

Audubon Public School District
Audubon, New Jersey
County of Camden



A Tradition of Pride & Excellence

Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023

**Annual Comprehensive
Financial Report**

of the

Audubon Board of Education

Audubon, New Jersey

For the Fiscal Year Ended June 30, 2023

**Prepared by
Audubon Board of Education
Finance Department**

AUDUBON SCHOOL DISTRICT

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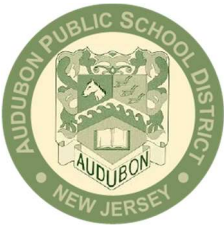
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Introductory Section



Audubon Public School District

A Tradition of Pride & Excellence

*Andrew P. Davis, Ed.D. ext. 4102
Superintendent of Schools*

*Deborah Roncace, ext. 4104
School Business Administrator*

December 15, 2023

Honorable President and
Members of the Board of Education
Audubon Public School District
County of Camden
Audubon, NJ 08106

Dear Board Members:

The Annual Comprehensive Financial Report (ACFR) of the Audubon Public School District (hereinafter, the “District”) for the fiscal year ended June 30, 2023, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (“Board”). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Title 2 U.S. Code of Federal regulations, cost principles and audit requirements for federal awards (uniform guidance) and State of New Jersey Circular OMB 15-08. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, is included in the single audit section of this report

1. REPORTING ENTITY AND ITS SERVICES:

The Audubon Public School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by NCGA Statement No. 3. All funds and account groups of the district are included in this report. The Audubon Board of Education and all its schools constitute the District's reporting entity.

The Audubon Public School District is one of thirty-nine (39) identified school districts in Camden County. The District consists of three schools – Haviland Avenue Elementary (PreK-2), Mansion Avenue Elementary (3-6), and the Audubon Junior-Senior High School (7-12). The district provides a full range of educational services appropriate to grade levels K-12. These include regular, vocational and special education programs. The Audubon school district offers a pre-school inclusion program for handicap students and offers paid (tuition) seats for general students on a lottery basis. In 2011 the Audubon School District was approved to participate in the State’s Inter-District Public School Choice Program. This program allows students from other districts in the surrounding area to attend Audubon High School. Student admission is based on availability of space, and the district received state aid for each student enrolled. Currently the district enrolls one hundred and two students in this program

On June 30, 2009 the Audubon Park Board of Education was dissolved, as the State of New Jersey took steps to eliminate all non-operating districts in the State. The Audubon Park students are now considered resident students of the district. The district maintains a send-receiving relationship with the Mount Ephraim school district for grades nine through twelve.

The district completed the 2022-2023 school year, with an average daily enrollment of 1,424 students.

Average Daily Pupil Enrollment

<u>SCHOOL YEAR</u>	<u>STUDENT ENROLLMENT</u>	<u>PERCENT CHANGE</u>
2013-2014	1,410	0.1%
2014-2015	1,411	0.1%
2015-2016	1,545	9.5%
2016-2017	1,549	0.2%
2017-2018	1,528	(1.4%)
2018-2019	1,498	(2.0%)
2019-2020	1,471	(1.8%)
2020-2021	1,426	(3.1%)
2021-2022	1,405	(1.5%)
2022-2023	1,424	(1.4%)

2. ECONOMIC CONDITION AND OUTLOOK:

Audubon Borough is a small community located ten miles east of Philadelphia in the eastern portion of Camden County, New Jersey. Audubon is 1.5 square miles in land area and its population was a little under 9,000 in the 2010 Census Report. Audubon is a stable community with little room for additional commercial or residential development; however, the commercial properties are experiencing a rebirth and development as several new businesses have revitalized existing properties. Homeowners represent the Districts’ *Tradition of Pride and Excellence* as is reflected in their picturesque homes and welcoming neighborhoods.



3. MAJOR INITIATIVES

Educational Program

In partnership with our students, families, and community, the Audubon Public School District continues to educate a diverse student body by providing motivating and challenging learning experiences. These experiences meet or exceed the New Jersey Student Learning Standards (NJSLS) for individual learners while fostering 21st Century skills including but not limited to collaboration, communication, creativity, and critical thinking. The District prides itself in educating all students so that they are prepared to meet the challenges of college and career.

The District curricula are aligned to the NJSLS throughout the content areas. The Instructional Council and Curriculum Committees, through support of the administrative team, continue to revise and adjust the curricula in order to provide rigorous, relevant, and engaging instruction. The Junior-Senior High School is in the fourth year of assigning teacher leaders as academic coaches; their work for the 2023-24 school year has been focused on inductive teaching strategies and using standard aligned formative and summative assessments to drive their instruction. The District's instructional teams have moved into the third year of a multi-year equity initiative wherein the curriculum, policies and practices will be reviewed and realigned in order to assure that every child has an equal chance for success. The equity work for the 2023-24 school year has involved the full faculty and staff and is beginning to formally include student, parent, and community voices. The District is also piloting LinkIt, an assessment management, data analytics, and intervention support solution. The Director of Curriculum, Principals, and Supervisor of Special Education work to support the ongoing refinements and alignments to the Audubon Public School District curricula as the NJSLS are updated.

All certificated staff continue to be involved in the teacher and principal evaluation programs as prescribed via Achieve New Jersey. The District is investigating using the 2023-24 Danielson model for teachers; an upgrade from the current 2007 version. The District administration, faculty, and staff continue to be supported through the District's exemplary professional development program which includes in- and out-of-district training, peer-to-peer or collegial turnkey training, and in-house training facilitated by professionals on a variety of topics. Job-embedded sustained professional learning opportunities will continue to be supported and developed in a collaborative fashion wherein all stakeholders have a voice.

4. INTERNAL ACCOUNTING CONTROLS:

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



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

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

5. BUDGETARY CONTROLS:

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

6. ACCOUNTING SYSTEM AND REPORTS:

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

7. RISK MANAGEMENT:

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

8. OTHER INFORMATION:

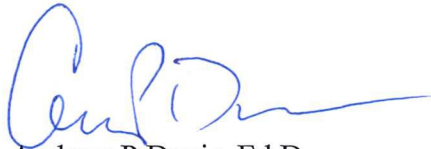
a) **Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Inverso and Stewart, RMA/CPAs, was selected by the Board's audit committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Title 2 U.S. Code of Federal Regulations, cost principles, and audit requirements for federal awards (uniform guidance) and State of New Jersey Circular OMB 15-08. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.



9. ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Audubon 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,



Andrew P Davis, Ed.D.
Superintendent



Deborah J. Roncace
Business Administrator



Audubon Public School District
Administrative Organizational Chart

Board of Education

Superintendent
Dr. Andrew P. Davis

School Business Administrator
Mrs. Deborah Roncace

Director of Technology
Ms. Michael Chisholm

Director of Curriculum & Instruction
Mr. Shamus Burke

Supervisor of Special Education
Ms. Noelle Bisinger

Building Administration

Supervisor of Facilities
Mr. Bud Rutter

* Food Services
Ms. Kim Vencius

Principal
Jr-Sr High (7-12)
Mr. Jeffrey Lebb

Principal
Mansion (3-6)
Ms. Bonnie Smeltzer

Principal
Haviland (PK-2)
Mrs. Barbara Ledyard

Principal Audubon
Preschool (PreK)
Mrs. Barbara Ledyard

Vice Principal
10-12
Mr. Frank Corley

Asistant Principal
7-9
Mr. Eric Miller

Assistant Principal
School Counseling
Mr. Dan Howey

Assistant Principal
Athletics
Mr. Tony Carbone

AUDUBON SCHOOL DISTRICT

Roster of Officials June 30, 2023

Members of the Board of Education:

Term Expires

Ammie Davis, President
Allison Cox, Vice President
James Blumenstein
Loretta Cassidy
Alison Lipsky
Joseph Miller
Andrea Robinson
Tara Sullivan-Butrica
Stephen Wilson
Nancy Schiavo

2025
2024
2024
2023
2023
2023
2024
2025
2025
2023 Mount Ephraim Representative

Deborah J. Roncace, CPA, Business Administrator/Board Secretary
Andrew P. Davis, Ed.D., Superintendent
Frank Cavallo, Esq., Solicitor

**AUDUBON SCHOOL DISTRICT
Consultants and Advisors**

Audit Firm

Inverso & Stewart, LLC
651 Route 73 North, Suite 402
Marlton, NJ 08053

Attorney

Frank Cavallo, Esq.
Parker McCay, P.A.
9000 Midlantic Drive, Suite 300
Mount Laurel, NJ 08054

Architect

Garrison Architects
713 Creek Road
Bellmawr, NJ 08031

Official Depository

1st Colonial Community Bank
1040 Haddon Avenue
Collingswood, NJ 08108

Financial Section

INVERSO & STEWART, LLC

Certified Public Accountants

651 Route 73 North, Suite 402
Marlton, New Jersey 08053
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Fax (856) 983-6674
E-Mail: rinverso@inversocpa.com

**-Member of-
American Institute of CPAs
New Jersey Society of CPAs**

INDEPENDENT AUDITOR'S REPORT

The Honorable President and Members
of the Board of Education
Audubon School District
County of Camden
Audubon, New Jersey

Report on the Audit of the Financial Statements

Opinions

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Audubon School District (the "District"), in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the District, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

My 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 my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* and in accordance with accounting principles and practices prescribed by the Office of School Finance, Department of Education, State of New Jersey will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

I am 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 I 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, and the schedules related to accounting and reporting for pensions and other post-employment benefits, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section 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 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, 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*, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 my opinion, the accompanying 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 my auditor's report thereon. My opinions on the basic financial statements do not cover the other information, and I do not express an opinion or any form of assurance thereon.

In connection with my audit of the basic financial statements, my 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, I am required to describe it in my report.

Other Reporting Required by Government Auditing Standards

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

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant No. CS001095

Marlton, New Jersey
December 15, 2023

Required Supplementary Information - Part I
Management's Discussion and Analysis

**Audubon School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023**

As management of the Board of Education of the Borough of Audubon, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets of the School District exceeded its liabilities at the close of the most recent fiscal year by \$11,452,423 (*net position*).
- Governmental activities have an unrestricted net position deficit of \$5,544,567. The accounting treatment in the governmental funds for compensated absences payable, net pension liability, accrued interest payable, the June state aid payments, and state statutes that prohibit school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance are primarily responsible for this deficit balance.
- The total net position of the School District increased by \$2,216,962 or a 24.00% increase from the prior fiscal year-end balance. The majority of the increase was due to the variance in pension liabilities.
- Fund balance of the School District's governmental funds decreased by \$6,838,061 resulting in an ending fund balance of \$22,101,534. The main reason for the decrease is the results of operation in the capital projects fund.
- Business-type activities have an unrestricted net position of \$469,042, which may be used to meet the School District's ongoing obligations of the enterprise-related activities.
- The School District's long-term obligations increased by \$114,851 which is the result of an increase in the net pension liability and a reduction in serial bond debt.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components: 1) District-wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

District-wide Financial Statements

The *district-wide financial statements* are designed to provide the reader with a broad overview of the financial activities in a manner similar to a private-sector business. The district-wide financial statements include the statement of net position and the statement of activities.

The *statement of net position* presents information about all of the School District's assets and liabilities. The difference between the assets and liabilities is reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the net position of the School District changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement even though the resulting cash flows may be recorded in a future period.

Both of the district-wide financial statements distinguish functions of the School District that are supported from taxes and intergovernmental revenues (*governmental activities*) and other functions that are intended to recover all or most of their costs from user fees and charges (*business-type activities*). Governmental activities consolidate governmental funds including the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund. Business-type activities consolidate the Food Service Fund, the Community Education Program Fund and the After School Program Fund.

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with finance-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. All of the funds of the School District are divided into two categories: *governmental funds and proprietary funds*.

Governmental funds account for essentially the same information reported in the governmental activities of the district-wide financial statements. However, unlike the district-wide financial statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financing requirements in the near term.

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The School District maintains four individual governmental funds. The major funds are the General Fund, the Special Revenue Fund, the Capital Projects Fund, and the Debt Service Fund. They are presented separately in the fund financial statements.

The School District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and the Debt Service Fund. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with budgetary requirements.

Proprietary funds are used to present the same functions as the business-type activities presented in the district-wide financial statements. The School District maintains one type of proprietary fund - the Enterprise Fund. The fund financial statements of the enterprise fund provides the same information as the district-wide financial statements, only in more detail.

The School District's three enterprise funds (Food Service Fund, Community Education Program Fund and After School Program Fund) are listed individually and are considered to be major funds.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains other supplementary information and schedules required by the New Jersey Audit Program, issued by the New Jersey Department of Education.

District-wide Financial Analysis

The assets of the School District are classified as current assets and capital assets. Cash, investments, receivables, inventories and prepaid expenses are current assets. These assets are available to provide resources for the near-term operations of the School District. The majority of the current assets are the results of the tax levy and state aid collection process.

Capital assets are used in the operations of the School District. These assets are land, buildings, improvements and equipment. Capital assets are discussed in greater detail in the section titled, Capital Assets and Debt Administration, elsewhere in this analysis.

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2024. Long-term liabilities such as long-term debt obligations and compensated absences payable will be liquidated from resources that will become available after fiscal year 2024.

The assets of the primary government activities exceeded liabilities by \$10,946,609 with an unrestricted deficit balance of \$5,544,567. The net position of the primary government does not include internal balances.

A net investment of (\$5,232,170) in land, improvements, buildings, equipment, and vehicles provide services to the School District's public school students. Net position of \$10,946,609 has been restricted as follows:

Restricted for Future Capital Projects	\$	19,326,979
Restricted for Maintenance Reserve		781,032
Restricted for Emergency Reserve		250,000
Restricted for Excess Surplus		150,000
Restricted for Debt Service		98,753
Restricted for Unemployment Compensation		328,501
Restricted for Student Activities		555,318
Restricted for Scholarships		<u>232,763</u>
Total	\$	<u>21,723,346</u>

As mentioned earlier, the balance of the unrestricted net position is primarily due to the accounting treatment for compensated absences payable, net pension liability the last two state aid payments, and state statutes that prohibit school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance.

**Audubon School District
Comparative Summary of Net Position
As of June 30, 2023 and 2022**

	Governmental Activities		Business-Type Activities		District-Wide	
	2023	2022	2023	2022	2023	2022
ASSETS						
Current assets	\$ 22,458,199	\$ 29,254,660	\$ 535,002	\$ 525,522	\$ 22,993,201	\$ 29,780,182
Capital assets	23,638,819	16,490,731	36,772	9,110	23,675,591	16,499,841
Total assets	<u>46,097,018</u>	<u>45,745,391</u>	<u>571,774</u>	<u>534,632</u>	<u>46,668,792</u>	<u>46,280,023</u>
Deferred Outflows of Resources	<u>864,393</u>	<u>459,430</u>			<u>864,393</u>	<u>459,430</u>
LIABILITIES						
Current liabilities	2,794,797	2,037,073	65,960	98,191	2,860,757	2,135,264
Noncurrent liabilities	<u>32,115,023</u>	<u>32,705,511</u>			<u>32,115,023</u>	<u>32,705,511</u>
Total liabilities	<u>34,909,820</u>	<u>34,742,584</u>	<u>65,960</u>	<u>98,191</u>	<u>34,975,780</u>	<u>34,840,775</u>
Deferred Inflows of Resources	<u>1,104,982</u>	<u>2,663,217</u>			<u>1,104,982</u>	<u>2,663,217</u>
Net Position	<u>\$ 10,946,609</u>	<u>\$ 8,799,020</u>	<u>\$ 505,814</u>	<u>\$ 436,441</u>	<u>\$ 11,452,423</u>	<u>\$ 9,235,461</u>
Net Position Consists of:						
Net investment in Capital Assets	\$ (5,232,170)	\$ (13,330,940)	\$ 36,772	\$ 9,110	\$ (5,195,398)	\$ (13,321,830)
Restricted Assets	21,723,346	28,036,675			21,723,346	28,036,675
Unrestricted Assets	<u>(5,544,567)</u>	<u>(5,906,715)</u>	<u>469,042</u>	<u>427,331</u>	<u>(5,075,525)</u>	<u>(5,479,384)</u>
Net Position	<u>\$ 10,946,609</u>	<u>\$ 8,799,020</u>	<u>\$ 505,814</u>	<u>\$ 436,441</u>	<u>\$ 11,452,423</u>	<u>\$ 9,235,461</u>

Governmental Activities

Governmental activities increased the net position of the School District by \$2,147,589 during the current fiscal year. Key elements of the increase in net position for governmental activities are as follows:

- Results of operations in the General Fund

Business-type Activities

Business-type activities increased the School District's net position by \$69,373. Key elements of the increase in net position for business-type activities are as follows:

- The Food Service Fund operated at a gain of \$35,606 for this fiscal year. The net position balance at June 30, 2023 for the food service fund was \$146,643.
- The Community Education Program Fund operated at a gain of \$10,224 for this fiscal year. The net position balance at June 30, 2023 for the community education program fund was \$103,585.
- The After School Fund operated at a gain of \$23,543 for this fiscal year. The net position balance at June 30, 2023 for the After School Fund was \$255,586.

Audubon School District
Comparative Schedule of Changes in Net position
As of and for the Fiscal Year Ended June 30, 2023 and 2022

	Governmental Activities		Business-Type Activities		District-Wide	
	2023	2022	2023	2022	2023	2022
Revenues:						
Charges for services	\$ 2,014,139	\$ 2,326,515	\$ 499,379	\$ 193,307	\$ 2,513,518	\$ 2,519,822
Operating grants and contributions	11,352,023	11,236,116	325,851	669,307	11,677,874	11,905,423
Property taxes	14,685,423	13,787,384			14,685,423	13,787,384
State aid - unrestricted	10,019,481	9,786,855			10,019,481	9,786,855
Other revenues	186,808	239,756	31,275	65	218,083	239,821
Total Revenues	38,257,874	37,376,626	856,505	862,679	39,114,379	38,239,305
Expenses:						
Governmental Activities:						
Instruction	13,316,551	12,605,595			13,316,551	12,605,595
Tuition	810,580	1,122,368			810,580	1,122,368
Related services	4,093,843	3,538,341			4,093,843	3,538,341
Administrative services	1,823,271	1,870,762			1,823,271	1,870,762
Operations and Maintenance	2,062,095	4,123,178			2,062,095	4,123,178
Transportation	715,719	669,618			715,719	669,618
Employee benefits	11,809,318	12,735,286			11,809,318	12,735,286
Interest on debt	839,189	389,795			839,189	389,795
Other	639,719	661,462			639,719	661,462
Business-Type Activities:						
Food Service			657,177	679,722	657,177	679,722
Community Education			18,069	15,324	18,069	15,324
After School Program			111,886	108,145	111,886	108,145
Total Expenses	36,110,285	37,716,405	787,132	803,191	36,897,417	38,519,596
Increase (Decrease) in Net Position before transfers	2,147,589	(339,779)	69,373	59,488	2,216,962	(280,291)
Transfers	-	-	-	-	-	-
Change in Net Position	2,147,589	(339,779)	69,373	59,488	2,216,962	(280,291)
Net Position, July 1	8,799,020	9,138,799	436,441	376,953	9,235,461	9,515,752
Net Position, June 30	\$ 10,946,609	\$ 8,799,020	\$ 505,814	\$ 436,441	\$ 11,452,423	\$ 9,235,461

Financial Analysis of the Governmental Funds

As noted earlier, the School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the School District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$22,101,534, a decrease of \$6,838,061 in comparison with the prior year. Results of operations in the capital projects fund is the main reason for the decrease.

The unreserved fund balance for the School District at the end of the fiscal year represents the deficit unreserved fund balance for the General Fund of \$237,782 and a deficit unreserved fund balance for the Special Revenue Fund of \$65,270. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed as follows, 1) appropriated as a revenue source in the subsequent year's budget \$675,000, 2) reserved for capital projects of \$2,277,963, 3) reserved for capital reserve \$994,401, 4) reserved for maintenance expenditures \$781,032, 5) reserved for emergency expenditures \$250,000, 6) reserved for year-end encumbrances \$16,060,855, 7) reserved for unemployment compensation \$328,501, 8) reserved for debt service of \$98,753, 9) reserved for student activities \$555,318 and 10) reserved for scholarships \$232,763, 9) reserved for excess surplus of \$150,000.

The general fund is the chief operating fund of the School District. As discussed earlier, the deficit balance in the unreserved fund balance is due, primarily, to the accounting treatment of the June state aid payments as discussed in the notes to the basic financial statements, and state statutes that prohibit New Jersey school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance.

Revenue in the special revenue fund is generally recognized at the time that the outlays are identified; therefore no fund balances are normally generated in the special revenue fund.

General Fund Budgetary Highlights

At the end of the current fiscal year, unreserved fund balance (budgetary basis) of the general fund was \$686,737, while total fund balance (budgetary basis) was \$3,871,911. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance (budgetary basis) and total fund balance (budgetary basis) to total general fund expenditures. Actual (budgetary basis) expenditures of the General Fund including other financing uses amounted to \$31,358,896. Unreserved fund balance (budgetary basis) represents 2.19% of expenditures while total fund balance (budgetary basis) represents 12.35% of that same amount.

Capital Assets and Debt Administration

The School District's investment in capital assets for its governmental and business-type activities as of June 30, 2023, totaled \$23,675,591 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings, equipment, and right-to-use assets. The total increase in the School District's investment in capital assets for the current fiscal year was \$7,175,750.

Major capital asset events during the current fiscal year included the following:

- Depreciation expense for the current fiscal year was \$636,283.

