

# **STERLING HIGH SCHOOL DISTRICT**



**STERLING HIGH SCHOOL BOARD OF EDUCATION  
CAMDEN COUNTY, NEW JERSEY**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

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

**STERLING HIGH SCHOOL DISTRICT**  
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## **INTRODUCTORY SECTION**



**STERLING HIGH SCHOOL DISTRICT**  
**HOME OF THE SILVER KNIGHTS**  
801 PRESTON AVENUE  
SOMERDALE, NJ 08083  
PHONE (856)-784-3545 FAX (856)784-7823



March 8, 2023

Honorable President and  
Members of the Board of Education  
Sterling High School District  
Somerdale, New Jersey

Dear Board Members:

The annual comprehensive financial report of the Sterling High 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 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08 OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and questioned costs are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: Sterling High School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds of the District are included in this report. The Sterling High School Board of Education and its school constitute the District's reporting entity.

The District provides the following services:

- 9 - 12 regular education
- Remedial services for at risk students
- Special Education programs and related services as indicated in the Ind. Ed Plan (IEP) and required by N.J.A.C. 6:28
- Transportation services for Vocational and Special Education Students

Equal Opportunity Employer

Serving the Communities of Hi-Nella, Laurel Springs, Magnolia, Somerdale and Stratford



# STERLING HIGH SCHOOL DISTRICT

## HOME OF THE SILVER KNIGHTS

801 PRESTON AVENUE  
SOMERDALE, NJ 08083

PHONE (856)-784-3545 FAX (856)784-7823



- Tuition for the out of district special education students 9 - 12
- Choice School Program for Allied Health & Health Science, TV Production, Early Childhood Education, Multimedia Graphic Design and ROTC
- Shared Services

2. **ECONOMIC CONDITION AND OUTLOOK:** The Sterling High School area is experiencing little development in housing and should not have any significant impact on the school district.

3. **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. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

4. **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 1.

5. **CASH MANAGEMENT:** The investment policy of the District is guided in large part by State statute. 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.

6. **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, student accident insurance, worker's compensation, and fidelity bonds. Most of our insurance is through the School Alliance Insurance Fund, a joint insurance fund.

7. **OTHER INFORMATION:** Independent Audit - State statutes require an annual audit by independent certified public accountants. The accounting firm of Bowman & Company LLP was appointed by the Board during our re-organization meeting. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08 OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The





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auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

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

Respectfully submitted,

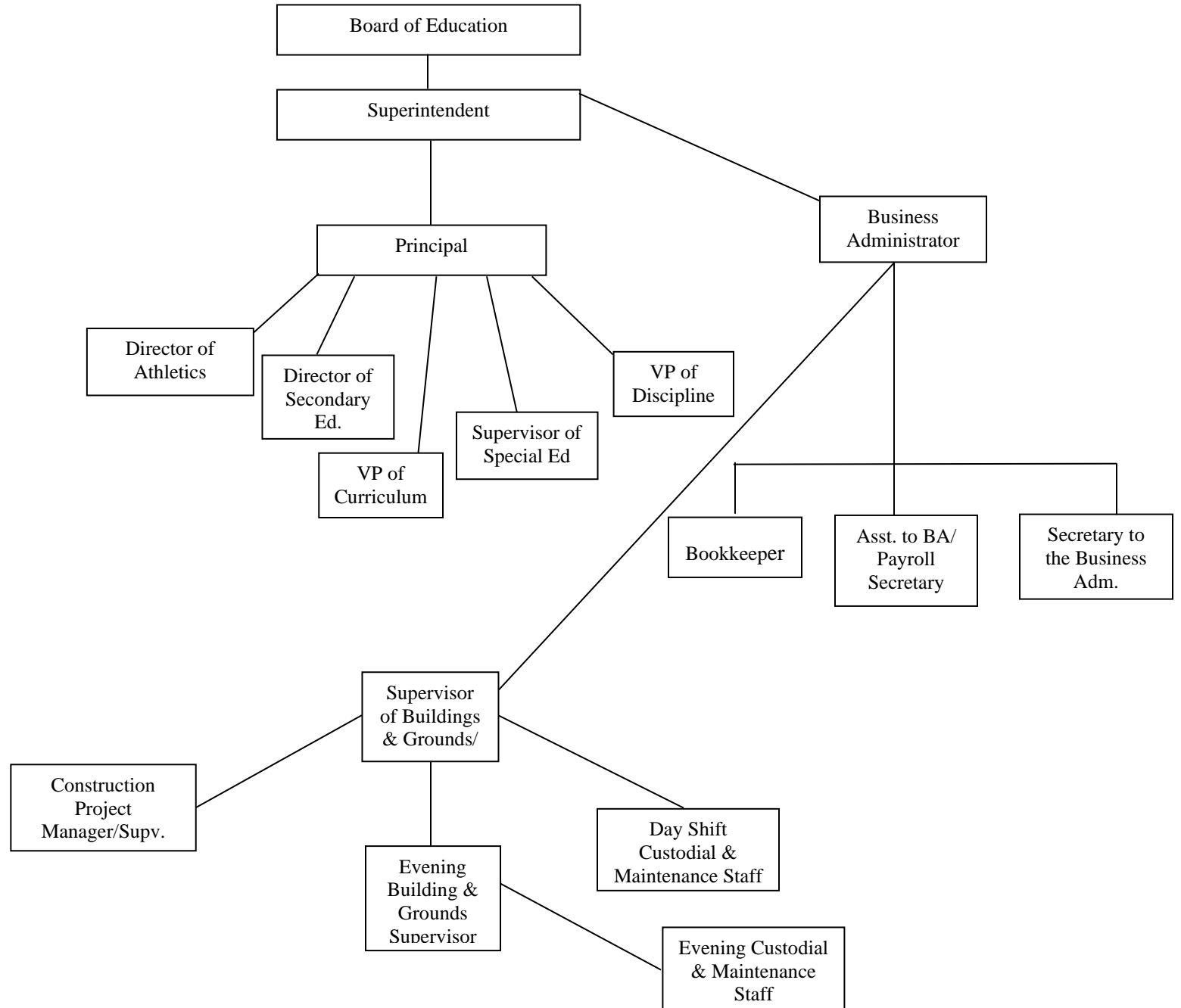
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Matthew Sheehan  
Superintendent

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James McCullough  
School Business Administrator /  
Board Secretary

**STERLING HIGH SCHOOL  
ORGANIZATIONAL CHART  
ADMINISTRATION  
POLICY 1110**



BOE Approved: 12/3/2009  
 Revised: 9/16/2010  
 12/15/2011  
 3/19/2015  
 8/3/16  
 7/28/21

**STERLING HIGH SCHOOL DISTRICT  
SOMERDALE, NJ**

Roster of Officials

June 30, 2022

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<u>Members of the Board of Education</u>	<u>Term Expires</u>
William Hiltner, President	2022
Dan Radcliff, Vice President	2024
Victoria Burckley	2022
Jason Clark	2022
Shawn Nicholas	2023
Kellie Stout	2023
Brian Healy	2024
Emily Reich	2024

Other Officials

Matthew Sheehan, Superintendent of Schools

James McCullough, School Business Administrator / Board Secretary

**STERLING HIGH SCHOOL DISTRICT  
SOMERDALE, NJ**

Consultants and Advisors

June 30, 2022

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Auditor

L. Jarred Corn, CPA, RMA, PSA  
Bowman & Company LLP  
601 White Horse Road  
Voorhees, New Jersey 08043-2493

Official Depository

1st Colonial Community Bank  
1040 Haddon Ave.  
Collingswood, New Jersey 08108

Medical

Dr. Gigliotti  
181 W. White Horse Pike  
Berlin, New Jersey 08009

Insurance Broker

Hardenbergh Insurance Agency  
P.O. Box 8000  
Marlton, New Jersey 08053

## **FINANCIAL SECTION**

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Sterling High School District  
Somerdale, New Jersey 08083

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

#### ***Opinions***

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

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

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

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

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

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

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

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

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

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

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

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

***Required Supplementary Information***

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

### **Supplementary Information**

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

### **Other Information**

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2023 on our consideration of the Sterling High School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Sterling High School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sterling High School District's internal control over financial reporting and compliance.

Respectfully submitted,

*BOWMAN & COMPANY LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*L. Jarred Corn*

L. Jarred Corn  
Certified Public Accountant  
Public School Accountant No. CS 00219700

Voorhees, New Jersey  
March 8, 2023



**Exhibit K-1****REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS****INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Sterling High School District  
Somerdale, New Jersey 08083

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and each major fund of the Sterling High School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated March 8, 2023.

**Report on Internal Control Over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Sterling High School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

BOWMAN & COMPANY LLP

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



L. Jarred Corn  
Certified Public Accountant  
Public School Accountant No. CS 00219700

Voorhees, New Jersey  
March 8, 2023

**REQUIRED SUPPLEMENTARY INFORMATION**  
**PART I**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**STERLING HIGH SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2022  
(Unaudited)

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As management of the Sterling High School District (hereafter referred to as the "School District"), we offer readers of the School District's financial statements this narrative overview and analysis of the 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 information furnished in our letter of transmittal, notes to the basic financial statements, and financial statements to enhance their understanding of the School District's financial performance.

### **FINANCIAL HIGHLIGHTS**

- The net position of the School District, which represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources, was \$15,531,351.90 at the close of the current fiscal year. Of this amount, \$15,084,107.48 represents net position of governmental activities and \$447,244.42 represents net position of business-type activities.
- As of the close of the current fiscal year, the School District's governmental funds reported combined ending fund balances of \$4,945,042.11, a decrease of \$20,961.02, or less than one percent (0.42%), in comparison with the prior fiscal year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was a deficit of \$145,071.14, which represents a four percent (4%) increase from that of the prior fiscal year. Maintaining fund balance is vital for the School District's cash flow. Additional information as to the cause of this unassigned deficit fund balance can be found in note 16 to the financial statements.
- The School District's total bonded debt decreased by \$180,000.00 because of budgeted debt payments.

### **USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT**

This annual comprehensive financial report consists of a series of financial statements. The statement of net position and the statement of activities provide information about the activities of the School District as a whole and present a longer-term view of the School District's finances. Fund financial statements for the governmental activities tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the School District's operations in more detail than the government-wide statements by providing information about the School District's most significant funds.

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

One of the most important questions asked about the School District's finances is, "Is the School District as a whole better off or worse off as a result of the fiscal year's activities?" The statement of net position and the statement of activities report information about the School District as a whole and about its activities in a way that helps answer this question. These statements include *all* assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current fiscal year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the School District's *net position* and changes in it. You can think of the School District's net position, which represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources, as one way to measure the School District's financial health, or *financial position*. Over time, *increases or decreases* in the School District's net position is one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the School District's property tax base and the condition of the School District's capital assets, to assess the *overall health* of the School District.

**STERLING HIGH SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2022  
(Unaudited)

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**USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT (CONT'D)**

Reporting the School District as a Whole (Cont'd)

In the statement of net position and the statement of activities, we divide the School District into two kinds of activities, those being governmental activities and business-type activities. In the governmental activities, this is where all of the School District's basic services are reported and are supported from property taxes and intergovernmental revenues. The business-type activities of the School District include a food service program which is supported from user fees and charges.

Reporting the School District's Most Significant Funds

The fund financial statements provide detailed information about the most significant funds, not the School District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the School District can be divided into two categories: governmental funds and proprietary funds.

*Governmental funds* - Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The School District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, special revenue fund, capital projects fund, and debt service fund, which are all considered major funds.

The School District adopts an annual budget for its general fund, special revenue fund, and debt service fund. Budgetary comparison schedules have been provided to demonstrate compliance with these budgets.

*Proprietary Funds* - The School District maintains one type of proprietary fund; that being an enterprise fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The School District uses an enterprise fund to account for its food service.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the food service program, which is considered a major fund.

*Notes to the Financial Statements* - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

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**THE SCHOOL DISTRICT AS A WHOLE**

During fiscal year 2022, the School District's net position increased by \$2,390,130.40, increasing from \$13,141,221.50 in fiscal year 2021 to \$15,531,351.90 in fiscal year 2022. Our analyses that follow focus on the net position (Table 1) and changes in net position (Table 2) of the School District's governmental-type activities and business-type activities.

In total, assets (net of internal balances) increased by \$1,998,230.34, deferred outflows of resources increased by \$91,238.00, liabilities increased by \$180,751.94, and deferred inflows of resources decreased by \$481,414.00. The increase in assets (net of internal balances) was primarily attributable to an increase in capital assets of the governmental-type activities of \$826,031.25, resulting from capital asset additions during fiscal year 2022. The increase in deferred outflows of resources and the net increase in liabilities were primarily attributable to the changes in the School District's pension liabilities (pensions - see note 7).

<b>TABLE 1 NET POSITION</b>								
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Government-wide Totals</u>		<u>Government-wide %</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>Change</u>	<u>Change</u>
Current and Other Assets	\$ 6,098,574.80	\$ 5,041,798.67	\$ 335,126.60	\$ 310,609.99	\$ 6,433,701.40	\$ 5,352,408.66	\$ 1,081,292.74	20.2%
Capital Assets	18,406,870.99	17,580,839.74	112,117.82	21,211.47	18,518,988.81	17,602,051.21	916,937.60	5.2%
Total Assets	<u>24,505,445.79</u>	<u>22,622,638.41</u>	<u>447,244.42</u>	<u>331,821.46</u>	<u>24,952,690.21</u>	<u>22,954,459.87</u>	<u>1,998,230.34</u>	<u>8.7%</u>
Deferred Outflows of Resources	<u>651,685.00</u>	<u>560,447.00</u>	-	-	<u>651,685.00</u>	<u>560,447.00</u>	<u>91,238.00</u>	<u>16.3%</u>
Other Liabilities	1,470,061.69	378,457.54		23,002.16	1,470,061.69	401,459.70	1,068,601.99	266.2%
Long-Term Liabilities Outstanding	5,577,597.62	6,465,447.67			5,577,597.62	6,465,447.67	(887,850.05)	-13.7%
Total Liabilities	<u>7,047,659.31</u>	<u>6,843,905.21</u>	-	<u>23,002.16</u>	<u>7,047,659.31</u>	<u>6,866,907.37</u>	<u>180,751.94</u>	<u>2.6%</u>
Deferred Inflows of Resources	<u>3,025,364.00</u>	<u>3,506,778.00</u>	-	-	<u>3,025,364.00</u>	<u>3,506,778.00</u>	<u>(481,414.00)</u>	<u>-13.7%</u>
Net Investment in Capital Assets	16,015,221.70	15,009,190.45	112,117.82	21,211.47	16,127,339.52	15,030,401.92	1,096,937.60	7.3%
Restricted	4,921,129.68	4,891,340.84			4,921,129.68	4,891,340.84	29,788.84	0.6%
Unrestricted (Deficit)	<u>(5,852,243.90)</u>	<u>(7,068,129.09)</u>	<u>335,126.60</u>	<u>287,607.83</u>	<u>(5,517,117.30)</u>	<u>(6,780,521.26)</u>	<u>1,263,403.96</u>	<u>18.6%</u>
Total Net Position (Deficit)	<u>\$ 15,084,107.48</u>	<u>\$ 12,832,402.20</u>	<u>\$ 447,244.42</u>	<u>\$ 308,819.30</u>	<u>\$ 15,531,351.90</u>	<u>\$ 13,141,221.50</u>	<u>\$ 2,390,130.40</u>	<u>18.2%</u>

\$16,127,339.52 of the School District's total net position at the end of the current fiscal year reflects its net investment in capital assets (i.e., land, buildings and building improvements, machinery and equipment, etc.). This component represents capital assets, net of accumulated depreciation, and net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets. The School District uses these assets to provide educational services to students and to carry out the operations of the governmental and business-type activities; consequently, these assets are not available for future spending. Although the School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional component of the School District's net position in the amount of \$4,921,129.68 represents resources that are restricted. These amounts consist of amounts restricted for debt service, maintenance and capital reserves, excess surplus, unemployment compensation, capital projects, scholarships, and student activities. Additional information on the School District's restricted net position can be found in note 17 in the notes to the financial statements.

**STERLING HIGH SCHOOL DISTRICT**  
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(Unaudited)

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**THE SCHOOL DISTRICT AS A WHOLE (CONT'D)**

The third and final component of net position is unrestricted. This component represents resources and uses that do not meet the criteria of the aforementioned two components of net position. At the end of the current fiscal year, the School District's unrestricted net position was in a deficit in the amount of \$5,517,117.30. The deficit is primarily due to the delay of the June state aid payments and the recording of long-term liabilities for general serial bonds, compensated absences, and net pension liability.

Such long-term liabilities are funded by the School District on a pay-as-you-go basis, meaning these liabilities are funded only to the extent that the current fiscal year's contractual obligations can be satisfied. See note 6 in the notes to the financial statements for further detail regarding long-term liabilities.

Table 2 on the following page illustrates the changes in net position of the School District's governmental-type activities and business-type activities.

During fiscal year 2022, the School District's total revenues decreased by \$734,153.80, decreasing from \$23,781,873.96 in fiscal year 2021 to \$23,047,720.16 in fiscal year 2022. The net change in total revenues is largely attributable to the following:

- Amount to be raised by taxation for fiscal year 2022 increased from fiscal year 2021 by \$134,755.00, or a two percent (2%) increase.
- Unrestricted Federal and State Aid increased for fiscal year 2022 by \$835,206.27.
- The School District received insurance proceeds of \$107,922.75 only during fiscal year 2021, not in fiscal year 2022.
- Operating Grants and Contributions decreased for fiscal year 2022 by \$1,927,432.56, which is mostly attributed to the decrease in net adjustments of \$1,567,371.00 for On-behalf TPAF Pension Contribution - Normal Costs, On-behalf TPAF Post-Retirement Medical Contributions, Nonemployer TPAF Contribution and Nonemployer TPAF Post-Retirement Medical Expense.

Property taxes constituted approximately thirty-one percent (31%) of total revenues for the School District for the fiscal year 2022. In addition, charges for services constituted approximately eight percent (8%) of total revenues for the School District.

Lastly, operating grants and contributions, capital grants and contributions, federal and state aid, interest and investment earnings, and miscellaneous income constituted approximately sixty-one percent (61%) of total revenues for the School District.

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**THE SCHOOL DISTRICT AS A WHOLE (CONT'D)**

TABLE 2 CHANGES IN NET POSITION								
	Governmental Activities		Business-Type Activities		Government-wide Totals		Government-wide	
	2022	2021	2022	2021	2022	2021	Change	%
<b>REVENUES:</b>								
<b>Program Revenues:</b>								
Charges for Services	\$ 1,925,622.37	\$ 1,913,071.24	\$ 10,163.31	\$ 2,468.20	\$ 1,935,785.68	\$ 1,915,539.44	\$ 20,246.24	1.1%
Operating Grants and Contributions	3,659,791.03	5,626,968.93	654,899.27	615,153.93	4,314,690.30	6,242,122.86	(1,927,432.56)	-30.9%
Capital Grants and Contributions	359,189.16				359,189.16	-	359,189.16	
<b>General Revenues:</b>								
<b>Property Taxes:</b>								
Levied for General Purposes	7,024,463.00	6,886,728.00			7,024,463.00	6,886,728.00	137,735.00	2.0%
Levied for Debt Service	211,336.00	214,316.00			211,336.00	214,316.00	(2,980.00)	-1.4%
Federal and State Aid - Unrestricted	9,144,124.17	8,308,917.90			9,144,124.17	8,308,917.90	835,206.27	10.1%
Federal and State Aid - Restricted	30,732.80	31,166.80			30,732.80	31,166.80	(434.00)	-1.4%
Interest and Investment Earnings - Unrestricted	6,389.13	7,769.65	234.45	166.18	6,623.58	7,935.83	(1,312.25)	-16.5%
Interest and Investment Earnings - Restricted	161.06	1,966.67			161.06	1,966.67	(1,805.61)	-91.8%
Miscellaneous - Unrestricted	20,614.41	49,054.36			20,614.41	49,054.36	(28,439.95)	-58.0%
Miscellaneous - Restricted		16,700.00			-	16,700.00	(16,700.00)	-100.0%
Gain (Loss) on Disposal of Capital Assets		(496.65)			-	(496.65)	496.65	-100.0%
Transfers		504,910.76		(504,910.76)	-	-	-	
<b>Extraordinary Item:</b>								
Insurance Recovery		107,922.75			-	107,922.75	(107,922.75)	-100.0%
<b>Total General Revenues, Gain (Loss) on Disposal of Capital Assets, and Transfers</b>	<b>22,382,423.13</b>	<b>23,668,996.41</b>	<b>665,297.03</b>	<b>112,877.55</b>	<b>23,047,720.16</b>	<b>23,781,873.96</b>	<b>(734,153.80)</b>	<b>-3.1%</b>
<b>EXPENSES:</b>								
Instruction	7,975,376.10	7,693,961.10			7,975,376.10	7,693,961.10	281,415.00	3.7%
Support Services	11,285,824.33	12,685,787.45			11,285,824.33	12,685,787.45	(1,399,963.12)	-11.0%
Interest on Long-Term Debt	68,715.60	71,973.94			68,715.60	71,973.94	(3,258.34)	-4.5%
Unallocated Depreciation	800,801.82	767,862.04			800,801.82	767,862.04	32,939.78	4.3%
Food Service			526,871.91	379,666.51	526,871.91	379,666.51	147,205.40	38.8%
South Jersey Technology Program				6,757.50	-	6,757.50	(6,757.50)	-100.0%
<b>Total Expenses</b>	<b>20,130,717.85</b>	<b>21,219,584.53</b>	<b>526,871.91</b>	<b>386,424.01</b>	<b>20,657,589.76</b>	<b>21,606,008.54</b>	<b>(948,418.78)</b>	<b>-4.4%</b>
<b>Change in Net Position</b>	<b>2,251,705.28</b>	<b>2,449,411.88</b>	<b>138,425.12</b>	<b>(273,546.46)</b>	<b>2,390,130.40</b>	<b>2,175,865.42</b>	<b>\$ 214,264.98</b>	<b>9.8%</b>
Net Position, July 1	12,832,402.20	10,382,990.32	308,819.30	582,365.76	13,141,221.50	10,965,356.08		
<b>Net Position (Deficit), June 30</b>	<b>\$ 15,084,107.48</b>	<b>\$ 12,832,402.20</b>	<b>\$ 447,244.42</b>	<b>\$ 308,819.30</b>	<b>\$ 15,531,351.90</b>	<b>\$ 13,141,221.50</b>		

During fiscal year 2022, the School District's total expenses decreased by \$948,418.78, decreasing from \$21,606,008.54 in fiscal year 2021 to \$20,657,589.76 in fiscal year 2022. The net decrease is largely attributable to the following:

- Personal services - employee benefits decreased for fiscal year 2022 by \$1,942,169.49, which is mostly attributed to the decrease in net adjustments of \$1,567,371.00 for On-behalf TPAF Pension Contribution - Normal Costs, On-behalf TPAF Post-Retirement Medical Contributions, Nonemployer TPAF Contribution and Nonemployer TPAF Post-Retirement Medical Expense.
- An increase of salary expenditures of \$231,940.14 across various instruction programs in fiscal year 2022.
- An increase of food service expenditures of \$140,447.90, largely attributed the District emerging from the pandemic and the students coming back to a full schedule in fiscal year 2022, which required two new employees and all employees working five days a week.



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## THE SCHOOL DISTRICT'S FUNDS

### Governmental Funds

As the School District completed the fiscal year, its governmental funds reported a combined fund balance of \$4,945,042.11, which is a decrease over last fiscal year's total of \$4,966,003.13. Of the combined ending fund balances of \$4,945,042.11, the deficit unassigned fund balance was \$145,071.14 (see note 16 for cause of deficit).

The remainder of fund balance is restricted / assigned to indicate that it is not available for new spending because it has already been assigned as follows: (1) restricted for capital reserve (\$3,500,109.23), (2) restricted for maintenance reserve (\$325,000.00), (3) restricted for excess surplus (\$733,823.14), (4) restricted for unemployment compensation (\$138,155.23), (5) restricted for capital projects (\$78,363.83), (6) restricted for debt service (\$0.50), (7) restricted for scholarships (\$4,356.62), (8) restricted for student activities (\$141,321.13), and (9) assigned to liquidate contracts and purchase orders of the prior period (\$168,983.57).

*General fund* - The general fund is the general operating fund of the School District and is used to account for the inflows and outflows of its financial resources. The acquisition of certain capital assets, such as equipment, is accounted for in the general fund when it is responsible for the financing of such expenditures. At the end of the current fiscal year, unassigned fund balance of the general fund was in a deficit in the amount of \$145,071.14. As previously stated, the deficit is primarily due to the delay of the June state aid payments (see note 16).

During the current fiscal year, the fund balance of the School District's general fund increased by \$372,631.15, or nine percent (9%). The primary factors affecting the fund balance of the general fund is as follows:

- The general fund transferred \$537,132.29 to capital projects fund to provide funding for various projects (see note 13).
- Revenues exceeded current fiscal year expenditures by \$909,763.44.

*Special revenue fund* - The special revenue fund is used to account for and report the proceeds of specific revenue sources, such as state or federal government grants, scholarships, and student activities, that are restricted or committed to expend for specified purposes other than debt service or capital projects. Total revenues, and expenditures, resulting from these programs totaled \$1,078,759.75 and \$1,065,606.27, respectively, compared to revenues and expenditures of \$790,465.89 and \$849,032.71, respectively, in the prior fiscal year.

*Capital projects fund* - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of major capital facilities, other than those financed by the proprietary funds. Generally, the financial resources of the capital projects fund are derived from New Jersey Economic Development Authority grants, temporary notes, or serial bonds, which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election. During the fiscal year ended June 30, 2022, one project was authorized for a total amount of \$750,000.00, which was funded through the capital reserve. Several completed project balances were also cancelled and transferred back to the capital reserve account. At the end of the current fiscal year, restricted fund balance of the capital projects fund was \$78,363.83.

*Debt service fund* - The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. For the current fiscal year, the School District expended \$180,000.00 and \$75,240.00 representing the payment of bond principal and interest, respectively. At the end of the current fiscal year, restricted fund balance of the debt service fund was \$.50.

### Proprietary Fund (Enterprise Fund Types)

*Food service fund* - as the School District completed the fiscal year, the School District's total net position of the food service fund was \$447,244.42, which was comprised of \$112,117.82 of net investment in capital assets and \$335,126.60 of unrestricted net position.

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**THE SCHOOL DISTRICT'S FUNDS**

Proprietary Fund (Enterprise Fund Types) (Cont'd)

*Food service fund (Cont'd)* - during the current fiscal year, the net position of the School District's food service fund increased by \$138,425.12, or forty-five percent (45%). The increase in net position primarily resulted from the nonoperating revenues increasing by \$39,842.25, which is directly attributable to the public health emergency.

General Fund Budgetary Highlights

The final budgetary basis revenue estimate was \$17,773,846.00, which remained the same from the original budgeted estimate. Total budgeted revenues realized equaled \$21,744,499.38, which was \$3,970,653.38 in excess of the budget estimate, thus replenishing fund balance. This excess was directly attributable to the School District's on-behalf T.P.A.F. pension contributions (normal cost, post-retirement medical, and long-term disability) and reimbursed T.P.A.F. social security contributions, which totaled \$3,318,450.00 and \$531,397.61, respectively.

The final budgetary basis expenditure appropriation estimate was \$18,713,052.63, which remained the same from the original budgeted estimate. Actual expenditures incurred of \$20,747,336.94 were over the final budget estimate by \$2,034,284.31. This unfavorable variance resulted from the corresponding non-budget expenditures associated with the aforementioned on-behalf T.P.A.F. pension contributions and reimbursed T.P.A.F. social security contributions.

Special Revenue Fund Budgetary Highlights

The final budgetary basis revenue estimate was \$1,892,026.00, which experienced an increase of \$26,344.00 from the original budgeted estimate due to adjustments to federal awards and for unbudgeted local revenues related to student activities and scholarships during the fiscal year. Likewise, this was the same for the final budgetary basis appropriation estimate.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

Capital Assets

The School District's net investment in capital assets for its governmental and business-type activities as of June 30, 2022 amounts to a historical cost of \$36,157,400.61, or \$18,518,988.81 net of accumulated depreciation (see Table 3). This net investment in capital assets includes land, construction in progress, land improvements, buildings and building improvements, machinery and equipment, and vehicles. Net capital assets increased by \$916,937.60 in fiscal year 2022 from fiscal year 2021.

The primary factors affecting the net change in net capital assets are as follows:

- current year depreciation expense was \$1,087,315.94.
- capital asset additions in the amount of \$2,004,253.54 which includes a new gym HVAC system.

