/21		5,888			(5,888)					
Auxiliary Services:													
Transportation	22-100-034-5120-068	8,797	7/1/21 to 6/30/22			8,797	(4,656)				4,141	*	(4,656)
Transportation	21-100-034-5120-068	6,645	7/1/20 to 6/30/21		2,027			(2,027)					
Comp Education	22-100-034-5120-067	72,738	7/1/21 to 6/30/22			72,738	(72,738)					*	(72,738)
Comp Education	21-100-034-5120-067	51,471	7/1/20 to 6/30/21		946			(946)					
Handicapped Services:													
Supplemental Instruction	22-100-034-5120-066	30,314	7/1/21 to 6/30/22			28,910	(29,240)		(1,404)		1,074	*	(29,240)
Supplemental Instruction	21-100-034-5120-066	29,303	7/1/20 to 6/30/21		17,085			(17,085)					
Examination & Classification	22-100-034-5120-067	40,009	7/1/21 to 6/30/22			32,582	(40,009)		(7,427)			*	(40,009)
Examination & Classification	21-100-034-5120-067	48,679	7/1/20 to 6/30/21	(13,202)		13,202							
Corrective Speech	22-100-034-5120-067	42,036	7/1/21 to 6/30/22			37,301	(39,711)		(4,735)		2,325	*	(39,711)
Corrective Speech	21-100-034-5120-067	45,024	7/1/20 to 6/30/21	(364)		364							
<b>Total Special Revenue Fund</b>				<b>(13,566)</b>	<b>26,374</b>	<b>288,815</b>	<b>(280,648)</b>	<b>(26,374)</b>	<b>(13,566)</b>		<b>8,167</b>		<b>(280,648)</b>
<b>Total State Financial Assistance Subject to OMB 15-08</b>				<b>\$ (169,581)</b>	<b>\$ 26,374</b>	<b>\$ 2,289,161</b>	<b>\$ (2,322,310)</b>	<b>\$ (26,374)</b>	<b>\$ (210,897)</b>	<b>\$ -</b>	<b>\$ 8,167</b>	<b>\$ (197,331)</b>	<b>\$ (2,322,310)</b>

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



**NEWFIELD SCHOOL DISTRICT**  
**NOTES TO THE SCHEDULES OF AWARDS**  
**AND FINANCIAL ASSISTANCE**  
**JUNE 30, 2022**

**NOTE 1: GENERAL**

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

**NOTE 2: BASIS OF ACCOUNTING**

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

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

The general fund is presented in the accompanying schedules on 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 grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund, where applicable, also recognizes the one or more state aid June payments in the current budget year, consistent with N.J.S.A.18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$41,606) for the general fund and \$14,708 for prior year encumbrances in the special revenue fund. See Note 2 (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

**NEWFIELD SCHOOL DISTRICT**  
**NOTES TO THE SCHEDULES OF AWARDS**  
**AND FINANCIAL ASSISTANCE**  
**JUNE 30, 2022**  
(Continued)

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D)**

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$	\$ 2,000,056	\$ 2,000,056
Special Revenue Fund		295,356	295,356
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Awards & Financial Assistance	\$	\$ 2,295,412	\$ 2,295,412
	<u>                    </u>	<u>                    </u>	<u>                    </u>

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

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

**NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING**

The Borough of Newfield School District had no Federal or State loan balances outstanding at June 30, 2022.

**NOTE 6: OTHER**

Per the NJ Department of Education website, there was no amount reported as TPAF Pension Contributions paid by the state on behalf of the district for the year ended June 30, 2022.

**NOTE 7: ADJUSTMENTS AND AMOUNTS RETURNED TO THE STATE**

There were adjustments of \$9,256 on the June 30, 2022 Schedule of Expenditures of Federal Awards (Schedule A) or the Schedule of State Financial Assistance.

There was \$26,374 paid back during the year to the State Department of Education from unspent prior year Non-public Aid and as of June 30, 2022, \$8,167 is due back to the State. (See Schedule B)



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

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

1) Material weakness (es) identified? \_\_\_\_\_ yes  X  no

2) Significant deficiencies identified? \_\_\_\_\_ yes  X  no

Noncompliance material to basic financial statements noted? \_\_\_\_\_ yes  X  no

Federal Awards

Internal control over major programs: **N/A**

1) Material weakness (es) identified? \_\_\_\_\_ yes \_\_\_\_\_ no

2) Significant deficiencies identified? \_\_\_\_\_ yes \_\_\_\_\_ no  
reported

Type of auditor's report issued on compliance for major programs: **N/A**

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a)? \_\_\_\_\_ yes \_\_\_\_\_ no

Identification of major programs:

CFDA Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
N/A		

Dollar threshold used to distinguish between type A and type B programs: **N/A**

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes \_\_\_\_\_ no

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

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

State Awards

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

Auditee qualified as low-risk auditee?     X     yes                      no

Internal control over major programs:

1) Material weakness (es) identified?                      yes     X     no

2) Significant deficiencies identified that are not considered to be material weaknesses?                      yes     X     no

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 NJOMB Circular Letter 15-08                      yes     X     no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
22-495-034-5120-078	Equalization Aid
22-495-034-5120-089	Special Education Categorical Aid
22-495-034-5120-084	Security Aid

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

**Section II - Financial Statement Findings**

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

**Finding:** N/A

**Criteria or specific requirement:**

**Condition:**

**Context:**

**Effect:**

**Cause:**

**Recommendation:**

**Views of responsible officials and planned corrective actions:**

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

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

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

**FEDERAL AWARDS N/A**

**Finding:**

**Information on the federal program:**

**Criteria or specific requirement:**

**Condition:**

**Questioned Costs:**

**Context:**

**Effect:**

**Cause:**

**Recommendation:**

**Views of responsible officials and planned corrective actions:**

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

**STATE AWARDS**

**Finding:** None

**Information on the state program:**

**Criteria or specific requirement:**

**Condition:**

**Questioned Costs:**

**Context:**

**Effect:**

**Cause:**

**Recommendation:**

**Views of responsible officials and planned corrective actions:**

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

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

**STATUS OF PRIOR - YEAR FINDINGS**

There were no prior year findings.