Capital Assets/Leases (net of accumulated depreciation/amortization) June 30, 2023 and 2022

	Governmental Activities		Business-Type Activities		District-Wide	
	2023	2022	2023	2022	2023	2022
Land	\$ 764,000	\$ 764,000	\$ -	\$ -	\$ 764,000	\$ 764,000
Const. in Progress	7,824,972				7,824,972	-
Site Improvements	222,292	268,171			222,292	268,171
Building and Building Improvements	14,412,498	14,965,893			14,412,498	14,965,893
Equipment	141,781	171,446	36,772	9,110	178,553	180,556
Leases	273,276	321,221			273,276	321,221
Total	\$ 23,638,819	\$ 16,490,731	\$ 36,772	\$ 9,110	\$ 23,675,591	\$ 16,499,841

Additional information on the School District's capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

Long-term debt – During the fiscal year ended June 30, 2023, the School District had total bonded debt outstanding of \$28,590,000 backed by the full faith and credit of the School District. Additionally, the School District has long-term obligations for leases in the amount of \$280,989, compensated absences of \$774,343 outstanding at the end of the current fiscal year, and a net pension liability of \$4,227,244.

General Obligation Bonds for the School District decreased by \$815,000, reflecting debt service payments made during the year.

State statutes limit the amount of general obligation debt that the District may issue. At the end of the current fiscal year, the legal debt limit was \$32,842,670 and the legal debt margin was \$3,437,670.

Additional information on the School District’s long-term obligations can be found in the notes to the basic financial statements (Note 7) of this report.

Economic Factors and Next Year’s Budgets and Rates

The following factors were considered and incorporated into the preparation of the School District’s budget for the 2023-2024 fiscal year.

- The 2023-2024 general fund budget increased by \$1,856,430 (7.19%) greater than the previous year’s budget. The tax rate for 2023 increased 6 cents from the previous year.
- The Audubon School District has committed itself to strong financial controls. The Business office continually monitors spending requests in relation to the district budget and is committed to review its business practices in order to maximize revenues and generate a budget surplus each year. Additionally, the district is looking to improve its use of technology in the coming years in an effort to meet all future educational challenges.

Requests for Information

This financial report is designed to provide a general overview of the School District’s finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Audubon School District Business Administrator, 350 Edgewood Avenue, Audubon, New Jersey, 08106, Telephone Number (856) 547-1716.

Basic Financial Statements

District-Wide Financial Statements

AUDUBON SCHOOL DISTRICT
Statement of Net Position
June 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and cash equivalents	\$ 18,522,261	\$ 471,553	\$ 18,993,814
Accounts Receivables, net	2,160,505	39,062	2,199,567
Inventory		24,387	24,387
Restricted assets:			
Cash and cash equivalents	1,775,433		1,775,433
Capital assets, net	23,365,543	36,772	23,402,315
Right-to-use lease assets, net	273,276		273,276
Total Assets	<u>46,097,018</u>	<u>571,774</u>	<u>46,668,792</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows of resources from pensions	<u>864,393</u>	<u>-</u>	<u>864,393</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>46,961,411</u>	<u>571,774</u>	<u>47,533,185</u>
LIABILITIES:			
Accounts payable:			
Other	135,458	8,468	143,926
Related to pensions	364,802		364,802
Internal Balances	(43,320)	43,320	
Accrued Liabilities:			
Interest payable	315,777		315,777
Unearned revenue	264,527	14,172	278,699
Noncurrent liabilities:			
Due within one year	1,757,553		1,757,553
Due beyond one year	32,115,023		32,115,023
Total Liabilities	<u>34,909,820</u>	<u>65,960</u>	<u>34,975,780</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows of resources from pensions	<u>1,104,982</u>	<u>-</u>	<u>1,104,982</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>36,014,802</u>	<u>65,960</u>	<u>36,080,762</u>
NET POSITION:			
Net investment in capital assets	(5,232,170)	36,772	(5,195,398)
Restricted for:			
Capital Projects	19,326,979		19,326,979
Maintenance	781,032		781,032
Emergency	250,000		250,000
Excess Surplus	150,000		150,000
Unemployment Compensation	328,501		328,501
Debt Service	98,753		98,753
Student Activities	555,318		555,318
Scholarships	232,763		232,763
Unrestricted (Deficit)	<u>(5,544,567)</u>	<u>469,042</u>	<u>(5,075,525)</u>
Total Net Position	<u>\$ 10,946,609</u>	<u>\$ 505,814</u>	<u>\$ 11,452,423</u>

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

AUDUBON SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 9,147,344	\$ 2,014,139	\$ 859,642	\$ -	\$ (6,273,563)	\$ -	\$ (6,273,563)
Special Education	2,825,909		440,424		(2,385,485)		(2,385,485)
Other instruction	1,343,298				(1,343,298)		(1,343,298)
Support Services:							
Tuition	810,580				(810,580)		(810,580)
Student & instruction related services	4,093,843		867,528		(3,226,315)		(3,226,315)
General administrative services	555,027				(555,027)		(555,027)
School administrative services	816,453				(816,453)		(816,453)
Central administrative services	451,791				(451,791)		(451,791)
Plant operations and maintenance	2,062,095		863,660		(1,198,435)		(1,198,435)
Pupil transportation	715,719				(715,719)		(715,719)
Unallocated employee benefits	11,809,318		8,320,769		(3,488,549)		(3,488,549)
Transfer of funds to Charter Schools	33,761				(33,761)		(33,761)
Interest on long-term debt	839,189				(839,189)		(839,189)
Unallocated depreciation and amortization	605,958				(605,958)		(605,958)
Total Governmental Activities	<u>36,110,285</u>	<u>2,014,139</u>	<u>11,352,023</u>	<u>-</u>	<u>(22,744,123)</u>	<u>-</u>	<u>(22,744,123)</u>
Business-Type Activities:							
Food service	657,177	336,273	325,851	-	-	4,947	4,947
Community education program	18,069	27,677		-	-	9,608	9,608
After school program	111,886	135,429		-	-	23,543	23,543
Total Business-Type Activities	<u>787,132</u>	<u>499,379</u>	<u>325,851</u>	<u>-</u>	<u>-</u>	<u>38,098</u>	<u>38,098</u>
Total Primary Government	<u>\$ 36,897,417</u>	<u>\$ 2,513,518</u>	<u>\$ 11,677,874</u>	<u>\$ -</u>	<u>(22,744,123)</u>	<u>38,098</u>	<u>(22,706,025)</u>
General Revenues:							
Taxes:							
Property taxes, levied for general purposes					13,030,449		13,030,449
Taxes levied for debt service					1,654,974		1,654,974
Federal and State aid unrestricted					10,019,481		10,019,481
Investment and Interest earnings - restricted					100,352	616	100,968
Miscellaneous					86,456	30,659	117,115
Special Items:							
Transfer							-
Total general revenues, special items, extraordinary items and transfers					<u>24,891,712</u>	<u>31,275</u>	<u>24,922,987</u>
Change in Net Position					2,147,589	69,373	2,216,962
Net Position - July 1,					<u>8,799,020</u>	<u>436,441</u>	<u>9,235,461</u>
Net Position - June 30					<u>\$ 10,946,609</u>	<u>\$ 505,814</u>	<u>\$ 11,452,423</u>

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

Fund Financial Statements

AUDUBON SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2023

ASSETS	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Assets:					
Cash and Cash Equivalents	\$ 1,269,540	\$ 793,132	\$ 18,235,022	\$ -	\$ 20,297,694
Interfund Accounts Receivable					
General Fund			9,109		9,109
Special Revenue Fund	122,972				122,972
Capital Projects Fund				98,753	98,753
Enterprise Fund	43,320				43,320
Intergovernmental Accounts Receivables:					
District Tax	1,056,800				1,056,800
State	390,056		187,200		577,256
Federal		325,035			325,035
Other Accounts Receivable	201,414				201,414
Total Assets	<u>\$ 3,084,102</u>	<u>\$ 1,118,167</u>	<u>\$ 18,431,331</u>	<u>\$ 98,753</u>	<u>\$ 22,732,353</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfund Accounts Payable					
General Fund		122,972			122,972
Special Revenue Fund					
Capital Projects Fund	9,109				9,109
Debt Service Fund			98,753		98,753
Accounts Payable:					
Payroll Deductions and Withholdings Payable	50,205				50,205
Unemployment Claims Payable	61,561				61,561
Other	15,835	7,857			23,692
Unearned Revenue		264,527			264,527
Total Liabilities	<u>136,710</u>	<u>395,356</u>	<u>98,753</u>		<u>630,819</u>
Fund Balances:					
Restricted:					
Capital Reserve	994,401				994,401
Maintenance Reserve	781,032				781,032
Emergency Reserve	250,000				250,000
Excess Surplus	150,000				150,000
Unemployment Compensation	328,501				328,501
Capital Projects			2,277,963		2,277,963
Debt Service				88,918	88,918
Student Activities		555,318			555,318
Scholarships		232,763			232,763
Assigned to:					
Other Purposes	6,240		16,054,615		16,060,855
Designated for Subsequent Year's Expenditures	675,000			9,835	684,835
Unassigned	(237,782)	(65,270)			(303,052)
Total Fund Balances	<u>2,947,392</u>	<u>722,811</u>	<u>18,332,578</u>	<u>98,753</u>	<u>22,101,534</u>
Total Liabilities and Fund Balances	<u>\$ 3,084,102</u>	<u>\$ 1,118,167</u>	<u>\$ 18,431,331</u>	<u>\$ 98,753</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 \$39,776,262 and the accumulated depreciation is \$16,410,719. 23,365,543

Leased assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$394,911 and the accumulated amortization is \$121,635. 273,276

Accounts payable related to the April 1, 2024 required PERS contribution that is not to be liquidated with current financial resources. (364,802)

Accrued interest is not due and payable in the current period and therefore is not reported as a liability in the funds. (315,777)

The District's proportionate share of net pension assets and liabilities as well as pension-related deferred outflows and deferred inflows of resources are recognized in the government-wide statements and include:

Deferred Outflows of Resources from Pensions	\$ 864,393	
Net Pension Liability	(4,227,244)	
Deferred Inflows of Resources from Pensions	<u>(1,104,982)</u>	(4,467,833)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds:

General Obligation Bonds	(28,590,000)	
Financed purchases payable	-	
Leases payable	(280,989)	
Compensated Absences Payable	<u>(774,343)</u>	<u>(29,645,332)</u>

Net position of governmental activities **\$ 10,946,609**

AUDUBON SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local property tax levy	\$ 13,030,449	\$ -	\$ -	\$ 1,654,974	\$ 14,685,423
Tuition charges	2,014,139				2,014,139
Capital reserve interest	4,883				4,883
Maintenance reserve interest	4,882				4,882
Other restricted miscellaneous revenues	1,669		88,918		90,587
Unrestricted misc. revenues	86,456				86,456
Federal sources	59,781	2,181,488			2,241,269
State sources	16,190,978	534,443			16,725,421
Local sources		461,247			461,247
Total Revenues	31,393,237	3,177,178	88,918	1,654,974	36,314,307
EXPENDITURES:					
Current expense:					
Regular instruction	8,263,691	859,642			9,123,333
Special education instruction	2,385,485	440,424			2,825,909
Other instruction	1,343,298				1,343,298
Support services and undistributed costs:					
Tuition	810,580				810,580
Student & instruction related services	3,226,315	867,528			4,093,843
General administrative services	549,028				549,028
School administrative services	816,453				816,453
Central administrative services	449,529				449,529
Plant operations and maintenance	2,032,030				2,032,030
Pupil transportation	715,719				715,719
Unallocated employee benefits	10,559,341	145,932			10,705,273
Capital outlay	173,666	1,000,000	6,824,972		7,998,638
Transfer of funds to Charter Schools	33,761				33,761
Debt service:					
Principal				815,000	815,000
Interest and other charges				839,974	839,974
Total Expenditures	31,358,896	3,313,526	6,824,972	1,654,974	43,152,368
Excess (deficiency) of revenues over (under) expenditures	34,341	(136,348)	(6,736,054)		(6,838,061)
Other Financing Sources (Uses):					
Transfers in		163,176		88,918	252,094
Transfers out	(163,176)		(88,918)		(252,094)
Total other financing sources (uses)	(163,176)	163,176	(88,918)	88,918	
Net Change in Fund Balance	(128,835)	26,828	(6,824,972)	88,918	(6,838,061)
Fund balance - July 1	3,076,227	695,983	25,157,550	9,835	28,939,595
Fund Balance - June 30	\$ 2,947,392	\$ 722,811	\$ 18,332,578	\$ 98,753	\$ 22,101,534

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

AUDUBON 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, 2023

Total net change in fund balances - governmental funds (from B-2) \$ (6,838,061)

Amounts reported for governmental activities in the statement of activities (A-2)
are different because:

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 current period.

Depreciation expense	\$ (636,283)	
Fixed assets additions	<u>7,832,316</u>	7,196,033

Capital outlays related to leases are reported in the governmental funds as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as amortization expense. This is the amount by which capital outlays exceeded amortization in the current fiscal year.

Amortization expense	\$ (75,423)	
Fixed Asset Additions	<u>27,478</u>	(47,945)

Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

815,000

The proceeds of a lease is an other financing source of revenue in the governmental funds but is not reported in the statement of activities.

(27,477)

Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. This amount is the net effect of the difference in the treatment of interest on long-term debt.

785

Repayment of financed purchases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is reported in the statement of activities.

91,613

Repayment of leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

71,546

Net differences between pension system contributions recognized in the fund statement of revenues, expenditures and changes in fund balances and the statement of activities.

839,522

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

46,573

Change in net position of governmental activities

\$ 2,147,589

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

AUDUBON SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2023

	Business-Type Activities			Total
	Enterprise Funds			
	Food Service Fund	Community Education Program	After School Program	
ASSETS:				
Current Assets:				
Cash and cash equivalents	\$ 112,382	\$ 103,585	\$ 255,586	\$ 471,553
Intergovernmental receivables				
State	1,424			1,424
Federal	31,113			31,113
Other	6,525			6,525
Inventories	24,387			24,387
Total current assets	175,831	103,585	255,586	535,002
Noncurrent assets:				
Machinery and equipment (net of accumulated depreciation)	36,772			36,772
Total noncurrent assets	36,772			36,772
Total Assets	212,603	103,585	255,586	571,774
LIABILITIES:				
Current liabilities:				
Interfund payable	43,320			43,320
Accounts payable	8,468			8,468
Unearned revenue	14,172			14,172
Total Current Liabilities	65,960			65,960
NET POSITION:				
Net Investment in capital assets	36,772			36,772
Unrestricted	109,871	103,585	255,586	469,042
Total Net Position	\$ 146,643	\$ 103,585	\$ 255,586	\$ 505,814

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

AUDUBON SCHOOL DISTRICT
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2023

	Business-Type Activities			Totals
	Enterprise Funds			
	Food Service Fund	Community Education Program	After School Program	
Operating Revenues:				
Charges for services:				
Daily sales:				
Reimbursable programs	\$ 171,082	\$ -	\$ -	\$ 171,082
Non-reimbursable programs	165,191			165,191
Program fees		27,677	135,429	163,106
Total Operating Revenue	<u>336,273</u>	<u>27,677</u>	<u>135,429</u>	<u>499,379</u>
Operating Expenses:				
Salaries	265,616	2,591	105,310	373,517
Employee benefits	35,889			35,889
Management fee	33,750			33,750
Supplies and materials	33,299		6,576	39,875
Other costs	15,963	15,478		31,441
Depreciation	2,997			2,997
Cost of sales - reimbursable programs	196,165			196,165
Cost of sales - nonreimbursable programs	73,498			73,498
Total Operating Expenses	<u>657,177</u>	<u>18,069</u>	<u>111,886</u>	<u>787,132</u>
Operating Income (Loss)	<u>(320,904)</u>	<u>9,608</u>	<u>23,543</u>	<u>(287,753)</u>
Non-Operating Revenues:				
State sources:				
State school lunch program	8,629			8,629
Federal sources:				
National school lunch program	174,381			174,381
School breakfast program	10,990			10,990
Supply chain assistance	75,808			75,808
Food distribution program	56,043			56,043
Local sources:				
Miscellaneous	30,659			30,659
Interest earned		616		616
Total Non-Operating Revenues	<u>356,510</u>	<u>616</u>	<u>-</u>	<u>357,126</u>
Income (Loss) before Contributions and Transfers	35,606	10,224	23,543	69,373
Operating Transfers In		-	-	-
Change in Net Position	35,606	10,224	23,543	69,373
Net Position - July 1, 2022	111,037	93,361	232,043	436,441
Net Position - June 30, 2023	<u>\$ 146,643</u>	<u>\$ 103,585</u>	<u>\$ 255,586</u>	<u>\$ 505,814</u>

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

AUDUBON SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2023

	Business-Type Activities			Total
	Enterprise Funds			
	Food Service Fund	Community Education Program	After School Program	
Cash Flows from Operating Activities:				
Cash receipts from customers	\$ 336,264	\$ 27,677	\$ 135,429	\$ 499,370
Cash payments to employees for services	(301,505)	(2,591)	(105,310)	(409,406)
Cash payments to suppliers for goods and services	(346,447)	(15,478)	(6,576)	(368,501)
Net cash used by operating activities	(311,688)	9,608	23,543	(278,537)
Cash Flows from Noncapital Financing Activities:				
Cash received from state sources	7,848			7,848
Cash received from federal sources	261,131			261,131
Net cash provided by noncapital financing activities	268,979			268,979
Cash Flow Provided by Investing Activities:				
Interest on cash equivalents		616		616
Net increase (decrease) in cash and cash equivalents	(42,709)	10,224	23,543	(8,942)
Cash and cash equivalents - July 1, 2022	155,091	93,361	232,043	480,495
Cash and cash equivalents - June 30, 2023	<u>\$ 112,382</u>	<u>\$ 103,585</u>	<u>\$ 255,586</u>	<u>\$ 471,553</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ (320,904)	\$ 9,608	\$ 23,543	\$ (287,753)
Adjustments to reconcile operating income (loss) to cash provided by (used for) operating activities:				
Depreciation	2,997			2,997
Commodities	56,043			56,043
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	(3,908)			(3,908)
(Increase) decrease in inventory	(13,985)			(13,985)
Increase (decrease) in unearned revenue	3,598			3,598
Increase (decrease) in accounts payable	(35,829)			(35,829)
Net cash provided by (used for) operating activities	<u>\$ (311,988)</u>	<u>\$ 9,608</u>	<u>\$ 23,543</u>	<u>\$ (278,837)</u>

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

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The Borough of Audubon School District (“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 of Education is comprised of nine members elected to three-year terms. These terms are staggered so that three member’s terms expire each year. The purpose of the School District is to provide educational services for resident students in grades K through 12. In addition, the School District provides educational services for students in grades 9 through 12 received from the Mount Ephraim School District, on a tuition basis. The Audubon School District has an approximate enrollment at June 30, 2023 of 1,424 students.

The primary criteria for including activities within the School District’s reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board (GASB) *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 combined financial statements include all funds of the School district over which the Board exercises operating control.

Component Units – GASB Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Unit*, provide guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statements No. 14 and No. 39. In addition, GASB Statement No. 61, provides additional guidance for organizations that do not meet the financial accountability criteria for inclusion as component units but that nevertheless should be included because the primary government’s management determines that it would be misleading to exclude them. GASB Statement No. 80, *Blending Requirements for Certain Component Units* - an Amendment of GASB Statement No. 14 amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criteria requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Basis of Presentation

The basic financial statements of the School District have been prepared in conformity 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 more significant of the School District's accounting policies are described below.

The School District's basic financial statements consists of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Statements - The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. The statement of net position presents the financial condition of the governmental and business-type activities of the School District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities and for the business-type activities of the School District. Direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. The policy of the School District is to not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program.

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide Statements (Continued) - Revenues, which are not classified as program revenues, are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements - During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a single column. The fiduciary fund is reported by type. The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

General Fund - The general fund is the general operating fund of the School District and 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, district taxes 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 revenues sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

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

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

Proprietary Funds - Proprietary funds are used to account for the School District's ongoing activities, which are similar to those in the private sector.

Enterprise Funds - The enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the School District is that all costs (expenses, including depreciation) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the School District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The School District's enterprise funds are:

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

After School Program Fund - This fund accounts for the financial resources of the School District's extended day program. This program provides before and after school care to students.

Community Education Fund - This fund accounts for the financial activity related to providing adult school activities within the School District.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net position) is segregated into net investment in capital assets, and unrestricted net, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total position.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	12 Years
Light Trucks and Vehicles	4 Years
Heavy Trucks and Vehicles	6 Years

Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net position.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e. revenues and other financing sources) and uses (i.e. expenditures and other financing uses) of current financial resources.

This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e. revenues) and decreases (i.e. expenses) in net total position. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities. Fiduciary funds are reported using the economic resources measurement focus.

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined and "available" means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days after fiscal year end.

Revenues - Exchange and Non-exchange Transactions - Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (Property) Taxes are susceptible to accrual, as under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The School District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year since the revenue is both measurable and available. The School District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable." With the exception of restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: tuition, grants, fees, and rentals.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the fiscal year is reported in the operating statement as an expense. Unused donated commodities are reported as unearned revenue. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Budgets/Budgetary Control - Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line-item accounts within each fund. Line-item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23A-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.

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

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 year end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the one or more June state aid payments.

Encumbrances - Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. 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 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.

Encumbrances – Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, and all eligibility and time requirements satisfied are reflected on the balance sheet as unearned grant revenue at fiscal year-end.