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**CAPITAL ASSET AND DEBT ADMINISTRATION (CONT'D)**

Capital Assets (Cont'd)

<b>TABLE 3</b>						
<b>CAPITAL ASSETS AT FISCAL YEAR END</b>						
<b>(NET OF ACCUMULATED DEPRECIATION)</b>						
	<u>Governmental</u>		<u>Business-Type</u>		<u>Government-wide</u>	
	<u>Activities</u>		<u>Activities</u>		<u>Totals</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Land	\$ 322,480.00	\$ 322,480.00			\$ 322,480.00	\$ 322,480.00
Construction in Progress	1,158,531.38	63,372.00			1,158,531.38	63,372.00
Land Improvements	2,793,831.04	2,452,397.37			2,793,831.04	2,452,397.37
Buildings and Building Improvements	13,057,344.92	13,474,573.35	\$ 19,448.32		13,076,793.24	13,474,573.35
Machinery and Equipment	1,044,643.56	1,228,883.23	92,669.50	\$ 21,211.47	1,137,313.06	1,250,094.70
Vehicles	30,040.09	39,133.79			30,040.09	39,133.79
<b>Total</b>	<u>\$ 18,406,870.99</u>	<u>\$ 17,580,839.74</u>	<u>\$ 112,117.82</u>	<u>\$ 21,211.47</u>	<u>\$ 18,518,988.81</u>	<u>\$ 17,602,051.21</u>

Additional information on the School District's capital assets can be found in note 5.

**Debt**

*General Serial Bonds.* At the end of the current fiscal year, the School District had total bonded debt outstanding of \$2,599,928.45 from the School Bonds, Series 2016. The fiscal year 2022 adopted budget had an appropriation of \$180,000.00 representing the payment of the annual principal of the School Bonds, Series 2016.

*Net Pension Liability.* The School District's annual required contribution to the Public Employees' Retirement System are budgeted and paid on an annual basis. For additional details on the net pension liability, see note 7 to the financial statements.

*Compensated Absences.* At the end of the current fiscal year, the liability for compensated absences was \$264,908.17. Compensated absences are those absences for which employees will be paid, such as sick leave. Additional information on compensated absences can be found in note 12.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

For the fiscal year 2022, the School District was able to sustain its general fund budget through property taxes, federal, state and local sources, and other various revenue sources. Approximately thirty-one percent (31%) of total revenue is from property taxes, while sixty-nine percent (69%) of the School District's revenue is from federal, state, and other local sources. The fiscal year 2023 budget was approved on May 5, 2022 by the Board.

**CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the Sterling High School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to James McCullough, School Business Administrator / Board Secretary, at the Sterling High School District, 801 Preston Avenue, Suite B, Somerdale, New Jersey 08083, or email at [jmccullough@sterling.k12.nj.us](mailto:jmccullough@sterling.k12.nj.us).

**BASIC FINANCIAL STATEMENTS**

**Government-wide Financial Statements**

**STERLING HIGH SCHOOL DISTRICT**  
Statement of Net Position  
June 30, 2022

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 5,197,554.39	\$ 273,379.64	\$ 5,470,934.03
Internal Balances	(628.00)	628.00	
Accounts Receivable	572,134.23	37,562.71	609,696.94
Inventory		23,556.25	23,556.25
Restricted Assets:			
Cash and Cash Equivalents	329,514.18		329,514.18
Capital Assets, net	18,406,870.99	112,117.82	18,518,988.81
<b>Total Assets</b>	<b>24,505,445.79</b>	<b>447,244.42</b>	<b>24,952,690.21</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Related to Pensions	651,685.00	-	651,685.00
<b>LIABILITIES:</b>			
Accounts Payable:			
Other	1,153,175.06		1,153,175.06
Related to Pensions	283,694.00		283,694.00
Accrued Liabilities:			
Interest Payable	32,835.00		32,835.00
Unearned Revenue	357.63		357.63
Noncurrent Liabilities:			
Due within One Year	209,742.89		209,742.89
Due beyond One Year	5,367,854.73		5,367,854.73
<b>Total Liabilities</b>	<b>7,047,659.31</b>	<b>-</b>	<b>7,047,659.31</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Related to Pensions	3,025,364.00	-	3,025,364.00
<b>NET POSITION:</b>			
Net Investment in Capital Assets	16,015,221.70	112,117.82	16,127,339.52
Restricted for:			
Debt Service	0.50		0.50
Maintenance	325,000.00		325,000.00
Excess Surplus	733,823.14		733,823.14
Unemployment Compensation	138,155.23		138,155.23
Capital Projects	3,578,473.06		3,578,473.06
Scholarships	4,356.62		4,356.62
Student Activities	141,321.13		141,321.13
Unrestricted (Deficit)	(5,852,243.90)	335,126.60	(5,517,117.30)
<b>Total Net Position (Deficit)</b>	<b>\$ 15,084,107.48</b>	<b>\$ 447,244.42</b>	<b>\$ 15,531,351.90</b>

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

**STERLING HIGH SCHOOL DISTRICT**  
Statement of Activities  
For the Fiscal Year Ended June 30, 2022

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities:							
Instruction:							
Regular	\$ 6,124,681.44		\$ 312,887.24	\$ 359,189.16	\$ (5,452,605.04)		\$ (5,452,605.04)
Special Education	961,909.45	\$ 1,611,501.00			649,591.55		649,591.55
Other Special Instruction	10,300.71				(10,300.71)		(10,300.71)
Other Instruction	878,484.50				(878,484.50)		(878,484.50)
Support Services:							
Tuition	729,953.43				(729,953.43)		(729,953.43)
Student and Instruction Related Services	2,151,821.41	314,121.37	92,561.98		(1,745,138.06)		(1,745,138.06)
Other Administrative Services	680,292.46				(680,292.46)		(680,292.46)
School Administrative Services	814,721.60				(814,721.60)		(814,721.60)
Plant Operations and Maintenance	1,984,886.42				(1,984,886.42)		(1,984,886.42)
Pupil Transportation	489,553.29				(489,553.29)		(489,553.29)
Personal Services - Employee Benefits	4,434,595.72		3,241,170.61		(1,193,425.11)		(1,193,425.11)
Interest on Long-Term Debt	68,715.60		13,171.20		(55,544.40)		(55,544.40)
Unallocated Depreciation	800,801.82				(800,801.82)		(800,801.82)
<b>Total Governmental Activities</b>	<b>20,130,717.85</b>	<b>1,925,622.37</b>	<b>3,659,791.03</b>	<b>359,189.16</b>	<b>(14,186,115.29)</b>	<b>-</b>	<b>(14,186,115.29)</b>
Business-Type Activities:							
Food Service	526,871.91	10,163.31	654,899.27			\$ 138,190.67	138,190.67
<b>Total Business-Type Activities</b>	<b>526,871.91</b>	<b>10,163.31</b>	<b>654,899.27</b>	<b>-</b>	<b>-</b>	<b>138,190.67</b>	<b>138,190.67</b>
<b>Total Government</b>	<b>\$ 20,657,589.76</b>	<b>\$ 1,935,785.68</b>	<b>\$ 4,314,690.30</b>	<b>\$ 359,189.16</b>	<b>(14,186,115.29)</b>	<b>138,190.67</b>	<b>(14,047,924.62)</b>

(Continued)

**STERLING HIGH SCHOOL DISTRICT**  
Statement of Activities  
For the Fiscal Year Ended June 30, 2022

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
General Revenues:							
Property Taxes:							
Levied for General Purposes					\$ 7,024,463.00		\$ 7,024,463.00
Levied for Debt Service					211,336.00		211,336.00
Federal and State Aid - Unrestricted					9,144,124.17		9,144,124.17
Federal and State Aid - Restricted					30,732.80		30,732.80
Interest and Investment Earnings - Unrestricted					6,389.13	\$ 234.45	6,623.58
Interest and Investment Earnings - Restricted					161.06		161.06
Miscellaneous - Unrestricted					20,614.41		20,614.41
Total General Revenues					<u>16,437,820.57</u>	<u>234.45</u>	<u>16,438,055.02</u>
Change in Net Position					2,251,705.28	138,425.12	2,390,130.40
Net Position, July 1					<u>12,832,402.20</u>	<u>308,819.30</u>	<u>13,141,221.50</u>
Net Position (Deficit), June 30					<u>\$ 15,084,107.48</u>	<u>\$ 447,244.42</u>	<u>\$ 15,531,351.90</u>

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

**BASIC FINANCIAL STATEMENTS**

**Fund Financial Statements**



## STERLING HIGH SCHOOL DISTRICT

Governmental Funds

Balance Sheet

June 30, 2022

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 4,774,064.57	\$ 158,222.67	\$ 594,780.83	\$ 0.50	\$ 5,527,068.57
Interfunds Account Receivable:					
Special Revenue Fund	164,634.89				164,634.89
Intergovernmental Accounts Receivable:					
Federal		409,284.32			409,284.32
State	148,246.29				148,246.29
Other	14,603.62				14,603.62
<b>Total Assets</b>	<b><u>\$ 5,101,549.37</u></b>	<b><u>\$ 567,506.99</u></b>	<b><u>\$ 594,780.83</u></b>	<b><u>\$ 0.50</u></b>	<b><u>\$ 6,263,837.69</u></b>
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>Liabilities:</b>					
Interfunds Account Payable:					
General Fund		\$ 164,634.89			\$ 164,634.89
Enterprise Fund - Food Service Fund	\$ 628.00				628.00
Intergovernmental Accounts Payable:					
Other	60,884.52				60,884.52
Accounts Payable	231,797.46	256,836.72	\$ 516,417.00		1,005,051.18
Payroll Deductions and Withholdings Payable	29,108.21				29,108.21
Unemployment Compensation Claims Payable	41,765.61				41,765.61
Deposits Payable	16,365.54				16,365.54
Unearned Revenue		357.63			357.63
<b>Total Liabilities</b>	<b><u>380,549.34</u></b>	<b><u>421,829.24</u></b>	<b><u>516,417.00</u></b>	<b><u>-</u></b>	<b><u>1,318,795.58</u></b>

(Continued)

## STERLING HIGH SCHOOL DISTRICT

Governmental Funds

Balance Sheet

June 30, 2022

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
LIABILITIES AND FUND BALANCES (CONT'D):					
Fund Balances:					
Restricted:					
Capital Reserve	\$ 3,500,109.23				\$ 3,500,109.23
Maintenance Reserve	325,000.00				325,000.00
Excess Surplus	733,823.14				733,823.14
Unemployment Compensation	138,155.23				138,155.23
Capital Projects			\$ 78,363.83		78,363.83
Debt Service				\$ 0.50	0.50
Scholarships		\$ 4,356.62			4,356.62
Student Activities		141,321.13			141,321.13
Assigned:					
Other Purposes	168,983.57				168,983.57
Unassigned (Deficit)	(145,071.14)				(145,071.14)
Total Fund Balances	<u>4,721,000.03</u>	<u>145,677.75</u>	<u>78,363.83</u>	<u>0.50</u>	<u>4,945,042.11</u>
Total Liabilities and Fund Balances	<u>\$ 5,101,549.37</u>	<u>\$ 567,506.99</u>	<u>\$ 594,780.83</u>	<u>\$ 0.50</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$35,892,177.21, and the accumulated depreciation is \$17,485,306.22.

18,406,870.99

(Continued)

## STERLING HIGH SCHOOL DISTRICT

Governmental Funds

Balance Sheet

June 30, 2022

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	Total Governmental <u>Funds</u>
Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because (cont'd):	
Deferred outflows and deferred inflows related to pensions represent the consumption and acquisition, respectively, of resources that relate to future periods; therefore, such amounts are not reported in the fund financial statements.	\$ (2,373,679.00)
Accounts payable related to pensions are not liquidated with current financial resources; therefore, such amounts are not recorded in the fund financial statements.	(283,694.00)
Accrued interest payable on long-term debt is not due and payable in the current period and therefore is not reported in the funds.	(32,835.00)
Long-term liabilities, including bonds payable, pension liability, and compensated absences payable are not due and payable in the current period and therefore are not reported in the funds.	<u>(5,577,597.62)</u>
Net Position of Governmental Activities	<u><u>\$ 15,084,107.48</u></u>

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

**STERLING HIGH SCHOOL DISTRICT**  
 Governmental Funds  
 Statement of Revenues, Expenditures, and Changes in Fund Balances  
 For the Fiscal Year Ended June 30, 2022

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES:					
Local Property Tax Levy	\$ 7,024,463.00			\$ 211,336.00	\$ 7,235,799.00
Tuition Charges	1,611,501.00				1,611,501.00
Rents and Royalties	1,250.00				1,250.00
Other Restricted Miscellaneous Revenues	161.06				161.06
Unrestricted Miscellaneous Revenues	25,753.54				25,753.54
Federal Sources	11,875.17	\$ 738,287.81			750,162.98
State Sources	12,982,096.61	26,344.00		43,904.00	13,052,344.61
Local Sources		314,127.94			314,127.94
	<u>21,657,100.38</u>	<u>1,078,759.75</u>	<u>-</u>	<u>255,240.00</u>	<u>22,991,100.13</u>
Total Revenues					
EXPENDITURES:					
Current:					
Regular Instruction	5,623,295.25	299,733.76			5,923,029.01
Special Education Instruction	959,986.46				959,986.46
Other Special Instruction	10,300.71				10,300.71
Other Instruction	877,944.42				877,944.42
Support Services and Undistributed Costs:					
Tuition	729,953.43				729,953.43
Student and Instruction Related Services	1,728,625.40	406,683.35			2,135,308.75
Other Administrative Services	676,338.50		\$ 2,494.94		678,833.44
School Administrative Services	784,634.63				784,634.63
Plant Operations and Maintenance	1,920,032.42				1,920,032.42
Pupil Transportation	489,553.29				489,553.29
Personal Services - Employee Benefits	6,339,541.46				6,339,541.46
Capital Outlay	607,130.97	359,189.16	941,383.00		1,907,703.13

(Continued)

**STERLING HIGH SCHOOL DISTRICT**  
 Governmental Funds  
 Statement of Revenues, Expenditures, and Changes in Fund Balances  
 For the Fiscal Year Ended June 30, 2022

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
EXPENDITURES (CONT'D):					
Debt Service:					
Principal				\$ 180,000.00	\$ 180,000.00
Interest and Other Charges				75,240.00	75,240.00
Total Expenditures	\$ 20,747,336.94	\$ 1,065,606.27	\$ 943,877.94	255,240.00	23,012,061.15
Excess (Deficiency) of Revenues over Expenditures	909,763.44	13,153.48	(943,877.94)	-	(20,961.02)
OTHER FINANCING SOURCES (USES):					
Transfers	(537,132.29)		537,132.29		
Total Other Financing Sources and Uses	(537,132.29)	-	537,132.29	-	-
Net Change in Fund Balances	372,631.15	13,153.48	(406,745.65)	-	(20,961.02)
Fund Balance, July 1	4,348,368.88	132,524.27	485,109.48	0.50	4,966,003.13
Fund Balance, June 30	\$ 4,721,000.03	\$ 145,677.75	\$ 78,363.83	\$ 0.50	\$ 4,945,042.11

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

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

Amounts reported for governmental activities in the statement of activities are different because:

Net Change in Fund Balances - Governmental Funds \$ (20,961.02)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation Expense	\$ (1,081,671.88)	
Capital Outlays	<u>1,907,703.13</u>	826,031.25

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items. 180,000.00

In the statement of activities, certain operating expenses, (e.g., pensions, compensated absences and interest on debt), are measured by the amounts incurred during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). This amount is the net effect of these differences in the treatment of these items. 1,266,635.05

Change in Net Position of Governmental Activities \$ 2,251,705.28

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

**STERLING HIGH SCHOOL DISTRICT**  
 Proprietary Fund  
 Business-Type Activities - Enterprise Fund  
 Statement of Net Position  
 June 30, 2022

	<u>Food Service</u>
<b>ASSETS:</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 273,379.64
Interfund Accounts Receivable:	
General Fund	628.00
Intergovernmental Accounts Receivable:	
Federal	36,952.87
State	609.84
Inventory:	
Food	11,834.09
Supplies	<u>11,722.16</u>
Total Current Assets	<u>335,126.60</u>
Noncurrent Assets:	
Capital Assets	265,223.40
Less: Accumulated Depreciation	<u>(153,105.58)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>112,117.82</u>
Total Noncurrent Assets	<u>112,117.82</u>
Total Assets	<u>447,244.42</u>
<b>NET POSITION:</b>	
Net Investment in Capital Assets	112,117.82
Unrestricted	<u>335,126.60</u>
Total Net Position	<u><u>\$ 447,244.42</u></u>

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

**STERLING HIGH SCHOOL DISTRICT**  
 Proprietary Fund  
 Business-Type Activities - Enterprise Fund  
 Statement of Revenues, Expenses, and Changes in Fund Net Position  
 For the Fiscal Year Ended June 30, 2022

	<u>Food Service</u>
<b>OPERATING REVENUES:</b>	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 9,359.20
Miscellaneous	804.11
	10,163.31
<b>Total Operating Revenues</b>	<b>10,163.31</b>
<b>OPERATING EXPENSES:</b>	
Food Service Management Company Salaries	153,101.17
Food Service Management Company Employee Benefits	41,062.13
Purchased Professional and Technical Services	12,394.65
Other Purchased Services	49,045.13
Supplies and Materials	76,663.82
Depreciation	5,644.06
Cost of Sales / Goods Sold:	
Reimbursable Program	178,811.13
Non-Reimbursable Program	3,929.15
Miscellaneous	6,220.67
	526,871.91
<b>Total Operating Expenses</b>	<b>526,871.91</b>
<b>Operating Income (Loss)</b>	<b>(516,708.60)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>	
State Sources:	
State School Lunch Program	11,693.46
Federal Sources:	
Seamless Summer Option	598,427.37
Food Distribution Program	40,829.38
P-EBT Administrative Cost	1,242.00
Emergency Operational Cost Program	2,707.06
Interest and Investment Revenue	234.45
	655,133.72
<b>Total Nonoperating Revenues (Expenses)</b>	<b>655,133.72</b>
<b>Change in Net Position</b>	<b>138,425.12</b>
<b>Net Position, July 1</b>	<b>308,819.30</b>
<b>Net Position, June 30</b>	<b>\$ 447,244.42</b>

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



**STERLING HIGH SCHOOL DISTRICT**  
Proprietary Fund  
Business-Type Activities - Enterprise Fund  
Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2022

	<u>Food Service</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from Customers and Users	\$ 9,535.31
Payments to Suppliers	<u>(552,102.65)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(542,567.34)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
Federal Sources	654,021.12
State Sources	<u>13,152.44</u>
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>667,173.56</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Purchases of Capital Assets	<u>(96,550.41)</u>
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(96,550.41)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest and Dividends	<u>234.45</u>
Net Cash Provided by (Used for) Investing Activities	<u>234.45</u>
Net Increase (Decrease) in Cash and Cash Equivalents	28,290.26
Cash and Cash Equivalents, July 1	<u>245,089.38</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 273,379.64</u></u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)</b>	
by Operating Activities:	
Operating Income (Loss)	\$ (516,708.60)
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided by (Used for) Operating Activities:	
Depreciation	5,644.06
(Increase) Decrease in Interfund Accounts Receivable	(628.00)
(Increase) Decrease in Inventories for Consumption	(5,752.49)
(Increase) Decrease in Inventories for Resale	(2,120.15)
Increase (Decrease) in Accounts Payable - Other	<u>(23,002.16)</u>
Total Adjustments	<u>(25,858.74)</u>
Net Cash Provided by (used for) Operating Activities	<u><u>\$ (542,567.34)</u></u>

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

**STERLING HIGH SCHOOL DISTRICT**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2022

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Description of the Financial Reporting Entity**

The School District is a Type II district located in the County of Camden, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades nine through twelve who reside in the boroughs of Laurel Springs and Hi-Nella attend the School District on a tuition basis. The School District has an approximate enrollment at June 30, 2022 of 896.

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

**Government-wide and Fund Financial Statements**

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

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

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

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

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

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

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

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

The School District reports the following major governmental funds:

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

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

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

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

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

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

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

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

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

The School District reports the following major proprietary funds:

**Enterprise Funds**

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

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

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

**Budgets / Budgetary Control**

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

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

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

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

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

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

**Encumbrances**

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

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

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

**Cash, Cash Equivalents and Investments**

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

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

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

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

**Inventories**

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

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

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

**Tuition Receivable**

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

**Prepaid Expenses**

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

**Short-Term Interfund Receivables / Payables**

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Capital Assets**

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

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

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	5 - 20 Years
Buildings and Improvements	5 - 60 Years
Machinery and Equipment	5 - 20 Years
Vehicles	5 - 20 Years

The School District does not possess any infrastructure assets.

**Deferred Outflows of Resources and Deferred Inflows of Resources**

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

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

**Tuition Payable**

Tuition charges for the fiscal years ended June 30, 2022 and 2021 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

**Unearned Revenue**

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Accrued Salaries and Wages**

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

**Compensated Absences**

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

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

**Accrued Liabilities and Long-Term Obligations**

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

**Bond Discounts / Premiums**

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

**Net Position**

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

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



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

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

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

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

**Fund Balance**

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

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

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

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

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

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

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

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

**Interfund Activity**

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

**Accounting Estimates**

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

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

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

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

**Note 2: CASH AND CASH EQUIVALENTS**

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

**Note 2: CASH AND CASH EQUIVALENTS (CONT'D)**

As of June 30, 2022, the School District's bank balances of \$6,343,920.39 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 6,064,007.57
Uninsured and Uncollateralized	<u>279,912.82</u>
Total	<u><u>\$ 6,343,920.39</u></u>

**Note 3: CAPITAL RESERVE ACCOUNT**

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

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

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

Beginning Balance, July 1, 2021	\$ 3,066,241.52
Increased by:	
Interest Earnings	
Deposits:	
Board Resolution (June 16, 2022)	\$ 1,000,000.00
Transfers from Capital Projects Fund	<u>212,867.71</u>
	<u>1,212,867.71</u>
	4,279,109.23
Decreased by:	
Utilization in Fiscal Year 2022 Budget	<u>779,000.00</u>
Ending Balance, June 30, 2022	<u><u>\$ 3,500,109.23</u></u>

The June 30, 2022 LRFP balance of local support costs of uncompleted projects at June 30, 2022 is \$4,017,000.00. The withdrawals from the capital reserve were for use in a Department of Education approved facilities projects, consistent with the School District's LRFP.

**Note 4: ACCOUNTS RECEIVABLE**

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

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

Description	Governmental Funds		Proprietary Fund		Total	
	General Fund	Special Revenue Fund	Total Governmental Activities	Food Service Fund		Total Business-Type Activities
Federal Awards		\$ 409,284.32	\$ 409,284.32	\$ 36,952.87	\$ 36,952.87	\$ 446,237.19
State Awards	\$ 148,246.29		148,246.29	609.84	609.84	148,856.13
Tuition Charges	14,603.62		14,603.62			14,603.62
Total	\$ 162,849.91	\$ 409,284.32	\$ 572,134.23	\$ 37,562.71	\$ 37,562.71	\$ 609,696.94

**Note 5: CAPITAL ASSETS**

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

	Balance July 1, 2021	Increases	Transfers	Decreases	Balance June 30, 2022
<b>Governmental Activities:</b>					
Capital Assets, not being Depreciated:					
Land	\$ 322,480.00				\$ 322,480.00
Construction in Progress	63,372.00	\$ 1,158,531.38	\$ (63,372.00)		1,158,531.38
Total Capital Assets, not being Depreciated	385,852.00	1,158,531.38	(63,372.00)	-	1,481,011.38
Capital Assets, being Depreciated					
Land Improvements	3,960,068.41	497,252.23	36,810.00		4,494,130.64
Buildings and Building Improvements	26,033,442.53	226,336.52	26,562.00		26,286,341.05
Machinery and Equipment	3,458,287.88	25,583.00			3,483,870.88
Vehicles	146,823.26				146,823.26
Total Capital Assets, being Depreciated	33,598,622.08	749,171.75	63,372.00	-	34,411,165.83
Total Capital Assets, Cost	33,984,474.08	1,907,703.13	-	-	35,892,177.21
Less Accumulated Depreciation for:					
Land Improvements	(1,507,671.04)	(192,628.56)			(1,700,299.60)
Buildings and Building Improvements	(12,558,869.18)	(670,126.95)			(13,228,996.13)
Machinery and Equipment	(2,229,404.65)	(209,822.67)			(2,439,227.32)
Vehicles	(107,689.47)	(9,093.70)			(116,783.17)
Total Accumulated Depreciation	(16,403,634.34)	(1,081,671.88)	-	-	(17,485,306.22)
Total Capital Assets, being Depreciated, Net	17,194,987.74	(332,500.13)	63,372.00	-	16,925,859.61
Governmental Activities Capital Assets, Net	\$ 17,580,839.74	\$ 826,031.25	-	-	\$ 18,406,870.99

**Note 5: CAPITAL ASSETS (CONT'D)**

Capital asset activity for the fiscal year ended June 30, 2022 is as follows (Cont'd):

	<u>Balance</u> <u>July 1, 2021</u>	<u>Increases</u>	<u>Transfers</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2022</u>
<b>Business-Type Activities:</b>					
Capital Assets, being Depreciated:					
Buildings and Building Improvements		\$ 19,694.50			\$ 19,694.50
Machinery and Equipment	\$ 168,672.99	76,855.91			245,528.90
Total Capital Assets, being Depreciated	168,672.99	96,550.41	-	-	265,223.40
Total Capital Assets, Cost	168,672.99	96,550.41	-	-	265,223.40
Less Accumulated Depreciation for:					
Buildings and Building Improvements		(246.18)			(246.18)
Machinery and Equipment	(147,461.52)	(5,397.88)			(152,859.40)
Total Accumulated Depreciation	(147,461.52)	(5,644.06)	-	-	(153,105.58)
Total Capital Assets, being Depreciated, Net	21,211.47	90,906.35	-	-	112,117.82
Business-Type Activities Capital Assets, Net	\$ 21,211.47	\$ 90,906.35	-	-	\$ 112,117.82

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

**Governmental Activities:**

Unallocated	\$ 800,801.82
Regular Instruction	190,701.92
School Administrative Services	25,799.65
Plant Operations and Maintenance	64,368.49

Total Depreciation Expense - Governmental Activities \$ 1,081,671.88

**Business-Type Activities:**

Food Service	<u style="text-align: right;">\$ 5,644.06</u>
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**Note 6: LONG-TERM LIABILITIES**

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

	<u>Balance</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2022</u>	<u>Due within</u> <u>One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable:					
General Obligation Bonds	\$ 2,748,000.00		\$ (180,000.00)	\$ 2,568,000.00	\$ 180,000.00
Unamortized Premium	36,802.85		(4,874.40)	31,928.45	
Total Bonds Payable	2,784,802.85	-	(184,874.40)	2,599,928.45	180,000.00
Other Liabilities:					
Compensated Absences	235,289.82	\$ 63,001.23	(33,382.88)	264,908.17	29,742.89
Net Pension Liability	3,445,355.00	2,853,217.00	(3,585,811.00)	2,712,761.00	
Total Other Liabilities	3,680,644.82	2,916,218.23	(3,619,193.88)	2,977,669.17	29,742.89
Governmental Activities Long-Term Liabilities	\$ 6,465,447.67	\$ 2,916,218.23	\$ (3,804,068.28)	\$ 5,577,597.62	\$ 209,742.89

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

**Note 6: LONG-TERM LIABILITIES (CONT'D)**

**Bonds Payable** - Bonds and loans are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the School District are general obligation bonds.

On February 17, 2016, the School District issued \$3,328,000.00 of school bonds, at interest rates ranging from 2.0% to 3.0%, to provide permanent financing for the costs associated with capital improvements to the School District's facilities. The final maturity of these bonds is January 15, 2036.

<b><u>Fiscal Year</u></b> <b><u>Ending June 30,</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2023	\$ 180,000.00	\$ 71,640.00	\$ 251,640.00
2024	180,000.00	68,040.00	248,040.00
2025	180,000.00	64,440.00	244,440.00
2026	180,000.00	60,840.00	240,840.00
2027	180,000.00	55,440.00	235,440.00
2028-2032	925,000.00	194,700.00	1,119,700.00
2033-2036	743,000.00	55,770.00	798,770.00
Total	<u>\$ 2,568,000.00</u>	<u>\$ 570,870.00</u>	<u>\$ 3,138,870.00</u>

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

**Compensated Absences** - As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid. Refer to note 12 for a description of the School District's policy.

**Net Pension Liability** - For details on the net pension liability, refer to note 7. The School District's annual required contribution to the Public Employees' Retirement System is budgeted and paid from the general fund on an annual basis.

**Postemployment Benefits** - For details on other postemployment benefits, refer to note 8. The School District's contributions to the postemployment benefits plan are budgeted and paid from the general fund.

**Note 7: PENSION PLANS**

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

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

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

**Note 7: PENSION PLANS (CONT'D)****General Information about the Pension Plans****Plan Descriptions**

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

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

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

**Vesting and Benefit Provisions**

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

**Note 7: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)****Teachers' Pension and Annuity Fund (Cont'd)**

The following represents the membership tiers for TPAF:

**Tier Definition**

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

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

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

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

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

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



**Note 7: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Contributions**

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

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

The School District's contractually required contribution rate for the fiscal year ended June 30, 2022 was 25.22% of the School District's covered payroll, of which 0.00% of payroll was required from the School District and 100.00% of payroll was required from the State of New Jersey. The School District was not required to contribute to the pension plan during the fiscal year ended June 30, 2022 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2021, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2022 was \$1,836,648.00, and was paid by April 1, 2022. School District employee contributions to the Plan during the fiscal year ended June 30, 2022 were \$548,636.92.

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

The School District's contractually required contribution rate for the fiscal year ended June 30, 2022 was 17.40% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2021, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2022 was \$268,177.00, and was paid by April 1, 2022. School District employee contributions to the Plan during the fiscal year ended June 30, 2022 were \$125,355.47.