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

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.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. 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. 17:9-41et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act (GUDPA), a multiple financial institution 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 full amount of their deposits to the governmental units.

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.

Tuition Payable - Tuition charges for the fiscal years ended June 30, 2023 and 2022 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The cost of inventories in governmental fund types is recorded as expenditures when purchased rather than when consumed and is not recorded since any amounts are considered immaterial to the basic financial statements.

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

Prepaid Expenses - Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2023.

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

Deferred Outflows/Inflows of Resources – In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Short-Term Interfund Receivables / Payables - Short-term interfund receivables / payables represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund in the School District and that are due within one year. These amounts are eliminated in the governmental and business-type columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Capital Assets - General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and the proprietary fund statement of net position. All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are recorded at their fair market value as of the date received. The School District maintains a capitalization threshold of \$2,000. The School District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land and Improvements	10-20 years	N/A
Buildings and Improvements	10-50 years	N/A
Furniture and Equipment	5-20 years	12 years
Vehicles	5-10 years	4-6 years

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

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 twelve-month year. New Jersey statutes require that these earned, but undisbursed amounts be retained in a separate bank account.

Compensated Absences - Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are 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 entire compensated absence liability is reported on the government-wide financial statements.

For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid with expendable available financial resources. In proprietary funds, the entire amount of compensated absences is recorded as a fund liability.

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

Accrued Liabilities and Long-Term Obligations - All payables, accrued liabilities, and long-term obligations are reported on 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 fund financial statements when due.

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

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

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 law 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.

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” criteria includes items that are not expected to be converted to cash, such as inventories and prepaid amounts. The School District had no nonspendable fund balance at June 30, 2023.

Restricted – This 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 (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – This 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. 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 imposing the commitment.

Assigned – This 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.

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

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, it is the School District’s policy to spend restricted fund balances first. Likewise, when an expenditure is 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.

Operating and Non-Operating Revenues and Expenses - Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for the food service program and maintenance service fees for the internal service fund. Non-operating revenues principally consist of interest income earned on various interest-bearing accounts and federal and state subsidy reimbursements for the food service program.

Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. There are no non-operating expenses.

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfunds – Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United State 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.

Recently Issued Accounting Pronouncements – In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosure regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The District did not have any subscription-based information technology arrangements that required disclosure.

In June 2022 the GASB issued Statement 100, *Accounting Changes and Error Corrections- An Amendment of GASB Statement No. 62* The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2023.

In June 2022 the GASB issued Statement 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 requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

2. CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits – Custodial credit risk refers to 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 Unit (GUDPA). Under the Act, the first \$250,000 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 such as salary withholdings of funds that pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized. Of the School District’s amount on deposit of \$24,751,428 as of June 30, 2023, \$500,000 was insured under FDIC and the remaining balance of \$24,251,428 was collateralized under GUDPA.

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 New Jersey Department of Education, 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.

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

3. CAPITAL RESERVE ACCOUNT (Continued)

A school district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-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, 2022 to June 30, 2023 fiscal year is as follow:

Balance – July 1, 2022		\$	776,293
Increased by:			
Interest earned	\$	4,883	
Board resolution	<u>213,225</u>	<u>218,108</u>	
			<u>994,401</u>
Decreased by:			
Budget withdrawal			<u>-</u>
Balance – June 30, 2023		<u>\$</u>	<u>994,401</u>

The June 30, 2023 capital reserve balance does not exceed the LRFP balance of local support costs of uncompleted projects.

4. ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2023 consisted of accounts (fees) and intergovernmental grants. All intergovernmental receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds. Accounts receivable at June 30, 2023 for the School District’s individual major and fiduciary funds, in the aggregate, are as follows:

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Proprietary Fund	Total
Intergovernmental						
State	\$ 390,056	\$ -	\$ 187,200	\$ -	\$ 1,424	\$ 578,680
Federal	-	325,035	-	-	31,113	356,148
Other	<u>1,258,214</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,525</u>	<u>1,264,739</u>
Total	<u>\$1,648,270</u>	<u>\$ 325,035</u>	<u>\$ 187,200</u>	<u>\$ -</u>	<u>\$ 39,062</u>	<u>\$ 2,199,567</u>

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2023, was as follows:

	<u>Balance</u> <u>June 30, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2023</u>
Governmental Activities:				
Land	\$ 764,000	\$ -	\$ -	\$ 764,000
Construction in Progress		7,824,972		7,824,972
Total Capital Assets not being Depreciated	<u>764,000</u>	<u>7,824,972</u>	<u>-</u>	<u>8,588,972</u>
Capital Assets, being Depreciated:				
Land Improvements	1,554,117	-	-	1,554,117
Building and Improvements	27,795,065	-	-	27,795,065
Equipment	1,830,764	7,344	-	1,838,108
Total Historical Cost	<u>31,179,946</u>	<u>7,832,316</u>	<u>-</u>	<u>31,187,290</u>
Less Accumulated Depreciation:				
Land Improvements	(1,285,946)	(45,879)	-	(1,331,825)
Building and Improvements	(12,829,172)	(553,395)	-	(13,382,567)
Equipment	(1,659,318)	(37,009)	-	(1,696,327)
Total Accumulated Depreciation	<u>(15,774,436)</u>	<u>(636,283)</u>	<u>-</u>	<u>(16,410,719)</u>
Total Capital Assets, being depreciated, net	<u>15,405,510</u>	<u>7,196,033</u>	<u>-</u>	<u>14,776,571</u>
Governmental Activities Capital Assets, Net	<u>\$ 16,169,510</u>	<u>\$ 7,196,033</u>	<u>\$ -</u>	<u>\$ 23,365,543</u>
Business-Type Activities:				
Equipment	\$ 202,851	\$ 30,659	\$ -	\$ 233,510
Less - Accumulated Depreciation	<u>(193,741)</u>	<u>(2,997)</u>	<u>-</u>	<u>(196,738)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 9,110</u>	<u>\$ 27,662</u>	<u>\$ -</u>	<u>\$ 36,772</u>

Depreciation expense in the amount of \$636,283 was charged to governmental functions as follows:

<u>Function</u>	<u>Amount</u>
Regular Instruction	\$ 2,703
General Administration	719
Plant Operations and Maintenance	26,903
Transportation	-
Unallocated	<u>605,958</u>
Total depreciation expense	<u>\$ 636,283</u>

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

6. LEASE ASSETS

Capital asset activity for the fiscal year ended June 30, 2023, was as follows:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Governmental Activities:				
Lease Assets, being Amortized:				
Building and Improvements	\$ 142,037	\$ -	\$ -	\$ 142,037
Machinery and Equipment	225,396	27,478	-	252,874
Total Lease Assets Being Amortized	367,433	27,478	-	394,911
Governmental Activities Lease Assets	367,433	27,478	-	394,911
Less Accumulated Amortization for:				
Building and Improvements	(23,673)	(23,673)		(47,346)
Machinery and Equipment	(22,539)	(51,750)	-	(74,289)
Total Accumulated Amortization	(46,212)	(75,423)	-	(121,635)
Governmental Activities Lease Assets, Net	\$ 321,221	\$ (47,945)	\$ -	\$ 273,276

Amortization expense in the amount of \$75,423 was charged to governmental functions as follows:

Function	Amount
Regular Instruction	\$ 67,881
Administration	5,280
Central Services	2,262
	\$ 75,423

7. INVENTORY

Inventory in the food service fund at June 30, 2023 consisted of the following:

Food	\$ 19,407
Supplies	4,980
	\$ 24,387

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

8. LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2023, the following changes occurred in long-term obligations:

	<u>Balance</u> <u>June 30, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities:					
Compensated Absences	\$ 820,916	\$ -	\$ 46,573	\$ 774,343	\$ 82,678
Financed Purchases Payable	91,613	-	91,613	-	-
Leases Payable	325,058	27,477	71,546	280,989	74,875
General Obligation Bonds	29,405,000	-	815,000	28,590,000	1,600,000
Net Pension Liability	3,115,138	1,112,106	-	4,227,244	-
	<u>\$ 33,757,725</u>	<u>\$ 1,139,583</u>	<u>\$ 1,024,732</u>	<u>\$ 33,872,576</u>	<u>\$ 1,757,553</u>

Bonds Payable - Bonds and loans are authorized in accordance with State law by the voters of the School District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Outstanding bonds issued by the School District are as follows:

2012 Refunding dated January 15, 2012, in the amount of \$2,595,000, with \$1,780,000 outstanding, due in annual installments through January 15, 2025, bearing interest rates of 3.00% to 4.00%.

2022 School Bonds dated February 24, 2022, in the amount of \$26,810,000, with \$26,810,000 outstanding, due in annual installments through August 15, 2046, bearing interest rates of 2.50% to 3.00%.

As of June 30, 2023, principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,600,000	\$ 817,250	\$ 2,417,250
2025	1,480,000	765,437	2,245,437
2026	1,150,000	706,013	1,856,013
2027	1,160,000	674,250	1,834,250
2028-2032	5,800,000	2,892,750	8,692,750
2033-2037	5,800,000	2,095,250	7,895,250
2038-2042	5,800,000	1,291,950	7,091,950
2043-2047	5,800,000	435,000	6,235,000
	<u>\$ 28,590,000</u>	<u>\$ 9,677,900</u>	<u>\$ 38,267,900</u>

As of June 30, 2023, the School District had no authorizations to issue additional bonded debt.

Compensated Absences - Compensated absences will be paid from the fund from which the employees' salaries are paid.

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

8. LONG-TERM OBLIGATIONS (Continued)

Leases Payable - The School District has entered into agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

On July 1, 2017, the School District entered a 120-month lease as lessee for the use of a building. As of July 1, 2021, an initial lease liability was recorded in the amount of \$142,037. The lease liability was \$97,374 as of June 30, 2023. The School District is required to make quarterly payments of \$6,375. The lease has an interest rate of 2.50%. The value of the right to use asset as of June 30, 2023, was \$94,691 with accumulated amortization of \$47,346.

On January 1, 2022, the School District entered a 60-month lease as lessee for the use of copiers. An initial lease liability was recorded in the amount of \$225,396. The lease liability was \$162,425 as of June 30, 2023. The School District is required to make monthly payments of \$4,150. The lease has an interest rate of 3.99%. The value of the right to use asset as of June 30, 2023, was \$157,777 with accumulated amortization of \$67,619.

On July 1, 2022, the School District entered a 60-month lease as lessee for the use of a postage meter. An initial lease liability was recorded in the amount of \$14,093. The lease liability was \$11,441 as of June 30, 2023. The School District is required to make quarterly payments of \$761.58. The lease has an interest rate of 3.00%. The value of the right to use asset as of June 30, 2023, was \$11,274 with accumulated amortization of \$2,819.

On July 1, 2022, the School District entered a 24-month lease as lessee for the use of a dishwasher. An initial lease liability was recorded in the amount of \$5,221. The lease liability was \$2,662 as of June 30, 2023. The School District is required to make monthly payments of \$226. The lease has an interest rate of 4.00%. The value of the right to use asset as of June 30, 2023, was \$2,611 with accumulated amortization of \$2,610.

On November 1, 2022, the School District entered a 48-month lease as lessee for the use of a copier. An initial lease liability was recorded in the amount of \$7,020. The lease liability was \$5,978 as of June 30, 2023. The School District is required to make monthly payments of \$166. The lease has an interest rate of 6.78%. The value of the right to use asset as of June 30, 2023, was \$5,850 with accumulated amortization of \$1,170.

On April 1, 2023, the School District entered a 48-month lease as lessee for the use of a copier. An initial lease liability was recorded in the amount of \$1,144. The lease liability was \$1,109 as of June 30, 2023. The School District is required to make monthly payments of \$28. The lease has an interest rate of 7.50%. The value of the right to use asset as of June 30, 2023, was \$1,073 with accumulated amortization of \$71.

As of June 30, 2023, the District had leases outstanding as follows:

<u>Purpose</u>	<u>Commencement Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Total Value</u>
Building	July 1, 2017	June 30, 2027	2.50%	\$ 97,374
Copiers	January 1, 2022	December 1, 2026	3.99%	162,425
Postage Meter	July 1, 2022	June 30, 2027	3.00%	11,441
Dishwasher	July 1, 2022	June 30, 2024	4.00%	2,662
Copier	November 1, 2022	October 31, 2026	6.78%	5,978
Copier	April 1, 2023	March 31, 2027	7.50%	1,109
Total				<u>\$ 280,989</u>

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

8. LONG-TERM OBLIGATIONS (Continued)

The future annual lease obligations as of June 30, 2023, are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	74,875	8,518	83,393
2025	74,818	5,864	80,682
2026	77,523	3,159	80,682
2027	53,773	593	54,366
Total	<u>\$ 280,989</u>	<u>\$ 18,134</u>	<u>\$ 299,123</u>

9. PENSION PLANS

Description of Plans – Substantially all of the School District's employees participate in one of the following pension plans which have been established by State statute and are administered by the New Jersey Division of Pensions and Benefits (Division): the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS). In addition, several School District employees participate in the Defined Contribution Retirement Program (DCRP), which is a defined contribution pension plan. This plan is administered by Empower (formerly Prudential Financial) for the Division. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. For additional information about TPAF, please refer to the Division's annual financial statements which can be found at <https://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

Teachers' Pension and Annuity Fund (TPAF)

Plan Description - The Teachers' Pension and Annuity Fund is a cost-sharing multiple-employer defined benefit pension plan, with a special funding situation, which was established on January 1, 1955, under the provisions of N.J.S.A. 18A:66. The State of New Jersey (the "State") is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF's designated purpose is to provide retirement, death and disability, and medical benefits to 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's Board of Trustees is primarily responsible for the administration of the TPAF.

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

The following represents the membership tiers for TPAF:

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

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

9. PENSION PLANS (Continued)

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

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

Contributions - The contribution requirements of plan members are determined by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the member contribution rate was 7.50% in State fiscal year 2022. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid.

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 the 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 was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2023 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, 2022, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2023 was \$4,354,923 and was paid by April 1, 2023. School District employee contributions to the pension plan during the fiscal year ended June 30, 2023 were \$964,618.

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, 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.

At June 30, 2023, the School District was not required to report a liability for its proportionate share of the net pension liability because of a 100% special funding situation by the State of New Jersey.

For the year ended June 30, 2023, the School District recognized pension expense of \$1,444,842 and revenue of \$1,444,842 for support provided by the State. Although the School District does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the School District.

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

9. PENSION PLANS (Continued)

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

The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

	<u>06/30/22</u>	<u>06/30/21</u>
Collective deferred outflows of resources	\$ 4,885,289,911	\$ 6,230,825,389
Collective deferred inflows of resources	19,563,805,393	27,221,092,460
Collective net pension liability (Non-Employer – State of New Jersey)	51,676,587,303	48,165,991,182
State's portion of the net pension liability that was associated with the School District	53,686,078	51,436,061
State's portion of the net pension liability that was associated with the School District as a percentage of the collective net pension liability	.1040540474%	.1069908660%

Actuarial assumptions – The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022.

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

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
	2.75 – 5.65%
	based on years of service
Investment Rate of Return:	7.00%

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

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) 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.

**Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

9. PENSION PLANS (Continued)

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

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

Discount rate. The discount rate used to measure the State's total pension liability was 7.00% as of June 30, 2022. 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 (State of New Jersey) will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the net pension liability to changes in the discount rate. 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, 2022, the pension plan's measurement date, attributable to the School District is \$0.00, and the State of New Jersey's proportionate share of the net pension liability, attributable to the School District, 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 percentage point lower (6.00%) or 1 percentage point higher (8.00%) that the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	<u>62,948,067</u>	<u>53,686,078</u>	<u>45,884,016</u>
	<u>\$ 62,948,067</u>	<u>\$ 53,686,078</u>	<u>\$ 45,884,016</u>

Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report.

**Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS)

Plan Description - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established on January 1, 1955. The PERS provides retirement, death and disability, and medical benefits to certain qualified members. Vesting Membership in the PERS is mandatory for substantially all full-time employees of the Authority, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS. For additional information about PERS, please refer to Division's annual financial statements, which can be found at <http://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

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

The following represents the membership tiers for PERS:

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

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

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

Based on the most recent PERS measurement date of June 30, 2022, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2023 was \$353,232 and was paid by April 1, 2023. School District employee contributions to the pension plan during the fiscal year ended June 30, 2023 were \$153,350.

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

The School District is billed annually for its normal contribution plus any accrued liability. The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

<u>Fiscal Year</u>	<u>Normal Contributions</u>	<u>Adjustment</u>	<u>Accrued Liability</u>	<u>Non Contributory Life</u>	<u>Longterm Disability</u>	<u>Total Liability Paid by District</u>
2023	\$ 53,801	\$ -	\$ 284,136	\$ 15,295	\$ -	\$ 353,232
2022	37,289	-	256,471	14,195	-	307,955
2021	36,100	-	264,829	15,284	-	316,213

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, 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.

At June 30, 2023, the School District reported a liability of \$4,227,244 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The School District's proportion of the 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 year ended June 30, 2023, the School District recognized pension expense of (\$486,293). At June 30, 2023, the School District reported a liability of \$4,227,244 for its proportionate share of the PERS net pension liability and deferred outflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 30,510	\$ 26,906
Changes of assumptions	13,097	632,986
Net Difference between projected and actual earnings on pension plan investments	174,962	-
Changes in proportion	281,022	445,090
District contributions subsequent to the measurement date	364,802	
Total	\$ 864,393	\$ 1,104,982

\$364,802 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date will be recognized as a reduction of the net liability in the year ended June 30, 2024.

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

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

For the year ended:	Net Deferred Outflows (Inflows) of Resources
2024	\$ (518,724)
2025	(230,757)
2026	(113,078)
2027	252,993
2028	4,175
Total	\$ (605,391)

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience		
Year of Pension Plan Deferral:		
June 30, 2018	-	5.63
June 30, 2019	5.21	-
June 30, 2020	5.16	-
June 30, 2021	-	5.13
June 30, 2022	-	5.04
Changes of assumptions		
Year of Pension Plan Deferral:		
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	5.13	-
June 30, 2022	-	5.04
Net Difference between projected and actual earnings on pension plan investments		
Year of Pension Plan Deferral:		
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
June 30, 2021	5.00	-
June 30, 2022	5.00	-

**Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Additional Information

Collective balances at June 30, 2022 and 2021 are as follows:

	<u>6/30/2022</u>	<u>6/30/2021</u>
Collective deferred outflows of resources	\$ 1,715,543,211	\$ 818,359,815
Collective deferred inflows of resources	\$ 4,112,583,758	\$ 11,243,411,487
Collective net pension liability	\$ 15,219,184,920	\$ 11,972,782,878
School District's Proportion	.0280109872%	.0262958529%

Actuarial assumptions - The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022.

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

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75 – 6.55%
	based on years of service
Investment Rate of Return	7.00%

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

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) 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.

**Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
Total	100.00%	

Discount rate. The discount rate used to measure the State's total pension liability was 7.00% as of June 30, 2022. 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 nonemployer contributing entity will be made based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied all projected benefit payments to determining the total pension liability.

Sensitivity of the School District's proportionate share of the net pension liability to changes in the discount rate. The following presents the School District's proportionate share of the net pension liability measured as of June 30, 2022, calculated using the 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 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
School District's proportionate share of the net pension liability	\$ 5,430,770	\$ 4,227,244	\$ 3,202,995

Pension Plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report.

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program is a cost-sharing multiple-employer defined contribution pension plan which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A.43:15C-1 et. seq), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Divisions of Pensions and Benefits by Empower (formerly Prudential Financial). The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

**Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

9. PENSION PLANS (Continued)

Defined Contribution Retirement Program (DCRP) (Continued)

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District’s contribution amounts for each pay period are transmitted to Empower not later than the fifth business day after the date on which the employee is paid for that pay period.

The School District’s contributions, equal to the required contribution for each fiscal year, were as follows:

Fiscal Year	Total Liability	Paid by School District
2023	\$ 32,654	\$ 32,654
2022	25,585	25,585
2021	25,986	25,986

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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.

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.

**Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Plan Membership

As of June 30, 2022, the program membership consisted of the following:

Active Plan Members	213,148
Retirees	151,669
	364,817
	364,817

Total Non-Employer OPEB Liability

The State of New Jersey, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The School District’s proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASB 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. Accordingly, the following OPEB liability note information is reported at the State’s level and is not specific to the board of education/board of trustees. Note that actual numbers will be published in the NJ State ACFR on the Office of Management and Budget webpage: nj.gov/treasury/omb/fr.shtml. The State, as a nonemployer contributing entity, reported a Fiscal Year 2022 total OPEB liability of \$50,646,462,966 for this special funding situation.

Actuarial assumptions and other imputes - The total OPEB liability in the June 30, 2022 actuarial valuation reported by the State in the State’s most recently issued ACFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

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

Inflation rate	2.50%		
	TPAF/ABP	PERS	PFRS
Salary Increases	2.75 – 4.25%	2.75 – 6.55%	3.25 – 16.25%
	based on service years	based on service years	based on service years

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of the TPAF, PERS, and PFRS actuarial experience studies prepared for July 1, 2018 to June 30, 2021.

Health Care Trend Assumptions - For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO, the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

**Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Discount Rate - The discount rate used to measure the total OPEB liability was 3.54%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the Total Nonemployer OPEB Liability

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

	Total OPEB Liability
Balance as of June 30, 2021	\$ 66,677,220
Changes for the Year	
Service Cost	2,668,516
Interest	1,510,103
Changes of benefit terms	-
Differences between expected and actual experience	2,860,718
Changes in assumptions	(15,286,104)
Gross Benefit Payments	(1,495,801)
Contributions from the Non-employer	N/A
Contributions from the Member	47,986
Net Investment Income	N/A
Administrative Expense	N/A
Net Changes	\$ (9,694,582)
Balance at 06/30/2022	\$ 56,982,638

Sensitivity of the total nonemployer OPEB liability to changes in the discount rate - The following presents the total nonemployer OPEB liability as of June 30, 2022, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
State of New Jersey's Proportionate Share of the Total Nonemployer OPEB Liability Associated with the School District	\$ 66,977,097	\$ 56,982,638	\$ 48,972,579

Sensitivity of the total nonemployer OPEB liability to changes in the healthcare cost trend rate - The following presents the total nonemployer OPEB liability as of June 30, 2022 calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State of New Jersey's Proportionate Share of the Total Nonemployer OPEB Liability Associated with the School District	\$ 47,099,633	\$ 56,982,638	\$ 69,964,565

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

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

For the year ended June 30, 2023, the School District recognized \$985,018 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 were based on the OPEB Plan’s June 30, 2022 measurement date.

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.

At June 30, 2022, the State’s proportionate share of the total nonemployer OPEB liability’s deferred outflows of resources and deferred inflows of resources, associated with the School District, from the following sources are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion	\$ 922,964	\$ (2,970,855)
Differences between expected and actual experience	10,173,661	(17,397,458)
Changes of assumptions	9,862,252	(19,393,777)
Total	\$ 20,958,877	\$ (39,762,090)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to State’s proportionate share of the total nonemployer OPEB Liability, associated with the School District, will be recognized in OPEB expense as follows:

For the year ended:	
2024	\$ (3,178,206)
2025	(3,178,206)
2026	(3,178,206)
2027	(2,746,767)
2028	(1,570,638)
Thereafter	(4,951,190)
Total	\$ (18,803,213)

Detailed information about the pension plan’s sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report.

11. ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2023, the School District has recognized as revenues and expenditures on-behalf payments made by the state for normal retirement costs, post-retirement medical costs and long-term disability insurance related to TPAF, in the fund statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, post-retirement medical costs and long-term disability insurance were \$4,197,937, \$1,102,788, and \$1,574, respectively. In addition, \$928,971 on-behalf payments were made by the state for the employer’s share of social security contributions for TPAF members, as calculated on their base salaries.

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

12. 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; employee health and accident claims; and natural disasters.

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

Joint Insurance Pool - The School District is a member of the School Alliance Insurance Fund. Insurance coverage as provided by the Fund can be found in the Statistical Section of this Annual Comprehensive Financial Report.

Annual contributions to the Fund are determined by the Fund’s Board of Trustees. The School District is jointly and personally liable for claims insured by the Fund and its members during the period of its membership, including liability for supplemental assessments, if necessary. The Fund’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 Fund publishes its own financial report which can be obtained at: School Alliance Insurance Fund, c/o PEGAS, 51 Everett Drive, Suite B-40 West Windsor, New Jersey, 08550.

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 School District’s unemployment compensation contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the current and previous two fiscal years:

<u>Fiscal Year</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2023	\$ 1,668	\$ 21,971	\$ 55,225	\$ 390,063
2022	859	28,449	-	421,649
2021	1,379	24,785	-	392,341

13. DEFERRED COMPENSATION

The School District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, available to all permanent School District employees, permit participants to defer a portion of their current salary to future years. Participation in the plans is optional. The deferred compensation is not available to the participants until termination, retirement, death, or an unforeseeable emergency occurs. The plan assets are held in trust for the benefit of the employee and are administered by a third party therefore they are not reflected on the financial statements of the School District.

14. 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 (GASB 16), “Accounting for Compensated Absences.” A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the 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. Upon termination, employees are paid for accrued vacation. 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.

**Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

14. COMPENSATED ABSENCES (Continued)

The liability for vested compensated absences is recorded within those funds as the benefits accrued to the employees. As of June 30, 2023, the liability for compensated absences in the governmental activities was \$774,343.

15. INTERFUND BALANCES AND TRANSFERS

Interfund receivables/payables are recorded to cover temporary cash shortages and/or timing differences in the respective funds. There are no interfund balances that are not expected to be repaid by June 30, 2024. The following interfund balances were recorded on the various balance sheets as of June 30, 2023:

Fund	Interfunds Receivable	Interfunds Payable
General Fund	\$ 166,292	\$ 9,109
Special Revenue	-	122,972
Capital Projects	9,109	98,753
Debt Service	98,753	-
Enterprise Fund	-	43,320
	\$ 274,154	\$ 274,154

16. CONTINGENCIES

The School District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the School District may be required to reimburse the grantor government.

At June 30, 2023, significant amounts of grant expenditures have not been audited by the granting agency, but the School District believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the School District. Additionally, unearned revenues are recognized in those funds that have received grant monies in advance of future, reimbursable expenditures.

17. FLEXIBLE BENEFITS PROGRAM

The School District offers its employees a Flexible Benefits Program. The purpose of the program is to provide a tax incentive for plan participants incurring health premium expenses, dependent care expenses and other medical expenses not covered by other insurance. The School District, who is the plan administrator, has contracted with a third party to act as its agent to furnish reimbursement services. The plan participants redirect a prescribed amount of their gross pay (tax-free) into a reimbursement account and then in-turn submit claims to the third party for repayment.

Because of Internal Revenue Service regulations, if at the end of any plan year unexpended funds remain, these funds will be forfeited by the participants and returned to the School District.

The following is a summary of School District contributions, employee contributions, reimbursements to the plan participants for benefits paid and the ending balance for the current and prior two years.

Fiscal Year	Interest	Employee Contributions	Amount Reimbursed	Ending Balance
2023	\$ 51	\$ 24,300	\$ 26,977	\$ 194
2022	16	25,200	23,159	2,820
2021	42	31,700	33,867	763

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

18. TAX ABATEMENTS

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements,

and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

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

As of December 31, 2022, the Borough of Audubon had no tax abatements.

19. DEFICIT UNASSIGNED FUND BALANCE

The School District has a deficit unassigned fund balance of \$237,782 in the General Fund and \$65,270 in the Special Revenue Fund as of June 30, 2023, 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 revenues, 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 fund and special revenue fund balance deficits do 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 \$237,782 in the General Fund and \$65,270 in the Special Revenue Fund is equal to or less than the June state aid payments.

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

20. DEFICIT UNRESTRICTED NET POSITION

As of June 30, 2023, a deficit of \$5,544,567 existed in the Unrestricted Net Position of the Governmental Activities. A reconciliation of Unreserved Fund Balance reported on Exhibit B-1 to Unrestricted Net Position reported on Exhibited A-1 as follows:

Balances, June 30, 2023:	
Fund Balance (Deficit) - Unassigned	
(Exclusive of Capital Projects and Debt Service Funds)	\$ (303,052)
Assigned	681,240
Liabilities:	
Accrued Interest Payable	(315,777)
Net Pension Difference	(4,832,635)
Compensated Absences	(774,343)
	(5,928,502)
Unrestricted Net Position (Deficit)	\$ (5,544,567)

21. 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: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

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

General Fund:

Capital Reserve – As of June 30, 2023, the balance in the capital reserve account is \$994,401. The entire amount is restricted for future capital outlay expenditures for capital projects in the School District’s approved Long-Range Facilities Plan. Of this amount, \$650,000 has been designated for use in the 2023-2024 budget.

Maintenance Reserve Account – As of June 30, 2023, the balance in the maintenance reserve account is \$781,032. 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).

Emergency Reserve – As of June 30, 2023, the balance in the emergency reserve is \$250,000 which has been designated for use in the 2023-2024 Budget. These funds are restricted for the purpose of financing unanticipated general fund expenditures required for a through and efficient education in accordance with N.J.S.A. 18A:7F-41c(1).

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 pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict general fund, fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years’ budget. The excess fund balance at June 30, 2023 is \$150,000.

Unemployment Compensation Reserve – As of June 30, 2023, the balance in the unemployment compensation reserve is \$328,501. These funds are restricted for the purpose of financing unemployment claims.

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

21. FUND BALANCES (Continued)

Special Revenue Fund:

Student Activities – As of June 30, 2023, the balance in student activities is \$555,318.

Scholarships – As of June 30, 2023, the balance in student activities is \$232,763.

Capital Projects Fund – As of June 30, 2023, the balance is \$2,277,963.

Debt Service Fund – As of June 30, 2023, the balance is \$88,918.

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, 2023, the School District has \$6,240 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

Designated for Subsequent Year's Expenditures – The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2023, \$675,000 of general fund balance.

Capital Projects Fund:

Other Purposes – As of June 30, 2023, the School District has \$16,054,615 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

Debt Service Fund:

Designated for Subsequent Year's Expenditures – The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2024, \$9,835 of fund balance.

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, 2023, the unassigned fund balance of the general fund is a deficit of \$237,782. The deficit is a result of the delay in the recording of the payment of state aid until the following fiscal year (See Note 19).

Special Revenue Fund – As of June 30, 2023, the unassigned fund balance of the special revenue fund is a deficit of \$65,270. The deficit is a result of the delay in the recording of the payment of state aid until the following fiscal year (See Note 19).

Required Supplementary Information - Part II

Budgetary Comparison Schedules

AUDUBON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local Tax Levy	\$ 13,030,449	\$ -	\$ 13,030,449	\$ 13,030,449	\$ -
Tuition from other LEA's	2,014,139		2,014,139	2,014,139	
Capital reserve interest	50		50	4,883	4,833
Maintenance reserve interest	50		50	4,882	4,832
Emergency reserve interest	50		50		(50)
Other restricted miscellaneous revenues				1,669	1,669
Unrestricted misc. revenues	230,085		230,085	86,456	(143,629)
Total local sources	15,274,823		15,274,823	15,142,478	(132,345)
State sources:					
Categorical special education aid	1,046,915		1,046,915	1,046,915	
Equalization aid	7,108,841		7,108,841	7,108,841	
Categorical security aid	200,391		200,391	200,391	
Adjustment aid	162,302		162,302	162,302	
Transportation aid	73,419		73,419	73,419	
School choice aid	999,630		999,630	999,630	
Extraordinary aid	200,000		200,000	297,729	97,729
Supplemental stabilization aid				83,192	83,192
On-behalf TPAF pension contrib. (non-budgeted)				4,197,937	4,197,937
On-behalf TPAF post ret.medical (non-budgeted)				1,102,788	1,102,788
On-behalf TPAF LTDI (non-budgeted)				1,574	1,574
Reimbursed TPAF social security contribution (non-budgeted)				928,971	928,971
Total state sources	9,791,498		9,791,498	16,203,689	6,412,191
Federal sources:					
Medicaid Initiative (SEMI)	36,176		36,176	59,781	23,605
Total federal sources	36,176		36,176	59,781	23,605
TOTAL REVENUES	25,102,497		25,102,497	31,405,948	6,303,451
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of teachers					
Kindergarten	395,900	(12,500)	383,400	383,180	220
Grades 1-5	2,050,883	84,025	2,134,908	2,134,747	161
Grades 6-8	1,584,300	(125,860)	1,458,440	1,458,374	66
Grades 9-12	3,329,700	12,756	3,342,456	3,342,359	97
Regular Programs - Home Instruction:					
Salaries of teachers	8,000	(5,240)	2,760	1,470	1,290
Purchased professional - educational services	10,000	24,000	34,000	33,963	37
Regular Programs - Undistributed Instruction:					
Other salaries for instruction	277,348	35,845	313,193	312,920	273
Purchased professional - educational services	1,500	(1,000)	500	448	52
Purchased technical services	112,600	(4,700)	107,900	107,835	65
Other purchased services	150,103	(31,550)	118,553	116,521	2,032
General supplies	585,459	(189,750)	395,709	367,583	28,126
Textbooks	7,843	(2,400)	5,443	4,291	1,152
Total - Regular Programs - Instruction	8,513,636	(216,374)	8,297,262	8,263,691	33,571

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

(CONTINUED TO NEXT PAGE)

AUDUBON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2023

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Special Education Instruction:					
Learning and/or Language Disabilities:					
Salaries of teachers	\$ 311,900	\$ (104,956)	\$ 206,944	\$ 206,727	\$ 217
Other salaries for instruction	114,716	(10,720)	103,996	103,986	10
General supplies	8,000	(3,500)	4,500	4,285	215
Total learning and/or language disab.	<u>434,616</u>	<u>(119,176)</u>	<u>315,440</u>	<u>314,998</u>	<u>442</u>
Behavioral Disabilities:					
Salaries of teachers					
Other salaries for instruction					
General supplies					
Total behavioral disabilities					
Resource room/resource center:					
Salaries of teachers	1,819,888	38,883	1,858,771	1,858,693	78
Other salaries for instruction	185,139	(19,365)	165,774	165,695	79
General supplies	8,250	(3,000)	5,250	5,027	223
Total resource room/resource center	<u>2,013,277</u>	<u>51,368</u>	<u>2,064,645</u>	<u>2,064,238</u>	<u>407</u>
Preschool Disabilities - Part-Time:					
Salaries of teachers	3,850	(1,720)	2,130	2,130	
Other salaries for instruction	1,000	2,179	3,179	3,179	
General supplies					
Total preschool disabilities - part-time	<u>4,850</u>	<u>459</u>	<u>5,309</u>	<u>5,309</u>	
Home Instruction					
Salaries of teachers	5,000	(4,450)	550	220	330
Purchased professional - educational services	5,000	(3,700)	1,300	720	580
Total home instruction	<u>10,000</u>	<u>(8,150)</u>	<u>1,850</u>	<u>940</u>	<u>910</u>
Total Special Education - Instruction	<u>2,462,743</u>	<u>(75,499)</u>	<u>2,387,244</u>	<u>2,385,485</u>	<u>1,759</u>
Basic Skills/Remedial - Instruction					
Salaries of teachers	456,912	12,150	469,062	468,847	215
Other salaries for instruction					
General supplies					
Total basic skills/remedial - instruction	<u>456,912</u>	<u>12,150</u>	<u>469,062</u>	<u>468,847</u>	<u>215</u>
School-Sponsored Cocurricular Act - Instruction:					
Salaries of teachers	270,661	(1,600)	269,061	268,963	98
Supplies and materials	37,260	(10,649)	26,611	24,977	1,634
Other objects		800	800	800	
Transfer to Cover Deficit		1,789	1,789	1,789	
Total school-sponsored cocurr. act. - instruct.	<u>307,921</u>	<u>(9,660)</u>	<u>298,261</u>	<u>296,529</u>	<u>1,732</u>
School-Sponsored Athletics - Instruction:					
Salaries of teachers	378,509	33,400	411,909	411,409	500
Purchased services	48,000	(6,000)	42,000	42,000	
Supplies and materials	106,453	3,250	109,703	99,478	10,225
Other objects	8,900	1,000	9,900	9,342	558
Total school-sponsored athletics - instruct.	<u>541,862</u>	<u>31,650</u>	<u>573,512</u>	<u>562,229</u>	<u>11,283</u>
Community Services Programs/Operations					
Salaries	15,660	35	15,695	15,693	2
Total Community Services Programs/Operations	<u>15,660</u>	<u>35</u>	<u>15,695</u>	<u>15,693</u>	<u>2</u>
Total Instruction	<u>12,298,734</u>	<u>(257,698)</u>	<u>12,041,036</u>	<u>11,992,474</u>	<u>48,562</u>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

**AUDUBON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2023**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Instruction					
Tuition to other LEAs within the state - regular	\$ 70,000	\$ (12,000)	\$ 58,000	\$ 55,818	\$ 2,182
Tuition to other LEAs within the state - spec	126,552	(42,000)	84,552	27,767	56,785
Tuition to county vocational school - reg	49,795		49,795	49,795	
Tuition to CSSD & regional day school	349,000	(189,000)	160,000	73,517	86,483
Tuition to priv. sch. for the disabled in state	694,290	123,000	817,290	603,683	213,607
Tuition to priv. sch. for the disabled out of state					
Total undistributed expenditures - instruction	<u>1,289,637</u>	<u>(120,000)</u>	<u>1,169,637</u>	<u>810,580</u>	<u>359,057</u>
Attendance and Social Work Services:					
Salaries	<u>74,739</u>	<u>24,800</u>	<u>99,539</u>	<u>98,531</u>	<u>1,008</u>
Total	<u>74,739</u>	<u>24,800</u>	<u>99,539</u>	<u>98,531</u>	<u>1,008</u>
Health Services:					
Salaries	220,200	(5,300)	214,900	213,198	1,702
Purchased professional and technical services	15,500	3,160	18,660	18,624	36
Other purchased services	300	(60)	240	240	0
Supplies and materials	<u>15,124</u>	<u>(2,900)</u>	<u>12,224</u>	<u>10,513</u>	<u>1,711</u>
Total health services	<u>251,124</u>	<u>(5,100)</u>	<u>246,024</u>	<u>242,335</u>	<u>3,689</u>
Speech, OT, PT & Related Services:					
Salaries	363,867	(2,419)	361,448	361,048	400
Purchased professional - educational services		6,600	6,600	6,600	
Supplies and materials	<u>4,000</u>	<u>(2,000)</u>	<u>2,000</u>	<u>1,971</u>	<u>29</u>
Total speech, ot, pt, & related services	<u>367,867</u>	<u>2,181</u>	<u>370,048</u>	<u>369,619</u>	<u>429</u>
Other Supp. Service STD - Extra Services					
Purchased professional - educational services	<u>155,715</u>	<u>12,250</u>	<u>167,965</u>	<u>167,956</u>	<u>9</u>
Total Supp. Service STD - Extra Services	<u>155,715</u>	<u>12,250</u>	<u>167,965</u>	<u>167,956</u>	<u>9</u>
Guidance:					
Salaries of other professional staff	679,135	19,220	698,355	698,153	202
Salaries of secretarial and clerical assistants	50,800	5,759	56,559	56,522	37
Purchased professional - educational services	36,000	(27,501)	8,499	8,499	0
Other purchased prof. and tech services	26,700	250	26,950	26,931	19
Other purchased services (400-500 series)	9,700	(5,850)	3,850	3,819	31
Supplies and materials	10,100	(5,250)	4,850	4,724	126
Other objects	<u>2,320</u>	<u>(650)</u>	<u>1,670</u>	<u>1,445</u>	<u>225</u>
Total guidance	<u>814,755</u>	<u>(14,022)</u>	<u>800,733</u>	<u>791,594</u>	<u>9,139</u>
Child Study Teams:					
Salaries of other professional staff	637,223	(17,000)	620,223	620,215	8
Salaries of secretarial and clerical assistants	112,338	(9,070)	103,268	102,948	320
Purchased professional - educational services	12,000	120	12,120	11,353	767
Other purchased services (400-500 series)	15,400		15,400	12,069	3,331
Supplies and materials	5,335		5,335	3,625	1,710
Other Objects	<u>1,065</u>		<u>1,065</u>	<u>1,065</u>	
Total child study teams	<u>783,361</u>	<u>(25,950)</u>	<u>757,411</u>	<u>751,275</u>	<u>6,136</u>
Improvement of Instruction Services:					
Salaries of supervisors of instruction	225,809	156,000	381,809	381,533	276
Salaries of other professional staff	42,000	(20,080)	21,920	21,708	212
Salaries of secretarial and clerical assistants	60,100	1,080	61,180	61,167	13
Purchased professional - educational services	4,000	(3,000)	1,000	1,000	0
Other purchase services (400-500)	3,400		3,400	2,151	1,249
Supplies and materials	1,500		1,500	734	766
Other objects	<u>1,245</u>		<u>1,245</u>	<u>845</u>	<u>400</u>
Total improvement of instructional services	<u>338,054</u>	<u>134,000</u>	<u>472,054</u>	<u>468,138</u>	<u>3,916</u>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

**AUDUBON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2023**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Educational Media Services/School Library:					
Salaries	\$ 199,224	\$ 6,999	\$ 206,223	\$ 206,005	\$ 218
Salaries of Technology Coordinators	107,224	1	107,225	107,224	1
Purchased professional - technical services	22,490	(7,000)	15,490	10,214	5,276
Supplies and materials	7,500		7,500	6,569	931
Other objects					
Total educational media services/school library	336,438		336,438	330,012	6,426
Instructional Staff Training Services:					
Other salaries	3,240		3,240		3,240
Purchased professional - educational services	21,500	(21,000)	500		500
Other purchased services (400-500 series)	13,250	(4,500)	8,750	6,855	1,895
Total instructional staff training services	37,990	(25,500)	12,490	6,855	5,635
Support Services - General Administration:					
Salaries	231,500	1,325	232,825	232,825	
Legal services	66,000	26,750	92,750	92,731	19
Audit Fees	25,000	200	25,200	25,200	
Other purchased professional services	25,000	(6,075)	18,925	17,935	990
Purchased technical services	10,030		10,030	7,630	2,400
Communications / telephone	58,449	14,500	72,949	72,280	669
Other purchased services	85,939	(100)	85,839	80,009	5,830
General supplies	12,600	(7,800)	4,800	3,269	1,531
Miscellaneous expenditures	3,400	3,200	6,600	6,584	16
BOE Membership dues and fees	10,587		10,587	10,565	22
Total support services - general administration	528,505	32,000	560,505	549,028	11,477
Support Services - School Administration:					
Salaries of principals/assist. principals	563,672	17,450	581,122	581,111	11
Salaries of secretarial and clerical assistants	234,216	(10,585)	223,631	223,288	343
Other purchased services (400-500 series)	24,500	(10,000)	14,500	2,027	12,473
Supplies and materials	4,050	1,666	5,716	4,233	1,483
Other objects	6,500	319	6,819	5,794	1,025
Total support services - school administration	832,938	(1,150)	831,788	816,453	15,335
Central Services:					
Salaries	344,839	5,250	350,089	350,057	32
Purchased technical services	25,894	300	26,194	25,170	1,024
Misc. purchased services	3,890	(1,000)	2,890	2,557	333
Supplies and materials	6,000	214	6,214	5,686	528
Interest on lease purchase	2,846		2,846	2,845	1
Miscellaneous expenditures	1,450	10	1,460	1,460	
Total central services	384,919	4,774	389,693	387,775	1,918
Admin. Informational Technology					
Salaries	61,189		61,189	61,189	
Other purchased services (400-500 series)	4,000	(224)	3,776	565	3,211
Total admin. informational technology	65,189	(224)	64,965	61,754	3,211
Required Maintenance School Facilities:					
Salaries	318,580	(36,650)	281,930	280,055	1,875
Cleaning, Repair, and Maintenance Services	35,032	22,492	57,524	57,462	62
General supplies	10,000	(9,500)	500	108	392
Total required maintenance school facilities	363,612	(23,658)	339,954	337,625	2,329