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

For the fiscal year ended June 30, 2022, employee contributions totaled \$576.61, and the School District recognized pension expense, which equaled the required contributions, of \$314.47. There were no forfeitures during the fiscal year.

**Note 7: PENSION PLANS (CONT'D)****Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions****Teachers' Pension and Annuity Fund**

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

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

School District's Proportionate Share of Net Pension Liability	\$	-
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District		30,130,292.00
		<u>30,130,292.00</u>
	\$	<u>30,130,292.00</u>

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2021. For the June 30, 2021 measurement date, the School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At the June 30, 2021 measurement date, the School District proportion was 0.00% due to the 100% special funding situation with the State of New Jersey; however, the State's proportionate share of the TPAF net pension liability associated with the School District was 0.0626732685%, which was a decrease of 0.0015701276% from its proportion measured as of June 30, 2020.

**Pension (Benefit) Expense** - For the fiscal year ended June 30, 2022, the State's proportionate share of the pension (benefit) expense, associated with the School District, calculated by the Plan as of June 30, 2021 measurement date, was \$708,979.00. This on-behalf expense has been recognized by the School District in the government-wide financial statements.

**Public Employees' Retirement System**

**Pension Liability** - At June 30, 2022, the School District reported a liability of \$2,712,761.00 for its proportionate share of the net pension liability for PERS. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2021. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2021 measurement date, the School District's proportion was 0.0228992643%, which was an increase of 0.0017716906% from its proportion measured as of June 30, 2020.

**Pension (Benefit) Expense** - For the fiscal year ended June 30, 2022, the School District recognized pension (benefit) of (\$1,021,552.00), in the government-wide financial statements. This pension benefit was based on the pension plan's June 30, 2021 measurement date.

**Note 7: PENSION PLANS (CONT'D)****Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System (Cont'd)**

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

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between Expected and Actual Experience	\$ 42,784.00	\$ 19,420.00
Changes of Assumptions	14,128.00	965,761.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	714,613.00
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	311,079.00	1,325,570.00
School District Contributions Subsequent to the Measurement Date	283,694.00	-
	<u>\$ 651,685.00</u>	<u>\$ 3,025,364.00</u>

Deferred outflows of resources in the amount of \$283,694.00 will be included as a reduction of the net pension liability in the subsequent fiscal year, June 30, 2023. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b><u>Fiscal Year Ending June 30,</u></b>	
2023	\$ (1,174,520.00)
2024	(891,186.00)
2025	(423,199.00)
2026	(178,348.00)
2027	9,880.00
	<u>\$ (2,657,373.00)</u>

**Note 7: PENSION PLANS (CONT'D)****Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System (Cont'd)**

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

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

**Actuarial Assumptions**

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

**Note 7: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)**

The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

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

<sup>(1)</sup> based on years of service

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

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

**Note 7: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)**

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

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

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

**Discount Rate -**

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

**Note 7: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)****Discount Rate (Cont'd) -**

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

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

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

	<b>1% Decrease <u>(6.00%)</u></b>	<b>Current Discount Rate <u>(7.00%)</u></b>	<b>1% Increase <u>(8.00%)</u></b>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	<u>35,649,168.00</u>	<u>30,130,292.00</u>	<u>25,494,783.00</u>
	<u>\$ 35,649,168.00</u>	<u>\$ 30,130,292.00</u>	<u>\$ 25,494,783.00</u>

**Note 7: PENSION PLANS (CONT'D)****Sensitivity of Proportionate Share of Net Pension Liability to Changes in the Discount Rate (Cont'd)**

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

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
School District's Proportionate Share of the Net Pension Liability	<u>\$ 3,694,231.00</u>	<u>\$ 2,712,761.00</u>	<u>\$ 1,879,845.00</u>

**Pension Plan Fiduciary Net Position**

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

**Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)****STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN****General Information about the OPEB Plan**

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

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

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



**Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)****STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****General Information about the OPEB Plan (Cont'd)**

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

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

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

**Total Non-Employer OPEB Liability**

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

The State's proportionate share of the net OPEB liability associated with the School District as of June 30, 2022 was \$42,536,012.00. Since the OPEB liability associated with the School District is 100% attributable to the State, the OPEB liability will be referred to as the total non-employer OPEB liability.

The total non-employer OPEB liability was measured as of June 30, 2021, and was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. For the June 30, 2021 measurement date, the State's proportionate share of the non-employer OPEB liability associated with the School District was 0.0708843144%, which was an increase of 0.0016576106% from its proportion measured as of June 30, 2020.

**Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)****STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Total Non-Employer OPEB Liability (Cont'd)**

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

**Salary Increases -**

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

\* based on service years

**Inflation Rate** - 2.50%.

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

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

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

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

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

**Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)****STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Changes in the Total Non-Employer OPEB Liability**

The below table summarizes the State's proportionate share of the change in the total non-employer OPEB liability associated with the School District:

Balance at June 30, 2021		\$ 46,942,602.00
Changes for the Year:		
Service Cost	\$ 2,081,526.00	
Interest Cost	1,103,429.00	
Changes in Benefit Terms	(45,274.00)	
Difference between Expected and Actual Experience	(6,747,252.00)	
Changes in Assumptions	41,965.00	
Member Contributions	28,209.00	
Gross Benefit Payments	(869,193.00)	
		<u>(4,406,590.00)</u>
Net Changes		
Balance at June 30, 2022		<u>\$ 42,536,012.00</u>

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

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

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

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

	<b>1% Decrease (1.16%)</b>	<b>Current Discount Rate (2.16%)</b>	<b>1% Increase (3.16%)</b>
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 50,951,465.00</u>	<u>\$ 42,536,012.00</u>	<u>\$ 35,909,348.00</u>

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

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 34,433,040.00</u>	<u>\$ 42,536,012.00</u>	<u>\$ 53,417,705.00</u>

**Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)****STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Total Non-Employer OPEB Liability**

**OPEB Expense** - For the fiscal year ended June 30, 2022, the School District recognized \$1,999,915.00 in OPEB expense and revenue, in the government-wide financial statements, for the State's proportionate share of the OPEB Plan's OPEB expense, associated with the School District. This expense and revenue was based on the OPEB Plan's June 30, 2021 measurement date.

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

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference between Expected and Actual Experience	\$ 6,412,115.00	\$ 12,765,813.00
Changes of Assumptions	7,215,695.00	4,563,718.00
Changes in Proportion	<u>929,629.00</u>	<u>2,117,271.00</u>
	<u>\$ 14,557,439.00</u>	<u>\$ 19,446,802.00</u>

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

<b><u>Fiscal Year Ending June 30,</u></b>	
2023	\$ (1,058,322.00)
2024	(1,058,322.00)
2025	(1,058,322.00)
2026	(1,058,322.00)
2027	(813,362.00)
Thereafter	<u>157,287.00</u>
	<u>\$ (4,889,363.00)</u>

**Note 9: ON-BEHALF PAYMENTS**

For the fiscal year ended June 30, 2022, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance were \$2,651,839.00, \$37,414.00, \$628,318.00, and \$879.00, respectively.

**Note 10: RISK MANAGEMENT**

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

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

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

<u>Fiscal Year Ended June 30,</u>	<u>School District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Income</u>	<u>Claims Incurred</u>	<u>Ending Balance</u>	
					<u>Claims Payable</u>	<u>Restricted Fund Balance</u>
2022		\$ 13,488.80	\$ 161.06		\$ 41,765.61	\$ 138,155.23
2021		14,730.97	299.87	\$ 947.75	28,276.81	137,994.17
2020	\$ 1,129.08	15,331.37	650.91	7,463.63		152,187.89

**Joint Insurance Fund** - The School District is a member of the School Alliance Insurance Fund ("SAIF"). The Fund provides its members with the following coverage:

Property  
General Liability  
Auto Liability and Physical Damage  
Crime and Fidelity  
Environmental Impairment Liability  
Excess Liability

Contributions to the SAIF are determined by the SAIF Board of Trustees, based on actuarial assumptions determined by an actuary. The School District is jointly and personally liable for claims insured by the SAIF and its members during the period of its membership, including liability for supplemental assessments, if necessary. The SAIF's Board of Trustees may authorize refunds to its members in any fund year for which contributions exceed the amount necessary to fund all obligations for that year.

The SAIF publishes its own financial report for the fiscal year ended June 30, 2022, which can be obtained at [www.saifund.com](http://www.saifund.com).

**Note 11: DEFERRED COMPENSATION**

The School District offers its employees a choice of two deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457. The plans permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. The plan administrator is OMNI & TSACG Compliance Services.

**Note 12 COMPENSATED ABSENCES**

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

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

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2022, the liability for compensated absences reported on the government-wide statement of net position was \$264,908.17.

**Note 13: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

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

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 164,634.89	\$ 628.00
Special Revenue		164,634.89
Food Service	<u>628.00</u>	
Totals	<u>\$ 165,262.89</u>	<u>\$ 165,262.89</u>

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

**Transfers** - During the fiscal year ended June 30, 2022, the School District transferred \$537,132.29 from the general fund to the capital projects fund. The School District had approved withdraws from the general fund capital reserve account in the amount of \$750,000.00 to fund capital projects approved in its long-range facility plan. In addition, several outstanding capital projects in the amount of \$212,867.71 were cancelled and transferred back to the general fund capital reserve account.

**Note 14: CONTINGENCIES**

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

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

**Note 15: CONCENTRATIONS**

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

**Note 16: DEFICIT FUND BALANCES**

The School District has a deficit fund balance of \$145,071.14 in the general fund as of June 30, 2022 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general and special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments 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 School District deficit in the GAAP funds statements of \$145,071.14 is less than the June state aid payments.

**Note 17: FUND BALANCES****RESTRICTED**

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

Specific restrictions of the School District's fund balance are summarized as follows:

**General Fund**

**For Capital Reserve Account** - As of June 30, 2022, the balance in the capital reserve account is \$3,500,109.23. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

**Note 17: FUND BALANCES (CONT'D)****RESTRICTED (CONT'D)**

Specific restrictions of the School District's fund balance are summarized as follows (Cont'd):

**General Fund (Cont'd)**

**For Maintenance Reserve Account** - As of June 30, 2022, the balance in the maintenance reserve account is \$325,000.00. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

**For Excess Surplus** - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation. New Jersey school districts are required to restrict general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2022 is \$474,018.14. Additionally, \$259,805.00 of excess fund balance generated during 2020-2021 has been restricted and designated for utilization in the 2022-2023 budget.

**For Unemployment Compensation** - Pursuant to N.J.S.A. 43:21-7.3(g), the School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method" (see note 10). As a result, there exists at June 30, 2022 a restricted fund balance from employer contributions in the amount of \$138,155.23 for future unemployment claims.

**Special Revenue Fund**

**For Scholarships** - The School District reports fund balance resulting from the receipt of an endowment to be used for scholarships for future teachers. These funds are required to be used as restricted by the donor. The balance of these funds as of June 30, 2022 is \$4,356.62.

**For Student Activities** - In accordance with N.J.A.C. 6A:23A-16.12(c), each school district shall ensure through adoption of a formal board policy that all financial and bookkeeping controls are adequate to ensure appropriate fiscal accountability and sound business practices for funds collected for student activities. As such, borrowing from student activity funds is prohibited. The balance of these funds as of June 30, 2022 is \$141,321.13.

**Capital Projects Fund** - On February 17, 2016, the School District issued \$3,328,000.00 of school bonds pursuant to Title 18A, Chapter 24, of New Jersey Statutes, as amended and supplemented; N.J.S.A. 18A:24-1 et. seq.; and a resolution duly and finally adopted by the Board on November 19, 2015. The bonds were authorized by a proposal adopted by the Board on July 30, 2015 and approved by the legal voters of the School District at a special election held on September 29, 2015. The proceeds of the bonds were to provide permanent financing for the costs associated with capital improvements to the School District's facilities. As of June 30, 2022, the restricted fund balance amount was \$78,363.83.

**Debt Service Fund** - In accordance with N.J.A.C. 6A:23A-8.6, a district board of education shall appropriate annually all debt service fund balances in the budget certified for taxes unless expressly authorized and documented by the voters in a bond referendum. As a result, the School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2023 \$0.50 of debt service fund balance at June 30, 2022.



**Note 17: FUND BALANCES (CONT'D)****ASSIGNED**

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

**General Fund**

**Other Purposes** - As of June 30, 2022, the School District had \$168,983.57 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

**UNASSIGNED**

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

**General Fund** - As of June 30, 2022, the unassigned fund balance of the general fund balance was a deficit of \$145,071.14. The deficit is a result from a delay in the payment of state aid until the following fiscal year. As stated in note 16, since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable.

Due to the timing difference of recording the June state aid payments, the general fund balance deficit does not alone indicate that the School District is facing financial difficulties. The unassigned deficit on the GAAP financial statements of \$145,071.14 is less than the last state aid payment.

**Note 18: SUBSEQUENT EVENTS**

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

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

**Contract** - At the June 16, 2022 School Board meeting, the Board approved a contract in the amount of \$1,192,100.00 that was awarded for the synthetic turf field. The School District's fiscal year 2023 budget includes a budgeted transfer from capital reserve to fund the project.

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

**STERLING HIGH SCHOOL DISTRICT**  
 Required Supplementary Information - Part II  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Modifications / Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 7,024,463.00		\$ 7,024,463.00	\$ 7,024,463.00	
Tuition from Other LEAs Within the State	1,595,895.00		1,595,895.00	1,611,501.00	\$ 15,606.00
Rents and Royalties	500.00		500.00	1,250.00	750.00
Interest Earned on Capital Reserve Funds	1,000.00		1,000.00		(1,000.00)
Other Restricted Miscellaneous Revenues				161.06	161.06
Unrestricted Miscellaneous Revenues	20,000.00		20,000.00	25,753.54	5,753.54
<b>Total - Local Sources</b>	<b>8,641,858.00</b>	<b>-</b>	<b>8,641,858.00</b>	<b>8,663,128.60</b>	<b>21,270.60</b>
Federal Sources:					
Medicaid Reimbursement	20,358.00		20,358.00	11,875.17	(8,482.83)
<b>Total - Federal Sources</b>	<b>20,358.00</b>	<b>-</b>	<b>20,358.00</b>	<b>11,875.17</b>	<b>(8,482.83)</b>
State Sources:					
Categorical Special Education Aid	659,492.00		659,492.00	659,492.00	
Equalization Aid	7,204,939.00		7,204,939.00	7,204,939.00	
Categorical Security Aid	171,469.00		171,469.00	171,469.00	
Categorical Transportation Aid	50,358.00		50,358.00	50,358.00	
Extraordinary Aid	75,000.00		75,000.00	121,489.00	46,489.00
School Choice Aid	950,372.00		950,372.00	950,372.00	
Other State Aids:					
School Security Grant				61,529.00	61,529.00
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)				2,689,253.00	2,689,253.00
On-Behalf T.P.A.F. Pension Contributions - Post-Retirement Medical (non-budgeted)				628,318.00	628,318.00
On-Behalf T.P.A.F. Pension Contributions - Long-Term Disability Insurance (non-budgeted)				879.00	879.00
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				531,397.61	531,397.61
<b>Total - State Sources</b>	<b>9,111,630.00</b>	<b>-</b>	<b>9,111,630.00</b>	<b>13,069,495.61</b>	<b>3,957,865.61</b>
<b>Total Revenues</b>	<b>17,773,846.00</b>	<b>-</b>	<b>17,773,846.00</b>	<b>21,744,499.38</b>	<b>3,970,653.38</b>

(Continued)

**STERLING HIGH SCHOOL DISTRICT**  
 Required Supplementary Information - Part II  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Modifications / Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Grades 9-12 - Salaries of Teachers	\$ 4,799,164.00	\$ (24,581.53)	\$ 4,774,582.47	\$ 4,577,051.62	\$ 197,530.85
Regular Programs - Home Instruction:					
Salaries of Teachers	40,000.00		40,000.00	23,761.16	16,238.84
Purchased Professional - Educational Services	30,000.00	(2,784.58)	27,215.42	25,914.85	1,300.57
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	116,049.00	1,000.00	117,049.00	110,917.69	6,131.31
Purchased Professional - Educational Services	103,688.08	(10,302.50)	93,385.58	72,124.55	21,261.03
Other Purchased Services (400-500 Series)	315,264.89	574.50	315,839.39	231,639.30	84,200.09
General Supplies	565,933.01	2,185.49	568,118.50	554,798.57	13,319.93
Textbooks	26,040.00	1,055.51	27,095.51	27,087.51	8.00
Total Regular Programs - Instruction	<u>5,996,138.98</u>	<u>(32,853.11)</u>	<u>5,963,285.87</u>	<u>5,623,295.25</u>	<u>339,990.62</u>
Special Education - Instruction:					
Learning and / or Language Disabilities:					
Salaries of Teachers	84,699.00	18,300.00	102,999.00	102,963.44	35.56
Other Salaries for Instruction	23,835.00	14,000.00	37,835.00	37,764.82	70.18
General Supplies	100.00	(50.00)	50.00		50.00
Total Learning and / or Language Disabilities	<u>108,634.00</u>	<u>32,250.00</u>	<u>140,884.00</u>	<u>140,728.26</u>	<u>155.74</u>
Behavioral Disabilities:					
Salaries of Teachers	104,063.00	(16,000.00)	88,063.00	87,175.66	887.34
Other Salaries for Instruction	33,365.00	(14,000.00)	19,365.00	5,052.40	14,312.60
General Supplies	100.00		100.00		100.00
Total Behavioral Disabilities	<u>137,528.00</u>	<u>(30,000.00)</u>	<u>107,528.00</u>	<u>92,228.06</u>	<u>15,299.94</u>
Multiple Disabilities:					
Salaries of Teachers	121,833.00	3,700.00	125,533.00	125,363.12	169.88
Other Salaries for Instruction	66,990.00	(1,015.00)	65,975.00	41,300.00	24,675.00
Other Purchased Services (400-500 Series)	4,000.00	1,708.00	5,708.00	2,538.00	3,170.00
General Supplies	8,914.01	2,592.00	11,506.01	11,396.20	109.81
Total Multiple Disabilities	<u>201,737.01</u>	<u>6,985.00</u>	<u>208,722.01</u>	<u>180,597.32</u>	<u>28,124.69</u>

(Continued)

**STERLING HIGH SCHOOL DISTRICT**  
 Required Supplementary Information - Part II  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Modifications / Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Special Education - Instruction (Cont'd):					
Resource Room / Resource Center:					
Salaries of Teachers	\$ 423,668.00	\$ 59,000.00	\$ 482,668.00	\$ 479,433.26	\$ 3,234.74
Other Salaries for Instruction	110,055.00	(39,065.00)	70,990.00	66,760.91	4,229.09
Purchased Professional - Education Services	275.00		275.00		275.00
General Supplies	250.00		250.00	238.65	11.35
Total Resource Room / Resource Center	<u>534,248.00</u>	<u>19,935.00</u>	<u>554,183.00</u>	<u>546,432.82</u>	<u>7,750.18</u>
Total Special Education - Instruction	<u>982,147.01</u>	<u>29,170.00</u>	<u>1,011,317.01</u>	<u>959,986.46</u>	<u>51,330.55</u>
Basic Skills / Remedial - Instruction:					
Other Purchased Services (400-500 Series)	<u>2,160.00</u>	<u>475.00</u>	<u>2,635.00</u>	<u>2,557.51</u>	<u>77.49</u>
Total Basic Skills / Remedial - Instruction	<u>2,160.00</u>	<u>475.00</u>	<u>2,635.00</u>	<u>2,557.51</u>	<u>77.49</u>
Bilingual Education - Instruction:					
Salaries of Teachers	<u>7,680.00</u>	<u>65.00</u>	<u>7,745.00</u>	<u>7,743.20</u>	<u>1.80</u>
Total Bilingual Education - Instruction	<u>7,680.00</u>	<u>65.00</u>	<u>7,745.00</u>	<u>7,743.20</u>	<u>1.80</u>
School-Sponsored Cocurricular / Extracurricular Activities - Instruction:					
Salaries	125,114.00	7,000.00	132,114.00	128,854.58	3,259.42
Purchased Services (300-500 Series)	10,800.00	(2,615.00)	8,185.00	3,351.40	4,833.60
Supplies and Materials	12,345.00	2,615.00	14,960.00	9,106.43	5,853.57
Total School-Sponsored Cocurricular / Extracurricular Activities - Instruction	<u>148,259.00</u>	<u>7,000.00</u>	<u>155,259.00</u>	<u>141,312.41</u>	<u>13,946.59</u>
School-Sponsored Athletics - Instruction:					
Salaries	541,296.00	(7,000.00)	534,296.00	516,295.60	18,000.40
Purchased Services (300-500 Series)	186,539.00	4,761.00	191,300.00	150,110.68	41,189.32
Supplies and Materials	88,577.96	(800.00)	87,777.96	69,380.73	18,397.23
Other Objects	900.00		900.00	845.00	55.00
Total School-Sponsored Athletics - Instruction	<u>817,312.96</u>	<u>(3,039.00)</u>	<u>814,273.96</u>	<u>736,632.01</u>	<u>77,641.95</u>
Total Instruction	<u>7,953,697.95</u>	<u>817.89</u>	<u>7,954,515.84</u>	<u>7,471,526.84</u>	<u>482,989.00</u>

(Continued)

**STERLING HIGH SCHOOL DISTRICT**  
 Required Supplementary Information - Part II  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Modifications / Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Instruction:					
Tuition to Other LEA's Within the State - Regular	\$ 18,000.00	\$ 13,400.00	\$ 31,400.00	\$ 31,298.81	\$ 101.19
Tuition to Other LEA's Within the State - Special		19,004.00	19,004.00	19,004.00	
Tuition to County Vocational School District - Regular	140,593.00	23,895.00	164,488.00	164,488.00	
Tuition to CSSD and Regional Day Schools	143,318.00	2,996.00	146,314.00	146,245.56	68.44
Tuition to Private Schools for the Disabled - Within State	359,028.00	(28,400.00)	330,628.00	298,891.06	31,736.94
Tuition - State Facilities	39,872.00	1.00	39,873.00	39,872.00	1.00
Tuition - Other		30,154.00	30,154.00	30,154.00	
<b>Total Undistributed Expenditures - Instruction</b>	<b>700,811.00</b>	<b>61,050.00</b>	<b>761,861.00</b>	<b>729,953.43</b>	<b>31,907.57</b>
Undistributed Expenditures - Attendance and Social Work:					
Salaries	34,675.00	50.00	34,725.00	34,725.00	
<b>Total Undistributed Expenditures - Attendance and Social Work</b>	<b>34,675.00</b>	<b>50.00</b>	<b>34,725.00</b>	<b>34,725.00</b>	<b>-</b>
Undistributed Expenditures - Health Services:					
Salaries	132,542.00	(24,126.08)	108,415.92	93,684.00	14,731.92
Purchased Professional and Technical Services	22,356.00	15,000.00	37,356.00	33,703.25	3,652.75
Other Purchased Services (400-500 Series)	14,724.41	(4,857.31)	9,867.10	362.00	9,505.10
Supplies and Materials	4,638.00	3,857.31	8,495.31	4,790.95	3,704.36
<b>Total Undistributed Expenditures - Health Services</b>	<b>174,260.41</b>	<b>(10,126.08)</b>	<b>164,134.33</b>	<b>132,540.20</b>	<b>31,594.13</b>
Undistributed Expenditures - Speech, OT, PT and Related Services:					
Salaries	56,898.00	550.00	57,448.00	57,408.45	39.55
Purchased Professional - Educational Services	6,199.50	(3,800.00)	2,399.50	2,322.31	77.19
<b>Total Undistributed Expenditures - Other Support Services - Students - Related Services</b>	<b>63,097.50</b>	<b>(3,250.00)</b>	<b>59,847.50</b>	<b>59,730.76</b>	<b>116.74</b>
Undistributed Expenditures - Other Support Services - Students - Extraordinary Services:					
Salaries	91,583.00		91,583.00	79,338.05	12,244.95
Purchased Professional - Educational Services	168,228.00	(62,550.00)	105,678.00	103,471.25	2,206.75
<b>Total Undistributed Expenditures - Other Support Services - Students - Extraordinary Services</b>	<b>259,811.00</b>	<b>(62,550.00)</b>	<b>197,261.00</b>	<b>182,809.30</b>	<b>14,451.70</b>

(Continued)

**STERLING HIGH SCHOOL DISTRICT**  
 Required Supplementary Information - Part II  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Modifications / Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Guidance:					
Students - Regular:					
Salaries of Other Professional Staff	\$ 498,860.00		\$ 498,860.00	\$ 484,308.63	\$ 14,551.37
Salaries of Secretarial and Clerical Assistants	89,599.00		89,599.00	87,045.52	2,553.48
Other Purchased Services (400-500 Series)	39,535.00	\$ (513.00)	39,022.00	29,728.47	9,293.53
Supplies and Materials	6,644.77		6,644.77	3,914.32	2,730.45
Other Objects	850.00		850.00	845.00	5.00
<b>Total Undistributed Expenditures - Guidance</b>	<b>635,488.77</b>	<b>(513.00)</b>	<b>634,975.77</b>	<b>605,841.94</b>	<b>29,133.83</b>
Undistributed Expenditures - Child Study Team:					
Salaries of Other Professional Staff	245,391.00	7,618.96	253,009.96	253,009.96	
Salaries of Secretarial and Clerical Assistants	46,250.00	229.12	46,479.12	46,479.12	
Other Salaries	67,371.00	614.00	67,985.00	67,985.00	
Purchased Professional - Educational Services	29,820.00	(4.03)	29,815.97	23,631.50	6,184.47
Other Purchased Professional and Technical Services	688.00	50.00	738.00	737.50	0.50
Other Purchased Services (400-500 Series)	33,507.51	(2,254.97)	31,252.54	29,949.60	1,302.94
Supplies and Materials	7,024.91	1,600.00	8,624.91	8,163.86	461.05
Other Objects	850.00		850.00	845.00	5.00
<b>Total Undistributed Expenditures - Child Study Team</b>	<b>430,902.42</b>	<b>7,853.08</b>	<b>438,755.50</b>	<b>430,801.54</b>	<b>7,953.96</b>
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	119,298.00		119,298.00	101,359.33	17,938.67
Salaries of Secretarial and Clerical Assistants	38,542.00		38,542.00	38,151.11	390.89
Other Purchased Services (400-500 Series)	24,074.00	(2,345.00)	21,729.00	17,090.45	4,638.55
Supplies and Materials	1,300.00		1,300.00	645.53	654.47
Other Objects	850.00	2,345.00	3,195.00	3,195.00	
<b>Total Undistributed Expenditures - Improvement of Instruction Services</b>	<b>184,064.00</b>	<b>-</b>	<b>184,064.00</b>	<b>160,441.42</b>	<b>23,622.58</b>

(Continued)

**STERLING HIGH SCHOOL DISTRICT**  
 Required Supplementary Information - Part II  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Modifications / Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Educational Media Services / School Library:					
Salaries	\$ 67,371.00	\$ 614.00	\$ 67,985.00	\$ 67,985.00	
Salaries of Technology Coordinators	20,997.00		20,997.00	20,996.64	\$ 0.36
Other Purchased Services (400-500 Series)	14,800.00		14,800.00	14,755.77	44.23
Supplies and Materials	21,021.87	1,000.00	22,021.87	17,997.83	4,024.04
<b>Total Undistributed Expenditures - Educational Media Services / School Library</b>	<b>124,189.87</b>	<b>1,614.00</b>	<b>125,803.87</b>	<b>121,735.24</b>	<b>4,068.63</b>
Undistributed Expenditures - Support Services - General Administration:					
Salaries	244,010.00	3,500.00	247,510.00	246,667.04	842.96
Legal Services	57,950.00		57,950.00	42,839.66	15,110.34
Audit Fees	64,500.00	16,000.00	80,500.00	80,400.00	100.00
Architectural / Engineering Services	36,235.00	5,300.00	41,535.00	38,688.72	2,846.28
Other Purchased Professional Services	11,901.00		11,901.00	10,110.00	1,791.00
Communications / Telephone	57,000.00	(2,700.00)	54,300.00	52,864.85	1,435.15
BOE Other Purchased Services	2,500.00	(2,500.00)			
Other Purchased Services (400-500)	50,001.00	(6,435.00)	43,566.00	42,856.32	709.68
General Supplies	2,865.15		2,865.15	2,635.24	229.91
BOE In-House Training / Meeting Supplies	850.00		850.00	525.95	324.05
Miscellaneous Expenditures	7,870.00	(1,500.00)	6,370.00	4,802.56	1,567.44
BOE Membership Dues and Fees	9,860.00		9,860.00	9,760.00	100.00
<b>Total Undistributed Expenditures - Support Services - General Administration</b>	<b>545,542.15</b>	<b>11,665.00</b>	<b>557,207.15</b>	<b>532,150.34</b>	<b>25,056.81</b>
Undistributed Expenditures - Support Services - School Administration:					
Salaries of Principals / Assistant Principals	305,861.00	(500.00)	305,361.00	302,111.52	3,249.48
Salaries of Secretarial and Clerical Assistants	102,104.00	500.00	102,604.00	102,513.28	90.72
Other Purchased Services (400-500 Series)	1,450.00		1,450.00	500.00	950.00
Supplies and Materials	5,950.00	2,500.00	8,450.00	8,199.84	250.16
Other Objects	1,900.00		1,900.00	1,690.00	210.00
<b>Total Undistributed Expenditures - Support Services - School Administration</b>	<b>417,265.00</b>	<b>2,500.00</b>	<b>419,765.00</b>	<b>415,014.64</b>	<b>4,750.36</b>