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

**AUDUBON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2023**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Operation & Maintenance of Plant:					
Salaries	\$ 820,813	\$ (32,750)	\$ 788,063	\$ 782,742	\$ 5,321
Rental of Land & Bldg. Oth. Than Lease Pur.	21,000		21,000	21,000	
Other purchased property services	56,400	11,350	67,750	67,704	46
Insurance	141,133	(4,850)	136,283	135,989	294
Misc. Purchased Services	59,744		59,744	58,008	1,736
General Supplies	144,250	(4,450)	139,800	138,126	1,674
Energy (Natural Gas)	78,337	(15,650)	62,687	62,652	35
Energy (Electricity)	287,806	(6,000)	281,806	281,457	349
Other objects	2,545		2,545	1,759	786
Total other operations & maint. of plant	1,612,028	(52,350)	1,559,678	1,549,437	10,241
Care & Upkeep of Grounds:					
Salaries	115,080	50	115,130	115,130	
General Supplies	53,278	(21,506)	31,772	29,838	1,934
Total care and upkeep of grounds	168,358	(21,456)	146,902	144,968	1,934
Total operation & maint. of plant services	2,143,998	(97,464)	2,046,534	2,032,030	14,504
Student Transportation Services:					
Salaries for Pupil Trans (other than between home and school)	54,495	7,855	62,350	62,335	15
Management fee - ESC Transp. programs	18,000	9,700	27,700	27,669	31
Cleaning, repair and maintenance services	1,000	5,000	6,000	5,451	549
Rental payments - School buses					
Lease purchase payments - School buses					
Contr. serv. (not between home & sch) - vendor	15,000	(2,100)	12,900	11,986	914
Contr. Serv. (Spl. Ed. Students) - ESC	440,000	157,200	597,200	596,433	767
Misc. purchased services - transportation	3,500	(350)	3,150	2,194	956
Supplies and materials	1,800	7,900	9,700	9,651	49
Total student transportation services	533,795	185,205	719,000	715,719	3,281
Unallocated Benefits - Employee Benefits:					
Social security contributions	315,000	92,750	407,750	407,736	14
Other retirement contributions - PERS	337,463	50,250	387,713	387,564	149
Unemployment compensation		580	580	572	8
Workmen's compensation	153,592		153,592	153,432	160
Health benefits	3,128,899	2,849	3,131,748	3,128,954	2,794
Tuition reimbursement	53,208	(15,000)	38,208	37,926	282
Other employee benefits	155,000	15,350	170,350	169,827	523
Unused Sick Payment to Terminated/Retired Staff	51,594	(8,230)	43,364	42,060	1,304
Total unallocated benefits - employee benefits	4,194,756	138,549	4,333,305	4,328,071	5,234
On-behalf TPAF pension contr. (non-budgeted)				4,197,937	(4,197,937)
On-behalf TPAF post ret. medical (non-budgeted)				1,102,788	(1,102,788)
On-behalf TPAF LTDI (non-budgeted)				1,574	(1,574)
Reimbursed TPAF social security contr. (non-budgeted)				928,971	(928,971)
Total Undistributed Expenditures	13,133,780	244,349	13,378,129	19,158,995	(5,780,866)
Total General Current Expense	25,432,514	(13,349)	25,419,165	31,151,469	(5,732,304)

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

**AUDUBON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2023**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY:					
Equipment:					
Grades 9-12	\$ 2,315	\$ 7,349	\$ 9,664	\$ 9,463	\$ 201
Undist. expend. - care and upkeep of grounds					
Total Equipment	2,315	7,349	9,664	9,463	201
Facilities Acquisition and Construction Services:					
Lease purchase agreements - principal	62,752		62,752	62,752	
Assessment on SDA Funding	101,451		101,451	101,451	
Total Facilities Acquisition and Constr. Services	164,203		164,203	164,203	
Assets acquired under leases (non-budgeted):					
Equipment					
Total Assets acquired under leases					
Total Capital Outlay	166,518	7,349	173,867	173,666	201
Transfer of Funds to Charter Schools	28,022	6,000	34,022	33,761	261
TOTAL EXPENDITURES	25,627,054		25,627,054	31,358,896	(5,731,842)
Excess (Deficiency) of Revenues					
Over (Under) Expenditures:	(524,557)		(524,557)	47,052	571,609
Other Financing Sources:					
Operating transfers out - Food Service					
Operating transfers out - Special Revenue	(163,176)		(163,176)	(163,176)	
Proceeds from leases					
Total other financing sources	(163,176)		(163,176)	(163,176)	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses):	(687,733)		(687,733)	(116,124)	571,609
Fund Balance, July 1	3,988,035		3,988,035	3,988,035	
Fund Balance - June 30	\$ 3,300,302	\$ -	\$ 3,300,302	\$ 3,871,911	\$ 571,609
Recapitulation:					
Restricted:					
Capital Reserve:					
Designated for Subsequent Year's Expenditures				\$ 650,000	
Capital Reserve				344,401	
Maintenance Reserve				781,032	
Emergency Reserve:					
Designated for Subsequent Year's Expenditures				250,000	
Excess Surplus:					
Designated for Subsequent Year's Expenditures				-	
Current Year				150,000	
Unemployment Compensation				328,501	
Assigned:					
Year-end encumbrances				6,240	
Designated for Subsequent Year's Expenditures				675,000	
Unassigned				686,737	
				3,871,911	
Reconciliation on Governmental Fund Statements (GAAP):					
Less: State Aid Payment not Recognized on GAAP Basis				(924,519)	
Fund Balance per Government Fund (GAAP)				\$ 2,947,392	

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

AUDUBON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal sources	\$ -	\$ 2,788,114	\$ 2,788,114	\$ 2,228,087	\$ (560,027)
State sources	815,880	-	815,880	523,248	(292,632)
Local sources				461,247	461,247
Total Revenues	815,880	2,788,114	3,603,994	3,212,582	(391,412)
EXPENDITURES:					
Instruction:					
Salaries of teachers	248,400	187,217	435,617	388,352	47,265
Other salaries for instruction	86,300	330,872	417,172	291,832	125,340
Purchased prof. - educational services	1,000	12,000	13,000	1,000	12,000
Other purchased services		415,141	415,141	415,141	
General supplies	45,054	255,698	300,752	159,753	140,999
Other objects					
Total Instruction	380,754	1,200,928	1,581,682	1,256,078	325,604
Support Services:					
Salaries - other professional staff	56,800	53,160	109,960	59,500	50,460
Salaries - secretaries/clerical	24,820		24,820	24,820	
Salaries - family/parent liaison	2,000		2,000		2,000
Salaries - facilitator/coach	63,500		63,500	62,595	905
Personal services - employee benefits	169,571	61,775	231,346	145,932	85,414
Purchased prof. - technical services	63,435	167,690	231,125	41,620	189,505
Purchased prof. - educational services					
Cleaning, repair, maintenance	5,000		5,000	5,000	
Rentals	35,000		35,000	35,000	
Other purchased services		8,644	8,644	3,462	5,182
Supplies and materials	15,000	295,917	310,917	280,504	30,413
Scholarships awarded				21,150	(21,150)
Student Act/Ath				392,031	(392,031)
Total Support Services	435,126	587,186	1,022,312	1,071,614	(49,302)
Facilities Acquisition and Construction Services:					
Buildings		1,000,000	1,000,000	1,000,000	
Total Facilities Acq. and Const. Services		1,000,000	1,000,000	1,000,000	
Total Expenditures	815,880	2,788,114	3,603,994	3,327,692	276,302
Other financing sources (uses)					
Transfer from General Fund				163,176	163,176
Total other financing sources (uses)				163,176	163,176
Total Outflows	815,880	2,788,114	3,603,994	3,164,516	439,478
Excess (Deficiency) of Revenues over (under) Expenditures and other financing sources (uses)	-	-	-	48,066	48,066
Fund Balance, July 1				740,015	
Fund Balance, June 30				<u>\$ 788,081</u>	
Recapitulation:					
Restricted:					
Scholarships				\$ 232,763	
Student Act/Ath				555,318	
Total Fund Balance				<u>\$ 788,081</u>	

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

AUDUBON SCHOOL DISTRICT
Notes to Required Supplementary Information
Budgetary Comparison
For the Fiscal Year Ended June 30, 2023

**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 schedules	\$ 31,405,948	\$ 3,212,582
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	
Prior Year		43,988
Current Year		(58,154)
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	911,808	44,032
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(924,519)</u>	<u>(65,270)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 31,393,237</u>	<u>\$ 3,177,178</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 31,358,896	\$ 3,164,516
Differences - budget to GAAP		
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.		
Prior Year		43,988
Current Year		(58,154)
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.		<u>163,176</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 31,358,896</u>	<u>\$ 3,313,526</u>

Required Supplementary Information - Part III
Schedules Related to Accounting and Reporting
For Pensions and
Other Post Employment Benefits

AUDUBON SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employees Retirement System
Last Ten Fiscal Years

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.0280109872%	0.0262958529%	0.0289056288%	0.0287422060%	0.0286639807%	0.0325394227%	0.0319741746%	0.0324191799%	0.0304165923%	0.0307947299%
District's proportionate share of the net pension liability (asset)	\$ 4,227,244	\$ 3,115,138	\$ 4,713,752	\$ 5,178,909	\$ 5,643,795	\$ 7,574,657	\$ 9,469,833	\$ 7,277,456	\$ 5,694,818	\$ 5,885,485
District's covered-employee payroll	1,993,455	2,006,489	1,929,735	1,929,235	2,045,963	2,116,345	2,011,105	2,210,636	2,131,870	2,087,000
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	212.06%	155.25%	244.27%	268.44%	275.85%	357.91%	470.88%	329.20%	267.13%	282.01%
Plan fiduciary net position as a percentage of the total pension liability	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

This schedule does not contain ten years of information as GASB 68 was implemented during the fiscal year ended June 30, 2015.

**AUDUBON SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Contributions
Public Employees Retirement System
Last Ten Fiscal Years**

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Contractually required contribution	\$ 364,802	\$ 353,232	\$ 307,955	\$ 316,213	\$ 280,173	\$ 285,618	\$ 302,571	\$ 284,054	\$ 278,718	\$ 250,750
Contributions in relation to the contractually required contributions	<u>(364,802)</u>	<u>(353,232)</u>	<u>(307,955)</u>	<u>(316,213)</u>	<u>(280,173)</u>	<u>(285,618)</u>	<u>(302,571)</u>	<u>(284,054)</u>	<u>(278,718)</u>	<u>(250,750)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 1,993,455	\$ 2,006,489	\$ 1,929,735	\$ 1,929,235	\$ 2,045,963	\$ 2,116,345	\$ 2,011,105	\$ 2,210,636	\$ 2,131,870	\$ 2,087,000
Contributions as a percentage of covered-employee payroll	18.30%	17.60%	15.96%	16.39%	13.69%	13.50%	15.05%	12.85%	13.07%	12.01%

This schedule does not contain ten years of information as GASB 68 was implemented during the fiscal year ended June 30, 2015.

AUDUBON SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers' Pension and Annuity Fund
Last Ten Fiscal Years

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.1040540474%	0.1069908660%	0.1074967342%	0.1053822239%	0.1074819793%	0.1073812693%	0.1065269046%	0.1041246558%	0.1038926042%	0.1041246558%
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	\$ 53,686,078	\$ 51,436,061	\$ 70,785,306	\$ 64,674,065	\$ 68,377,727	\$ 72,400,324	\$ 83,800,846	\$ 65,811,229	\$ 55,527,216	\$ 54,600,007
Total	\$ 53,686,078	\$ 51,436,061	\$ 70,785,306	\$ 64,674,065	\$ 68,377,727	\$ 72,400,324	\$ 83,800,846	\$ 65,811,229	\$ 55,527,216	\$ 54,600,007
District's covered-employee payroll	\$ 12,705,184	\$ 11,924,838	\$ 11,579,268	\$ 11,822,250	\$ 11,740,309	\$ 11,300,909	\$ 11,440,992	\$ 11,054,820	\$ 10,903,883	\$ 10,674,384
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

This schedule does not contain ten years of information as GASB 68 was implemented during the fiscal year ended June 30, 2015.

AUDUBON SCHOOL DISTRICT
Required Supplementary Information
Schedule of the State's Proportionate Share of the Net OPEB Liability Associated with the District
and Changes in the Total OPEB Liability and Related Ratios
Public Employee's Retirement System and Teachers' Pension and Annuity Fund
Last Six Fiscal Years

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
State's proportion of the net OPEB liability (asset) associated with the District	0.11%	0.11%	0.12%	0.11%	0.12%	0.12%
District's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the District	<u>\$ 56,982,638</u>	<u>\$ 66,677,220</u>	<u>\$ 78,058,576</u>	<u>\$ 47,922,118</u>	<u>\$ 53,603,023</u>	<u>\$ 63,286,990</u>
Total proportionate share of the net OPEB liability (asset) associated with the District	<u>\$ 56,982,638</u>	<u>\$ 66,677,220</u>	<u>\$ 78,058,576</u>	<u>\$ 47,922,118</u>	<u>\$ 53,603,023</u>	<u>\$ 63,286,990</u>
Plan fiduciary net position as a percentage of the total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability						
Service Cost	\$ 3,274,211	\$ 3,274,211	\$ 1,832,654	\$ 1,745,077	\$ 2,055,210	\$ 2,483,848
Interest	1,729,677	1,729,677	1,718,555	2,114,612	2,314,699	1,997,012
Changes of benefit terms	(70,970)	(70,970)				
Difference between expected and actual experiences	(15,061,774)	(15,061,774)	13,644,377	(8,827,657)	(6,518,873)	
Changes of assumptions and other inputs	65,782	65,782	14,258,619	714,523	(6,151,215)	(8,069,702)
Member Contributions	44,219	44,219	41,189	43,606	49,538	53,977
Benefit payments	<u>(1,362,501)</u>	<u>(1,362,501)</u>	<u>(1,358,936)</u>	<u>(1,471,066)</u>	<u>(1,433,326)</u>	<u>(1,465,861)</u>
Net Change in total OPEB Liability	\$ (11,381,356)	\$ (11,381,356)	\$ 30,136,458	\$ (5,680,905)	\$ (9,683,967)	\$ (5,000,726)
Total OPEB Liability - beginning	<u>\$ 78,058,576</u>	<u>\$ 78,058,576</u>	<u>\$ 47,922,118</u>	<u>\$ 53,603,023</u>	<u>\$ 63,286,990</u>	<u>\$ 68,287,716</u>
Total OPEB Liability - ending	<u>\$ 66,677,220</u>	<u>\$ 66,677,220</u>	<u>\$ 78,058,576</u>	<u>\$ 47,922,118</u>	<u>\$ 53,603,023</u>	<u>\$ 63,286,990</u>
District's covered-employee payroll	13,931,327	13,931,327	13,509,003	13,751,485	13,786,272	13,417,254
Total OPEB Liability as a percentage of covered-employee payroll	478.61%	478.61%	577.83%	348.49%	388.81%	471.68%

This schedule does not contain ten years of information as GASB 75 was implemented during the fiscal year ended June 30, 2018.

Audubon School District
Notes to Required Supplementary Information – Part III
For the Fiscal Year Ended June 30, 2023

Teacher’s Pension and Annuity Fund (TPAF)

Changes of benefit term: There were none.

Changes of assumptions: There were none.

Public Employees’ Retirement System (PERS)

Changes of benefit term: There were none.

Changes of assumptions: There were none.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes of benefit term: There were none.

Changes of assumptions: The discount rate changed from 2.16% as of June 30, 2021 to 3.54% as of June 30, 2022.

Other Supplementary Information

Special Revenue Fund

AUDUBON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2023

	Title I	Title II - Part A	Title IV	IDEA Basic	ARP IDEA Basic	IDEA Preschool	ARP IDEA Preschool	Preschool Expansion	Total E1 (a)	Total
REVENUES:										
Federal sources	\$ 134,864	\$ 16,809	\$ 3,600	\$ 366,959	\$ 66,482	\$ 13,920	\$ 5,663	\$ -	\$ 1,619,790	\$ 2,228,087
State sources								523,248		523,248
Local sources									461,247	461,247
Total Revenues	134,864	16,809	3,600	366,959	66,482	13,920	5,663	523,248	2,081,037	3,212,582
EXPENDITURES:										
Instruction:										
Salaries of teachers	104,825	12,840						248,400	22,287	388,352
Other salaries for instruction	10,000							71,105	210,727	291,832
Purchased prof tech services								1,000		1,000
Other purchased services				348,659	66,482					415,141
General supplies	9,182			5,700		13,920	5,663	38,957	86,331	159,753
Total instruction	124,007	12,840		354,359	66,482	13,920	5,663	359,462	319,345	1,256,078
Support services:										
Salaries - other professional staff	2,700							56,800		59,500
Salaries - secretaries/clerical								24,820		24,820
Salaries - facilitator/coach								62,595		62,595
Personal services-employee benefits	7,857	1,719						126,885	9,471	145,932
Purchased prof tech services		2,250	3,600	8,000					27,770	41,620
Cleaning, Repair, Maint.								5,000		5,000
Rentals								35,000		35,000
Other purchased services				2,600				862		3,462
Supplies and materials	300			2,000				15,000	263,204	280,504
Scholarship Awards									21,150	21,150
Student Activities									392,031	392,031
Total support services	10,857	3,969	3,600	12,600				326,962	713,626	1,071,614
Facilities acquisition and const. serv.:										
Buildings									1,000,000	1,000,000
Total facilities acq. and const. serv.									1,000,000	1,000,000
Total Expenditures	134,864	16,809	3,600	366,959	66,482	13,920	5,663	686,424	2,032,971	3,327,692
Other financing sources (uses)										
Transfer from General Fund								163,176		163,176
Total other financing sources (uses)								163,176		163,176
Total Outflows	134,864	16,809	3,600	366,959	66,482	13,920	5,663	523,248	2,032,971	3,164,516
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	-	-	-	-	-	-	-	-	48,066	48,066
Fund Balance, July 1	-	-	-	-	-	-	-	-	740,015	740,015
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 788,081	\$ 788,081

AUDUBON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2023

	ARP ESSER III	ARP ESSER Accelerated Learning	ARP ESSER Summer Learning	ARP ESSER Beyond the School Day	CRRSA Mental Health	CRRSA ESSER II	CRRSA Learning Acceleration	Community Policing Grant	Student Act/Ath	Scholarships	Total
REVENUES:											
Federal sources	\$ 968,061	\$ 32,585	\$ 40,000	\$ 40,000	\$ 31,307	\$ 239,088	\$ 25,257	\$ 243,492	\$ -	\$ -	\$1,619,790
Local sources									438,175	23,072	461,247
Total Revenues	968,061	32,585	40,000	40,000	31,307	239,088	25,257	243,492	438,175	23,072	2,081,037
EXPENDITURES:											
Instruction:											
Salaries of teachers					22,287						22,287
Other salaries for instruction	119,051	16,406	37,635	37,635							210,727
Purchased prof tech services											
Other purchased services											
General supplies	48,574					15,676	22,081				86,331
Total instruction	167,625	16,406	37,635	37,635	22,287	15,676	22,081				319,345
Support services:											
Salaries - other professional staff											
Personal services-employee benefits		4,741	2,365	2,365							9,471
Purchased prof tech services		11,438			9,020	4,136	3,176				27,770
Other purchased services											
Supplies and materials	436					19,276		243,492			263,204
Scholarship Awards										21,150	21,150
Student Activities									392,031		392,031
Total support services	436	16,179	2,365	2,365	9,020	23,412	3,176	243,492	392,031	21,150	713,626
Facilities acquisition and const. serv.:											
Buildings	800,000					200,000					1,000,000
Instructional equipment											
Total facilities acq. and const. serv.	800,000					200,000					1,000,000
Total Expenditures	968,061	32,585	40,000	40,000	31,307	239,088	25,257	243,492	392,031	21,150	2,032,971
Other financing sources (uses)											
Transfer from General Fund											
Total other financing sources (uses)											
Total Outflows											
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	-	-	-	-	-	-	-	-	46,144	1,922	48,066
Fund Balance, July 1	-	-	-	-	-	-	-	-	509,174	230,841	740,015
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 555,318	\$ 232,763	\$ 788,081

**Audubon School District
Special Revenue Fund
Schedule of Preschool Education Aid Expenditures
Preschool - All Programs
Budgetary Basis
For the Fiscal Year Ended June 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ -	\$ 248,400	\$ 248,400	\$ 248,400	\$ -
Other Salaries for Instruction	-	86,300	86,300	71,105	15,195
Purchased Educational Services	-	1,000	1,000	1,000	-
General Supplies	-	45,054	45,054	38,957	6,097
Total instruction	-	380,754	380,754	359,462	21,292
Support services:					
Salaries of Other Professional Staff	-	56,800	56,800	56,800	-
Salaries of Secretaries	-	24,820	24,820	24,820	-
Salaries Family/Parent Liaison	-	2,000	2,000	-	2,000
Salaries of Facilitator/Coach	-	63,500	63,500	62,595	905
Personal Services - Employee Benefits	-	169,571	169,571	126,885	42,686
Other Professional Services	-	63,435	63,435	862	62,573
Cleaning/Repair/Maintenance	-	5,000	5,000	5,000	-
Rentals	-	35,000	35,000	35,000	-
General Supplies	-	15,000	15,000	15,000	-
Total support services	-	435,126	435,126	326,962	108,164
Facilities acquisition and cont. serv:					
Instructional equipment	-	-	-	-	-
Total Facilities acquisition and cont. serv.	-	-	-	-	-
Total Expenditures	\$ -	\$ 815,880	\$ 815,880	\$ 686,424	\$ 129,456

CALCULATION OF BUDGET & CARRYOVER

Total 2022-23 PreK Aid Allocation	\$ 652,704
Add: Actual PreK/ECPA Aid Carryover June 30, 2022	135,071
Add: Budgeted Transfer From General Fund	<u>163,176</u>
Total Funds Available for 2022-23 Budget	950,951
Less: 2022-23 Budgeted PreK/ECPA (Including prior year budgeted carryover)	<u>(815,880)</u>
Available & Unbudgeted Funds as of June 30, 2023	135,071
Add: June 30, 2023 Unexpended PreK Aid	<u>129,456</u>
2023 - Actual Carryover - PreK Aid	<u>\$ 264,527</u>
2022-23 PreK Aid Carryover Budgeted in 2023-24	<u>\$ 135,071</u>

**Audubon School District
Special Revenue Fund
Schedule of Preschool Education Aid Expenditures
Preschool - Full Day 3yr & 4 yr - Regular
Budgetary Basis
For the Fiscal Year Ended June 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ -	\$ 248,400	\$ 248,400	\$ 248,400	\$ -
Other Salaries for Instruction	-	86,300	86,300	71,105	15,195
Purchased Educational Services	-	1,000	1,000	1,000	-
General Supplies	-	45,054	45,054	38,957	6,097
Total instruction	-	380,754	380,754	359,462	21,292
Support services:					
Salaries of Other Professional Staff	-	56,800	56,800	56,800	-
Salaries of Secretaries	-	24,820	24,820	24,820	-
Salaries Family/Parent Liaison	-	2,000	2,000		2,000
Salaries of Facilitator/Coach	-	63,500	63,500	62,595	905
Personal Services - Employee Benefits	-	169,571	169,571	126,885	42,686
Other Professional Services	-	63,435	63,435	862	62,573
Cleaning Repair/Maintenance	-	5,000	5,000	5,000	-
Rentals	-	35,000	35,000	35,000	-
General Supplies	-	15,000	15,000	15,000	-
Total support services	-	435,126	435,126	326,962	108,164
Facilities acquisition and cont. serv:					
Instructional equipment	-	-	-	-	-
Total Facilities acquisition and cont. serv.	-	-	-	-	-
Total Program Expenditures	\$ -	\$ 815,880	\$ 815,880	\$ 686,424	\$ 129,456

Capital Projects Fund
Detail Statements

AUDUBON SCHOOL DISTRICT
Capital Projects Fund
Summary Statement of Revenues, Expenditures,
and Changes in Fund Balance - Budgetary Basis
For the Fiscal Year ended June 30, 2023

Revenues and Other Financing Sources:

Bond proceeds	\$ -
Earnings on investments	88,918
Total revenues and other financing sources	88,918

Expenditures and Other Financing (Uses):

Purchased professional services	1,704,144
Construction services	5,120,828
Transfer to Debt Service Fund	88,918
Total expenditures and other financing (uses)	6,913,890

Excess (deficiency) or revenues over (under) expenditures	(6,824,972)
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Fund Balance - July 1, 2022	25,157,550
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Fund Balance - June 30, 2023	\$ 18,332,578
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AUDUBON SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Roof and Roof-Top HVAC Haviland Elementary School
From Inception and for the Fiscal Year ended June 30, 2023

	Prior Periods	Current Year	Total	Revised Authorized Costs
Revenues and Other Financing Sources:				
State sources - SCC Grant	\$ 312,000	\$ -	\$ 312,000	\$ 312,000
Capital lease proceeds	500,000		500,000	500,000
Total revenues	812,000	-	812,000	812,000
Expenditures and Other Financing Uses:				
Purchased professional services	89,610		89,610	89,610
Construction services	722,390		722,390	722,390
	812,000	-	812,000	812,000
Excess (deficiency) or revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -
Additional project information:				
Project Number	0150-040-13-1002-GO4			
Grant Date	01/06/14			
Lease Authorization Date	07/01/14			
Capital Lease Authorized	\$ 500,000			
Capital Lease Issued	\$ 500,000			
Original Authorized Cost	\$ 780,000			
Additional Authorized Cost	\$ 32,000			
Revised Authorized Cost	\$ 812,000			
Percentage Increase over Original Authorized Cost	4.10%			
Percentage Completion	100.00%			
Original target completion date	09/30/15			
Revised target completion date	09/30/15			

AUDUBON SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Various Capital improvements
From Inception and for the Fiscal Year ended June 30, 2023

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources:				
Bond proceeds	\$ 26,810,000	\$ -	\$ 26,810,000	\$ 26,810,000
Total revenues	<u>26,810,000</u>	<u></u>	<u>26,810,000</u>	<u>26,810,000</u>
Expenditures and Other Financing Uses:				
Purchased professional services	290,585	1,704,144	1,994,729	1,994,729
Construction services	1,361,865	5,120,828	6,482,693	6,482,693
	<u>1,652,450</u>	<u>6,824,972</u>	<u>8,477,422</u>	<u>8,477,422</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 25,157,550</u>	<u>\$ (6,824,972)</u>	<u>\$ 18,332,578</u>	<u>\$ 18,332,578</u>
Additional project information:				
Bond Authorization Date	12/14/21			
Bonds Authorized	\$ 26,810,000			
Bonds Issued	\$ 26,810,000			
Original Authorized Cost	\$ 26,810,000			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 26,810,000			
Percentage Increase over Original Authorized Cost				
Percentage Completion				
Original target completion date	08/30/24			
Revised target completion date	N/A			

Proprietary Funds

AUDUBON SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Net Position
June 30, 2023

	<u>Food Service Fund</u>	<u>Community Education Program</u>	<u>After School Program</u>	<u>Total</u>
ASSETS:				
Current Assets:				
Cash and cash equivalents	\$ 112,382	\$ 103,585	\$ 255,586	\$ 471,553
Accounts receivable:				
State	1,424	-	-	1,424
Federal	31,113	-	-	31,113
Other	6,525	-	-	6,525
Inventories	24,387	-	-	24,387
Total Current Assets	<u>175,831</u>	<u>103,585</u>	<u>255,586</u>	<u>535,002</u>
Noncurrent Assets:				
Equipment	233,510	-	-	233,510
Less - accumulated depreciation	<u>(196,738)</u>	<u>-</u>	<u>-</u>	<u>(196,738)</u>
Total Noncurrent Assets	<u>36,772</u>	<u>-</u>	<u>-</u>	<u>36,772</u>
Total Assets	<u>212,603</u>	<u>103,585</u>	<u>255,586</u>	<u>571,774</u>
LIABILITIES:				
Current Liabilities:				
Interfund payable	43,320	-	-	43,320
Accounts payable	8,468	-	-	8,468
Unearned revenue	<u>14,172</u>	<u>-</u>	<u>-</u>	<u>14,172</u>
Total Current Liabilities	<u>65,960</u>	<u>-</u>	<u>-</u>	<u>65,960</u>
NET POSITION:				
Net investment in capital assets	36,772	-	-	36,772
Unrestricted	<u>109,871</u>	<u>103,585</u>	<u>255,586</u>	<u>469,042</u>
Total Net Position	<u>\$ 146,643</u>	<u>\$ 103,585</u>	<u>\$ 255,586</u>	<u>\$ 505,814</u>

AUDUBON SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Revenues, Expenses
and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2023

	<u>Food Service Fund</u>	<u>Community Education Program</u>	<u>After School Program</u>	<u>Totals</u>
OPERATING REVENUES:				
Charges for Services:				
Daily sales reimbursable programs:				
School lunch	\$ 167,547	\$ -	\$ -	\$ 167,547
School breakfast	3,535	-	-	3,535
Daily sales non-reimbursable programs:				
Adult and ala carte sales	165,191	-	-	165,191
Program fees	-	27,677	135,429	163,106
	<u>336,273</u>	<u>27,677</u>	<u>135,429</u>	<u>499,379</u>
Total Operating Revenues				
OPERATING EXPENSES:				
Salaries	265,616	2,591	105,310	373,517
Employee benefits	35,889	-	-	35,889
Management fee	33,750	-	-	33,750
Supplies and materials	33,299	-	6,576	39,875
Other costs	15,963	15,478	-	31,441
Depreciation	2,997	-	-	2,997
Cost of sales - reimbursable programs	196,165	-	-	196,165
Cost of sales - nonreimbursable programs	73,498	-	-	73,498
	<u>657,177</u>	<u>18,069</u>	<u>111,886</u>	<u>787,132</u>
Total Operating Expenses				
Operating Income (Loss)	<u>(320,904)</u>	<u>9,608</u>	<u>23,543</u>	<u>(287,753)</u>
Non-Operating Revenues:				
State sources:				
State school lunch program	8,629	-	-	8,629
Federal sources:				
National school lunch program	174,381	-	-	174,381
National school breakfast program	10,990	-	-	10,990
Supply Chain Assistance	75,808	-	-	75,808
Food distribution program	56,043	-	-	56,043
Local sources:				
Miscellaneous	30,659	-	-	30,659
Interest earned	-	616	-	616
	<u>356,510</u>	<u>616</u>	<u>-</u>	<u>357,126</u>
Total Non-Operating Revenues				
Income (Loss) before Contributions and Transfers	35,606	10,224	23,543	69,373
Operating Transfers In	-	-	-	-
Changes in Net Position	35,606	10,224	23,543	69,373
Net Position - July 1, 2022	111,037	93,361	232,043	436,441
Net Position - June 30, 2023	<u>\$ 146,643</u>	<u>\$ 103,585</u>	<u>\$ 255,586</u>	<u>\$ 505,814</u>

AUDUBON SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2023

	<u>Food Service Fund</u>	<u>Community Education Program</u>	<u>After School Program</u>	<u>Total</u>
Cash Flows from Operating Activities:				
Cash receipts from customers	\$ 336,264	\$ 27,677	\$ 135,429	\$ 499,370
Cash payments to employees for services	(301,505)	(2,591)	(105,310)	(409,406)
Cash payments to suppliers for goods and services	<u>(346,447)</u>	<u>(15,478)</u>	<u>(6,576)</u>	<u>(368,501)</u>
Net cash provided by (used for) operating activities	<u>(311,688)</u>	<u>9,608</u>	<u>23,543</u>	<u>(278,537)</u>
Cash Flows from Noncapital Financing Activities:				
Cash received from state sources	7,848	-	-	7,848
Cash received from federal sources	261,131	-	-	261,131
Operating transfer in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by noncapital financing activities	<u>268,979</u>	<u>-</u>	<u>-</u>	<u>268,979</u>
Cash Flow Provided by Investing Activities:				
Interest on cash equivalents	<u>-</u>	<u>616</u>	<u>-</u>	<u>616</u>
Net increase (decrease) in cash and cash equivalents	(42,709)	10,224	23,543	(8,942)
Cash and cash equivalents - July 1, 2022	<u>155,091</u>	<u>93,361</u>	<u>232,043</u>	<u>480,495</u>
Cash and cash equivalents - June 30, 2023	<u>\$ 112,382</u>	<u>\$ 103,585</u>	<u>\$ 255,586</u>	<u>\$ 471,553</u>
Reconciliation of Operating Income (Loss) to Net Cash provided by (used for)				
Operating Activities:				
Operating income (loss)	\$ (320,904)	\$ 9,608	\$ 23,543	\$ (287,753)
Adjustments to reconcile operating income (loss) to cash provided by (used for) operating activities:				
Depreciation	2,997	-	-	2,997
Commodities	56,043	-	-	56,043
Change in assets and liabilities:				
(Increase) decrease in accounts receivables	(3,608)	-	-	(3,608)
(Increase) decrease in inventories	(13,985)	-	-	(13,985)
Increase (decrease) in unearned revenue	3,598	-	-	3,598
Increase (decrease) in accounts payable	(35,829)	-	-	(35,829)
Increase (decrease) in interfund payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by (used for) operating activities	<u>\$ (311,688)</u>	<u>\$ 9,608</u>	<u>\$ 23,543</u>	<u>\$ (278,537)</u>

Long-Term Debt Schedules

**AUDUBON SCHOOL DISTRICT
Schedule of Serial Bonds
For the Fiscal Year Ended June 30, 2023**

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2022	Issued	Retired	Balance June 30, 2023
			Date	Amount					
Refunding Bonds of 2012 Issue	1/15/2012	\$ 8,870,000	1/15/2024	\$ 880,000	4.000%	\$ 2,595,000	\$ -	\$ 815,000	\$ 1,780,000
			1/15/2025	900,000	4.000%				
School Bonds, Series 2022	2/24/2022	26,810,000	8/15/2023	720,000	2.500%	26,810,000			26,810,000
			8/15/2024	580,000	2.625%				
			8/15/2025	1,150,000	2.750%				
			8/15/2026	1,160,000	2.750%				
			8/15/2027	1,160,000	2.750%				
			8/15/2028	1,160,000	2.750%				
			8/15/2029	1,160,000	2.750%				
			8/15/2030	1,160,000	2.750%				
			8/15/2031	1,160,000	2.750%				
			8/15/2032	1,160,000	2.750%				
			8/15/2033	1,160,000	2.750%				
			8/15/2034	1,160,000	2.750%				
			8/15/2035	1,160,000	2.750%				
			8/15/2036	1,160,000	2.750%				
			8/15/2037	1,160,000	2.750%				
			8/15/2038	1,160,000	2.750%				
			8/15/2039	1,160,000	2.750%				
			8/15/2040	1,160,000	3.000%				
			8/15/2041	1,160,000	3.000%				
			8/15/2042	1,160,000	3.000%				
			8/15/2043	1,160,000	3.000%				
			8/15/2044	1,160,000	3.000%				
			8/15/2045	1,160,000	3.000%				
			8/15/2046	1,160,000	3.000%				
						<u>\$ 29,405,000</u>	<u>\$ -</u>	<u>\$ 815,000</u>	<u>\$ 28,590,000</u>

**AUDUBON SCHOOL DISTRICT
Schedule of Obligations Under Leases
For the Fiscal Year Ended June 30, 2023**

Purpose	Interest Rate	Original Issue	Balance June 30, 2022	Issued	Retired	Balance June 30, 2023
Audubon Park Preschool Lease	2.500%	\$ 223,999	\$ 120,235	\$ -	\$ 22,861	\$ 97,374
Copiers	3.990%	225,396	204,823		42,398	162,425
Postage Meter	3.000%	14,093	-	14,093	2,652	11,441
Dishwasher	4.000%	5,221	-	5,221	2,559	2,662
Copier	6.780%	7,020	-	7,020	1,042	5,978
Copier	7.500%	1,144	-	1,144	35	1,109
			<u>\$ 325,058</u>	<u>\$ 27,478</u>	<u>\$ 71,547</u>	<u>\$ 280,989</u>

AUDUBON SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local sources:					
Local tax levy	\$ 736,174	\$ -	\$ 736,174	\$ 736,174	\$ -
Local tax levy - Premerger	918,800		918,800	918,800	
Total Revenues	<u>1,654,974</u>		<u>1,654,974</u>	<u>1,654,974</u>	
EXPENDITURES:					
Regular debt service:					
Interest	839,974		839,974	839,974	
Redemption of principal	815,000		815,000	815,000	
Total regular debt service	<u>1,654,974</u>		<u>1,654,974</u>	<u>1,654,974</u>	
Excess (Deficiency) of revenues over (under) expenditures					
Other Financing Sources:					
Operating transfers in				88,918	88,918
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)				88,918	88,918
Fund Balance - July 1, 2022	<u>9,835</u>		<u>9,835</u>	<u>9,835</u>	
Fund Balance - June 30, 2023	<u>\$ 9,835</u>	<u>\$ -</u>	<u>\$ 9,835</u>	<u>\$ 98,753</u>	<u>\$ 88,918</u>

AUDUBON SCHOOL DISTRICT
Schedule of Obligations Under Financed Purchases
For the Fiscal Year Ended June 30, 2023

Series	Commencement Date	Maturity Date	Interest Rate	Original Issue	Balance June 30, 2022	Issued	Retired	Balance June 30, 2023
Chromebooks/HVAC	08/01/17	08/01/22	2.290%	\$ 380,000	\$ 62,752	\$ -	\$ 62,752	\$ -
Chromebooks	12/18/20	12/18/22	4.880%	106,931	28,861	-	28,861	-
					<u>\$ 91,613</u>	<u>\$ -</u>	<u>\$ 91,613</u>	<u>\$ -</u>

Statistical Section

Audubon School District
Net Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

EXHIBIT J-1

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities:										
Net investment in capital assets	\$ 11,602,230	\$ 12,095,981	\$ 12,196,150	\$ 12,417,712	\$ 12,542,115	\$ 12,898,505	\$ 13,007,217	\$ 13,212,390	\$ (13,330,940)	\$ (5,232,170)
Restricted for:										
Special revenue	-	-	-	-	-	-	-	707,576	740,015	788,081
Capital projects	145,905	146,090	146,291	146,657	85,140	25,140	175,266	675,617	25,933,843	19,326,979
Debt service	-	-	-	-	-	-	-	-	9,835	98,753
Other purposes	696,463	481,177	331,499	145,925	132,322	182,599	929,204	1,503,128	1,352,982	1,509,533
Unrestricted	(1,312,237)	(7,002,443)	(7,119,250)	(8,064,793)	(8,490,128)	(8,326,353)	(8,474,289)	(6,959,912)	(5,906,715)	(5,544,567)
Total governmental activities net position	<u>\$ 11,132,361</u>	<u>\$ 5,720,805</u>	<u>\$ 5,554,690</u>	<u>\$ 4,645,501</u>	<u>\$ 4,269,449</u>	<u>\$ 4,779,891</u>	<u>\$ 5,637,398</u>	<u>\$ 9,138,799</u>	<u>\$ 8,799,020</u>	<u>\$ 10,946,609</u>
Business-type activities:										
Net investment in capital assets	\$ 18,548	\$ 14,558	\$ 11,738	\$ 9,098	\$ 6,788	\$ 12,893	\$ 11,632	\$ 10,371	\$ 9,110	\$ 36,772
Unrestricted	187,347	164,077	182,882	241,992	303,465	348,387	370,372	366,582	427,331	469,042
Total business-type activities net position	<u>\$ 205,895</u>	<u>\$ 178,635</u>	<u>\$ 194,620</u>	<u>\$ 251,090</u>	<u>\$ 310,253</u>	<u>\$ 361,280</u>	<u>\$ 382,004</u>	<u>\$ 376,953</u>	<u>\$ 436,441</u>	<u>\$ 505,814</u>
District-wide:										
Net investment in capital assets	\$ 11,620,778	\$ 12,110,539	\$ 12,207,888	\$ 12,426,810	\$ 12,548,903	\$ 12,911,398	\$ 13,018,849	\$ 13,222,761	\$ (13,321,830)	\$ (5,195,398)
Restricted:										
Special revenue	-	-	-	-	-	-	-	707,576	740,015	788,081
Capital projects	145,905	146,090	146,291	146,657	85,140	25,140	175,266	675,617	25,933,843	19,326,979
Debt service	-	-	-	-	-	-	-	-	9,835	98,753
Other purposes	696,463	481,177	331,499	145,925	132,322	182,599	929,204	1,503,128	1,352,982	1,509,533
Unrestricted	(1,124,890)	(6,838,366)	(6,936,368)	(7,822,801)	(8,186,663)	(7,977,966)	(8,103,917)	(6,593,330)	(5,479,384)	(5,075,525)
Total district net position	<u>\$ 11,338,256</u>	<u>\$ 5,899,440</u>	<u>\$ 5,749,310</u>	<u>\$ 4,896,591</u>	<u>\$ 4,579,702</u>	<u>\$ 5,141,171</u>	<u>\$ 6,019,402</u>	<u>\$ 9,515,752</u>	<u>\$ 9,235,461</u>	<u>\$ 11,452,423</u>