(Continued)



**STERLING HIGH SCHOOL DISTRICT**  
 Required Supplementary Information - Part II  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Modifications / Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Central Services:					
Salaries	\$ 342,731.00	\$ (3,755.00)	\$ 338,976.00	\$ 319,681.34	\$ 19,294.66
Purchased Technical Services		7,500.00	7,500.00	7,500.00	
Miscellaneous Purchased Services (400-500 Series)	35,205.16	3,735.00	38,940.16	38,552.18	387.98
Supplies and Materials	1,935.37	1,955.00	3,890.37	3,886.47	3.90
	<u>379,871.53</u>	<u>9,435.00</u>	<u>389,306.53</u>	<u>369,619.99</u>	<u>19,686.54</u>
Undistributed Expenditures - Administration Information					
Technology:					
Salaries	144,189.00		144,189.00	144,188.16	0.84
	<u>144,189.00</u>	<u>-</u>	<u>144,189.00</u>	<u>144,188.16</u>	<u>0.84</u>
Undistributed Expenditures - Required Maintenance for School					
Facilities:					
Salaries	282,206.00	(4,500.00)	277,706.00	245,826.00	31,880.00
Cleaning, Repair, and Maintenance Services	286,216.56		286,216.56	248,393.42	37,823.14
General Supplies	100,562.33		100,562.33	88,366.03	12,196.30
	<u>668,984.89</u>	<u>(4,500.00)</u>	<u>664,484.89</u>	<u>582,585.45</u>	<u>81,899.44</u>
Undistributed Expenditures - Custodial Services:					
Salaries	423,934.00	4,500.00	428,434.00	394,417.03	34,016.97
Purchased Professional and Technical Services	32,475.00		32,475.00	26,659.79	5,815.21
Cleaning, Repair, and Maintenance Services	17,284.23	(1,632.00)	15,652.23	9,618.43	6,033.80
Other Purchased Property Services	47,300.00		47,300.00	45,638.09	1,661.91
Insurance	88,979.00		88,979.00	88,979.00	
Miscellaneous Purchased Services	25,440.00	1,632.00	27,072.00	23,683.73	3,388.27
General Supplies	69,077.71	(1,300.00)	67,777.71	60,168.77	7,608.94
Energy (Natural Gas)	90,000.00	40,000.00	130,000.00	112,718.21	17,281.79
Energy (Electricity)	315,000.00	(43,000.00)	272,000.00	167,781.61	104,218.39
Energy (Oil)	1,200.00		1,200.00		1,200.00
Energy (Gasoline)	4,000.00	3,000.00	7,000.00	5,193.37	1,806.63
	<u>1,114,689.94</u>	<u>3,200.00</u>	<u>1,117,889.94</u>	<u>934,858.03</u>	<u>183,031.91</u>

(Continued)

**STERLING HIGH SCHOOL DISTRICT**  
 Required Supplementary Information - Part II  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Modifications / Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Care and Upkeep of Grounds:					
Salaries	\$ 65,727.00		\$ 65,727.00	\$ 62,443.28	\$ 3,283.72
Purchased Professional and Technical Services		\$ 1,895.00	1,895.00	1,895.00	
Cleaning, Repair, and Maintenance Services	123,100.85	(6,125.00)	116,975.85	100,730.77	16,245.08
General Supplies	25,814.38	4,230.00	30,044.38	23,523.34	6,521.04
<b>Total Undistributed Expenditures - Care and Upkeep of Grounds</b>	<b>214,642.23</b>	<b>-</b>	<b>214,642.23</b>	<b>188,592.39</b>	<b>26,049.84</b>
Undistributed Expenditures - Security:					
Purchased Professional and Technical Services	123,866.00	2,785.06	126,651.06	126,651.02	0.04
Cleaning, Repair, and Maintenance Services	31,600.00	1,300.00	32,900.00	31,360.92	1,539.08
General Supplies	9,891.99	(0.48)	9,891.51	9,600.11	291.40
<b>Total Undistributed Expenditures - Security</b>	<b>165,357.99</b>	<b>4,084.58</b>	<b>169,442.57</b>	<b>167,612.05</b>	<b>1,830.52</b>
<b>Total Undistributed Expenditures - Operation and Maintenance of Plant Services</b>	<b>2,163,675.05</b>	<b>2,784.58</b>	<b>2,166,459.63</b>	<b>1,873,647.92</b>	<b>292,811.71</b>
Undistributed Expenditures - Student Transportation Services:					
Management Fee - ESC and CTSA Transportation Program	19,400.00		19,400.00	18,329.29	1,070.71
Contracted Services - (Other than Between Home and School) - Vendors	231,873.48	(16,023.44)	215,850.04	164,796.54	51,053.50
Contracted Services (Regular Students) - ESCs and CTSA	99,661.00	30,200.00	129,861.00	121,214.50	8,646.50
Contracted Services (Special Education Students) - ESCs and CTSA	347,865.00	(34,600.00)	313,265.00	183,440.52	129,824.48
Contracted Services - Aid in Lieu Payments - Charter Schools		772.44	772.44	772.44	
Contracted Services - Aid in Lieu Payments - Choice Schools		1,000.00	1,000.00	1,000.00	
<b>Total Undistributed Expenditures - Student Transportation Services</b>	<b>698,799.48</b>	<b>(18,651.00)</b>	<b>680,148.48</b>	<b>489,553.29</b>	<b>190,595.19</b>
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	212,338.00	1,460.78	213,798.78	188,719.06	25,079.72
TPAF Contributions		6,729.15	6,729.15	6,729.15	
Other Retirement Contributions - PERS	260,556.00	7,900.00	268,456.00	266,505.36	1,950.64
Unemployment Compensation	1,000.00		1,000.00		1,000.00
Workmen's Compensation	110,218.00	(3,961.00)	106,257.00	100,683.80	5,573.20
Health Benefits	2,324,316.00	(16,089.93)	2,308,226.07	1,877,198.23	431,027.84

(Continued)

**STERLING HIGH SCHOOL DISTRICT**  
 Required Supplementary Information - Part II  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Modifications / Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Unallocated Benefits - Employee Benefits (Cont'd):					
Tuition Reimbursements	\$ 30,000.00	\$ (3,300.00)	\$ 26,700.00	\$ 14,297.40	\$ 12,402.60
Other Employee Benefits	13,090.00		13,090.00	9,109.32	3,980.68
Unused Sick Payment to Terminated / Retired Staff	21,870.00	4,581.53	26,451.53	26,451.53	
Total Unallocated Benefits - Employee Benefits	<u>2,973,388.00</u>	<u>(2,679.47)</u>	<u>2,970,708.53</u>	<u>2,489,693.85</u>	<u>481,014.68</u>
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)				2,689,253.00	(2,689,253.00)
On-Behalf T.P.A.F. Pension Contributions - Post-Retirement Medical (non-budgeted)				628,318.00	(628,318.00)
On-Behalf T.P.A.F. Pension Contributions - Long-Term Disability Insurance (non-budgeted)				879.00	(879.00)
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				531,397.61	(531,397.61)
Total On-behalf Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,849,847.61</u>	<u>(3,849,847.61)</u>
Total Personal Services - Employee Benefits	<u>2,973,388.00</u>	<u>(2,679.47)</u>	<u>2,970,708.53</u>	<u>6,339,541.46</u>	<u>(3,368,832.93)</u>
Total Undistributed Expenditures	<u>9,930,030.18</u>	<u>(817.89)</u>	<u>9,929,212.29</u>	<u>12,622,294.63</u>	<u>(2,693,082.34)</u>
Total General Current Expense	<u>17,883,728.13</u>	<u>-</u>	<u>17,883,728.13</u>	<u>20,093,821.47</u>	<u>(2,210,093.34)</u>
Equipment:					
Grades 9-12	50,000.00		50,000.00	49,228.02	771.98
School Sponsored - Athletics	42,985.00		42,985.00	20,835.00	22,150.00
Undistributed Expenditures: Care and Upkeep of Grounds	9,164.50		9,164.50	9,164.50	
Total Equipment	<u>102,149.50</u>	<u>-</u>	<u>102,149.50</u>	<u>79,227.52</u>	<u>22,921.98</u>
Facilities Acquisition and Construction Services:					
Architectural / Engineering Services	94,823.00	29,479.00	124,302.00	109,708.80	14,593.20
Construction Services	629,000.00	(29,479.00)	599,521.00	461,227.15	138,293.85
Assessment for Debt Service on SDA Funding	3,352.00		3,352.00	3,352.00	
Total Facilities Acquisition and Construction Services	<u>727,175.00</u>	<u>-</u>	<u>727,175.00</u>	<u>574,287.95</u>	<u>152,887.05</u>

(Continued)

**STERLING HIGH SCHOOL DISTRICT**  
 Required Supplementary Information - Part II  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Modifications / Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONT'D):					
Total Capital Outlay	\$ 829,324.50	-	\$ 829,324.50	\$ 653,515.47	\$ 175,809.03
Total Expenditures	18,713,052.63	-	18,713,052.63	20,747,336.94	(2,034,284.31)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(939,206.63)	-	(939,206.63)	997,162.44	1,936,369.07
Other Financing Sources (Uses):					
Capital Reserve - Transfer to Capital Projects Fund	(750,000.00)	-	(750,000.00)	(537,132.29)	(212,867.71)
Total Other Financing Sources (Uses)	(750,000.00)	-	(750,000.00)	(537,132.29)	(212,867.71)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,689,206.63)	-	(1,689,206.63)	460,030.15	1,723,501.36
Fund Balances, July 1	5,149,914.88	-	5,149,914.88	5,149,914.88	-
Fund Balances, June 30	\$ 3,460,708.25	-	\$ 3,460,708.25	\$ 5,609,945.03	\$ 1,723,501.36
Recapitulation:					
Restricted:					
Capital Reserve:					
Designated for Subsequent Year's Expenditures				\$ 1,800,000.00	
Capital Reserve				1,700,109.23	
Maintenance Reserve				325,000.00	
Excess Surplus:					
Prior Year - Designated for Subsequent Year's Expenditures				259,805.00	
Current Year				474,018.14	
Unemployment Compensation				138,155.23	
Assigned:					
Year-End Encumbrances				168,983.57	
Unassigned				743,873.86	
				5,609,945.03	
Reconciliation to Governmental Funds Statements (GAAP):					
Fiscal Year 2022 Last State Aid Payments not Recognized on GAAP Basis				(888,945.00)	
Fund Balance per Governmental Funds (GAAP)				\$ 4,721,000.03	

**STERLING HIGH SCHOOL DISTRICT**  
 Required Supplementary Information - Part II  
 Special Revenue Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers / Modifications	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Revenue from Local Sources	\$ 48,870.00		\$ 48,870.00	\$ 314,127.94	\$ 265,257.94
<b>Total - Local Sources</b>	<b>48,870.00</b>	<b>-</b>	<b>48,870.00</b>	<b>314,127.94</b>	<b>265,257.94</b>
Federal Sources:					
Title I, Part A	109,153.00		109,153.00	105,946.44	(3,206.56)
Title I, School Improvement Accountability	21,300.00		21,300.00	10,000.00	(11,300.00)
Title II, Part A	23,189.00		23,189.00	13,915.00	(9,274.00)
Title IV, Part A	13,123.00		13,123.00	9,477.36	(3,645.64)
I.D.E.A. Part B, Basic	189,329.00		189,329.00	186,717.68	(2,611.32)
ARP - I.D.E.A. Basic	42,639.00		42,639.00		(42,639.00)
Coronavirus Response and Relief Supplemental Appropriations Act:					
ESSER II	354,121.00		354,121.00	193,084.00	(161,037.00)
A.R.P. ESSER	795,864.00		795,864.00	183,198.00	(612,666.00)
Learning Acceleration Grant	25,000.00		25,000.00	15,170.00	(9,830.00)
Accelerated Learning Coach and Educator Support Grant	73,094.00		73,094.00		(73,094.00)
Mental Health Grant	45,000.00		45,000.00	18,416.72	(26,583.28)
Mental Health Grant - NJTSS	45,000.00		45,000.00	18,126.84	(26,873.16)
Evidence Based Summer Learning and Enrichment	40,000.00		40,000.00		(40,000.00)
Evidence Based Comprehensive Beyond the School Day	40,000.00		40,000.00	9,773.00	(30,227.00)
<b>Total - Federal Sources</b>	<b>1,816,812.00</b>	<b>-</b>	<b>1,816,812.00</b>	<b>763,825.04</b>	<b>(1,052,986.96)</b>
State Sources:					
SDA Emergent Needs and Capital Maintenance in School Districts		\$ 26,344.00	26,344.00	26,344.00	
<b>Total - State Sources</b>	<b>-</b>	<b>26,344.00</b>	<b>26,344.00</b>	<b>26,344.00</b>	<b>-</b>
<b>Total Revenues</b>	<b>1,865,682.00</b>	<b>26,344.00</b>	<b>1,892,026.00</b>	<b>1,104,296.98</b>	<b>(787,729.02)</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries	243,730.00		243,730.00	47,248.36	196,481.64
Other Salaries for Instruction	64,468.00		64,468.00	63,501.80	966.20
Purchased Professional and Technical Services	1,500.00		1,500.00	1,430.00	70.00
Other Purchased Services (400-500 series)	231,968.00		231,968.00	186,717.68	45,250.32
Instructional Supplies	24,851.00		24,851.00	780.28	24,070.72
General Supplies	1,226.00		1,226.00	55.64	1,170.36
<b>Total Instruction</b>	<b>567,743.00</b>	<b>-</b>	<b>567,743.00</b>	<b>299,733.76</b>	<b>268,009.24</b>
Support Services:					
Salaries	133,960.00		133,960.00	2,323.44	131,636.56
Employee Benefits	43,222.00		43,222.00	40,959.00	2,263.00
Professional Technical Services	45,144.00		45,144.00	11,446.00	33,698.00
Purchased Property Services		26,344.00	26,344.00	26,344.00	
Other Purchased Services	22,097.00		22,097.00	14,947.00	7,150.00
Supplies and Materials	15,086.00		15,086.00	2,699.00	12,387.00
General Supplies	1,968.00		1,968.00		1,968.00
Scholarships Awarded				1,500.00	(1,500.00)
Student Activities	48,870.00		48,870.00	299,474.46	(250,604.46)
Other Objects	771.00		771.00	465.00	306.00
<b>Total Support Services</b>	<b>311,118.00</b>	<b>26,344.00</b>	<b>337,462.00</b>	<b>400,157.90</b>	<b>(62,695.90)</b>

(Continued)

**STERLING HIGH SCHOOL DISTRICT**  
 Required Supplementary Information - Part II  
 Special Revenue Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers / Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES (CONT'D):					
Facilities Acquisition and Construction Services:					
Construction Services	\$ 976,821.00		\$ 976,821.00	\$ 381,478.84	\$ 595,342.16
Instructional Equipment	10,000.00		10,000.00	9,773.00	227.00
Total Facilities Acquisition and Construction Services	<u>986,821.00</u>	-	<u>986,821.00</u>	<u>391,251.84</u>	<u>595,569.16</u>
Total Expenditures	<u>1,865,682.00</u>	<u>\$ 26,344.00</u>	<u>1,892,026.00</u>	<u>1,091,143.50</u>	<u>800,882.50</u>
Excess (Deficiency) of Revenues Over (Under)					
Expenditures	-	-	-	13,153.48	13,153.48
Fund Balance, July 1				<u>132,524.27</u>	
Fund Balance, June 30				<u>\$ 145,677.75</u>	
Recapitulation:					
Restricted:					
Scholarships				\$ 4,356.62	
Student Activities				<u>141,321.13</u>	
Total Fund Balance				<u>\$ 145,677.75</u>	

**STERLING HIGH SCHOOL DISTRICT**  
 Required Supplementary Information - Part II  
 Budgetary Comparison Schedule  
 Note to Required Supplementary Information  
 For the Fiscal Year Ended June 30, 2022

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-series)	\$ 21,744,499.38	\$ 1,104,296.98
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(25,537.23)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes, and State aid payment recognized as revenue for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(87,399.00)</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 21,657,100.38</u>	<u>\$ 1,078,759.75</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule (C-series)	\$ 20,747,336.94	\$ 1,091,143.50
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		<u>(25,537.23)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 20,747,336.94</u>	<u>\$ 1,065,606.27</u>

**REQUIRED SUPPLEMENTARY INFORMATION  
PART III**

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



**STERLING HIGH SCHOOL DISTRICT**  
 Required Supplementary Information - Part III  
 Schedule of the School District's Proportionate Share of the Net Pension Liability  
 Public Employees' Retirement System (PERS)  
 Last Nine Plan Years

	<u>Measurement Date Ended June 30,</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
School District's Proportion of the Net Pension Liability	0.0228992643%	0.0211275737%	0.0239104246%	0.0310830576%	0.0341031216%
School District's Proportionate Share of the Net Pension Liability	\$ 2,712,761.00	\$ 3,445,355.00	\$ 4,308,296.00	\$ 6,120,099.00	\$ 7,938,662.00
School District's Covered Payroll (Plan Measurement Period)	\$ 1,772,464.00	\$ 1,618,720.00	\$ 1,722,520.00	\$ 2,232,092.00	\$ 2,389,916.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	153.05%	212.84%	250.12%	274.19%	332.17%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.33%	58.32%	56.27%	53.60%	48.10%
	<u>Measurement Date Ended June 30,</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	
School District's Proportion of the Net Pension Liability	0.0370092623%	0.0397913627%	0.0494878867%	0.0463395441%	
School District's Proportionate Share of the Net Pension Liability	\$ 10,961,082.00	\$ 8,932,364.00	\$ 9,265,486.00	\$ 8,856,408.00	
School District's Covered Payroll (Plan Measurement Period)	\$ 2,734,564.00	\$ 2,640,896.00	\$ 3,325,524.00	\$ 3,247,020.00	
School District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	400.83%	338.23%	278.62%	272.75%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%	

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

**STERLING HIGH SCHOOL DISTRICT**  
 Required Supplementary Information - Part III  
 Schedule of the School District's Contributions  
 Public Employees' Retirement System (PERS)  
 Last Nine Fiscal Years

	<u>Fiscal Year Ended June 30,</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually Required Contribution	\$ 283,694.00	\$ 268,177.00	\$ 231,125.00	\$ 232,578.00	\$ 309,176.00
Contributions in relation to the Contractually Required Contribution	<u>(283,694.00)</u>	<u>(268,177.00)</u>	<u>(231,125.00)</u>	<u>(232,578.00)</u>	<u>(309,176.00)</u>
Contribution Deficiency (Excess)	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
School District's Covered Payroll (Fiscal Year)	\$ 1,630,230.00	\$ 1,680,839.00	\$ 1,633,005.00	\$ 1,568,389.00	\$ 1,681,484.00
Contributions as a Percentage of School District's Covered Payroll	17.40%	15.95%	14.15%	14.83%	18.39%
	<u>Fiscal Year Ended June 30,</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Contractually Required Contribution	\$ 315,929.00	\$ 328,785.00	\$ 342,099.00	\$ 407,971.00	
Contributions in relation to the Contractually Required Contribution	<u>(315,929.00)</u>	<u>(328,785.00)</u>	<u>(342,099.00)</u>	<u>(407,971.00)</u>	
Contribution Deficiency (Excess)	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	
School District's Covered Payroll (Fiscal Year)	\$ 2,223,491.00	\$ 2,226,348.00	\$ 2,908,288.00	\$ 2,851,380.00	
Contributions as a Percentage of School District's Covered Payroll	14.21%	14.77%	11.76%	14.31%	

*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.*

**STERLING HIGH SCHOOL DISTRICT**  
 Required Supplementary Information - Part III  
 Schedule of the School District's Proportionate Share of the Net Pension Liability  
 Teachers' Pension and Annuity Fund (TPAF)  
 Last Nine Plan Years

	<u>Measurement Date Ended June 30,</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability associated with the School District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
School District's Proportionate Share of the Net Pension Liability	-	-	-	-	-
State's Proportionate Share of the Net Pension Liability associated with the School District	<u>\$ 30,130,292.00</u>	<u>\$ 42,303,503.00</u>	<u>\$ 39,742,009.00</u>	<u>\$ 39,276,358.00</u>	<u>\$ 41,352,753.00</u>
	<u>\$ 30,130,292.00</u>	<u>\$ 42,303,503.00</u>	<u>\$ 39,742,009.00</u>	<u>\$ 39,276,358.00</u>	<u>\$ 41,352,753.00</u>
School District's Covered Payroll (Plan Measurement Period)	\$ 8,288,680.00	\$ 7,992,336.00	\$ 7,950,584.00	\$ 7,979,092.00	\$ 7,382,080.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	363.51%	529.30%	499.86%	492.24%	560.18%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	35.52%	24.60%	26.95%	26.49%	25.41%

	<u>Measurement Date Ended June 30,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability associated with the School District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
School District's Proportionate Share of the Net Pension Liability	-	-	-	-
State's Proportionate Share of the Net Pension Liability associated with the School District	<u>\$ 50,827,551.00</u>	<u>\$ 40,508,669.00</u>	<u>\$ 34,263,323.00</u>	<u>\$ 33,439,016.00</u>
	<u>\$ 50,827,551.00</u>	<u>\$ 40,508,669.00</u>	<u>\$ 34,263,323.00</u>	<u>\$ 33,439,016.00</u>
School District's Covered Payroll (Plan Measurement Period)	\$ 7,410,212.00	\$ 7,495,632.00	\$ 7,483,260.00	\$ 7,510,720.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	685.91%	540.43%	457.87%	445.22%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	22.33%	28.71%	33.64%	33.76%

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

**STERLING HIGH SCHOOL DISTRICT**  
Required Supplementary Information - Part III  
Schedule of the School District's Contributions  
Teachers' Pension and Annuity Fund (TPAF)  
Last Ten Fiscal Years

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

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

**STERLING HIGH SCHOOL DISTRICT**  
 Required Supplementary Information - Part III  
 Notes to Required Supplementary Information  
 For the Fiscal Year Ended June 30, 2022

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

***Changes in Benefit Terms:***

None.

***Changes in Assumptions:***

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

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

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

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

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

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

***Changes in Benefit Terms:***

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

***Changes in Assumptions:***

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

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

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

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

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

**REQUIRED SUPPLEMENTARY INFORMATION  
PART IV**

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

**STERLING HIGH SCHOOL DISTRICT**  
 Required Supplementary Information  
 Schedule of Changes in the School District's Total OPEB Liability and Related Ratios  
 Last Five Plan Years

	Measurement Date Ended June 30,				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total Non-Employer OPEB Liability - State's Proportionate Share of the Total OPEB Liability Associated with the School District</b>					
Changes for the Year:					
Service Cost	\$ 2,081,526.00	\$ 1,245,100.00	\$ 1,325,697.00	\$ 1,461,170.00	\$ 1,762,854.00
Interest Cost	1,103,429.00	1,071,193.00	1,324,705.00	1,463,510.00	1,263,850.00
Changes in Benefit Terms	(45,274.00)				
Difference between Expected and Actual Experience	(6,747,252.00)	7,090,723.00	(5,797,837.00)	(4,739,884.00)	
Changes in Assumptions	41,965.00	8,574,800.00	443,623.00	(3,826,313.00)	(5,316,260.00)
Member Contributions	28,209.00	24,770.00	27,074.00	30,815.00	33,984.00
Gross Benefit Payments	(869,193.00)	(817,232.00)	(913,336.00)	(891,589.00)	(922,909.00)
Net Change in Total Non-Employer OPEB Liability	(4,406,590.00)	17,189,354.00	(3,590,074.00)	(6,502,291.00)	(3,178,481.00)
Total Non-Employer OPEB Liability - July 1	<u>46,942,602.00</u>	<u>29,753,248.00</u>	<u>33,343,322.00</u>	<u>39,845,613.00</u>	<u>43,024,094.00</u>
Total Non-Employer OPEB Liability - June 30	<u>\$ 42,536,012.00</u>	<u>\$ 46,942,602.00</u>	<u>\$ 29,753,248.00</u>	<u>\$ 33,343,322.00</u>	<u>\$ 39,845,613.00</u>
School District's Covered Payroll (Plan Measurement Period)	<u>\$ 8,804,693.00</u>	<u>\$ 8,745,566.00</u>	<u>\$ 8,363,531.00</u>	<u>\$ 8,458,863.00</u>	<u>\$ 8,897,099.00</u>
State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District as a Percentage of Covered Payroll	483.11%	536.76%	355.75%	394.18%	447.85%

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.

**STERLING HIGH SCHOOL DISTRICT**  
 Required Supplementary Information - Part IV  
 Notes to Required Supplementary Information - Part IV  
 For the Fiscal Year Ended June 30, 2022

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**Changes in Benefit Terms:**

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

**Changes in Assumptions:**

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

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

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

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



**OTHER SUPPLEMENTARY INFORMATION**

**SPECIAL REVENUE FUND**

**STERLING HIGH SCHOOL DISTRICT**  
 Special Revenue Fund  
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2022

	<u>Every Student Succeeds Act (E.S.S.A.)</u>				Elementary and Secondary School Emergency Relief Fund (ESSER II)	Learning Acceleration	<u>Education Stabilization Fund</u>				Total Carried Forward
	Title I, Part A	Title I, School Improvement Accountability	Title II, Part A, Improving Teacher Quality	Title IV			Mental Health	American Rescue Plan Elementary and Secondary School Emergency Relief Fund (ARP ESSER)	Evidence Based Comprehensive Beyond the School Day	NJSS Mental Health Support Staffing	
REVENUES:											
Federal Sources	\$ 105,946.44	\$ 10,000.00	\$ 13,915.00	\$ 9,477.36	\$ 193,084.00	\$ 15,170.00	\$ 18,416.72	\$ 183,198.00	\$ 9,773.00	\$ 18,126.84	\$ 577,107.36
State Sources											
Local Sources											
<b>Total Revenues</b>	<b>105,946.44</b>	<b>10,000.00</b>	<b>13,915.00</b>	<b>9,477.36</b>	<b>193,084.00</b>	<b>15,170.00</b>	<b>18,416.72</b>	<b>183,198.00</b>	<b>9,773.00</b>	<b>18,126.84</b>	<b>577,107.36</b>
EXPENDITURES:											
Instruction:											
Salaries		10,000.00	8,000.00	4,278.36		14,970.00	10,000.00				47,248.36
Other Salaries for Instruction	63,501.80										63,501.80
Purchased Professional and Technical Services	1,430.00										1,430.00
Other Purchased Services (400-500 series)											
Instructional Supplies							780.28				780.28
General Supplies	55.64										55.64
<b>Total Instruction</b>	<b>64,987.44</b>	<b>10,000.00</b>	<b>8,000.00</b>	<b>4,278.36</b>	<b>-</b>	<b>14,970.00</b>	<b>10,780.28</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>113,016.08</b>
Support Services:											
Salaries - Support							2,323.44				2,323.44
Employee Benefits	40,959.00										40,959.00
Purchased Professional and Technical Services							666.00			10,780.00	11,446.00
Other Purchased Services			5,450.00	2,700.00			4,647.00			2,150.00	14,947.00
Supplies and Materials				2,499.00		200.00					2,699.00
Scholarships Awarded											
Student Activities											
Other Objects			465.00								465.00
<b>Total Support Services</b>	<b>40,959.00</b>	<b>-</b>	<b>5,915.00</b>	<b>5,199.00</b>	<b>-</b>	<b>200.00</b>	<b>7,636.44</b>	<b>-</b>	<b>-</b>	<b>12,930.00</b>	<b>72,839.44</b>
Facilities Acquisition and Construction Services:											
Construction Services					193,084.00			183,198.00		5,196.84	381,478.84
Instructional Equipment									9,773.00		9,773.00
<b>Total Facilities Acquisition and Construction Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>193,084.00</b>	<b>-</b>	<b>-</b>	<b>183,198.00</b>	<b>9,773.00</b>	<b>5,196.84</b>	<b>391,251.84</b>
<b>Total Expenditures</b>	<b>105,946.44</b>	<b>10,000.00</b>	<b>13,915.00</b>	<b>9,477.36</b>	<b>193,084.00</b>	<b>15,170.00</b>	<b>18,416.72</b>	<b>183,198.00</b>	<b>9,773.00</b>	<b>18,126.84</b>	<b>577,107.36</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-	-	-	-	-	-	-
Fund Balance, June 30	-	-	-	-	-	-	-	-	-	-	-

(Continued)

**STERLING HIGH SCHOOL DISTRICT**  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2022

	Total Brought Forward	I.D.E.A. Part B. Basic	Schools Development Authority - Emergent and Capital Maintenance Needs Program	Scholarship Fund	Student Activity / Athletics Fund	Total
<b>REVENUES:</b>						
Federal Sources	\$ 577,107.36	\$ 186,717.68				\$ 763,825.04
State Sources			\$ 26,344.00			26,344.00
Local Sources				\$ 6.57	\$ 314,121.37	314,127.94
<b>Total Revenues</b>	<b>577,107.36</b>	<b>186,717.68</b>	<b>26,344.00</b>	<b>6.57</b>	<b>314,121.37</b>	<b>1,104,296.98</b>
<b>EXPENDITURES:</b>						
<b>Instruction:</b>						
Salaries	47,248.36					47,248.36
Other Salaries for Instruction	63,501.80					63,501.80
Purchased Professional and Technical Services	1,430.00					1,430.00
Other Purchased Services (400-500 series)		186,717.68				186,717.68
Instructional Supplies	780.28					780.28
General Supplies	55.64					55.64
<b>Total Instruction</b>	<b>113,016.08</b>	<b>186,717.68</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>299,733.76</b>
<b>Support Services:</b>						
Salaries - Support	2,323.44					2,323.44
Employee Benefits	40,959.00					40,959.00
Purchased Professional and Technical Services	11,446.00					11,446.00
Other Purchased Services	14,947.00		26,344.00			41,291.00
Supplies and Materials	2,699.00					2,699.00
Scholarships Awarded				1,500.00		1,500.00
Student Activities					299,474.46	299,474.46
Other Objects	465.00					465.00
<b>Total Support Services</b>	<b>72,839.44</b>	<b>-</b>	<b>26,344.00</b>	<b>1,500.00</b>	<b>299,474.46</b>	<b>400,157.90</b>
<b>Facilities Acquisition and Construction Services:</b>						
Construction Services	381,478.84					381,478.84
Instructional Equipment	9,773.00					9,773.00
<b>Total Facilities Acquisition and Construction Services</b>	<b>391,251.84</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>391,251.84</b>
<b>Total Expenditures</b>	<b>577,107.36</b>	<b>186,717.68</b>	<b>26,344.00</b>	<b>1,500.00</b>	<b>299,474.46</b>	<b>1,091,143.50</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	(1,493.43)	14,646.91	13,153.48
Fund Balance, July 1	-	-	-	5,850.05	126,674.22	132,524.27
Fund Balance, June 30	-	-	-	\$ 4,356.62	\$ 141,321.13	\$ 145,677.75

**CAPITAL PROJECTS FUND**

**STERLING HIGH SCHOOL DISTRICT**  
 Capital Projects Fund  
 Summary Schedule of Project Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2022

Project Title / Issue	Original Date	Appropriations	Expenditures to Date		Unexpended Balance June 30, 2022
			Prior Years	Current Year	
Capital Improvement Program - Repairs and Replacement of the School Roof, Drainage Repairs, Connection to Existing Storm System Entrance on Warwick Road, Renovations to Student Bathrooms, Addition to Security Doors, Replacement of Existing Boilers, Installation of Air Conditioning in Cafeteria, Kitchen and Old Gymnasium, Installation of New HVAC Chillers, Hot Water Heaters and Controls for the Replaced HVAC Equipment, Security System Upgrade and the Completion of Such Other Work and Improvements and Acquisition of Furniture, Fixtures and Equipment as may be Necessary Therefor or Related Thereto, and Renovations to the Auditorium Including, but not Limited to, HVAC System Improvements and the Completion of Such Other Work and Improvements and Acquisition of Furniture, Fixtures and Equipment as may be Necessary Therefor or Related Thereto, and the Costs of Issuance with Respect to the Issuance of the Bonds	09/29/15	\$ 6,790,072.20	\$ 6,711,708.37		\$ 78,363.83
Fields Renovation	01/19/17	579,616.59	567,398.13	\$ 12,218.46	
Foods Room	05/03/18	363,303.00	221,060.10	142,242.90	
Phase II Fields Upgrades	05/03/18	605,179.13	600,879.13	4,300.00	
Fields Upgrades - Phase III	05/02/19	88,115.54	50,523.00	37,592.54	
Storage Building	05/02/19	50,000.00		50,000.00	
Water Line	05/07/20	126,991.00	45,245.66	81,745.34	
Pole Barn	05/07/20	84,940.00	6,293.59	78,646.41	
New Gym HVAC	03/18/21	750,000.00		750,000.00	
		<u>\$ 9,438,217.46</u>	<u>\$ 8,203,107.98</u>	<u>\$ 1,156,745.65</u>	<u>\$ 78,363.83</u>

**STERLING HIGH SCHOOL DISTRICT**  
 Capital Projects Fund  
 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2022

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Revenues:	
Local Share - Withdraw from Capital Reserve	<u>\$ 750,000.00</u>
Total Revenues	<u>750,000.00</u>
Expenditures:	
Construction Services	943,877.94
Transfers:	
General Fund - Capital Reserve	<u>212,867.71</u>
Total Expenditures and Other Financing Uses	<u>1,156,745.65</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(406,745.65)
Fund Balances, July 1	<u>485,109.48</u>
Fund Balances, June 30	<u><u>\$ 78,363.83</u></u>
Recapitulation:	
Restricted for Capital Projects:	
Designated for Subsequent Year's Expenditures	<u>\$ 78,363.83</u>
	<u><u>\$ 78,363.83</u></u>

**STERLING HIGH SCHOOL DISTRICT**  
 Capital Projects Fund  
 Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis  
 Capital Improvement Program  
 From Inception and for the Fiscal Year Ended June 30, 2022

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources:</b>				
State Sources - SDA Grant	\$ 3,393,802.16		\$ 3,393,802.16	\$ 3,568,548.00
Local Share - Proceeds from Issuance of School Bonds	3,328,000.00		3,328,000.00	3,328,000.00
Local Share - Premium on School Bonds Issued	68,270.04		68,270.04	
<b>Total Revenues and Other Financing Sources</b>	<u>6,790,072.20</u>	<u>-</u>	<u>6,790,072.20</u>	<u>6,896,548.00</u>
<b>Expenditures and Other Financing Uses:</b>				
Legal Services	19,714.44		19,714.44	23,090.13
Other Purchased Professional and Technical Services	566,161.34		566,161.34	508,660.10
Construction Services	6,093,933.64		6,093,933.64	6,320,372.36
General Supplies	31,898.95		31,898.95	44,425.41
<b>Total Expenditures and Other Financing Uses</b>	<u>6,711,708.37</u>	<u>-</u>	<u>6,711,708.37</u>	<u>6,896,548.00</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<u>\$ 78,363.83</u>	<u>-</u>	<u>\$ 78,363.83</u>	<u>-</u>
<b>Additional Project Information:</b>				
Project Number	5035-050-14-1001-G04			
Grant Date	02/24/14			
Bond Authorization Date	09/29/15			
Bonds Authorized	\$ 3,328,000.00			
Bonds Issued	\$ 3,328,000.00			
Original Authorized Cost	\$ 6,896,548.00			
Additional Authorized Cost	(106,475.80)			
Revised Authorized Cost	\$ 6,790,072.20			
Percentage Increase Over Original Authorized Cost				
Percentage Completion	98.85%			
Original Target Completion Date	09/30/17			
Revised Target Completion Date	06/30/20			



**STERLING HIGH SCHOOL DISTRICT**  
 Capital Projects Fund  
 Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis  
 Fields Renovation  
 From Inception and for the Fiscal Year Ended June 30, 2022

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Local Share - Withdraw from Capital Reserve	\$ 579,616.59		\$ 579,616.59	\$ 579,616.59
<b>Total Revenues and Other Financing Sources</b>	<b>579,616.59</b>	<b>-</b>	<b>579,616.59</b>	<b>579,616.59</b>
Expenditures and Other Financing Uses:				
Other Purchased Professional and Technical Services	27,245.50		27,245.50	27,245.50
Construction Services	538,300.00		538,300.00	550,518.46
General Supplies	1,852.63		1,852.63	1,852.63
Transfers:				
General Fund - Capital Reserve		\$ 12,218.46	12,218.46	
<b>Total Expenditures and Other Financing Uses</b>	<b>567,398.13</b>	<b>12,218.46</b>	<b>579,616.59</b>	<b>579,616.59</b>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 12,218.46</u>	<u>\$ (12,218.46)</u>	<u>-</u>	<u>-</u>
Additional Project Information:				
Project Number	18-03			
Authorized Date	01/19/17			
Bond Authorization Date	n/a			
Bonds Authorized	n/a			
Bonds Issued	n/a			
Original Authorized Cost	\$ 27,245.50			
Additional Authorized Cost	\$ 552,371.09			
Revised Authorized Cost	\$ 579,616.59			
Percentage Increase Over Original Authorized Cost	2027.38%			
Percentage Completion	100.00%			
Original Target Completion Date	06/30/18			
Revised Target Completion Date	06/30/20			

**STERLING HIGH SCHOOL DISTRICT**  
 Capital Projects Fund  
 Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis  
 Foods Room  
 From Inception and for the Fiscal Year Ended June 30, 2022

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Local Share - Withdraw from Capital Reserve	\$ 363,303.00		\$ 363,303.00	\$ 363,303.00
Total Revenues and Other Financing Sources	<u>363,303.00</u>	<u>-</u>	<u>363,303.00</u>	<u>363,303.00</u>
Expenditures and Other Financing Uses:				
Salaries	19,200.91		19,200.91	20,000.00
Construction Services	148,494.29		148,494.29	200,000.00
General Supplies	53,364.90		53,364.90	143,303.00
Transfers:				
General Fund - Capital Reserve		\$ 142,242.90	142,242.90	
Total Expenditures and Other Financing Uses	<u>221,060.10</u>	<u>142,242.90</u>	<u>363,303.00</u>	<u>363,303.00</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 142,242.90</u>	<u>\$ (142,242.90)</u>	<u>-</u>	<u>-</u>
Additional Project Information:				
Project Number	19-05			
Authorized Date	05/03/18			
Bond Authorization Date	n/a			
Bonds Authorized	n/a			
Bonds Issued	n/a			
Original Authorized Cost	\$ 363,303.00			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 363,303.00			
Percentage Increase Over Original Authorized Cost				
Percentage Completion	100.00%			
Original Target Completion Date	06/30/20			
Revised Target Completion Date	06/30/20			

**STERLING HIGH SCHOOL DISTRICT**  
 Capital Projects Fund  
 Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis  
 Phase II Fields Upgrades  
 From Inception and for the Fiscal Year Ended June 30, 2022

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Local Share - Withdraw from Capital Reserve	\$ 605,179.13		\$ 605,179.13	\$ 605,179.13
<b>Total Revenues and Other Financing Sources</b>	<b>605,179.13</b>	<b>-</b>	<b>605,179.13</b>	<b>605,179.13</b>
Expenditures and Other Financing Uses:				
Other Purchased Professional and Technical Services	35,179.13		35,179.13	35,179.13
Construction Services	565,700.00		565,700.00	570,000.00
Transfers:				
General Fund - Capital Reserve		\$ 4,300.00	4,300.00	
<b>Total Expenditures and Other Financing Uses</b>	<b>600,879.13</b>	<b>4,300.00</b>	<b>605,179.13</b>	<b>605,179.13</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<b>\$ 4,300.00</b>	<b>\$ (4,300.00)</b>	<b>-</b>	<b>-</b>

Additional Project Information:

Project Number	19-07
Authorized Date	05/03/18
Bond Authorization Date	n/a
Bonds Authorized	n/a
Bonds Issued	n/a
Original Authorized Cost	\$ 605,179.13
Additional Authorized Cost	-
Revised Authorized Cost	\$ 605,179.13
Percentage Increase Over Original Authorized Cost	
Percentage Completion	100.00%
Original Target Completion Date	06/30/20
Revised Target Completion Date	06/30/20

**STERLING HIGH SCHOOL DISTRICT**  
 Capital Projects Fund  
 Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis  
 Fields Upgrades - Phase III  
 From Inception and for the Fiscal Year Ended June 30, 2022

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Local Share - Withdraw from Capital Reserve	\$ 88,115.54		\$ 88,115.54	\$ 88,115.54
Total Revenues and Other Financing Sources	88,115.54	-	88,115.54	88,115.54
Expenditures and Other Financing Uses:				
Construction Services	50,523.00	\$ 990.74	51,513.74	88,115.54
Transfers:				
General Fund - Capital Reserve		36,601.80	36,601.80	
Total Expenditures and Other Financing Uses	50,523.00	37,592.54	88,115.54	88,115.54
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 37,592.54	\$ (37,592.54)	-	-

Additional Project Information:

Project Number	20-03
Authorized Date	05/02/19
Bond Authorization Date	n/a
Bonds Authorized	n/a
Bonds Issued	n/a
Original Authorized Cost	\$ 85,000.00
Additional Authorized Cost	\$ 3,115.54
Revised Authorized Cost	\$ 88,115.54
Percentage Increase Over Original	
Authorized Cost	3.67%
Percentage Completion	100.00%
Original Target Completion Date	06/30/21
Revised Target Completion Date	06/30/22

**STERLING HIGH SCHOOL DISTRICT**  
 Capital Projects Fund  
 Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis  
 Storage Building  
 From Inception and for the Fiscal Year Ended June 30, 2022

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Local Share - Withdraw from Capital Reserve	\$ 50,000.00		\$ 50,000.00	\$ 50,000.00
Total Revenues and Other Financing Sources	50,000.00	-	50,000.00	50,000.00
Expenditures and Other Financing Uses:				
Construction Services		\$ 38,196.00	38,196.00	50,000.00
Transfers:				
General Fund - Capital Reserve		11,804.00	11,804.00	
Total Expenditures and Other Financing Uses	-	50,000.00	50,000.00	50,000.00
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 50,000.00	\$ (50,000.00)	-	-

Additional Project Information:

Project Number	20-05
Authorized Date	05/02/19
Bond Authorization Date	n/a
Bonds Authorized	n/a
Bonds Issued	n/a
Original Authorized Cost	\$ 50,000.00
Additional Authorized Cost	-
Revised Authorized Cost	\$ 50,000.00
Percentage Increase Over Original Authorized Cost	
Percentage Completion	100.00%
Original Target Completion Date	06/30/21
Revised Target Completion Date	06/30/22

**STERLING HIGH SCHOOL DISTRICT**  
 Capital Projects Fund  
 Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis  
 Water Line  
 From Inception and for the Fiscal Year Ended June 30, 2022

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Local Share - Withdraw from Capital Reserve	\$ 126,991.00		\$ 126,991.00	\$ 126,991.00
Total Revenues and Other Financing Sources	126,991.00	-	126,991.00	126,991.00
Expenditures and Other Financing Uses:				
Construction Services	45,245.66	\$ 81,745.00	126,990.66	126,991.00
Transfers:				
General Fund - Capital Reserve		0.34	0.34	
Total Expenditures and Other Financing Uses	45,245.66	81,745.34	126,991.00	126,991.00
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 81,745.34	\$ (81,745.34)	-	-

Additional Project Information:

Project Number	21-01
Authorized Date	05/07/20
Bond Authorization Date	n/a
Bonds Authorized	n/a
Bonds Issued	n/a
Original Authorized Cost	\$ 125,000.00
Additional Authorized Cost	\$ 1,991.00
Revised Authorized Cost	\$ 126,991.00
Percentage Increase Over Original	
Authorized Cost	1.59%
Percentage Completion	100.00%
Original Target Completion Date	08/31/21
Revised Target Completion Date	06/30/22

**STERLING HIGH SCHOOL DISTRICT**  
 Capital Projects Fund  
 Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis  
 Pole Barn  
 From Inception and for the Fiscal Year Ended June 30, 2022

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Local Share - Withdraw from Capital Reserve	\$ 84,940.00		\$ 84,940.00	\$ 84,940.00
<b>Total Revenues and Other Financing Sources</b>	<b>84,940.00</b>	<b>-</b>	<b>84,940.00</b>	<b>84,940.00</b>
Expenditures and Other Financing Uses:				
Other Purchased Professional and Technical Services	1,500.00		1,500.00	1,500.00
Construction Services	4,793.59	\$ 72,946.20	77,739.79	83,440.00
Transfers:				
General Fund - Capital Reserve		5,700.21	5,700.21	
<b>Total Expenditures and Other Financing Uses</b>	<b>6,293.59</b>	<b>78,646.41</b>	<b>84,940.00</b>	<b>84,940.00</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<b>\$ 78,646.41</b>	<b>\$ (78,646.41)</b>	<b>-</b>	<b>-</b>

Additional Project Information:

Project Number	21-02
Authorized Date	05/07/20
Bond Authorization Date	n/a
Bonds Authorized	n/a
Bonds Issued	n/a
Original Authorized Cost	\$ 85,000.00
Additional Authorized Cost	\$ (60.00)
Revised Authorized Cost	\$ 84,940.00

Percentage Increase Over Original Authorized Cost

Percentage Completion	100.00%
Original Target Completion Date	02/28/22
Revised Target Completion Date	02/28/22

**STERLING HIGH SCHOOL DISTRICT**  
 Capital Projects Fund  
 Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis  
 New Gym HVAC  
 From Inception and for the Fiscal Year Ended June 30, 2022

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Local Share - Withdraw from Capital Reserve		\$ 750,000.00	\$ 750,000.00	\$ 750,000.00
<b>Total Revenues and Other Financing Sources</b>	-	750,000.00	750,000.00	750,000.00
Expenditures and Other Financing Uses:				
Construction Services		750,000.00	750,000.00	750,000.00
<b>Total Expenditures and Other Financing Uses</b>	-	750,000.00	750,000.00	750,000.00
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	-	-	-	-

Additional Project Information:

Project Number	22-01
Authorized Date	03/18/21
Bond Authorization Date	n/a
Bonds Authorized	n/a
Bonds Issued	n/a
Original Authorized Cost	\$ 750,000.00
Additional Authorized Cost	-
Revised Authorized Cost	\$ 750,000.00

Percentage Increase Over Original

Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	06/30/22
Revised Target Completion Date	06/30/22



**PROPRIETARY FUND**

**STERLING HIGH SCHOOL DISTRICT**  
 Proprietary Fund  
 Business-Type Activities - Enterprise Fund  
 Statement of Net Position  
 June 30, 2022

	<u>Food Service</u>
<b>ASSETS:</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 273,379.64
Interfund Accounts Receivable:	
General Fund	628.00
Intergovernmental Accounts Receivable:	
Federal	36,952.87
State	609.84
Inventory:	
Food	11,834.09
Supplies	<u>11,722.16</u>
Total Current Assets	<u>335,126.60</u>
Noncurrent Assets:	
Capital Assets	265,223.40
Less: Accumulated Depreciation	<u>(153,105.58)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>112,117.82</u>
Total Noncurrent Assets	<u>112,117.82</u>
Total Assets	<u>447,244.42</u>
<b>NET POSITION:</b>	
Net Investment in Capital Assets	112,117.82
Unrestricted	<u>335,126.60</u>
Total Net Position	<u><u>\$ 447,244.42</u></u>

**STERLING HIGH SCHOOL DISTRICT**  
 Proprietary Fund  
 Business-Type Activities - Enterprise Fund  
 Statement of Revenues, Expenses and Changes in Fund Net Position  
 For the Fiscal Year Ended June 30, 2022

	<u>Food Service</u>
<b>OPERATING REVENUES:</b>	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 9,359.20
Miscellaneous	804.11
	10,163.31
<b>Total Operating Revenues</b>	<b>10,163.31</b>
<b>OPERATING EXPENSES:</b>	
Food Service Management Company Salaries	153,101.17
Food Service Management Company Employee Benefits	41,062.13
Purchased Professional and Technical Services	12,394.65
Other Purchased Services	49,045.13
Supplies and Materials	76,663.82
Depreciation	5,644.06
Cost of Sales / Goods Sold:	
Reimbursable Program	178,811.13
Non-Reimbursable Program	3,929.15
Miscellaneous	6,220.67
	526,871.91
<b>Total Operating Expenses</b>	<b>526,871.91</b>
Operating Income (Loss)	<b>(516,708.60)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>	
State Sources:	
State School Lunch Program	11,693.46
Federal Sources:	
Seamless Summer Option	598,427.37
Food Distribution Program	40,829.38
P-EBT Administrative Cost	1,242.00
Emergency Operational Cost Program	2,707.06
Interest and Investment Revenue	234.45
	655,133.72
<b>Total Nonoperating Revenues (Expenses)</b>	<b>655,133.72</b>
Change in Net Position	138,425.12
Net Position, July 1	308,819.30
Net Position, June 30	\$ 447,244.42

**STERLING HIGH SCHOOL DISTRICT**  
 Proprietary Fund  
 Business-Type Activities - Enterprise Fund  
 Statement of Cash Flows  
 For the Fiscal Year Ended June 30, 2022

	<u>Food Service</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from Customers and Users	\$ 9,535.31
Payments to Suppliers	<u>(552,102.65)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(542,567.34)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
Federal Sources	654,021.12
State Sources	<u>13,152.44</u>
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>667,173.56</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Purchases of Capital Assets	<u>(96,550.41)</u>
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(96,550.41)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest and Dividends Received	<u>234.45</u>
Net Cash Provided by (Used for) Investing Activities	<u>234.45</u>
Net Increase (Decrease) in Cash and Cash Equivalents	28,290.26
Cash and Cash Equivalents, July 1	<u>245,089.38</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 273,379.64</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (516,708.60)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:	
Depreciation	5,644.06
(Increase) Decrease in Interfund Accounts Receivable	(628.00)
(Increase) Decrease in Inventories for Consumption	(5,752.49)
(Increase) Decrease in Inventories for Resale	(2,120.15)
Increase (Decrease) in Accounts Payable - Other	<u>(23,002.16)</u>
Total Adjustments	<u>(25,858.74)</u>
Net Cash Provided by (Used for) Operating Activities	<u><u>\$ (542,567.34)</u></u>

**LONG-TERM DEBT**

**STERLING HIGH SCHOOL DISTRICT**  
Schedule of General Serial Bonds  
For the Fiscal Year Ended June 30, 2022

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance June 30, 2021</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2022</u>
			<u>Date</u>	<u>Amount</u>					
School Bond, Series 2016	02/17/16	\$ 3,328,000.00	01/15/23	\$ 180,000.00	2.00%				
			01/15/24	180,000.00	2.00%				
			01/15/25	180,000.00	2.00%				
			01/15/26	180,000.00	3.00%				
			01/15/27	180,000.00	3.00%				
			01/15/28	185,000.00	3.00%				
			01/15/29	185,000.00	3.00%				
			01/15/30	185,000.00	3.00%				
			01/15/31	185,000.00	3.00%				
			01/15/32	185,000.00	3.00%				
			01/15/33	185,000.00	3.00%				
			01/15/34	186,000.00	3.00%				
			01/15/35	186,000.00	3.00%				
			01/15/36	186,000.00	3.00%	\$ 2,748,000.00		\$ 180,000.00	\$ 2,568,000.00
						<u>\$ 2,748,000.00</u>	<u>-</u>	<u>\$ 180,000.00</u>	<u>2,568,000.00</u>
Unamortized Premium									<u>31,928.45</u>
									<u>\$ 2,599,928.45</u>

**STERLING HIGH SCHOOL DISTRICT**  
Debt Service Fund  
Budgetary Comparison Schedule  
For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Modifications / Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 211,336.00		\$ 211,336.00	\$ 211,336.00	
Total - Local Sources	<u>211,336.00</u>	<u>-</u>	<u>211,336.00</u>	<u>211,336.00</u>	<u>-</u>
State Sources:					
Debt Service Aid Type II	43,904.00		43,904.00	43,904.00	
Total - State Sources	<u>43,904.00</u>	<u>-</u>	<u>43,904.00</u>	<u>43,904.00</u>	<u>-</u>
Total Revenues	<u>255,240.00</u>	<u>-</u>	<u>255,240.00</u>	<u>255,240.00</u>	<u>-</u>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest on Bonds	75,240.00		75,240.00	75,240.00	
Redemption of Principal	180,000.00		180,000.00	180,000.00	
Total Regular Debt Service	<u>255,240.00</u>	<u>-</u>	<u>255,240.00</u>	<u>255,240.00</u>	<u>-</u>
Total Expenditures	<u>255,240.00</u>	<u>-</u>	<u>255,240.00</u>	<u>255,240.00</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Net Change in Fund Balance	-	-	-	-	-
Fund Balance, July 1	-	-	-	0.50	\$ 0.50
Fund Balance, June 30	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 0.50</u>	<u>\$ 0.50</u>
Recapitulation:					
Restricted Fund Balance:					
For Subsequent Years' Expenditures				<u>\$ 0.50</u>	

## **STATISTICAL SECTION**



## **Financial Trends Information**

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

**STERLING HIGH SCHOOL DISTRICT**  
 Net Position by Component  
 Last Ten Fiscal Years (Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30,									
	<u>2022</u>	<u>2021**</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014*</u>	<u>2013</u>
Governmental Activities:										
Net Investment in Capital Assets	\$ 16,015,221.70	\$ 15,009,190.45	\$ 14,076,882.81	\$ 14,246,362.51	\$ 13,074,441.55	\$ 10,074,664.02	\$ 6,418,693.24	\$ 5,896,217.86	\$ 5,649,977.96	\$ 5,618,387.03
Restricted	4,921,129.68	4,891,340.84	4,378,955.00	2,852,696.99	3,156,190.52	5,134,900.96	6,708,174.30	2,409,412.81	1,312,040.51	319,179.43
Unrestricted (Deficit)	<u>(5,852,243.90)</u>	<u>(7,068,129.09)</u>	<u>(8,072,847.49)</u>	<u>(9,176,495.00)</u>	<u>(8,533,521.40)</u>	<u>(7,721,768.05)</u>	<u>(9,424,057.28)</u>	<u>(5,578,435.78)</u>	<u>(5,415,581.92)</u>	<u>(79,746.77)</u>
Total Governmental Activities										
Net Position	<u>\$ 15,084,107.48</u>	<u>\$ 12,832,402.20</u>	<u>\$ 10,382,990.32</u>	<u>\$ 7,922,564.50</u>	<u>\$ 7,697,110.67</u>	<u>\$ 7,487,796.93</u>	<u>\$ 3,702,810.26</u>	<u>\$ 2,727,194.89</u>	<u>\$ 1,546,436.55</u>	<u>\$ 5,857,819.69</u>
Business-Type Activities:										
Net Investment in Capital Assets	\$ 112,117.82	\$ 21,211.47	\$ 1,025,451.91	\$ 1,064,439.95	\$ 1,111,146.83	\$ 2,209,061.49	\$ 2,289,736.68	\$ 2,390,771.71	\$ 2,767,413.61	\$ 1,791,798.77
Unrestricted (Deficit)	<u>335,126.60</u>	<u>287,607.83</u>	<u>(443,086.15)</u>	<u>(457,827.33)</u>	<u>(1,802,352.99)</u>	<u>(4,295,192.56)</u>	<u>(3,541,037.87)</u>	<u>(5,757,903.90)</u>	<u>(2,310,043.97)</u>	<u>200,209.46</u>
Total Business-Type Activities										
Net Position	<u>\$ 447,244.42</u>	<u>\$ 308,819.30</u>	<u>\$ 582,365.76</u>	<u>\$ 606,612.62</u>	<u>\$ (691,206.16)</u>	<u>\$ (2,086,131.07)</u>	<u>\$ (1,251,301.19)</u>	<u>\$ (3,367,132.19)</u>	<u>\$ 457,369.64</u>	<u>\$ 1,992,008.23</u>
Government-Wide:										
Net Investment in Capital Assets	\$ 16,127,339.52	\$ 15,030,401.92	\$ 15,102,334.72	\$ 15,310,802.46	\$ 14,185,588.38	\$ 12,283,725.51	\$ 8,708,429.92	\$ 8,286,989.57	\$ 8,417,391.57	\$ 7,410,185.80
Restricted	4,921,129.68	4,891,340.84	4,378,955.00	2,852,696.99	3,156,190.52	5,134,900.96	6,708,174.30	2,409,412.81	1,312,040.51	319,179.43
Unrestricted (Deficit)	<u>(5,517,117.30)</u>	<u>(6,780,521.26)</u>	<u>(8,515,933.64)</u>	<u>(9,634,322.33)</u>	<u>(10,335,874.39)</u>	<u>(12,016,960.61)</u>	<u>(12,965,095.15)</u>	<u>(11,336,339.68)</u>	<u>(7,725,625.89)</u>	<u>120,462.69</u>
Total Government-Wide										
Net Position (Deficit)	<u>\$ 15,531,351.90</u>	<u>\$ 13,141,221.50</u>	<u>\$ 10,965,356.08</u>	<u>\$ 8,529,177.12</u>	<u>\$ 7,005,904.51</u>	<u>\$ 5,401,665.86</u>	<u>\$ 2,451,509.07</u>	<u>\$ (639,937.30)</u>	<u>\$ 2,003,806.19</u>	<u>\$ 7,849,827.92</u>

\* The implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, was effective beginning with the fiscal year ended June 30, 2014.

\*\* The implementation of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, was effective beginning with the fiscal year ended June 30, 2021.

Source: Annual Comprehensive Financial Report Exhibit A-1.