Audubon School District
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

EXHIBIT J-2

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses:										
Governmental activities:										
Instruction:										
Regular	\$ 7,186,016	\$ 7,227,391	\$ 7,583,364	\$ 7,452,116	\$ 7,567,373	\$ 7,762,123	\$ 7,530,387	\$ 7,851,764	\$ 8,727,095	\$ 9,147,344
Special education	2,140,613	2,207,045	2,253,829	2,469,216	2,425,795	2,453,374	2,511,702	2,630,254	2,557,590	2,825,909
Other instruction	1,120,653	1,180,005	1,133,322	1,222,567	1,325,674	1,106,870	1,222,750	1,169,049	1,320,910	1,343,298
Support Services:										
Tuition	918,019	881,553	892,113	982,256	943,195	1,105,154	1,096,222	946,924	1,122,368	810,580
Student & instruction related services	2,404,025	2,590,979	2,635,317	2,758,572	2,890,303	3,017,368	3,123,343	3,145,379	3,538,341	4,093,843
General administrative services	346,080	440,310	402,459	472,822	437,176	458,789	479,440	502,578	613,127	555,027
School administrative services	1,000,431	985,567	1,020,320	881,659	833,710	928,661	857,246	867,893	814,944	816,453
Central administrative services	541,492	584,814	560,121	525,996	515,821	490,205	414,088	424,147	442,691	451,791
Plant operations and maintenance	1,928,504	1,861,450	2,109,641	1,972,186	2,039,379	2,025,500	1,921,134	1,939,849	4,123,178	2,062,095
Pupil transportation	366,696	410,566	525,864	557,287	511,212	491,847	401,254	368,279	669,618	715,719
Unallocated employee benefits	5,697,808	6,303,817	6,642,863	8,150,827	17,623,729	14,702,736	13,470,539	16,269,414	12,735,286	11,809,318
Transfer of funds to charter school	-	-	-	-	-	35,567	37,739	48,024	58,790	33,761
Interest on long-term debt	274,846	256,000	241,000	218,679	203,717	188,596	170,162	147,713	389,795	839,189
Unallocated depreciation	624,744	661,596	662,534	666,103	680,632	662,578	633,072	619,384	602,672	605,958
Total governmental activities expenses	<u>24,549,927</u>	<u>25,591,093</u>	<u>26,662,747</u>	<u>28,330,286</u>	<u>37,997,716</u>	<u>35,429,368</u>	<u>33,869,078</u>	<u>36,930,651</u>	<u>37,716,405</u>	<u>36,110,285</u>
Business-type activities:										
Food service	448,963	460,429	501,262	476,277	448,327	474,657	413,456	215,029	679,722	657,177
Community education	101,462	114,221	78,619	84,452	84,877	70,393	70,732	342	15,324	18,069
After school program	105,705	116,343	126,586	116,114	102,994	137,323	121,190	51,490	108,145	111,886
Total business-type activities expense	<u>656,130</u>	<u>690,993</u>	<u>706,467</u>	<u>676,843</u>	<u>636,198</u>	<u>682,373</u>	<u>605,378</u>	<u>266,861</u>	<u>803,191</u>	<u>787,132</u>
Total district expenses	<u>\$ 25,206,057</u>	<u>\$ 26,282,086</u>	<u>\$ 27,369,214</u>	<u>\$ 29,007,129</u>	<u>\$ 38,633,914</u>	<u>\$ 36,111,741</u>	<u>\$ 34,474,456</u>	<u>\$ 37,197,512</u>	<u>\$ 38,519,596</u>	<u>\$ 36,897,417</u>
Program Revenues:										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ 2,679,181	\$ 2,544,829	\$ 2,845,523	\$ 2,869,004	\$ 2,875,966	\$ 2,759,800	\$ 2,576,099	\$ 2,389,600	\$ 2,326,515	\$ 2,014,139
Operating grants and contributions	2,661,888	3,229,974	3,289,702	3,626,555	13,298,972	10,837,967	9,402,379	14,048,483	11,236,116	11,352,023
Total governmental activities program revenues	<u>5,341,069</u>	<u>5,774,803</u>	<u>6,135,225</u>	<u>6,495,559</u>	<u>16,174,938</u>	<u>13,597,767</u>	<u>11,978,478</u>	<u>16,438,083</u>	<u>13,562,631</u>	<u>13,366,162</u>

Audubon School District
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

EXHIBIT J-2

	Fiscal Year Ending June 30,									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Business-type activities:										
Charges for services:										
Food service	\$ 246,017	\$ 243,854	\$ 252,643	\$ 272,077	\$ 246,649	\$ 293,441	\$ 231,306	\$ 1,023	\$ 48,736	\$ 336,273
Community education	108,971	99,142	78,630	70,413	70,509	66,025	60,955	-	22,403	27,677
After school program	105,481	120,490	152,488	188,817	178,220	184,519	125,340	16,267	122,168	135,429
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	173,809	180,209	185,654	179,310	174,731	163,993	183,097	244,397	669,307	325,851
Total business type activities program revenues	<u>634,278</u>	<u>643,695</u>	<u>669,415</u>	<u>710,617</u>	<u>670,109</u>	<u>707,978</u>	<u>600,698</u>	<u>261,687</u>	<u>862,614</u>	<u>825,230</u>
Total district program revenues	<u>\$ 5,975,347</u>	<u>\$ 6,418,498</u>	<u>\$ 6,804,640</u>	<u>\$ 7,206,176</u>	<u>\$ 16,845,047</u>	<u>\$ 14,305,745</u>	<u>\$ 12,579,176</u>	<u>\$ 16,699,770</u>	<u>\$ 14,425,245</u>	<u>\$ 14,191,392</u>
Net (Expense)/Revenue:										
Governmental activities	\$ (19,208,858)	\$ (19,816,290)	\$ (20,527,522)	\$ (21,834,727)	\$ (21,822,778)	\$ (21,831,601)	\$ (21,890,600)	\$ (20,492,568)	\$ (24,153,774)	\$ (22,744,123)
Business-type activities	(21,852)	(47,298)	(37,052)	33,774	33,911	25,605	(4,680)	(5,174)	59,423	38,098
Total district-wide net expense	<u>\$ (19,230,710)</u>	<u>\$ (19,863,588)</u>	<u>\$ (20,564,574)</u>	<u>\$ (21,800,953)</u>	<u>\$ (21,788,867)</u>	<u>\$ (21,805,996)</u>	<u>\$ (21,895,280)</u>	<u>\$ (20,497,742)</u>	<u>\$ (24,094,351)</u>	<u>\$ (22,706,025)</u>
General Revenues and Other Changes in Net Position:										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 10,312,579	\$ 10,518,831	\$ 10,729,208	\$ 11,153,792	\$ 11,599,944	\$ 12,125,034	\$ 12,367,535	\$ 12,614,886	\$ 12,867,184	\$ 13,030,449
Taxes levied for debt service	1,163,570	987,503	1,011,000	980,600	950,500	970,700	910,200	928,300	920,200	1,654,974
Unrestricted grants and contributions	8,196,226	8,302,588	8,391,845	8,502,226	8,582,551	9,009,569	9,288,897	9,307,322	9,786,855	10,019,481
Restricted interest earnings	-	-	-	-	-	-	-	1,466	2,210	100,352
Miscellaneous income	279,313	269,265	282,314	311,420	338,731	261,740	206,475	131,250	237,546	86,456
Transfers	(38,000)	(20,000)	(52,960)	(22,500)	(25,000)	(25,000)	(25,000)	-	-	-
Total governmental activities	<u>19,913,688</u>	<u>20,058,187</u>	<u>20,361,407</u>	<u>20,925,538</u>	<u>21,446,726</u>	<u>22,342,043</u>	<u>22,748,107</u>	<u>22,983,224</u>	<u>23,813,995</u>	<u>24,891,712</u>
Business-type activities:										
Investment earnings	92	38	77	196	252	422	404	123	65	616
Miscellaneous	-	-	-	-	-	-	-	-	-	30,659
Transfers	38,000	20,000	52,960	22,500	25,000	25,000	25,000	-	-	-
Total business-type activities	<u>38,092</u>	<u>20,038</u>	<u>53,037</u>	<u>22,696</u>	<u>25,252</u>	<u>25,422</u>	<u>25,404</u>	<u>123</u>	<u>65</u>	<u>31,275</u>
Total district-wide	<u>\$ 19,951,780</u>	<u>\$ 20,078,225</u>	<u>\$ 20,414,444</u>	<u>\$ 20,948,234</u>	<u>\$ 21,471,978</u>	<u>\$ 22,367,465</u>	<u>\$ 22,773,511</u>	<u>\$ 22,983,347</u>	<u>\$ 23,814,060</u>	<u>\$ 24,922,987</u>
Change in Net Position:										
Governmental activities	\$ 704,830	\$ 241,897	\$ (166,115)	\$ (909,189)	\$ (376,052)	\$ 510,442	\$ 857,507	\$ 2,490,656	\$ (339,779)	\$ 2,147,589
Business-type activities	16,240	(27,260)	15,985	56,470	59,163	51,027	20,724	(5,051)	59,488	69,373
Total district-wide	<u>\$ 721,070</u>	<u>\$ 214,637</u>	<u>\$ (150,130)</u>	<u>\$ (852,719)</u>	<u>\$ (316,889)</u>	<u>\$ 561,469</u>	<u>\$ 878,231</u>	<u>\$ 2,485,605</u>	<u>\$ (280,291)</u>	<u>\$ 2,216,962</u>

Audubon School District
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

EXHIBIT J-3

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund:										
Restricted for:										
Capital reserve	\$ 115,228	\$ 115,413	\$ 115,614	\$ 115,980	\$ 85,140	\$ 25,140	\$ 175,266	\$ 675,617	\$ 776,293	\$ 994,426
Maintenance reserve	-	-	-	-	-	25,000	175,125	675,475	776,150	781,032
Emergency reserve	-	-	-	-	-	-	150,000	250,000	250,000	250,000
Excess surplus	192,856	85,637	45,925	-	-	7,599	251,680	251,680	-	150,000
Excess surplus - designated for subsequent year	112,272	192,856	85,637	45,925	-	-	7,599	-	-	-
Unemployment Compensation	-	-	-	-	-	-	-	325,973	326,832	328,501
Assigned to:										
Year-end Encumbrances	-	-	-	-	-	-	202,399	558,977	87,882	6,240
Designated for subsequent year's budget	372,838	202,684	199,937	100,000	132,322	150,000	142,401	23,200	600,000	675,000
Unassigned	(267,154)	(341,078)	(328,925)	(365,392)	(396,784)	(347,817)	(367,478)	(30,640)	259,070	(237,807)
Total general fund	<u>\$ 526,040</u>	<u>\$ 255,512</u>	<u>\$ 118,188</u>	<u>\$ (103,487)</u>	<u>\$ (179,322)</u>	<u>\$ (140,078)</u>	<u>\$ 736,992</u>	<u>\$ 2,730,282</u>	<u>\$ 3,076,227</u>	<u>\$ 2,947,392</u>
All Other Governmental Funds										
Unreserved, reported in:										
Special revenue fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 707,576	\$ 695,983	\$ 722,812
Capital projects fund	30,677	30,677	30,677	30,677	-	-	-	-	25,157,550	18,332,578
Debt service fund	18,497	-	-	-	-	-	-	-	9,835	98,753
Total all other governmental funds	<u>\$ 49,174</u>	<u>\$ 30,677</u>	<u>\$ 30,677</u>	<u>\$ 30,677</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 707,576</u>	<u>\$ 25,863,368</u>	<u>\$ 19,154,143</u>

Audubon School District
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

EXHIBIT J-4

	Fiscal Year Ending June 30,										
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues											
Tax levy	\$ 11,048,684	\$ 11,476,149	\$ 11,506,334	\$ 11,740,208	\$ 12,134,392	\$ 12,550,444	\$ 13,095,734	\$ 13,277,735	\$ 13,543,186	\$ 13,787,384	\$ 14,685,423
Tuition charges	2,749,838	2,679,181	2,544,829	2,845,523	2,869,004	2,875,966	2,759,800	2,576,099	2,389,600	2,326,515	2,014,139
Miscellaneous - Restricted									1,466	2,210	100,352
Miscellaneous	263,243	279,313	269,265	282,314	311,420	338,731	261,740	206,475	131,250	237,546	86,456
Local Sources									385,179	447,677	461,247
State sources	9,811,571	10,206,082	10,844,166	11,009,236	11,484,857	12,014,365	12,901,754	13,390,284	14,249,957	16,263,451	16,725,421
Federal sources	563,339	652,032	688,396	672,311	643,924	634,446	630,035	622,540	876,703	740,797	2,241,269
Total revenue	24,436,675	25,292,757	25,852,990	26,549,592	27,443,597	28,413,952	29,649,063	30,073,133	31,577,341	33,805,580	36,314,307
Expenditures											
Instruction											
Regular Instruction	6,732,283	7,279,627	7,245,205	7,651,790	7,466,250	7,461,221	7,793,194	7,578,048	7,819,079	8,704,370	9,123,333
Special education instruction	2,135,574	2,140,613	2,207,045	2,253,829	2,469,216	2,425,795	2,453,374	2,511,702	2,630,254	2,557,590	2,825,909
Other instruction	1,104,222	1,120,653	1,180,005	1,133,322	1,222,567	1,325,674	1,106,870	1,222,750	1,169,049	1,320,910	1,343,298
Support Services:											
Tuition	913,270	918,019	881,553	892,113	982,256	943,195	1,105,154	1,096,222	946,924	1,122,368	810,580
Student & instruction related services	2,270,838	2,404,025	2,590,979	2,635,317	2,758,572	2,890,303	3,017,368	3,123,343	3,145,379	3,538,341	4,293,842
General administration	400,261	345,800	440,030	402,179	451,409	415,763	458,363	450,991	472,903	582,022	549,028
School administrative services	1,015,206	1,000,431	985,567	1,020,320	881,659	833,710	928,661	857,246	867,893	814,944	816,453
Central services	525,491	541,492	584,814	560,121	525,996	515,821	490,205	414,088	424,147	441,564	449,529
Plant operations and maintenance	1,665,454	1,746,430	1,737,874	1,771,100	1,760,372	1,793,141	1,803,545	1,768,039	1,833,418	2,302,161	2,032,030
Pupil transportation	340,979	350,902	394,772	510,070	557,007	510,932	485,426	400,535	367,560	668,977	715,719
Employee benefits	5,909,433	5,697,808	6,291,850	6,421,304	7,206,401	8,083,320	8,451,705	8,604,412	9,039,761	10,264,322	10,705,273
Transfer of funds to charter school	22,128	-	-	-	-	-	35,567	37,739	48,024	58,790	33,761
Capital outlay	456,426	418,608	1,076,321	548,078	460,467	726,089	584,687	302,679	281,059	1,817,404	7,798,638
Debt service:											
Principal	770,000	970,000	750,000	770,000	755,000	740,000	775,000	730,000	770,000	785,000	815,000
Interest and other charges	257,179	289,080	256,000	241,000	225,600	210,500	195,700	180,200	158,300	135,200	839,974
Total expenditures	24,518,744	25,223,488	26,622,015	26,810,543	27,722,772	28,875,464	29,684,819	29,277,994	29,973,750	35,113,963	43,152,367
Excess (Deficiency) of revenues over (under) expenditures	(82,069)	69,269	(769,025)	(260,951)	(279,175)	(461,512)	(35,756)	795,139	1,603,591	(1,308,383)	(6,838,060)
Other Financing sources (uses)											
Proceeds of Bonds	-	-	-	-	-	-	-	-	-	26,810,000	-
Capital lease (nonbudgeted)	-	-	500,000	176,587	80,000	380,000	100,000	106,931	86,550	-	-
Transfers in	-	-	-	-	-	32,713	-	-	-	169,951	252,094
Transfers out	(30,000)	(38,000)	(20,000)	(52,960)	(22,500)	(57,713)	(25,000)	(25,000)	-	(169,951)	(252,094)
Total other financing sources (uses)	(30,000)	(38,000)	480,000	123,627	57,500	355,000	75,000	81,931	86,550	26,810,000	-
Net change in fund balances	\$ (112,069)	\$ 31,269	\$ (289,025)	\$ (137,324)	\$ (221,675)	\$ (106,512)	\$ 39,244	\$ 877,070	\$ 1,690,141	\$ 25,501,617	\$ (6,838,060)
Debt service as a percentage of noncapital expenditures	4.27%	5.08%	3.94%	3.85%	3.60%	3.38%	3.34%	3.14%	3.13%	2.76%	4.68%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

Audubon School District
General Fund - Other Local Revenue by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

EXHIBIT J-5

Fiscal Year Ending June 30,	Interest on Investments	Prior Year Refunds	Rentals	Other Refunds	Miscellaneous	Total
2014	\$ 958	\$ 22,754	\$ 171,572	\$ 43,485	\$ 40,429	\$ 279,198
2015	1,034	47,522	164,096	31,000	25,613	269,265
2016	1,203	17,844	165,993	41,382	55,892	282,314
2017	2,282	9,185	170,043	30,000	99,543	311,053
2018	5,489	63,763	166,443	38,000	65,036	338,731
2019	7,015	69,474	105,591	38,000	41,660	261,740
2020	10,298	30,417	74,296	65,612	25,852	206,475
2021	4,655	18,636	29,466	68,445	9,347	130,549
2022	2,146	114,377	36,066	30,000	45,122	227,711
2023	13,824	33,825		2,768	36,039	86,456
	<u>\$ 57,553</u>	<u>\$ 360,158</u>	<u>\$ 1,137,424</u>	<u>\$ 355,924</u>	<u>\$ 385,746</u>	<u>\$ 2,296,805</u>

Source: District records

**Audubon School District
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years**

EXHIBIT J-6

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate b	Estimated Actual (County Equalized) Value
2014	\$ 1,532,100	\$ 619,210,500	\$ 94,165,104	\$ 350,000	\$ 14,401,400	\$ 729,659,104	\$ 1,361,953	\$ 731,021,057	\$ 57,043,900	1.569	\$ 712,557,462
2015	1,537,300	614,309,900	92,964,504	350,000	14,041,400	723,203,104	1,391,805	724,594,909	57,238,600	1.612	676,151,844
2016	1,465,800	612,163,600	92,464,704	350,000	14,041,400	720,485,504	1,394,324	721,879,828	57,541,100	1.677	706,053,569
2017	1,615,800	608,443,000	91,511,504	350,000	14,041,400	715,961,704	1,374,552	717,336,256	58,017,900	1.744	708,393,534
2018	1,598,200	607,138,900	90,833,104	350,000	13,973,400	713,893,604	1,376,377	715,269,981	57,913,100	1.781	721,987,012
2019	1,573,000	605,465,000	90,593,504	350,000	13,973,400	711,954,904	1,372,350	713,327,254	58,700,600	1.811	734,283,528
2020	1,508,400	605,623,100	90,299,504	350,000	13,973,400	711,754,404	1,375,008	713,129,412	59,027,600	1.848	737,858,627
2021	1,778,400	606,029,600	88,217,204	350,000	14,003,400	710,378,604	1,393,036	711,771,640	59,202,400	1.885	738,461,296
2022	1,778,400	606,503,500	87,848,004	350,000	14,003,400	710,483,304	1,290,847	711,774,151	58,841,700	2.012	800,696,290
2023	1,692,900	608,537,300	87,990,204	350,000	14,036,400	712,606,804	100	712,606,904	58,570,700	2.072	878,769,661

Source:
Municipal Tax Assessor

Note:
Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when ordered by the County Board of Taxation

- a** Taxable Value of Machinery, Improvements and Equipment of Telephone, Telegraph and Messenger System Companies
- b** Tax rates are per \$100 of assessed valuation.
- c** Information not available.
- R** Reassessment

Audubon School District
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)

EXHIBIT J-7

Fiscal Year Ended June 30,	Audubon School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	Borough of Audubon	Library	Camden County	
2013	\$ 1.362	\$ -	\$ 1.362	\$ 0.807	\$ 0.034	\$ 0.802	\$ 3.005
2014	1.396	0.173	1.569	0.825	0.032	0.785	3.211
2015	1.435	0.177	1.612	0.825	0.031	0.755	3.223
2016	1.499	0.178	1.677	0.823	0.033	0.818	3.351
2017	1.569	0.175	1.744	0.835	0.033	0.829	3.441
2018	1.645	0.136	1.781	0.849	0.033	0.851	3.514
2019	1.683	0.128	1.811	0.873	0.034	0.840	3.558
2020	1.718	0.130	1.848	0.898	0.034	0.826	3.606
2021	1.756	0.129	1.885	0.898	0.034	0.824	3.641
2022	1.779	0.233	2.012	0.922	0.037	0.828	3.799
2022	1.779	0.233	2.012	0.922	0.037	0.828	3.799
2023	1.843	0.229	2.072	0.955	0.041	0.835	3.903

Source: Municipal Tax Collector

**Audubon School District
Principal Property Tax Payers,
Current Year and Nine Years Ago**

EXHIBIT J-8

<u>Taxpayer</u>	<u>2023</u>		<u>Taxpayer</u>	<u>2014</u>	
	<u>Taxable Assessed Value</u>	<u>% of Total District Net Assessed Value</u>		<u>Taxable Assessed Value</u>	<u>% of Total District Net Assessed Value</u>
Wolfson Group, LLC	\$ 32,634,700	4.58%	Wolfson Group, LLC	\$ 17,810,500	2.44%
Albertsons Co	9,000,000	1.26%	Wolfson Group, LLC	14,310,600	1.96%
Public Service Electric & Gas	3,430,000	0.48%	Supervalu	9,000,000	1.23%
Imperial Realty Associates, LLC	1,900,000	0.27%	PSE&G	3,500,000	0.48%
Audubon Equities, LLC	1,780,000	0.25%	Audubon Equities, LLC	1,750,000	0.24%
Oak Terrace Apartments, LLC	1,700,000	0.24%	Oak Terrace Apartments, LLC	1,700,000	0.23%
Bromley Enterprises, LLC	1,458,000	0.20%	Lee Associates	1,378,200	0.19%
AH Knoettner & Sons	1,434,600	0.20%	Bell Atlantic	1,361,953	0.19%
Bellevue Court Apartments, LLC	1,378,200	0.19%	Audubon Savings Bank	1,264,100	0.17%
Spoodles, LLC	1,233,000	0.17%	Castle Arms	1,200,000	0.16%
Total	\$ 55,948,500	7.85%	Total	\$ 53,275,353	7.29%

Source: Municipal Tax Assessor

**Audubon School District
Property Tax Levies and Collections,
Last Ten Fiscal Years**

EXHIBIT J-9

Fiscal Year Ended June 30,	Taxes Levied for the Calendar Year	Collected within the Fiscal Year of the Levy^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	\$ 11,476,149	\$ 10,312,579	89.86%	\$ 1,163,570
2015	11,506,334	11,506,334	100.00%	-
2016	12,015,208	12,015,208	100.00%	-
2017	12,103,703	12,103,703	100.00%	-
2018	12,550,444	12,550,444	100.00%	-
2019	13,095,734	13,095,734	100.00%	-
2020	13,277,735	13,277,735	100.00%	-
2021	13,543,186	13,543,186	100.00%	-
2022	13,787,384	13,787,384	100.00%	-
2023	14,685,423	13,628,623	92.80%	1,056,800

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

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

Audubon School District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(dollars in thousands, except per capita)

EXHIBIT J-10

Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income ^b	Per Capita ^c
	General Obligation Bonds ^a	Financed Purchases/Leases			
2013	\$ 9,640,000	\$ 242,869	\$ 9,882,869	2.55%	\$ 1,134
2014	8,670,000	184,338	8,854,338	2.21%	1,019
2015	7,920,000	624,373	8,544,373	2.05%	985
2016	7,150,000	572,205	7,722,205	1.80%	890
2017	6,395,000	394,902	6,789,902	1.53%	784
2018	5,655,000	551,884	6,206,884	1.35%	717
2019	4,880,000	334,250	5,214,250	1.10%	604
2020	4,150,000	287,257	4,437,257	0.88%	515
2021	3,380,000	583,536	3,963,536	0.74%	457
2022	29,405,000	416,671	29,821,671	d	3,431
2023	28,590,000	280,989	28,870,989	d	d

Sources:

- a District Records.
- b Personal Income has been estimated based upon the municipal population and per capita personal income.
- c Per Capita Personal Income Data provided by the NJ Dept. of Labor and Workforce.
- d Not available.