**STERLING HIGH SCHOOL DISTRICT**  
Changes in Net Position  
Last Ten Fiscal Years (Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30,									
	2022	2021**	2020	2019	2018	2017	2016	2015*	2014	2013
<b>Expenses:</b>										
<b>Governmental Activities:</b>										
<b>Instruction:</b>										
Regular	\$ 6,124,681.44	\$ 5,870,416.33	\$ 5,685,408.82	\$ 5,672,610.58	\$ 5,510,458.17	\$ 5,265,878.27	\$ 5,211,431.76	\$ 5,031,149.23	\$ 5,335,809.94	\$ 5,345,859.27
Special Education	961,909.45	1,039,532.67	898,960.68	787,881.40	875,479.10	858,600.70	846,389.26	909,228.83	865,178.83	784,526.14
Other Special Instruction	10,300.71	9,315.00	8,742.90	9,906.40	16,754.80	5,450.00	11,070.25	10,916.00	20,717.67	83,582.41
Other Instruction	878,484.50	774,697.10	829,361.87	827,011.00	834,021.10	824,327.04	831,050.25	824,029.04	819,263.50	766,841.53
<b>Support Services:</b>										
Tuition	729,953.43	534,210.76	902,696.21	823,831.23	365,062.16	509,377.39	429,866.17	345,396.61	626,616.29	370,539.56
Student and Instruction Related Services	2,151,821.41	2,158,152.28	1,841,761.90	1,891,894.01	1,852,227.71	1,725,496.03	1,616,288.43	1,478,946.61	1,537,981.80	1,378,067.89
Other Administrative Services	680,292.46	672,760.02	605,500.93	669,459.23	654,985.97	596,380.14	575,816.85	509,233.40	443,471.08	349,023.74
School Administrative Services	814,721.60	805,643.35	776,171.46	762,977.36	831,791.91	799,915.75	712,550.16	676,339.20	772,345.47	726,624.41
Plant Operations and Maintenance	1,984,886.42	1,790,365.11	1,681,402.70	1,637,240.42	1,638,149.96	1,494,607.92	1,449,709.31	1,685,903.57	1,677,058.62	1,569,484.91
Pupil Transportation	489,553.29	347,890.72	521,568.04	520,498.55	408,726.64	340,709.19	439,380.33	404,569.88	320,374.44	298,784.09
Personal Services - Employee Benefits	4,434,595.72	6,376,765.21	4,854,185.94	6,126,190.59	8,070,849.09	7,287,394.67	6,673,432.97	3,874,417.87	3,471,029.12	4,248,601.28
Transfer of Funds to Charter School									56,769.00	
Interest on Long-term Debt	68,715.60	71,973.94	75,232.28	98,586.45	124,244.31	148,745.62	121,782.77	113,800.00	135,400.00	157,156.33
Unallocated Depreciation	800,801.82	767,862.04	721,641.28	666,124.31	405,818.77	334,790.40	374,694.35	327,267.91	355,664.88	338,282.13
<b>Total Governmental Activities Expenses</b>	<b>20,130,717.85</b>	<b>21,219,584.53</b>	<b>19,402,635.01</b>	<b>20,494,211.53</b>	<b>21,588,569.69</b>	<b>20,191,673.12</b>	<b>19,293,462.86</b>	<b>16,191,198.15</b>	<b>16,437,680.64</b>	<b>16,417,373.69</b>
<b>Business-Type Activities:</b>										
Food Service	526,871.91	379,666.51	310,735.79	341,749.34	350,987.21	338,002.59	371,870.56	350,262.11	314,456.16	341,880.26
South Jersey Technology Program		6,757.50	59,840.63	164,579.71	2,028,867.83	29,707,953.44	35,935,138.12	17,116,008.62	22,108,516.13	18,477,279.44
<b>Total Business-Type Activities Expense</b>	<b>526,871.91</b>	<b>386,424.01</b>	<b>370,576.42</b>	<b>506,329.05</b>	<b>2,379,855.04</b>	<b>30,045,956.03</b>	<b>36,307,008.68</b>	<b>17,466,270.73</b>	<b>22,422,972.29</b>	<b>18,819,159.70</b>
<b>Total Government-Wide Expenses</b>	<b>\$ 20,657,589.76</b>	<b>\$ 21,606,008.54</b>	<b>\$ 19,773,211.43</b>	<b>\$ 21,000,540.58</b>	<b>\$ 23,968,424.73</b>	<b>\$ 50,237,629.15</b>	<b>\$ 55,600,471.54</b>	<b>\$ 33,657,468.88</b>	<b>\$ 38,860,652.93</b>	<b>\$ 35,236,533.39</b>
<b>Program Revenues:</b>										
<b>Governmental Activities:</b>										
Charges for Services	\$ 1,925,622.37	\$ 1,913,071.24	\$ 2,522,726.38	\$ 2,376,956.10	\$ 1,600,536.22	\$ 2,394,550.36	\$ 1,983,161.00	\$ 1,682,731.34	\$ 2,088,248.79	\$ 1,844,644.60
Operating Grants and Contributions	3,659,791.03	5,626,968.93	3,804,449.74	4,599,495.20	6,200,549.10	5,310,063.69	3,920,011.82	1,630,875.37	1,614,202.55	1,762,884.15
Capital Grants and Contributions	359,189.16			3,709.59	1,072,046.48	2,083,441.63	189,980.28	4,620.00	12,820.00	25,353.00
<b>Total Governmental Activities Program Revenues</b>	<b>5,944,602.56</b>	<b>7,540,040.17</b>	<b>6,327,176.12</b>	<b>6,980,160.89</b>	<b>8,873,131.80</b>	<b>9,788,055.68</b>	<b>6,093,153.10</b>	<b>3,318,226.71</b>	<b>3,715,271.34</b>	<b>3,632,881.75</b>
<b>Business-Type Activities:</b>										
<b>Charges for services:</b>										
Food Service	10,163.31	2,468.20	129,531.03	170,237.09	158,061.80	169,347.04	171,894.06	162,557.85	162,821.80	168,323.97
South Jersey Technology Program				113,179.13	1,608,787.91	28,761,699.04	38,047,110.08	13,277,013.98	23,508,687.21	17,727,641.70
Operating Grants and Contributions	654,899.27	615,153.93	216,174.41	191,349.71	177,532.76	163,390.45	177,984.31	175,371.42	149,220.86	132,626.70
<b>Total Business-Type Activities Program Revenues</b>	<b>665,062.58</b>	<b>617,622.13</b>	<b>345,705.44</b>	<b>474,765.93</b>	<b>1,944,382.47</b>	<b>29,094,436.53</b>	<b>38,396,988.45</b>	<b>13,614,943.25</b>	<b>23,820,729.87</b>	<b>18,028,592.37</b>
<b>Total Government-Wide Program Revenues</b>	<b>\$ 6,609,665.14</b>	<b>\$ 8,157,662.30</b>	<b>\$ 6,672,881.56</b>	<b>\$ 7,454,926.82</b>	<b>\$ 10,817,514.27</b>	<b>\$ 38,882,492.21</b>	<b>\$ 44,490,141.55</b>	<b>\$ 16,933,169.96</b>	<b>\$ 27,536,001.21</b>	<b>\$ 21,661,474.12</b>
<b>Net (Expense) / Revenue:</b>										
Governmental Activities	\$ (14,186,115.29)	\$ (13,679,544.36)	\$ (13,075,458.89)	\$ (13,514,050.64)	\$ (12,715,437.89)	\$ (10,403,617.44)	\$ (13,200,309.76)	\$ (12,872,971.44)	\$ (12,722,409.30)	\$ (12,784,491.94)
Business-Type Activities	138,190.67	231,198.12	(24,870.98)	(31,563.12)	(435,472.57)	(951,519.50)	2,089,979.77	(3,851,327.48)	1,397,757.58	(790,567.33)
<b>Total Government-Wide Net Expense</b>	<b>\$ (14,047,924.62)</b>	<b>\$ (13,448,346.24)</b>	<b>\$ (13,100,329.87)</b>	<b>\$ (13,545,613.76)</b>	<b>\$ (13,150,910.46)</b>	<b>\$ (11,355,136.94)</b>	<b>\$ (11,110,329.99)</b>	<b>\$ (16,724,298.92)</b>	<b>\$ (11,324,651.72)</b>	<b>\$ (13,575,059.27)</b>
<b>General Revenues and Other Changes in Net Position:</b>										
<b>Governmental Activities:</b>										
Property Taxes, Levied for General Purposes	\$ 7,024,463.00	\$ 6,886,728.00	\$ 6,751,694.00	\$ 6,619,308.00	\$ 6,619,307.00	\$ 6,508,099.00	\$ 6,573,836.97	\$ 6,444,937.00	\$ 6,573,835.00	\$ 6,444,937.00
Property Taxes, Levied for Debt Service	211,336.00	214,316.00	217,297.00	441,377.00	455,249.00	398,928.00	333,737.00	349,337.00	362,010.00	332,401.00
Federal and State Aid - Unrestricted	9,144,124.17	8,308,917.90	8,107,195.25	7,741,170.70	7,132,477.10	6,975,094.34	6,928,163.96	6,819,999.85	6,597,555.61	6,471,999.00
Federal and State Aid - Restricted	30,732.80	31,166.80	31,148.67	194,050.92	213,103.71	171,336.68	195,267.46	199,470.60	199,048.98	199,712.25
Interest and Investment Earnings - Unrestricted	6,389.13	7,769.65	12,509.96	8,360.53	5,402.43	9,188.86	8,379.52	3,634.52	6,212.87	3,091.36
Interest and Investment Earnings - Restricted	161.06	1,966.67	4,616.23	876.59	970.69	1,626.99	835.22	992.95	460.32	24.88
Miscellaneous - Unrestricted	20,614.41	49,054.36	68,144.62	62,556.82	111,898.56	127,878.19	135,705.00	235,427.86	229,299.40	162,976.31
Miscellaneous - Restricted		16,700.00								
Gain (Loss) on Disposal of Capital Assets		(496.65)			(13,170.44)	(593.05)				
Transfers		504,910.76		(1,328,196.09)	(1,600,486.42)	(2,954.90)				
<b>Extraordinary Item:</b>										
Insurance Recovery		107,922.75								
<b>Total Governmental Activities</b>	<b>16,437,820.57</b>	<b>16,128,956.24</b>	<b>15,192,605.73</b>	<b>13,739,504.47</b>	<b>12,924,751.63</b>	<b>14,188,604.11</b>	<b>14,175,925.13</b>	<b>14,053,799.78</b>	<b>13,968,422.18</b>	<b>13,615,141.80</b>

(Continued)

**STERLING HIGH SCHOOL DISTRICT**  
 Changes in Net Position  
 Last Ten Fiscal Years (Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30,									
	2022	2021**	2020	2019	2018	2017	2016	2015*	2014	2013
General Revenues and Other Changes in Net Position (Cont'd):										
Business-Type Activities:										
Interest and Investment Earnings - Unrestricted	\$ 234.45	\$ 166.18	\$ 624.12	\$ 1,185.81	\$ 1,433.94	\$ 2,900.08	\$ 16,092.73	\$ 3,187.10	\$ 4,880.61	\$ 1,476.57
Gain (Loss) on Disposal of Capital Assets					228,477.12					
Miscellaneous Transfers		(504,910.76)		1,328,196.09	1,600,486.42	110,834.64	9,758.50	538,705.56	328,268.38	
Impairment Loss from Fire Damage, Net of Insurance Recovery						2,954.90		(515,067.01)		
<b>Total Business-Type Activities</b>	<b>234.45</b>	<b>(504,744.58)</b>	<b>624.12</b>	<b>1,329,381.90</b>	<b>1,830,397.48</b>	<b>116,689.62</b>	<b>25,851.23</b>	<b>26,825.65</b>	<b>333,148.99</b>	<b>1,476.57</b>
<b>Total Government-Wide</b>	<b>\$ 16,438,055.02</b>	<b>\$ 15,624,211.66</b>	<b>\$ 15,193,229.85</b>	<b>\$ 15,068,886.37</b>	<b>\$ 14,755,149.11</b>	<b>\$ 14,305,293.73</b>	<b>\$ 14,201,776.36</b>	<b>\$ 14,080,625.43</b>	<b>\$ 14,301,571.17</b>	<b>\$ 13,616,618.37</b>
Change in Net Position:										
Governmental Activities	\$ 2,251,705.28	\$ 2,449,411.88	\$ 2,117,146.84	\$ 225,453.83	\$ 209,313.74	\$ 3,784,986.67	\$ 975,615.37	\$ 1,180,828.34	\$ 1,246,012.88	\$ 830,649.86
Business-Type Activities	138,425.12	(273,546.46)	(24,246.86)	1,297,818.78	1,394,924.91	(834,829.88)	2,115,831.00	(3,824,501.83)	1,730,906.57	(789,090.76)
<b>Total Government-Wide</b>	<b>\$ 2,390,130.40</b>	<b>\$ 2,175,865.42</b>	<b>\$ 2,092,899.98</b>	<b>\$ 1,523,272.61</b>	<b>\$ 1,604,238.65</b>	<b>\$ 2,950,156.79</b>	<b>\$ 3,091,446.37</b>	<b>\$ (2,643,673.49)</b>	<b>\$ 2,976,919.45</b>	<b>\$ 41,559.10</b>

\* The implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 2*, was effective beginning with the fiscal year ended June 30, 2015.

\*\* The implementation of Governmental Accounting Standards Board Statement No. 84 *Fiduciary Activities*, was effective beginning with the fiscal year ended June 30, 2021.

Source: Annual Comprehensive Financial Report Exhibit A-2.

**STERLING HIGH SCHOOL DISTRICT**  
Fund Balances, Governmental Funds  
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30,									
	2022	2021*	2020	2019	2018	2017	2016	2015	2014	2013
General Fund:										
Restricted	\$ 4,697,087.60	\$ 4,273,706.59	\$ 3,717,350.29	\$ 2,585,704.03	\$ 2,962,169.36	\$ 4,157,886.76	\$ 3,611,367.50	\$ 2,409,411.42	\$ 1,312,036.12	\$ 319,176.04
Assigned	168,983.57	226,540.63	484,029.66	270,698.30	161,358.99	234,683.68	687,591.02	593,181.88	582,211.53	413,012.81
Unassigned (Deficit)	(145,071.14)	(151,878.34)	(378,196.72)	(284,941.44)	(305,817.95)	(336,449.47)	(362,448.70)	(325,350.36)	(292,676.43)	(364,951.00)
<b>Total General Fund</b>	<b>\$ 4,721,000.03</b>	<b>\$ 4,348,368.88</b>	<b>\$ 3,823,183.23</b>	<b>\$ 2,571,460.89</b>	<b>\$ 2,817,710.40</b>	<b>\$ 4,056,120.97</b>	<b>\$ 3,936,509.82</b>	<b>\$ 2,677,242.94</b>	<b>\$ 1,601,571.22</b>	<b>\$ 367,237.85</b>
All Other Governmental Funds:										
Restricted	\$ 224,042.08	\$ 617,634.25	\$ 318,325.73	\$ 266,992.96	\$ 194,021.16	\$ 977,014.20	\$ 3,096,806.80	\$ 1.39	\$ 4.39	\$ 3.39
<b>Total All Other Governmental Funds</b>	<b>\$ 224,042.08</b>	<b>\$ 617,634.25</b>	<b>\$ 318,325.73</b>	<b>\$ 266,992.96</b>	<b>\$ 194,021.16</b>	<b>\$ 977,014.20</b>	<b>\$ 3,096,806.80</b>	<b>\$ 1.39</b>	<b>\$ 4.39</b>	<b>\$ 3.39</b>

\* The implementation of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, was effective beginning with the fiscal year ended June 30, 2021.

Source: Annual Comprehensive Financial Report Exhibit B-1.

**STERLING HIGH SCHOOL DISTRICT**  
 Changes in Fund Balances, Governmental Funds  
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30,									
	2022	2021*	2020	2019	2018	2017	2016	2015	2014	2013
<b>Revenues:</b>										
Local Tax Levy	\$ 7,235,799.00	\$ 7,101,044.00	\$ 6,968,991.00	\$ 7,060,685.00	\$ 7,074,556.00	\$ 6,907,027.00	\$ 6,907,573.97	\$ 6,794,274.00	\$ 6,935,845.00	\$ 6,777,338.00
Tuition Charges	1,611,501.00	1,602,804.20	2,522,726.38	2,376,956.10	1,600,536.22	2,394,550.36	1,983,161.00	1,682,731.34	2,088,248.79	1,844,644.60
Rents and Royalties	1,250.00		11,167.00	14,722.45	20,480.00	13,860.00				
Interest Earned on Capital Reserve Funds		1,666.80	4,616.23	876.59	970.69	1,626.99	835.22	922.95	460.32	24.88
Other Restricted Miscellaneous Revenues	161.06	16,999.87		7,107.00	7,242.00	46,317.00	77,928.00	68,363.00	74,556.00	160,019.00
Unrestricted Miscellaneous Revenues	25,753.54	56,824.01	69,487.58	49,087.90	89,578.99	76,890.05	66,156.52	170,699.38	160,956.27	6,048.67
Federal Sources	750,162.98	501,470.52	340,138.28	358,238.09	336,836.30	353,619.27	366,256.67	304,456.55	374,625.21	357,086.14
State Sources	13,052,344.61	11,289,521.88	10,608,448.38	10,344,935.32	10,481,863.09	11,054,039.97	8,907,003.85	8,418,394.27	8,049,001.93	8,098,527.26
Local Sources	314,127.94	310,280.27				3,167.10	4,049.00	6,297.00		4,335.00
<b>Total Revenue</b>	<b>22,991,100.13</b>	<b>20,880,611.55</b>	<b>20,525,574.85</b>	<b>20,212,608.45</b>	<b>19,612,063.29</b>	<b>20,851,097.74</b>	<b>18,312,964.23</b>	<b>17,446,138.49</b>	<b>17,683,693.52</b>	<b>17,248,023.55</b>
<b>Expenditures:</b>										
<b>Current:</b>										
<b>Instruction:</b>										
Regular Instruction	5,923,029.01	5,621,279.02	5,551,630.89	5,506,673.89	5,404,122.93	5,174,888.92	5,119,749.12	4,930,632.24	5,241,436.00	5,242,448.75
Special Education Instruction	959,986.46	1,023,306.55	916,159.53	784,444.01	866,839.22	861,264.30	856,486.44	920,214.84	855,318.19	784,123.74
Other Special Instruction	10,300.71	9,315.00	8,742.90	9,906.40	16,754.80	5,450.00	11,070.25	10,916.00	20,717.67	83,582.41
Other Instruction	877,944.42	774,157.02	828,821.79	826,524.93	832,461.55	824,327.04	831,050.25	824,029.04	819,263.50	766,841.53
<b>Support Services and Undistributed Costs:</b>										
Tuition	729,953.43	534,210.76	902,696.21	823,831.23	365,062.16	509,377.39	429,866.17	345,396.61	626,616.29	370,539.56
Student and Instruction Related Services	2,135,308.75	2,151,214.73	1,847,491.69	1,886,071.70	1,847,372.13	1,725,298.99	1,606,046.17	1,477,993.09	1,536,830.58	1,374,907.60
Other Administrative Services	678,833.44	675,424.36	605,500.93	667,289.52	651,391.47	590,433.01	585,747.57	499,598.73	443,740.19	357,782.27
School Administrative Services	784,634.63	787,469.18	755,761.58	753,692.52	811,699.07	786,631.40	707,825.64	646,876.03	760,025.72	715,429.84
Plant Operations and Maintenance	1,920,032.42	1,726,702.10	1,623,073.06	1,585,842.34	1,609,370.26	1,466,824.01	1,413,813.55	1,659,165.65	1,648,038.15	1,541,861.67
Pupil Transportation	489,553.29	347,890.72	521,568.04	520,498.55	408,726.64	340,709.19	439,380.33	404,569.88	320,374.44	298,784.09
Personal Services - Employee Benefits	6,339,541.46	5,312,437.21	4,773,365.94	4,829,551.59	4,434,904.03	4,020,160.34	4,055,820.56	3,847,185.20	3,471,029.12	4,248,601.28
Capital Outlay	1,907,703.13	780,098.29	625,267.18	1,519,169.48	3,666,422.64	5,921,543.71	727,305.93	208,292.46	32,000.30	539,375.14
Transfer of Funds to Charter Schools									56,769.00	
<b>Debt Service:</b>										
Principal	180,000.00	180,000.00	180,000.00	565,000.00	585,000.00	475,000.00	475,000.00	480,000.00	480,000.00	485,000.00
Interest and Other Charges	75,240.00	78,840.00	82,440.00	107,390.00	133,340.00	149,370.89	94,000.00	115,600.00	137,200.00	159,025.00
<b>Total Expenditures</b>	<b>23,012,061.15</b>	<b>20,002,344.94</b>	<b>19,222,519.74</b>	<b>20,385,886.16</b>	<b>21,633,466.90</b>	<b>22,851,279.19</b>	<b>17,353,161.98</b>	<b>16,370,469.77</b>	<b>16,449,359.15</b>	<b>16,968,302.88</b>
<b>Excess (Deficiency) of Revenues</b>										
Over (Under) Expenditures	(20,961.02)	878,266.61	1,303,055.11	(173,277.71)	(2,021,403.61)	(2,000,181.45)	959,802.25	1,075,668.72	1,234,334.37	279,720.67
<b>Other Financing Sources (Uses):</b>										
Insurance Recovery		107,922.75								
Proceeds from Issuance of School Bonds							3,328,000.00			
Premium on School Bonds Issued							68,270.04			
Transfers Out		(504,974.17)								
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(504,974.17)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,396,270.04</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ (20,961.02)</b>	<b>\$ 373,292.44</b>	<b>\$ 1,303,055.11</b>	<b>\$ (173,277.71)</b>	<b>\$ (2,021,403.61)</b>	<b>\$ (2,000,181.45)</b>	<b>\$ 4,356,072.29</b>	<b>\$ 1,075,668.72</b>	<b>\$ 1,234,334.37</b>	<b>\$ 279,720.67</b>
<b>Debt Service as a Percentage of</b>										
Noncapital Expenditures	1.2%	1.3%	1.4%	3.6%	4.0%	3.7%	3.4%	3.7%	3.8%	3.9%

\* The implementation of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, was effective beginning with the fiscal year ended June 30, 2021.

Source: Annual Comprehensive Financial Report Exhibit B-2.

**STERLING HIGH SCHOOL DISTRICT**  
 General Fund - Unrestricted Miscellaneous Revenues by Source  
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)  
*Unaudited*

	<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>
Interest on Deposits	\$ 6,389.13	\$ 7,769.65	\$ 12,509.96	\$ 8,360.53	\$ 5,402.43	\$ 9,188.86	\$ 8,379.52	\$ 3,634.52	\$ 6,212.87	\$ 3,091.36
Erate			1,727.58	37,378.04	44,959.48	26,727.32	40,613.47	30,819.08	87,143.01	
Tuition									30,257.27	
Gate Receipts	5,975.00		9,158.00							
Miscellaneous	4,617.15	2,150.26	23,866.56	2,456.55	5,574.88	2,853.70	3,273.61	10,274.18	11,448.29	
Rentals and Miscellaneous							13,190.00	23,240.00	1,020.00	1,468.90
Restitution					477.00	300.00				
Refund of Prior Year's Expenditures	8,772.26	46,904.10	22,225.48	892.78	33,122.61	37,748.58	699.92	102,731.60	24,874.83	1,488.41
	<u>\$ 25,753.54</u>	<u>\$ 56,824.01</u>	<u>\$ 69,487.58</u>	<u>\$ 49,087.90</u>	<u>\$ 89,578.99</u>	<u>\$ 76,890.05</u>	<u>\$ 66,156.52</u>	<u>\$ 170,699.38</u>	<u>\$ 160,956.27</u>	<u>\$ 6,048.67</u>

Source: School District records.

## **Revenue Capacity Information**

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



**STERLING HIGH SCHOOL DISTRICT**  
 Assessed Value and Actual Value of Taxable Property  
 Last Ten Years  
 Unaudited

**Borough of Magnolia**

Year Ended						Total Assessed	Public	Net Valuation	Tax-Exempt	Estimated Actual	Total Direct
Dec. 31	Vacant Land	Residential	Commercial	Industrial	Apartment	Value	Utilities <sup>(1)</sup>	Taxable	Property	(County Equalized ) Value	School Tax Rate <sup>(2)</sup>
2022	\$ 5,193,400.00	\$ 208,963,500.00	\$ 34,009,900.00	\$ 6,232,000.00	\$ 10,902,600.00	\$ 265,301,400.00		\$ 265,301,400.00	\$ 42,318,600.00	\$ 310,482,179.00	\$ 0.665
2021	5,270,500.00	208,555,100.00	34,024,700.00	6,232,000.00	10,902,600.00	264,984,900.00		264,984,900.00	42,184,700.00	290,019,023.00	0.700
2020	5,446,500.00	208,041,800.00	32,974,700.00	6,232,000.00	10,902,600.00	263,597,600.00	\$ 100.00	263,597,700.00	42,155,100.00	279,298,919.00	0.684
2019	5,339,900.00	207,962,200.00	33,258,500.00	6,232,000.00	10,686,600.00	263,479,200.00	100.00	263,479,300.00	41,996,800.00	274,644,222.00	0.664
2018	4,868,500.00	207,696,600.00	32,536,500.00	6,232,000.00	10,686,600.00	262,020,200.00	100.00	262,020,300.00	40,054,000.00	271,330,265.00	0.646
2017	4,958,000.00	207,231,900.00	32,536,500.00	6,232,000.00	10,686,600.00	261,645,000.00	100.00	261,645,100.00	39,836,400.00	263,448,368.00	0.640
2016	5,057,300.00	207,170,300.00	32,228,600.00	6,232,000.00	10,686,600.00	261,374,800.00	100.00	261,374,900.00	39,832,000.00	260,084,020.00	0.634
2015	4,924,700.00	207,143,700.00	32,519,900.00	6,232,000.00	10,686,600.00	261,506,900.00	100.00	261,507,000.00	39,868,700.00	252,069,349.00	0.648
2014	4,959,600.00	207,714,100.00	31,311,600.00	7,582,000.00	10,714,400.00	262,281,700.00	100.00	262,281,800.00	39,285,600.00	256,607,991.83	0.693
2013	5,003,800.00	208,032,900.00	31,708,000.00	7,582,000.00	10,714,400.00	263,041,100.00	189,123.00	263,230,223.00	38,853,600.00	268,300,083.00	0.645

**Borough of Somerdale**

Year Ended						Total Assessed	Public	Net Valuation	Tax-Exempt	Estimated Actual	Total Direct
Dec. 31	Vacant Land	Residential	Commercial	Industrial	Apartment	Value	Utilities <sup>(1)</sup>	Taxable	Property	(County Equalized ) Value	School Tax Rate <sup>(2)</sup>
2022	\$ 6,234,800.00	\$ 260,302,200.00	\$ 50,531,600.00	\$ 10,775,200.00	\$ 10,668,300.00	\$ 338,512,100.00		\$ 338,512,100.00	\$ 38,485,000.00	\$ 406,489,229.00	\$ 0.699
2021	6,232,700.00	260,054,500.00	50,103,300.00	10,775,200.00	10,668,300.00	337,834,000.00		337,834,000.00	39,184,300.00	393,622,799.00	0.789
2020	6,192,800.00	259,307,100.00	50,110,600.00	10,775,200.00	10,668,300.00	337,054,000.00		337,054,000.00	39,635,520.00	376,241,713.00	0.764
2019	5,599,300.00	257,740,000.00	49,026,500.00	10,775,200.00	10,668,300.00	333,809,300.00		333,809,300.00	42,526,520.00	353,202,372.00	0.728
2018	5,865,300.00	254,517,500.00	48,314,600.00	10,775,200.00	10,668,300.00	330,140,900.00		330,140,900.00	41,507,620.00	351,518,101.00	0.814
2017	6,724,800.00	250,669,200.00	46,902,000.00	10,775,200.00	10,668,300.00	325,739,500.00	\$ 100.00	325,739,600.00	40,550,920.00	343,733,311.00	0.809
2016	6,704,500.00	246,715,700.00	46,806,000.00	10,775,200.00	10,668,300.00	321,669,700.00	100.00	321,669,800.00	40,413,520.00	335,628,357.00	0.750
2015	7,849,900.00	242,242,700.00	47,337,200.00	10,593,000.00	10,668,300.00	318,691,100.00	100.00	318,691,200.00	39,998,120.00	332,171,261.00	0.725
2014	7,592,900.00	238,044,700.00	48,685,600.00	10,593,900.00	10,668,300.00	315,585,400.00	100.00	315,585,500.00	40,013,920.00	321,346,222.39	0.642
2013	9,882,300.00	270,815,900.00	55,083,926.00	12,420,900.00	11,534,300.00	359,737,326.00	468,108.00	360,205,434.00	42,741,020.00	332,689,112.00	0.605

**Borough of Stratford**

Year Ended						Total Assessed	Public	Net Valuation	Tax-Exempt	Estimated Actual	Total Direct
Dec. 31	Vacant Land	Residential	Commercial	Industrial	Apartment	Value	Utilities <sup>(1)</sup>	Taxable	Property	(County Equalized ) Value	School Tax Rate <sup>(2)</sup>
2022	\$ 3,993,000.00	\$ 332,398,900.00	\$ 52,581,300.00		\$ 19,051,800.00	\$ 408,025,000.00	\$ 91.00	\$ 408,025,091.00	\$ 162,136,100.00	\$ 485,121,106.00	\$ 0.741
2021	2,224,900.00	332,535,100.00	55,646,000.00		19,051,800.00	409,457,800.00	91.00	409,457,891.00	161,477,900.00	450,329,206.00	0.663
2020	1,910,700.00	332,606,400.00	56,126,500.00		19,051,800.00	409,695,400.00	100.00	409,695,500.00	160,535,900.00	445,974,568.00	0.665
2019	1,952,000.00	332,256,900.00	54,944,900.00		19,051,800.00	408,205,600.00	100.00	408,205,700.00	162,575,900.00	433,722,338.00	0.684
2018	1,952,000.00	332,543,300.00	58,260,700.00		19,051,800.00	411,807,800.00	100.00	411,807,900.00	159,259,700.00	427,977,249.00	0.651
2017	1,952,000.00	332,370,500.00	58,690,500.00		19,051,800.00	412,064,800.00	100.00	412,064,900.00	158,515,300.00	427,668,193.00	0.691
2016	1,910,700.00	332,339,600.00	59,786,600.00		19,051,800.00	413,088,700.00	100.00	413,088,800.00	158,668,600.00	427,792,367.00	0.667
2015	1,948,700.00	331,915,300.00	60,706,200.00		19,051,800.00	413,622,000.00	100.00	413,622,100.00	158,767,400.00	431,242,479.00	0.702
2014 <sup>(r)</sup>	2,028,800.00	331,915,900.00	62,743,100.00		19,410,700.00	416,098,500.00	100.00	416,098,600.00	158,535,400.00	426,787,872.25	0.709
2013	1,264,800.00	224,522,200.00	44,441,000.00		11,293,700.00	281,521,700.00	759,268.00	282,280,968.00	114,456,600.00	452,277,496.00	1.084

<sup>(r)</sup> reassessment

<sup>(1)</sup> taxable value of communication equipment.

<sup>(2)</sup> tax rates are per \$100.00 of assessed valuation.

Source: Camden County Board of Taxation.

**STERLING HIGH SCHOOL DISTRICT**  
 Direct and Overlapping Property Tax Rates  
 Last Ten Years  
 (Rate per \$100 of Assessed Value)  
*Unaudited*

**Borough of Magnolia**

Year Ended Dec. 31	School District Direct Rate			Overlapping Rates			Total Direct and Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Local School District	Borough of Magnolia	Camden County	
2022	\$ 0.653	\$ 0.012	\$ 0.665	\$ 1.783	\$ 1.196	\$ 0.918	\$ 4.562
2021	0.680	0.020	0.700	1.751	1.142	0.925	4.518
2020	0.663	0.022	0.684	1.721	1.127	0.900	4.432
2019	0.643	0.021	0.664	1.664	1.116	0.904	4.348
2018	0.605	0.041	0.646	1.612	1.076	0.926	4.260
2017	0.604	0.036	0.640	1.560	1.037	0.899	4.136
2016	0.605	0.030	0.634	1.481	1.022	0.883	4.020
2015	0.616	0.032	0.648	1.384	1.002	0.847	3.881
2014	0.658	0.035	0.693	1.316	0.983	0.834	3.826
2013	0.614	0.031	0.645	1.262	0.969	0.849	3.725

**Borough of Somerdale**

Year Ended Dec. 31	School District Direct Rate			Overlapping Rates			Total Direct and Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Local School District	Borough of Somerdale	Camden County	
2022	\$ 0.686	\$ 0.013	\$ 0.699	\$ 1.497	\$ 1.133	\$ 0.942	\$ 4.271
2021	0.766	0.023	0.789	1.485	1.129	0.986	4.389
2020	0.741	0.023	0.764	1.461	1.113	0.942	4.280
2019	0.705	0.023	0.728	1.450	1.107	0.917	4.202
2018	0.764	0.050	0.814	1.435	1.103	0.953	4.305
2017	0.764	0.045	0.809	1.409	1.099	0.942	4.259
2016	0.715	0.035	0.750	1.372	1.094	0.925	4.141
2015	0.691	0.034	0.725	1.351	1.090	0.916	4.082
2014	0.609	0.033	0.642	1.316	1.084	0.870	3.912
2013	0.576	0.029	0.605	1.065	0.937	0.769	3.376

**Borough of Stratford**

Year Ended Dec. 31	School District Direct Rate			Overlapping Rates			Total Direct and Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Local School District	Borough of Stratford	Camden County	
2022	\$ 0.728	\$ 0.013	\$ 0.741	\$ 1.972	\$ 1.072	\$ 0.874	\$ 4.659
2021	0.644	0.019	0.663	1.929	1.041	0.873	4.506
2020	0.645	0.020	0.665	1.897	0.996	0.869	4.427
2019	0.662	0.021	0.684	1.875	0.999	0.866	4.424
2018	0.610	0.041	0.651	1.771	0.996	0.873	4.291
2017	0.651	0.040	0.691	1.696	0.980	0.871	4.238
2016	0.636	0.031	0.667	1.618	0.961	0.862	4.108
2015	0.668	0.035	0.702	1.538	0.937	0.864	4.041
2014	0.673	0.036	0.709	1.480	0.916	0.824	3.929
2013	1.032	0.052	1.084	2.154	1.344	1.250	5.832

(n) reassessment

Source: Municipal Tax Collector.

**STERLING HIGH SCHOOL DISTRICT**  
Principal Property Tax Payers  
Current Year and Nine Years Ago  
*Unaudited*

Borough of Magnolia	2022			2013		
	Taxable Assessed	Rank	% of Total District Net	Taxable Assessed	Rank	% of Total District Net
	Value		Assessed Value	Value		Assessed Value
<u>Taxpayer</u>						
CMIF IV Coventry Place LLC	\$ 5,700,000.00	1	2.15%	\$ 5,700,000.00	2	2.17%
Barrington TIC III LLC	5,250,000.00	2	1.98%	6,600,000.00	1	2.51%
Wal-Mart	3,645,000.00	3	1.37%	4,210,100.00	3	1.60%
Walgreen Eastern Co.	2,115,600.00	4	0.80%	2,115,600.00	5	0.80%
Magnolia Equities, LLC	1,869,600.00	5	0.70%			
Magnolia Holdings	1,732,500.00	6	0.65%			
Raab Family Partnership	1,576,000.00	7	0.59%	2,462,500.00	4	0.94%
F.V.B. Enterprises Inc.	1,561,900.00	8	0.59%	1,561,900.00	6	0.59%
Green Garden Apartments LLC	1,482,800.00	9	0.56%	1,482,800.00	7	0.56%
Autozone Northeast Inc.	1,317,400.00	10	0.50%			
700 White Horse Pike				1,366,600.00	8	0.52%
Rite Aid				887,400.00	10	0.34%
Parish of Saint Rita				1,219,500.00	9	0.46%
<b>Total</b>	<b>\$ 26,250,800.00</b>		<b>9.89%</b>	<b>\$ 27,606,400.00</b>		<b>10.49%</b>

Borough of Somerdale	2022			2013		
	Taxable Assessed	Rank	% of Total District Net	Taxable Assessed	Rank	% of Total District Net
	Value		Assessed Value	Value		Assessed Value
<u>Taxpayer</u>						
Wal-Mart Property Owners	\$ 17,573,100.00	1	5.19%	\$ 18,004,800.00	1	5.00%
Buchman, Myron & Tanya Toby	3,700,000.00	2	1.09%	3,820,800.00	2	1.06%
National Realty Property Owners	3,130,600.00	3	0.92%	3,594,400.00	3	1.00%
Warwick Terrace	2,029,000.00	4	0.60%	2,364,000.00	4	0.66%
Somerdale Equities, LLC	1,924,900.00	5	0.57%	2,347,400.00	5	0.65%
JMK Investment Co., Inc.	1,906,100.00	6	0.56%	2,236,600.00	6	0.62%
DJW Somerdale, LLC (Wawa)	1,891,100.00	7	0.56%			
Kiejdan Family, LLC	1,624,000.00	8	0.48%	1,740,000.00	7	0.48%
Rite Aid of New Jersey	1,512,900.00	9	0.45%	1,559,300.00	8	0.43%
Wawn, LLC	1,338,200.00	10	0.40%	1,414,700.00	9	0.39%
600 White Horse Pike, LLC				1,300,000.00	10	0.36%
<b>Total</b>	<b>\$ 36,629,900.00</b>		<b>10.82%</b>	<b>\$ 38,382,000.00</b>		<b>10.66%</b>

Borough of Stratford	2022			2013		
	Taxable Assessed	Rank	% of Total District Net	Taxable Assessed	Rank	% of Total District Net
	Value		Assessed Value	Value		Assessed Value
<u>Taxpayer</u>						
Woodmere Investment Association	\$ 7,355,700.00	1	1.80%	\$ 4,200,000.00	1	1.49%
Stratford Court Apartments	4,660,000.00	2	1.14%	1,385,000.00	9	0.49%
18 W Laurel Real Estate LLC	4,084,300.00	3	1.00%			
Brookview Manor Apartments	3,517,200.00	4	0.86%			
Echelon Ford Real Estate Holdings	3,182,100.00	5	0.78%	2,000,000.00	4	0.71%
Gator Stratford LLC	2,519,800.00	6	0.62%		7	
Stratford Properties LLC	2,500,000.00	7	0.61%	1,764,600.00	5	0.63%
La Martinique Bowling Academy	2,316,400.00	8	0.57%	1,561,700.00	7	0.55%
Pep Boys	2,091,300.00	9	0.51%			
Cornell Manor LLC	1,950,000.00	10	0.48%			
Stanton Meltzer				1,489,200.00	8	0.53%
AEJ Stratford LLC				2,600,000.00	3	0.92%
JW Land Real Estate				2,913,000.00	2	1.03%
Stratford Investors				1,634,900.00	6	0.58%
Laurel Mills, LLC				1,100,000.00	10	0.39%
<b>Total</b>	<b>\$ 34,176,800.00</b>		<b>8.38%</b>	<b>\$ 20,648,400.00</b>		<b>7.31%</b>

Source: Municipal Tax Assessor

**STERLING HIGH SCHOOL DISTRICT**  
Property Tax Levies and Collections  
Last Ten Fiscal Years  
*Unaudited*

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Fiscal Year Ended <u>June 30.</u>	School District Taxes Levied for the <u>Fiscal Year</u>	Collected within the Fiscal Year of the <u>the Levy</u> <sup>(1)</sup>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2022	\$ 7,235,799.00	\$ 7,235,799.00	100.00%	-
2021	7,101,044.00	7,101,044.00	100.00%	-
2020	6,968,991.00	6,968,991.00	100.00%	-
2019	7,060,685.00	7,060,685.00	100.00%	-
2018	7,074,556.00	7,074,556.00	100.00%	-
2017	6,907,027.00	6,827,906.00	98.85%	\$ 79,121.00
2016	6,907,573.97	6,907,573.97	100.00%	-
2015	6,794,274.00	6,794,274.00	100.00%	-
2014	6,935,845.00	6,935,845.00	100.00%	-
2013	6,777,338.00	6,777,338.00	100.00%	-

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

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*Source: School District records.*

## **Debt Capacity Information**

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

**STERLING HIGH SCHOOL DISTRICT**  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
*Unaudited*

Fiscal Year Ended June 30,	Governmental <u>Activities</u>			Total School District	Percentage of Personal Income <sup>(3)</sup>	Per Capita <sup>(4)</sup>
	General Obligation Bonds <sup>(1)</sup>	Financed Purchases <sup>(1)</sup>	Business-Type Activities <sup>(2)</sup>			
<b>Borough of Magnolia</b>						
2021	\$ 703,188.42	-	-	\$ 703,188.42	*	\$ 162.44
2020	748,863.31	-	-	748,863.31	0.30%	175.62
2019	799,135.95	-	-	799,135.95	0.34%	187.02
2018	945,190.94	-	-	945,190.94	0.42%	220.84
2017	1,091,643.00	-	-	1,091,643.00	0.50%	255.06
2016	1,197,455.06	-	-	1,197,455.06	0.57%	279.39
2015	474,067.19	-	-	474,067.19	0.23%	110.66
2014	595,192.00	-	-	595,192.00	0.30%	138.67
2013	723,299.50	-	-	723,299.50	0.38%	167.82
2012	851,865.00	-	-	851,865.00	0.45%	196.60
<b>Borough of Somerdale</b>						
2021	\$ 938,217.11	-	-	\$ 938,217.11	*	\$ 169.48
2020	992,682.57	-	-	992,682.57	0.31%	181.08
2019	1,037,397.83	-	-	1,037,397.83	0.34%	189.38
2018	1,212,459.32	-	-	1,212,459.32	0.42%	221.62
2017	1,400,434.96	-	-	1,400,434.96	0.50%	256.96
2016	1,544,475.30	-	-	1,544,475.30	0.57%	282.87
2015	606,935.73	-	-	606,935.73	0.23%	112.21
2014	752,368.00	-	-	752,368.00	0.31%	141.32
2013	887,784.00	-	-	887,784.00	0.38%	169.10
2012	1,020,110.00	-	-	1,020,110.00	0.45%	196.25
<b>Borough of Stratford</b>						
2021	\$ 1,106,594.47	-	-	\$ 1,106,594.47	*	\$ 158.97
2020	1,186,454.12	-	-	1,186,454.12	0.29%	171.03
2019	1,271,466.22	-	-	1,271,466.22	0.33%	182.81
2018	1,515,349.73	-	-	1,515,349.73	0.41%	217.50
2017	1,765,922.05	-	-	1,765,922.05	0.50%	253.43
2016	1,991,069.64	-	-	1,991,069.64	0.58%	285.34
2015	798,997.08	-	-	798,997.08	0.24%	114.39
2014	1,012,440.00	-	-	1,012,440.00	0.31%	145.01
2013	1,228,584.00	-	-	1,228,584.00	0.39%	175.54
2012	1,453,357.50	-	-	1,453,357.50	0.47%	206.53

## Sources:

<sup>(1)</sup> School District records

<sup>(2)</sup> No outstanding debt exists for business-type activities.

<sup>(3)</sup> Personal income has been estimated based upon the municipal population and per capita.

<sup>(4)</sup> Per Capita calculation based upon population information provided by the New Jersey Department of Labor and Workforce Development.

\* information not available

**STERLING HIGH 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 Net Assessed Valuation Taxable <sup>(2)</sup>	Per Capita <sup>(3)</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding <sup>(1)</sup>		
<b>Borough of Magnolia</b>					
2021	\$ 703,188.42	-	\$ 703,188.42	0.27%	\$ 162.44
2020	748,863.31	-	748,863.31	0.28%	175.62
2019	799,135.95	-	799,135.95	0.30%	187.02
2018	945,190.94	-	945,190.94	0.36%	220.84
2017	1,091,643.00	-	1,091,643.00	0.42%	255.06
2016	1,197,455.06	-	1,197,455.06	0.46%	279.39
2015	474,067.19	-	474,067.19	0.18%	110.66
2014	595,192.00	-	595,192.00	0.23%	138.67
2013	723,299.50	-	723,299.50	0.27%	167.82
2012	851,865.00	-	851,865.00	0.32%	196.60
<b>Borough of Somerdale</b>					
2021	\$ 938,217.11	-	\$ 938,217.11	0.28%	\$ 169.48
2020	992,682.57	-	992,682.57	0.29%	181.08
2019	1,037,397.83	-	1,037,397.83	0.31%	189.38
2018	1,212,459.32	-	1,212,459.32	0.37%	221.62
2017	1,400,434.96	-	1,400,434.96	0.43%	256.96
2016	1,544,475.30	-	1,544,475.30	0.48%	282.87
2015	606,935.73	-	606,935.73	0.19%	112.21
2014	752,368.00	-	752,368.00	0.24%	141.32
2013	887,784.00	-	887,784.00	0.25%	169.10
2012	1,020,110.00	-	1,020,110.00	0.28%	196.25
<b>Borough of Stratford</b>					
2021	\$ 1,106,594.47	-	\$ 1,106,594.47	0.27%	\$ 158.97
2020	1,186,454.12	-	1,186,454.12	0.29%	171.03
2019	1,271,466.22	-	1,271,466.22	0.31%	182.81
2018	1,515,349.73	-	1,515,349.73	0.37%	217.50
2017	1,765,922.05	-	1,765,922.05	0.43%	253.43
2016	1,991,069.64	-	1,991,069.64	0.48%	285.34
2015	798,997.08	-	798,997.08	0.19%	114.39
2014	1,012,440.00	-	1,012,440.00	0.24%	145.01
2013	1,228,584.00	-	1,228,584.00	0.44%	175.54
2012	1,453,357.50	-	1,453,357.50	0.51%	206.53

**Sources:**

<sup>(1)</sup> School District records

<sup>(2)</sup> Net Assessed Valuation provided by Abstract of Ratables, County Board of Taxation.

<sup>(3)</sup> Per Capita calculation based upon population information provided by the New Jersey Department of Labor and Workforce Development.

**STERLING HIGH SCHOOL DISTRICT**  
 Direct and Overlapping Governmental Activities Debt  
 As of December 31, 2021  
*Unaudited*

<b>Borough of Magnolia</b>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Borough of Magnolia</u>
Municipal Debt: <sup>(1)</sup>				
Borough of Magnolia School District	\$ 2,975,000.00	\$ 2,975,000.00		
Sterling Regional High School	703,188.42	703,188.42		
Self-Liquidating Purposes	229,302.28	229,302.28		
Municipal General Obligations	<u>1,762,923.71</u>	<u>472.73</u>	<u>\$ 1,762,450.98</u>	<u>\$ 1,762,450.98</u>
	<u>5,670,414.41</u>	<u>3,907,963.43</u>	<u>1,762,450.98</u>	<u>1,762,450.98</u>
Overlapping Debt Apportioned to the Municipality:				
County of Camden: <sup>(2)</sup>				
General:				
Bonds	37,050,000.00	16,715,177.00 <sup>(3)</sup>	20,334,823.00	145,571.53 <sup>(5)</sup>
Notes	10,461,125.00		10,461,125.00	74,888.38 <sup>(5)</sup>
Loan Agreements	345,677,884.00		345,677,884.00	2,474,614.95 <sup>(5)</sup>
Bonds Issued by Other Public Bodies				
Guaranteed by the County	<u>239,049,706.00</u>	<u>239,049,706.00</u> <sup>(4)</sup>		
	<u>632,238,715.00</u>	<u>255,764,883.00</u>	<u>376,473,832.00</u>	<u>2,695,074.86</u>
	<u>\$ 637,909,129.41</u>	<u>\$ 259,672,846.43</u>	<u>\$ 378,236,282.98</u>	<u>\$ 4,457,525.84</u>

## Sources:

<sup>(1)</sup> 2021 Annual Debt Statement - Borough of Magnolia

<sup>(2)</sup> County of Camden

<sup>(3)</sup> includes reserve for payment of bonds, other accounts receivable, and general obligation pension refunding bonds

<sup>(4)</sup> deductible in accordance with N.J.S. 40:37A-80

<sup>(5)</sup> Such debt is allocated as a proportion of the Borough's share of the total 2021 Equalized Value, which is .72%.  
 The source for this computation was the 2021 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

(Continued)



**STERLING HIGH SCHOOL DISTRICT**  
 Direct and Overlapping Governmental Activities Debt  
 As of December 31, 2021  
*Unaudited*

<b>Borough of Somerdale</b>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Borough of Somerdale</u>
Municipal Debt: <sup>(1)</sup>				
Somerdale Borough School District	\$ 2,812,000.00	\$ 2,812,000.00		
Sterling Regional High School	938,217.11	938,217.11		
Self-Liquidating Purposes	3,110,114.78	3,110,114.78		
Municipal / County General Obligations	<u>9,086,404.08</u>		<u>\$ 9,086,404.08</u>	<u>\$ 9,086,404.08</u>
	<u>15,946,735.97</u>	<u>6,860,331.89</u>	<u>9,086,404.08</u>	<u>9,086,404.08</u>
Overlapping Debt Apportioned to the Municipality:				
County of Camden: <sup>(2)</sup>				
General:				
Bonds	37,050,000.00	16,715,177.00 <sup>(3)</sup>	20,334,823.00	197,603.67 <sup>(5)</sup>
Notes	10,461,125.00		10,461,125.00	101,656.00 <sup>(5)</sup>
Loan Agreements	345,677,884.00		345,677,884.00	3,359,125.32 <sup>(5)</sup>
Bonds Issued by Other Public Bodies				
Guaranteed by the County	<u>239,049,706.00</u>	<u>239,049,706.00</u> <sup>(4)</sup>		
	<u>632,238,715.00</u>	<u>255,764,883.00</u>	<u>376,473,832.00</u>	<u>3,658,384.99</u>
	<u>\$ 648,185,450.97</u>	<u>\$ 262,625,214.89</u>	<u>\$ 385,560,236.08</u>	<u>\$ 12,744,789.07</u>

## Sources:

<sup>(1)</sup> 2021 Annual Debt Statement - Borough of Somerdale

<sup>(2)</sup> County of Camden

<sup>(3)</sup> includes reserve for payment of bonds, other accounts receivable, and general obligation pension refunding bonds

<sup>(4)</sup> deductible in accordance with N.J.S. 40:37A-80

<sup>(5)</sup> Such debt is allocated as a proportion of the Borough's share of the total 2021 Equalized Value, which is .97%.

The source for this computation was the 2021 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

(Continued)

**STERLING HIGH SCHOOL DISTRICT**  
 Direct and Overlapping Governmental Activities Debt  
 As of December 31, 2021  
*Unaudited*

<b>Borough of Stratford</b>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Borough of Stratford</u>
Municipal Debt: <sup>(1)</sup>				
Stratford Borough School District	\$ 2,820,000.00	\$ 2,820,000.00		
Sterling Regional High School	1,106,594.47	1,106,594.47		
Self-Liquidating Purposes	221,400.00	221,400.00		
Municipal / County General Obligations	<u>3,793,808.25</u>		<u>\$ 3,793,808.25</u>	<u>\$ 3,793,808.25</u>
	<u>7,941,802.72</u>	<u>4,147,994.47</u>	<u>3,793,808.25</u>	<u>3,793,808.25</u>
Overlapping Debt Apportioned to the Municipality:				
County of Camden: <sup>(2)</sup>				
General:				
Bonds	37,050,000.00	16,715,177.00 <sup>(3)</sup>	20,334,823.00	225,949.86 <sup>(5)</sup>
Notes	10,461,125.00		10,461,125.00	116,238.52 <sup>(5)</sup>
Loan Agreements	345,677,884.00		345,677,884.00	3,840,990.87 <sup>(5)</sup>
Bonds Issued by Other Public Bodies Guaranteed by the County	<u>239,049,706.00</u>	<u>239,049,706.00</u> <sup>(4)</sup>		
	<u>632,238,715.00</u>	<u>255,764,883.00</u>	<u>376,473,832.00</u>	<u>4,183,179.24</u>
	<u>\$ 640,180,517.72</u>	<u>\$ 259,912,877.47</u>	<u>\$ 380,267,640.25</u>	<u>\$ 7,976,987.49</u>

## Sources:

<sup>(1)</sup> 2021 Annual Debt Statement - Borough of Stratford

<sup>(2)</sup> County of Camden

<sup>(3)</sup> includes reserve for payment of bonds, other accounts receivable, and general obligation pension refunding bonds

<sup>(4)</sup> deductible in accordance with N.J.S. 40:37A-80

<sup>(5)</sup> Such debt is allocated as a proportion of the Borough's share of the total 2021 Equalized Value, which is 1.11%.

The source for this computation was the 2021 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

**STERLING HIGH SCHOOL DISTRICT**  
 Legal Debt Margin Information  
 Last Ten Fiscal Years  
*Unaudited*

Legal Debt Margin Calculation for Calendar Year 2021:

Average Equalized Valuation Basis: <sup>(1)</sup>

Borough of Magnolia	\$ 315,205,580.00
Borough of Somerdale	418,996,790.00
Borough of Stratford	<u>485,312,075.00</u>
	<u>[A] \$ 1,219,514,445.00</u>
	<u>[A/3] \$ 406,504,815.00</u>
Debt limit (3% of average equalization value) <sup>(2)</sup>	[B] \$ 12,195,144.45
Total Net Debt Applicable to Limit	[C] <u>2,568,000.00</u>
Legal Debt Margin	<u>[B-C] \$ 9,627,144.45</u>

	Fiscal Year Ended June 30,									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Debt limit	\$ 12,195,144.45	\$ 30,029,070.63	\$ 28,991,725.23	\$ 28,162,679.94	\$ 27,210,423.92	\$ 26,318,955.44	\$ 25,710,833.95	\$ 28,865,603.50	\$ 29,576,755.87	\$ 30,468,391.72
Total net debt applicable to limit <sup>(3)</sup>	<u>2,568,000.00</u>	<u>2,748,000.00</u>	<u>2,928,000.00</u>	<u>3,108,000.00</u>	<u>3,673,000.00</u>	<u>4,258,000.00</u>	<u>4,733,000.00</u>	<u>1,880,000.00</u>	<u>2,360,000.00</u>	<u>2,840,000.00</u>
Legal debt margin	<u>\$ 9,627,144.45</u>	<u>\$ 27,281,070.63</u>	<u>\$ 26,063,725.23</u>	<u>\$ 25,054,679.94</u>	<u>\$ 23,537,423.92</u>	<u>\$ 22,060,955.44</u>	<u>\$ 20,977,833.95</u>	<u>\$ 26,985,603.50</u>	<u>\$ 27,216,755.87</u>	<u>\$ 27,628,391.72</u>
Total net debt applicable to the limit as a percentage of debt limit	21.06%	9.15%	10.10%	11.04%	13.50%	16.18%	18.41%	6.51%	7.98%	9.32%

Sources:

- <sup>(1)</sup> Equalized valuation bases were provided by the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation
- <sup>(2)</sup> Limit set by N.J.S.A. 18A:24-19 for a regional school district
- <sup>(3)</sup> School District records

## **Demographic and Economic Information**

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

**STERLING HIGH SCHOOL DISTRICT**  
Demographic and Economic Statistics  
Last Ten Fiscal Years  
*Unaudited*

Fiscal Year Ended <u>June 30,</u>	<u>Population</u> <sup>(1)</sup>	<u>Personal Income</u> <sup>(2)</sup>	<u>Per Capita Personal Income</u> <sup>(3)</sup>	<u>Unemployment Rate</u> <sup>(4)</sup>
<b>Borough of Magnolia</b>				
2021	4,329	*	*	6.6%
2020	4,264	\$ 250,851,120.00	\$ 58,830.00	10.5%
2019	4,273	234,835,534.00	54,958.00	4.1%
2018	4,280	226,951,280.00	53,026.00	4.1%
2017	4,280	218,690,880.00	51,096.00	5.2%
2016	4,286	211,694,112.00	49,392.00	5.3%
2015	4,284	205,640,568.00	48,002.00	6.6%
2014	4,292	198,260,356.00	46,193.00	7.6%
2013	4,310	191,609,670.00	44,457.00	5.8%
2012	4,333	190,188,369.00	43,893.00	16.5%
<b>Borough of Somerdale</b>				
2021	5,536	*	*	6.8%
2020	5,482	\$ 322,506,060.00	\$ 58,830.00	10.5%
2019	5,478	301,059,924.00	54,958.00	4.0%
2018	5,471	290,105,246.00	53,026.00	4.4%
2017	5,450	278,473,200.00	51,096.00	4.9%
2016	5,460	269,680,320.00	49,392.00	5.6%
2015	5,409	259,642,818.00	48,002.00	6.2%
2014	5,324	245,931,532.00	46,193.00	7.6%
2013	5,250	233,399,250.00	44,457.00	9.7%
2012	5,198	228,155,814.00	43,893.00	10.1%
<b>Borough of Stratford</b>				
2021	6,961	*	*	6.4%
2020	6,937	\$ 408,103,710.00	\$ 58,830.00	10.4%
2019	6,955	382,232,890.00	54,958.00	3.9%
2018	6,967	369,432,142.00	53,026.00	4.3%
2017	6,968	356,036,928.00	51,096.00	4.7%
2016	6,978	344,657,376.00	49,392.00	5.0%
2015	6,985	335,293,970.00	48,002.00	5.8%
2014	6,982	322,519,526.00	46,193.00	7.3%
2013	6,999	311,154,543.00	44,457.00	9.1%
2012	7,037	308,875,041.00	43,893.00	8.2%

**Sources:**

<sup>(1)</sup> Annual Estimates of the Resident Population for Municipalities in New Jersey, by County: April 1, 2011 to July 1, 2021.

<sup>(2)</sup> Personal income has been estimated based upon the municipal population and per capita personal income.

<sup>(3)</sup> Regional Economic Information System, Bureau of Economic Analysis, November 2021.

<sup>(4)</sup> New Jersey Department of Labor and Workforce Development - Unemployment Statistics: April 27, 2022

\* information not available

**STERLING HIGH SCHOOL DISTRICT**  
Principal Non-Governmental Employers  
Current Year and Nine Years Ago  
*Unaudited*

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2022				2013		
<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>

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*Source: Individual employers.*

Information regarding the ten principal non-governmental employers for 2022 and 2013 could not be accumulated by the School District as a result of not having a source from which to obtain such information.

## **Operating Information**

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

**STERLING HIGH SCHOOL DISTRICT**  
 Full-Time Equivalent School District Employees by Function/Program  
 Last Ten Fiscal Years  
*Unaudited*

<u>Function / Program</u>	Fiscal Year Ended June 30,									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Instruction:										
Regular Instruction	63.1	63.8	60.8	59.4	59.4	58.1	63.7	63.5	63.6	64.2
Special Education Instruction	9.5	8.9	11.2	11.4	11.7	11.4	15.0	14.0	22.0	20.0
Other Special Instruction	11.3	10.1	15.5	17.4	18.4	20.0	16.0	11.0	6.4	6.0
Other Instruction	12	12.3	12.1	10.9	11.8	9.3	9.7	10.0	11.5	14.5
Support Services:										
Other Administrative Services	3.7	3.7	4.0	4.0	4.0	1.0	1.5	2.2	2.2	3.0
School Administrative Services	10.96	11.1	11.2	11.5	11.2	10.9	12.0	13.5	12.4	8.8
General and Business Administrative Services	4.2	4.0	4.0	4.0	4.1	3.9	3.8	4.0		
Plant Operations and Maintenance	12.51	13.0	11.4	11.1	10.6	9.6	7.6	9.8	9.6	8.8
<b>Total</b>	<b>127.3</b>	<b>126.9</b>	<b>130.2</b>	<b>129.7</b>	<b>131.2</b>	<b>124.2</b>	<b>129.3</b>	<b>128.0</b>	<b>127.7</b>	<b>125.3</b>

*Source: School District records*



**STERLING HIGH SCHOOL DISTRICT**  
 Operating Statistics  
 Last Ten Fiscal Years  
*Unaudited*

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Fiscal Year Ended <u>June 30,</u>	<u>Enrollment</u>	<u>Operating Expenditures *</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff (Certified)</u>	<u>Pupil / Teacher Ratio Elementary</u>	<u>Average Daily Enrollment (ADE)</u>	<u>Average Daily Attendance (ADA)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2022	896	\$ 20,849,118.02	\$ 23,269.10	9.70%	82	1:11	894.2	838.5	-1.08%	93.77%
2021	894	18,963,406.65	21,211.86	5.74%	82	1:11	904.0	829.9	-1.29%	96.36%
2020	914	18,334,812.56	20,059.97	5.62%	83	1:11	915.8	885.6	-4.05%	96.63%
2019	958	18,194,326.68	18,991.99	4.93%	83	1:12	954.5	905.7	-0.33%	94.86%
2018	953	17,248,704.26	18,099.37	5.45%	83	1:11	957.7	906.7	1.02%	94.69%
2017	950	16,305,364.59	17,163.54	2.51%	81	1:12	948.0	908.0	-1.89%	95.58%
2016	959	16,056,856.05	16,743.33	3.04%	86	1:11	966.3	916.3	1.10%	94.58%
2015	958	15,566,577.31	16,249.04	-7.21%	87	1:11	955.8	920.1	6.56%	96.27%
2014	899	15,743,389.85	17,512.11	0.85%	85	1:11	897.0	857.6	-0.55%	95.40%
2013	909	15,784,902.74	17,365.13	10.76%	84	1:11	902.0	859.0	-4.14%	95.27%

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Sources: School District records

\* operating expenditures equal total expenditures less capital outlay, transfer to charter school, and debt service.

**STERLING HIGH SCHOOL DISTRICT**  
 School Building Information  
 Last Ten Fiscal Years  
*Unaudited*

	Fiscal Year Ended June 30,									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District Building:										
High School:										
Sterling High School (1960)										
Square Feet	160,844	160,844	160,844	160,844	160,844	160,844	160,844	160,844	160,844	160,844
Functional Capacity (students)	995	995	995	995	995	995	995	995	995	995
Enrollment	896	894	914	953	950	950	959	958	899	909
Other:										
Garage										
Square Feet	7,600	7,600	7,600	7,600	7,600	7,600	7,600	7,600	7,600	7,600
Administrative Building / Concession Stand										
Square Feet	11,420	11,420	11,420	11,420	11,420	11,420	11,420	11,420	11,420	11,420
Sterling Academy (2013)										
Square Feet						40,881	40,881	40,881	40,881	

Number of Schools at June 30, 2022

  High School = 1

  Other = 2

Note: Year of original construction is shown in parentheses. Enrollment is based on the annual October School District count. Function Capacity is based on the F.E.S. Formula utilizing New Jersey Department of Education guidelines.

Source: School District records.

**STERLING HIGH SCHOOL DISTRICT**  
 Schedule of Required Maintenance for School Facilities  
 Last Ten Fiscal Years  
*Unaudited*

Undistributed Expenditures - Required Maintenance for School Facilities

11-000-261-xxx		Fiscal Year Ended June 30,									
		<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<i>* School Facilities</i>	<i>Project # (s)</i>										
Sterling High School	N/A	\$ 582,585.45	\$ 489,101.83	\$ 380,791.36	\$ 421,409.49	\$ 445,461.82	\$ 386,337.53	\$ 275,771.33	\$ 346,153.43	\$ 271,776.57	\$ 203,798.77
<b>Total School Facilities</b>		<u>\$ 582,585.45</u>	<u>\$ 489,101.83</u>	<u>\$ 380,791.36</u>	<u>\$ 421,409.49</u>	<u>\$ 445,461.82</u>	<u>\$ 386,337.53</u>	<u>\$ 275,771.33</u>	<u>\$ 346,153.43</u>	<u>\$ 271,776.57</u>	<u>\$ 203,798.77</u>

\* School facilities as defined under EFCFA (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6:24-1.3).

*Source: School District records.*

## STERLING HIGH SCHOOL DISTRICT

Insurance Schedule

June 30, 2022

Unaudited

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	<u>Coverage</u>	<u>Self-Insured Retention</u>	<u>Deductible</u>
School Package Policy <sup>(1)</sup>			
Building and Contents (All Locations):			
Limits of Liability per Occurrence <sup>(4)</sup>	\$ 500,000,000.00		\$ 2,500.00
General and Automobile Liability	5,000,000.00		
Auto Physical Damage Deductible			1,000.00
Excess Liability (General and Automobile)	5,000,000.00		
Comprehensive Crime:		\$ 1,000.00	
Money and Securities	50,000.00 each loss		
Blanket Dishonesty Bond	500,000.00 per loss		
Computer Fraud	50,000.00		
Forgery and Alteration	50,000.00		
Environmental Impairment Liability	1,000,000.00		50,000.00
School Leaders Errors & Omission <sup>(1)</sup>	5,000,000.00		5,000.00
Workers' Compensation <sup>(1)</sup>	Statutory		
Cyber Liability <sup>(1)</sup>	2,000,000.00	10,000.00	
Boiler / Machinery <sup>(1)</sup>	100,000.00	2,500.00	
Student Accident <sup>(2)</sup>	1,000,000.00		
Surety Bonds <sup>(3)</sup>			
Board Secretary	250,000.00		

<sup>(1)</sup> School Alliance Insurance Fund<sup>(2)</sup> Zurich<sup>(3)</sup> CNA Surety<sup>(4)</sup> Includes deductible for limit per occurrence and auto physical damage deductible

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Source: School District records

**SINGLE AUDIT SECTION**

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND  
STATE OF NEW JERSEY CIRCULAR 15-08-OMB**

**INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Sterling High School District  
Somerdale, New Jersey 08083

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

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

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

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

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

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

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

**Responsibilities of Management for Compliance**

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

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

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

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

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

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

**Other Matters**

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying *Schedule of Findings and Questioned Costs* and *Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* as finding No. 2022-001. Our opinion on the major federal program is not modified with respect to this matter.

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

**Report on Internal Control over Compliance**

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

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

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

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

Respectfully submitted,

*BOWMAN & COMPANY LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*L. Jarred Corn*

L. Jarred Corn  
Certified Public Accountant  
Public School Accountant No. CS 00219700

Voorhees, New Jersey  
March 8, 2023



**STERLING HIGH SCHOOL DISTRICT**  
 Schedule of Expenditures of Federal Awards, Schedule A  
 For the Fiscal Year Ended June 30, 2022

Federal Grantor / Pass-through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Additional Award Identification	Federal FAIN Number	Pass-Through Entity Identifying Number	Program or Award Amount	Grant Period		Balance June 30, 2021
						From	To	
<b>General Fund:</b>								
U.S. Department of Health and Human Services: Passed-through State Department of Education: Medical Assistance Program (Medicaid) Cluster								
	93.778		2005NJ5MAP	Unknown	\$ 11,875.17	07/01/21	09/30/22	
Total Medical Assistance Program (Medicaid) Cluster								
Total General Fund								
<b>Special Revenue Fund:</b>								
U.S. Department of Education: Passed-through State Department of Education: E.S.S.A.:								
Title I Grants to Local Educational Agencies	84.010		S010A180030	NCLB503520	110,948.00	07/01/19	09/30/20	\$ (266.90)
Title I Grants to Local Educational Agencies	84.010		S010A190030	NCLB503521	110,006.00	07/01/20	09/30/21	(49,253.60)
Title I Grants to Local Educational Agencies	84.010		S010A200030	NCLB503522	109,153.00	07/01/21	09/30/22	
Title I, School Improvement Part A	84.010		S010A200030	NCLB503522	21,300.00	07/01/21	09/30/22	
Total Title I Grants to Local Educational Agencies								
Supporting Effective Instruction State Grants (Title II, Part A) ESSA								
	84.367A		S367A200029	NCLB503521	22,019.00	07/01/20	09/30/21	(10,550.00)
Supporting Effective Instruction State Grants (Title II, Part A) ESSA								
	84.367A		S367A210029	NCLB503522	23,189.00	07/01/21	09/30/22	
Total Supporting Effective Instruction State Grants								
Title IV, Student Support and Academic Enrichment (ESSA)								
	84.424		S424A200031	NCLB503521	8,034.00	07/01/20	09/30/21	(376.51)
Title IV, Student Support and Academic Enrichment (ESSA)								
	84.424		S424A210031	NCLB503522	13,123.00	07/01/21	09/30/22	
Total Title IV, Support and Academic Enrichment (ESSA)								
Special Education Cluster (IDEA):								
Special Education Grants to States	84.027A		H027A200100	IDEA189021	200,151.00	07/01/20	09/30/21	(49,302.30)
Special Education Grants to States	84.027A		H027A210100	IDEA189022	189,329.00	07/01/21	09/30/22	
Special Education Grants to States	84.027X	COVID-19	H027A210100	IDEA189022	42,639.00	07/01/21	09/30/22	
Total Special Education Grants to States								
Total Special Education Cluster (IDEA)								
Education Stabilization Fund:								
Elementary and Secondary School Emergency Relief Fund (ESSER I)								
	84.425D	COVID-19	S425D200027	Unknown	91,288.00	03/13/20	09/30/22	(10,075.52)
Elementary and Secondary School Emergency Relief Fund (ESSER II)								
	84.425D	COVID-19	S425D200027	Unknown	354,121.00	03/13/20	09/30/23	
Learning Acceleration Mental Health								
	84.425D	COVID-19	S425D200027	Unknown	25,000.00	03/13/20	09/30/23	
	84.425D	COVID-19	S425D200027	Unknown	45,000.00	03/13/20	09/30/23	
American Rescue Plan Elementary and Secondary School Emergency Relief Fund (ARP ESSER)								
	84.425D	COVID-19	S425D200027	Unknown	795,864.00	03/13/20	09/30/24	
Accelerated Learning Coach and Educator Support								
	84.425U	COVID-19	S425U210027	Unknown	73,094.00	03/13/20	09/30/24	
Evidence Based Summer Learning and Enrichment								
	84.425U	COVID-19	S425U210027	Unknown	40,000.00	03/13/20	09/30/24	
Evidence Based Comprehensive Beyond the School Day								
	84.425U	COVID-19	S425U210027	Unknown	40,000.00	03/13/20	09/30/24	
NJTSS Mental Health Support Staffing								
	84.425U	COVID-19	S425U210027	Unknown	45,000.00	03/13/20	09/30/24	
Total Education Stabilization Fund								
Total Special Revenue Fund								
<b>Enterprise Fund:</b>								
U.S. Department of Agriculture: Passed-through State Department of Agriculture: Child Nutrition Cluster:								
National School Lunch Program								
Commodities (Noncash)								
	10.555		231NJ304N1199	Unknown	40,829.38	10/01/22	09/30/23	
Seamless Summer Option								
	10.555	COVID-19	201NJ304N1099	Unknown	551,466.64	07/01/20	06/30/21	(47,768.18)
Seamless Summer Option								
	10.555	COVID-19	231NJ304N1199	Unknown	598,427.37	10/01/21	09/30/22	
Emergency Operational Cost Program								
	10.555	COVID-19	202121H170341	Unknown	2,707.06	07/01/21	06/30/22	
Total National School Lunch Program								
Total Child Nutrition Cluster								
P-EBT Administrative Cost								
	10.649	COVID-19	202121S900941	Unknown	1,242.00	07/01/21	06/30/22	-
Total Enterprise Fund								
Total Federal Financial Assistance								

(a) see note 6 to the schedules of expenditures of federal awards and state financial assistance.

The accompanying notes to financial statements and notes to the schedules of expenditures of federal awards and state financial assistance are an integral part of this schedule.

Cash Received	Budgetary Expenditures			Passed-Through to Subrecipients	Adjustments <sup>(a)</sup>	Repayment of Prior Years' Balances	Balance June 30, 2022		
	Pass-Through Funds	Direct Funds	Total Budgetary Expenditures				(Accounts Receivable)	Unearned Revenue	Due to Grantor
\$ 11,875.17	\$ (11,875.17)		\$ (11,875.17)				-		
11,875.17	(11,875.17)	-	(11,875.17)	-	-	-	-	-	-
11,875.17	(11,875.17)	-	(11,875.17)	-	-	-	-	-	-
52,003.00	(2,749.90)		(2,749.90)		\$ 266.90				
82,528.00	(103,196.54)		(103,196.54)		0.50		\$ (20,668.54)		
8,000.00	(10,000.00)		(10,000.00)				(2,000.00)		
142,531.00	(115,946.44)	-	(115,946.44)	-	267.40	-	(22,668.54)	-	-
10,550.00									
13,325.00	(13,915.00)		(13,915.00)				(590.00)		
23,875.00	(13,915.00)	-	(13,915.00)	-			(590.00)	-	-
					376.51				
7,656.00	(9,477.36)		(9,477.36)				(1,821.36)		
7,656.00	(9,477.36)	-	(9,477.36)	-	376.51	-	(1,821.36)	-	-
49,303.00					(0.70)				
80,690.00	(186,717.68)		(186,717.68)				(106,027.68)		
129,993.00	(186,717.68)	-	(186,717.68)	-	(0.70)	-	(106,027.68)	-	-
129,993.00	(186,717.68)	-	(186,717.68)	-	(0.70)	-	(106,027.68)	-	-
10,093.00					340.15			\$ 357.63	
96,542.00	(193,084.00)		(193,084.00)				(96,542.00)		
14,970.00	(15,170.00)		(15,170.00)				(200.00)		
17,941.00	(18,416.72)		(18,416.72)				(475.72)		
598.00	(183,198.00)		(183,198.00)				(182,600.00)		
	(9,773.00)		(9,773.00)				(9,773.00)		
	(18,126.84)		(18,126.84)				(18,126.84)		
140,144.00	(437,768.56)	-	(437,768.56)	-	340.15	-	(307,717.56)	357.63	-
444,199.00	(763,825.04)	-	(763,825.04)	-	983.36	-	(438,825.14)	357.63	-
40,829.38	(40,829.38)		(40,829.38)						
47,768.18									
561,474.50	(598,427.37)		(598,427.37)				(36,952.87)		
2,707.06	(2,707.06)		(2,707.06)						
652,779.12	(641,963.81)		(641,963.81)	-	-	-	(36,952.87)	-	-
652,779.12	(641,963.81)	-	(641,963.81)	-	-	-	(36,952.87)	-	-
1,242.00	(1,242.00)	-	(1,242.00)	-	-	-	-	-	-
654,021.12	(643,205.81)	-	(643,205.81)	-	-	-	(36,952.87)	-	-
\$ 1,110,095.29	\$ (1,418,906.02)	-	\$ (1,418,906.02)	-	\$ 983.36	-	\$ (475,778.01)	\$ 357.63	-

**STERLING HIGH 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 June 30, 2021	
			From	To	Unearned Revenue / (Accounts Receivable)	Due to Grantor
General Fund:						
New Jersey Department of Education:						
Current Expense:						
State Aid - Public:						
Equalization Aid	495-034-5120-078	\$ 6,256,311.00	07/01/20	06/30/21	\$ (612,081.02)	
Equalization Aid	495-034-5120-078	7,204,939.00	07/01/21	06/30/22		
Categorical Special Education Aid	495-034-5120-089	659,492.00	07/01/20	06/30/21	(64,520.86)	
Categorical Special Education Aid	495-034-5120-089	659,492.00	07/01/21	06/30/22		
Categorical Security Aid	495-034-5120-084	171,469.00	07/01/20	06/30/21	(16,775.53)	
Categorical Security Aid	495-034-5120-084	171,469.00	07/01/21	06/30/22		
School Choice Aid	495-034-5120-068	1,055,274.00	07/01/20	06/30/21	(103,241.86)	
School Choice Aid	495-034-5120-068	950,372.00	07/01/21	06/30/22		
Total State Aid - Public					(796,619.27)	-
Categorical Transportation Aid	495-034-5120-014	50,358.00	07/01/20	06/30/21	(4,926.73)	
Categorical Transportation Aid	495-034-5120-014	50,358.00	07/01/21	06/30/22		
Total Categorical Transportation Aid					(4,926.73)	-
Extraordinary Aid	495-034-5120-044	89,894.00	07/01/20	06/30/21	(89,894.00)	
Extraordinary Aid	495-034-5120-044	121,489.00	07/01/21	06/30/22		
Total Extraordinary Aid					(89,894.00)	-
Reimbursed TPAF Social Security Contributions	495-034-5094-003	531,397.61	07/01/21	06/30/22		
Total Reimbursed TPAF Social Security Contributions						-
On-Behalf T.P.A.F. Pension Contributions - Post-Retirement Medical (non-budgeted)	495-034-5094-001	628,318.00	07/01/21	06/30/22		
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)	495-034-5094-002	2,651,839.00	07/01/21	06/30/22		
On-Behalf T.P.A.F. Non-contributory Insurance	495-034-5094-004	37,414.00	07/01/21	06/30/22		
On-Behalf T.P.A.F. Pension Contributions - Long-Term Disability Insurance (non-budgeted)	495-034-5094-004	879.00	07/01/21	06/30/22		
Total On-Behalf TPAF Pension Contributions (non-budgeted)					-	-
School Security Grant	20E00545	61,529.00	07/01/20	06/30/22	-	-
Total General Fund					(891,440.00)	-
Special Revenue Fund:						
New Jersey Schools Development Authority:						
Emergent and Capital Maintenance Needs Grant Program	unavailable	26,344.00	07/01/21	06/30/22	-	-
Total Special Revenue Fund					-	-
Debt Service Fund:						
New Jersey Department of Education:						
Debt Service Aid Type II	495-034-5120-075	43,904.00	07/01/21	06/30/22	-	-
Enterprise Fund:						
New Jersey Department of Agriculture:						
State School Lunch Program	21-100-010-3350-023	15,451.54	07/01/20	06/30/21	(2,068.82)	
State School Lunch Program	22-100-010-3350-023	11,693.46	07/01/21	06/30/22		
State School Lunch Program					(2,068.82)	-
Total Enterprise Fund					(2,068.82)	-
Total Enterprise Fund					(2,068.82)	-
Total State Financial Assistance					\$ (893,508.82)	-
Less: State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:						
General Fund (Non-Cash Assistance):						
New Jersey Department of Education:						
On-Behalf T.P.A.F. Pension Contributions - Post-Retirement Medical (non-budgeted)	495-034-5094-001	628,318.00	07/01/21	06/30/22		
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)	495-034-5094-002	2,651,839.00	07/01/21	06/30/22		
On-Behalf T.P.A.F. Non-contributory Insurance	495-034-5094-004	37,414.00	07/01/21	06/30/22		
On-Behalf T.P.A.F. Pension Contributions - Long-Term Disability Insurance (non-budgeted)	495-034-5094-004	879.00	07/01/21	06/30/22		
Total General Fund (Non-Cash Assistance)						
Total State Financial Assistance subject to Major Program Determination for State Single Audit						

The accompanying notes to financial statements and notes to the schedules of expenditures of federal awards and state financial assistance are an integral part of this schedule.

Cash Received	Total Budgetary Expenditures	Passed-Through to Subrecipients	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2022			(Memo Only)	
					(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2022	Cumulative Total Expenditures
\$ 612,081.02									
6,496,179.82	\$ (7,204,939.00)				\$ (708,759.18)			\$ (708,759.18)	\$ (7,204,939.00)
64,520.86									
594,616.91	(659,492.00)				(64,875.09)			(64,875.09)	(659,492.00)
16,775.53									
154,601.37	(171,469.00)				(16,867.63)			(16,867.63)	(171,469.00)
103,241.86									
856,882.68	(950,372.00)				(93,489.32)			(93,489.32)	(950,372.00)
<u>(10,841,626.39)</u>	<u>(8,986,272.00)</u>	-	-	-	<u>(883,991.22)</u>	-	-	<u>(883,991.22)</u>	<u>(8,986,272.00)</u>
4,926.73									
45,404.22	(50,358.00)				(4,953.78)			(4,953.78)	(50,358.00)
50,330.95	(50,358.00)	-	-	-	(4,953.78)	-	-	(4,953.78)	(50,358.00)
89,894.00									
	(121,489.00)				(121,489.00)				(121,489.00)
89,894.00	(121,489.00)	-	-	-	(121,489.00)	-	-	-	(121,489.00)
504,640.32	(531,397.61)				(26,757.29)				(531,397.61)
504,640.32	(531,397.61)	-	-	-	(26,757.29)	-	-	-	(531,397.61)
628,318.00	(628,318.00)								(628,318.00)
2,651,839.00	(2,651,839.00)								(2,651,839.00)
37,414.00	(37,414.00)								(37,414.00)
879.00	(879.00)								(879.00)
3,318,450.00	(3,318,450.00)	-	-	-	-	-	-	-	(3,318,450.00)
61,529.00	(61,529.00)	-	-	-	-	-	-	-	(61,529.00)
<u>(6,816,782.12)</u>	<u>(13,069,495.61)</u>	-	-	-	<u>(1,037,191.29)</u>	-	-	<u>(888,945.00)</u>	<u>(13,069,495.61)</u>
26,344.00	(26,344.00)	-	-	-	-	-	-	-	(26,344.00)
26,344.00	(26,344.00)	-	-	-	-	-	-	-	(26,344.00)
43,904.00	(43,904.00)	-	-	-	-	-	-	-	(43,904.00)
2,068.82									
11,083.62	(11,693.46)				(609.84)				(11,693.46)
13,152.44	(11,693.46)	-	-	-	(609.84)	-	-	-	(11,693.46)
13,152.44	(11,693.46)	-	-	-	(609.84)	-	-	-	(11,693.46)
13,152.44	(11,693.46)	-	-	-	(609.84)	-	-	-	(11,693.46)
<u>\$ (6,733,381.68)</u>	<u>\$ (13,151,437.07)</u>	-	-	-	<u>\$ (1,037,801.13)</u>	-	-	<u>\$ (888,945.00)</u>	<u>\$ (13,151,437.07)</u>
	\$ 628,318.00								
	2,651,839.00								
	37,414.00								
	879.00								
	3,318,450.00								
	<u>\$ (9,832,987.07)</u>								

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

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**Note 1: BASIS OF PRESENTATION**

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

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Note 3: INDIRECT COST RATE**

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

**Note 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$87,399.00 for the general fund and \$25,537.23 for the special revenue fund. See exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

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

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 11,875.17	\$ 12,982,096.61	\$ 12,993,971.78
Special Revenue	738,287.81	26,344.00	764,631.81
Debt Service		43,904.00	43,904.00
Food Service	643,205.81	11,693.46	654,899.27
	<hr/>	<hr/>	<hr/>
GAAP Basis Revenues	1,393,368.79	13,064,038.07	14,457,406.86
GAAP Adjustments:			
State Aid Payments		87,399.00	87,399.00
Encumbrances	25,537.23		25,537.23
	<hr/>	<hr/>	<hr/>
	25,537.23	87,399.00	112,936.23
	<hr/>	<hr/>	<hr/>
Total Awards and Financial Assistance Expended	<u>\$ 1,418,906.02</u>	<u>\$ 13,151,437.07</u>	<u>\$ 14,570,343.09</u>

**Note 5: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**Note 6: ADJUSTMENTS**

Amounts reported in the column entitled "adjustments" on the schedule of expenditures of federal awards represent the following:

<u>Description</u>	
Favorable Liquidation of Encumbrances	\$ 340.15
Difference Due to Rounding	(0.20)
Cancellation of Accounts Receivable	643.41
	<hr/>
Total Adjustments	<u>\$ 983.36</u>

**Note 7: REIMBURSED AND ON-BEHALF PAYMENTS**

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

**Note 8: MAJOR PROGRAMS**

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

**STERLING HIGH SCHOOL DISTRICT**  
 Schedule of Findings and Questioned Costs  
 For the Fiscal Year Ended June 30, 2022

**Section 1- Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued \_\_\_\_\_ unmodified \_\_\_\_\_

Internal control over financial reporting:

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

Significant deficiency(ies) identified? \_\_\_\_\_ yes   X   none reported

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

**Federal Awards**

Internal control over major programs:

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

Significant deficiency(ies) identified? \_\_\_\_\_ yes   X   none reported

Type of auditor's report issued on compliance for major programs \_\_\_\_\_ unmodified \_\_\_\_\_

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

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____	_____	Child Nutrition Cluster:
10.555	231NJ304N1199	National School Lunch Program Commodities
10.555	231NJ304N1199	Seamless Summer Option
10.555	202121H170341	Emergency Operational Cost Program
_____	_____	_____
_____	_____	_____

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

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



**STERLING HIGH SCHOOL DISTRICT**  
 Schedule of Findings and Questioned Costs  
 For the Fiscal Year Ended June 30, 2022

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

**State Financial Assistance**

Internal control over major programs:

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

Significant deficiency(ies) identified? \_\_\_ yes X none reported

Type of auditor's report issued on compliance for major programs \_\_\_\_\_ unmodified \_\_\_\_\_

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

Identification of major programs:

**GMIS Number(s)**

**Name of State Program**

	State Aid - Public:
495-034-5120-078	Equalization Aid
495-034-5120-089	Categorical Special Education Aid
495-034-5120-084	Categorical Security Aid
495-034-5120-068	School Choice Aid

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

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

**STERLING HIGH SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2022

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***Section 2- Schedule of Financial Statement Findings***

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

None.

**STERLING HIGH SCHOOL DISTRICT**  
 Schedule of Findings and Questioned Costs  
 For the Fiscal Year Ended June 30, 2022

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**Section 3- Schedule of Federal Award Findings and Questioned Costs**

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

**Finding No. 2022-001**

**Information on the Federal Program**

U.S. Department of Agriculture - Passed-through State Department of Agriculture -  
 Child Nutrition Cluster (Federal Award Year 7/1/21 to 6/30/22):

- National School Lunch Program - Commodities (Assistance Listing No. 10.555) (FAIN – 231NJ304N119)
- Seamless Summer Option - COVID 19 (Assistance Listing No. 10.555) (FAIN - 231NJ304N119)
- Emergency Operational Cost Program (Assistance Listing No. 10.555) (FAIN – 202121H170341)

**Criteria or Specific Requirement**

CFR Section 210.14 Resource Management (b) Net cash resources. The school food authority shall limit its net cash resources to an amount that does not exceed 3 months average expenditures for its nonprofit school food service or such other amount may be approved by the State agency in accordance with CFR Section 210.019(a).

**Condition**

The School District's food service fund net cash resources exceeded its three months average expenditures by \$155,201.99.

**Questioned Costs**

Not applicable.

**Context**

Per the calculation of the food service fund's net cash resources, net cash resources at June 30, 2022 was \$311,570.35 and its three month average expenditures was \$156,368.36, resulting in an overage of \$155,201.99.

**Effect or Potential Effect**

The School District is not in compliance with CFR section 210.14 and requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey Audit Program.

**Cause**

The School District's food service fund revenues increased more than anticipated due to the COVID-19 pandemic.

**Identification as a Repeat Finding**

The condition existed in the immediately preceding fiscal year - See Finding No. 2021-002.

**Recommendation**

That the School District develop a plan to reduce the food service fund's net cash resources below its three month average expenditures.

**View of Responsible Officials and Planned Corrective Action**

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

**STERLING HIGH SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2022

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

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

None.

**STERLING HIGH SCHOOL DISTRICT**  
 Summary Schedule of Prior Year Audit Findings  
 and Questioned Costs as Prepared by Management

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

**FINANCIAL STATEMENT FINDINGS**

**Finding No. 2021-001**

**Condition**

The School District did not file or remit the funds to the State of New Jersey for the reimbursement for pension and social security for federally funded programs timely.

**Current Status**

The condition has been corrected.

**FEDERAL AWARDS**

**Finding No. 2021-002**

**Program**

U.S. Department of Agriculture - Passed-through State Department of Agriculture -  
 Child Nutrition Cluster (Federal Award Year 7/1/19 to 6/30/20):

Seamless Summer Option - COVID 19 (Assistance Listing No. 10.555) (FAIN - 201NJ304N1099)

U.S. Department of Agriculture - Passed-through State Department of Agriculture -

Child Nutrition Cluster (Federal Award Year 7/1/20 to 6/30/21):

National School Lunch Program - Commodities (Assistance Listing No. 10.555) (FAIN - 201NJ304N1099)

Seamless Summer Option - COVID 19 (Assistance Listing No. 10.555) (FAIN - 211NJ304N1099)

**Condition**

The School District's food service fund net cash resources exceeded its three months average expenditures by \$158,497.52

**Current Status**

The condition continues to exist as finding no. 2022-001.

**Planned Corrective Action**

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

**STATE FINANCIAL ASSISTANCE PROGRAMS**

None.