Audubon School District
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
(dollars in thousands, except per capita)

EXHIBIT J-11

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable ^b	Per Capita ^c
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding ^a		
2013	\$ 9,640,000	\$ -	\$ 9,640,000	1.31%	\$ 1,106
2014	8,670,000	-	8,670,000	1.19%	998
2015	7,920,000	-	7,920,000	1.09%	913
2016	7,150,000	-	7,150,000	0.99%	824
2017	6,395,000	-	6,395,000	0.89%	738
2018	5,655,000	-	5,655,000	0.79%	653
2019	4,880,000	-	4,880,000	0.68%	565
2020	4,150,000	-	4,150,000	0.58%	482
2021	3,380,000	-	3,380,000	0.47%	390
2022	29,405,000	-	29,405,000	4.13%	3,383
2023	28,590,000	-	28,590,000	4.01%	d

Sources:

- a District Records
- b Net Assessed Valuation provided by Abstract of Ratables, County Board of Taxation
- c Per Capita Personal Income Data provided by the NJ Dept. of Labor and Workforce.
- d Not available.

**Audubon School District
Ratios of Overlapping Governmental Activities Debt
As of December 31, 2022**

EXHIBIT J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Borough of Audubon	\$ 7,381,634 (1)	100.000%	\$ 7,381,634
Borough of Audubon Park	653,750 (1)	100.000%	653,750
Camden County General Obligation Debt	504,879,902 (1)	0.904% (2)	4,564,114
Subtotal, overlapping debt			<u>12,599,498</u>
Audubon School District Direct Debt			<u>29,405,000</u>
Total direct and overlapping debt			<u>\$ 42,004,498</u>

Sources:

- (1) Municipal Annual Debt Statement.
- (2) The County percentage is based upon a calculation reflecting the Borough's share of the 2022 Equalized Valuation. The source for this computation was the 2022 County Abstract of Ratables, provided by the County Board of Taxation.

Legal Debt Margin Calculation for Fiscal Year 2023

	Equalized valuation basis (1)
	2020 \$ 754,944,379
	2021 815,774,394
	2022 892,481,450
	<u>\$ 2,463,200,223</u>
Average equalized valuation of taxable property	<u>\$ 821,066,741</u>
Debt limit (4% of average equalized valuation) (2)	32,842,670
Net bonded school debt (3)	<u>28,590,000</u>
Legal debt margin	<u>\$ 4,252,670</u>

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 29,403,427	\$ 28,427,506	\$ 27,845,493	\$ 27,818,448	\$ 28,381,647	\$ 28,748,875	\$ 29,085,776	\$ 29,295,713	\$ 30,155,490	\$ 32,842,670
Total net debt applicable to limit (3)	<u>8,670,000</u>	<u>7,920,000</u>	<u>7,150,000</u>	<u>6,395,000</u>	<u>5,655,000</u>	<u>4,880,000</u>	<u>4,150,000</u>	<u>3,380,000</u>	<u>29,405,000</u>	<u>28,590,000</u>
Legal debt margin	<u>\$ 20,733,427</u>	<u>\$ 20,507,506</u>	<u>\$ 20,695,493</u>	<u>\$ 21,423,448</u>	<u>\$ 22,726,647</u>	<u>\$ 23,868,875</u>	<u>\$ 24,935,776</u>	<u>\$ 25,915,713</u>	<u>\$ 750,490</u>	<u>\$ 4,252,670</u>
Total net debt applicable to the limit as a percentage of debt limit	29.49%	27.86%	25.68%	22.99%	19.92%	16.97%	14.27%	11.54%	97.51%	87.05%

Sources:

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

**Audubon School District
Demographic and Economic Statistics
Last Ten Fiscal Years**

EXHIBIT J-14

Year	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2014	8,686	\$ 401,232,398	\$ 46,193	7.5%
2015	8,677	416,513,354	48,002	6.3%
2016	8,677	428,574,384	49,392	4.2%
2017	8,661	442,542,456	51,096	3.7%
2018	8,655	458,940,030	53,026	3.1%
2019	8,638	474,727,204	54,958	2.8%
2020	8,615	506,820,450	58,830	8.1%
2021	8,674	534,682,708	61,642	4.6%
2022	8,691	e	e	2.9%
2023	e	e	e	e

Source:

- ^a Population information provided by the NJ Dept of Labor and Workforce Development
- ^b Personal income has been established based upon the municipal population and per capita personal income presented.
- ^c Per Capita personal income provided by the NJ Dept. of Labor and Workforce Development.
- ^d Unemployment data provided by the NJ Dept of Labor and Workforce Development
- ^e Information not available

**Audubon School District
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years**

EXHIBIT J-16

<u>Function/Program</u>	<u>Fiscal Year Ending June 30,</u>									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Instruction										
Regular	124	124	108	108	108	100	103	104	104	105
Special education	19	19	30	30	30	30	26	28	26	28
Other special education	1	1	20	20	20	11	14	13	14	13
Other instruction	15	15	17	17	17	13	9	9	9	10
Support Services:										
Student & instruction related services	16	16	29	29	29	27	25	24	25	26
School administrative services	10	10	13	13	13	15	17	15	15	15
General and business administrative services	9	9	7	7	7	7	7	7	7	7
Plant operations and maintenance	25	25	25	25	25	26	23	22	26	25
Pupil transportation	3	3	1	1	1	1	1	1	1	1
Business and other support services	5	5	4	4	4	5	5	5	5	5
Total	<u>227</u>	<u>227</u>	<u>254</u>	<u>254</u>	<u>254</u>	<u>235</u>	<u>230</u>	<u>228</u>	<u>232</u>	<u>235</u>

Source:
District Personnel Records

Fiscal Year	Resident Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Masion Avenue School	Havilnd Avenue School	Senior High School				
2014	1,476	\$ 23,545,800	\$ 15,952	0.32%	159	1:22	1:20	1:20	1,410.0	1,337.9	0.05%	94.89%
2015	1,553	24,539,694	15,801	-0.95%	159	1:22	1:20	1:20	1,548.0	1,465.0	9.79%	94.64%
2016	1,531	25,251,465	16,493	4.38%	175	1:22	1:20	1:20	1,545.0	1,467.0	-0.19%	94.95%
2017	1,553	26,281,705	16,923	2.61%	175	1:22	1:20	1:20	1,549.0	1,476.1	0.26%	95.29%
2018	1,539	27,198,875	17,673	4.43%	175	1:22	1:20	1:20	1,528.6	1,444.4	-1.32%	94.49%
2019	1,249	28,129,432	22,522	27.43%	154	1:22	1:20	1:20	1,498.2	1,420.8	-1.99%	94.83%
2020	1,234	28,065,115	22,743	0.98%	152	1:22	1:20	1:20	1,471.2	1,419.0	-1.80%	96.45%
2021	1,227	28,764,391	23,443	3.08%	154	1:22	1:20	1:20	1,426.1	1,375.8	-3.07%	96.47%
2022	1,271	32,376,359	25,473	8.66%	153	1:22	1:20	1:20	1,404.8	1,319.4	-3.07%	93.92%
2023	1,267	33,698,755	26,597	4.41%	153	1:22	1:20	1:20	1,424.2	1,337.2	1.38%	93.89%

Sources: District records

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**Audubon School District
School Building Information
Last Ten Fiscal Years**

EXHIBIT J-18

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>District Building</u>										
<u>Elementary</u>										
Haviland Avenue School										
Square Feet	41,702	41,702	41,702	41,702	41,702	41,702	41,702	41,702	41,702	41,702
Capacity (students)	400	400	400	400	400	400	400	400	400	400
Enrollment	249	284	305	332	330	316	275	246	246	236
Mansion Avenue School										
Square Feet	48,439	48,439	48,439	48,439	48,439	48,439	48,439	48,439	48,439	48,439
Capacity (students)	575	575	575	575	575	575	575	575	575	575
Enrollment	292	358	371	355	377	383	391	370	360	357
Audubon Jr/Sr High School										
Square Feet	187,024	187,024	187,024	187,024	187,024	187,024	187,024	187,024	187,024	187,024
Capacity (students)	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Enrollment	869	823	869	848	822	799	805	810	777	775
Audubon Park Preschool										
Capacity (students)	-	-	-	-	-	-	-	-	60	60
Enrollment	-	-	-	-	-	-	-	-	23	56
Number of Schools at June 30, 2023										
Preschool	1									
Elementary	2									
Jr/Sr High School	1									

Source: District Facilities Office

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

	Fiscal Year Ending June 30,										Total
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
* School Facilities											
High School	\$ 189,110	\$ 202,847	\$ 215,592	\$ 175,100	\$ 186,629	\$ 174,675	\$ 196,711	\$ 208,950	\$ 424,284	\$ 227,829	\$ 2,201,727
Haviland School	40,307	45,231	48,090	39,052	41,624	38,958	43,872	46,602	94,628	50,813	489,177
Mansion School	46,656	52,536	55,855	45,333	48,316	45,221	50,927	54,096	109,843	58,983	567,766
Total School Facilities	<u>\$ 276,073</u>	<u>\$ 300,614</u>	<u>\$ 319,537</u>	<u>\$ 259,485</u>	<u>\$ 276,569</u>	<u>\$ 258,854</u>	<u>\$ 291,510</u>	<u>\$ 309,648</u>	<u>\$ 628,755</u>	<u>\$ 337,625</u>	<u>\$ 3,258,670</u>

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

Source: District records

**Audubon School District
Insurance Schedule
June 30, 2023**

EXHIBIT J-20

	<u>Coverage</u>	<u>Self Insured Retention</u>	<u>Deductible</u>
School Package Policy (1)			
Building and Contents (All Locations)			
Limits of liability per occurrence	\$ 175,000,000	\$ 250,000	\$ 500
General and Automobile Liability	20,000,000	250,000	
Workers' Compensation	Statutory	250,000	
Crime Coverage - Blanket Surety Coverage	500,000	250,000	500
Educator's Legal Liability	20,000,000	250,000	
Pollution Legal Liability	3,000,000		25,000
Cyber Liability	2,000,000		10,000
Boiler and Machinery	125,000,000		1,000
Crisis Protection and Disaster Management Services	1,000,000		10,000
Student Accident (2)	1,000,000		
Catastrophic Student Athletic (3)	7,500,000		25,000
Surety Bonds (4)			
Board Secretary	250,000		

- (1) Burlington County Joint Insurance Fund
- (2) United States Fire Insurance
- (3) Federal Insurance Company
- (4) Western Surety

Source: District records

Single Audit Section

INVERSO & STEWART, LLC
Certified Public Accountants

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**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
Audubon School District
County of Camden
Audubon, New Jersey

I 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 the *Government Auditing Standards*, issued by the Comptroller General of the United States, and the 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, each major fund, and the aggregate remaining fund information of the Audubon School District (the "District"), in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued my report thereon dated December 15, 2023.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

My 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District’s financial statements are free from material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my 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 my 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.

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant No. CS001095

Marlton, New Jersey
December 15, 2023

INVERSO & STEWART, LLC
Certified Public Accountants

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**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
 Audubon School District
 County of Camden
 Audubon, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

I have audited Audubon School District's (the "District"), 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 the District's major federal and state programs for the year ended June 30, 2023. The 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 my opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal and State Program

I conducted my 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, 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*. My responsibilities under those standards and the Circular 15-08-OMB are further described in the Auditor's Responsibilities for the Audit of Compliance section of my report.

I am required to be independent of the District and to meet my other ethical responsibilities, in accordance with relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on compliance for each major federal and state program. My audit does not provide a legal determination of the 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 District's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

My objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on my audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance, and the N.J. 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, would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance, and N.J. Circular 15-08-OMB, I:

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

I am 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 I identified during the audit.

Report on Internal Control over Compliance

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

My 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 my audit I did not identify any deficiencies in internal control over compliance that I 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.

My 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.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of my 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.

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant No. CS001095

Marlton, New Jersey
December 15, 2023

AUDUBON SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/ Program Title	Assistance Listing Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance June 30, 2022				Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2023		
						(Accounts Receivable)	Unearned Revenue	Due to Grantor	Adjustment				(Accounts Receivable)	Unearned Revenue	Due to Grantor
U.S. Department of Education															
Passed-through State Department of Education:															
Special Revenue Fund:															
Title I:															
Fiscal Year 2023	84.010A	S010A220030	ESSA015023	\$ 134,864	7/1/22 - 9/30/23	\$ -	\$ -	\$ -	\$ -	\$ 134,864	\$ (134,864)	\$ -	\$ -	\$ -	\$ -
Fiscal Year 2022	84.010A	S010A210030	ESSA015022	175,363	7/1/21 - 9/30/22	(35,363)				35,363					
Title II A:															
Fiscal Year 2023	84.367A	S367A220029	ESSA015023	26,439	7/1/22 - 9/30/23					16,809	(16,809)				
Title IV:															
Fiscal Year 2023	84.424A	S424A220031	ESSA015023	3,600	7/1/22 - 9/30/23					3,600	(3,600)				
I.D.E.A. Part B - Basic:															
Fiscal Year 2023	84.027	H027A220100	IDEA015023	366,959	7/1/22 - 9/30/23					366,959	(366,959)				
Fiscal Year 2022	84.027	H027A210100	IDEA015022	365,115	7/1/21 - 9/30/22	(14,000)				14,000					
ARP Part B - Basic															
Fiscal Year 2023	84.027X	H027A210100	IDEA015022	66,482	7/1/21 - 9/30/22						(66,482)		(66,482)		
I.D.E.A. Part B - Preschool:															
Fiscal Year 2023	84.173	H173A220114	IDEA015023	13,920	7/1/22 - 9/30/23					13,920	(13,920)				
Fiscal Year 2022	84.173	H173A210114	IDEA015022	12,648	7/1/21 - 9/30/22	(12,648)				12,648					
ARP - Preschool															
Fiscal Year 2023	84.173X	H173X210114	IDEA015022	5,663	7/1/21 - 9/30/22						(5,663)		(5,663)		
CARES Act - ESSER I															
Fiscal Year 2023	84.425D	S425D210027	N/A	138,091	3/13/20 - 9/30/22	(7,153)				7,153					
Coronavirus Response and Relief Supplemental Act:															
CRRSA - ESSER II															
Fiscal Year 2023	84.425D	S425D210027	N/A	536,687	3/13/20 - 9/30/23	(154,010)				362,700	(239,088)		(30,398)		
CRRSA - Learning Acceleration															
Fiscal Year 2023	84.425D	S425D210027	N/A	34,442	3/13/20 - 9/30/23	(9,185)				34,442	(25,257)				
CRRSA - Mental Health															
Fiscal Year 2023	84.425D	S425D210027	N/A	45,000	3/13/20 - 9/30/23	(13,693)				45,000	(31,307)				
American Rescue Plan:															
ARP - ESSER III															
Fiscal Year 2023	84.425U	S425U210027	N/A	1,206,169	3/13/20 - 9/30/24	(2,014)				802,014	(968,061)		(168,061)		
ARP - Accelerated Learning															
Fiscal Year 2023	84.425U	S425U210027	N/A	114,798	3/13/20 - 9/30/24						(32,585)		(32,585)		
ARP - Summer Learning															
Fiscal Year 2023	84.425U	S425U210027	N/A	40,000	3/13/20 - 9/30/24						(40,000)		(40,000)		
ARP - Beyond the School Day															
Fiscal Year 2023	84.425U	S425U210027	N/A	40,000	3/13/20 - 9/30/24						(40,000)		(40,000)		
U.S. Department of Justice:															
COPS - School Violence Prevention (SVPP)	16.710	15JCOPS22GG04219SSIX	N/A	243,492	10/1/22-9/30/25					243,492	(243,492)				
Total Special Revenue Fund						(248,066)				2,092,964	(2,228,087)		(383,189)		
U.S. Department of Agriculture															
Passed-through State Department of Agriculture:															
Enterprise Fund															
Food Distribution Program															
Fiscal Year 2023	10.555	231NJ304N1199	N/A	56,043	7/1/22 - 6/30/23					56,043	(56,043)				
National School Breakfast Program															
Fiscal Year 2023	10.553	231NJ304N1199	N/A	10,990	10/1/22 - 9/30/23					8,782	(10,990)		(2,208)		
Fiscal Year 2022	10.553	221NJ304N1099	N/A	36,376	10/1/21 - 9/30/22	(3,087)				3,087					
National School Lunch Program															
Fiscal Year 2023	10.555	231NJ304N1199	N/A	174,382	10/1/22 - 9/30/23					145,476	(174,381)		(28,905)		
Fiscal Year 2022	10.555	221NJ304N1099	N/A	571,104	10/1/21 - 9/30/22	(27,977)				27,977			-		
Supply Chain Assistance - 1st Round															
Fiscal Year 2023	10.555	221NJ344N8903	N/A	31,268	1/1/22 - 9/30/23					31,268	(31,268)		(28,804)		
Supply Chain Assistance - 2nd Round															
Fiscal Year 2023	10.555	221NJ344N8903	N/A	28,804	1/1/22 - 9/30/23					28,804	(28,804)				
Supply Chain Assistance - 3rd Round															
Fiscal Year 2023	10.555	231NJ344N8903	N/A	15,736	10/1/22 - 9/30/24					15,736	(15,736)				
Total Enterprise Fund						(31,064)				317,173	(317,222)		(31,113)		
U.S. Department of Health and Human Services															
Passed-through State Department of Human Services:															
General Fund:															
Medicaid Assistance Program															
Fiscal Year 2023	93.778	2205NJ5MAP	N/A	52,800	7/1/22 - 6/30/23					52,800	(52,800)		-		
Fiscal Year 2022	93.778	2205NJ5MAP	N/A	6,981	7/1/21-12/31/21					6,981	(6,981)		-		
Total General Fund										59,781	(59,781)				
Total Federal Awards						\$ (279,130)	\$ -	\$ -	\$ -	\$ 2,469,918	\$ (2,605,090)	\$ -	\$ (414,302)	\$ -	\$ -

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

AUDUBON SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2023

State Grantor / Program Title	Grant or State Project Number	Program or Award Amount	Local Share	Grant Period From - To	Balance June 30, 2022			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Canceled	Balance June 30, 2023		
					(Accounts Receivable)	Unearned Revenue	Due to Grantor					(Accounts Receivable)	Unearned Revenue	Due to Grantor
State Department of Education														
General Fund:														
Equalization Aid	23-495-034-5120-078	\$ 7,108,841	\$ -	7/1/22 - 6/30/23	\$ -	\$ -	\$ -	\$ 6,423,624	\$ (7,108,841)	\$ -	\$ -	\$ (685,217)	\$ -	\$ -
Equalization Aid	22-495-034-5120-078	6,777,216	-	7/1/21 - 6/30/22	(655,355)			655,355						
Special Education Categorical Aid	23-495-034-5120-089	1,046,915		7/1/22 - 6/30/23				946,004	(1,046,915)			(100,911)		
Special Education Categorical Aid	22-495-034-5120-089	1,046,915		7/1/21 - 6/30/22	(101,236)			101,236						
Security Aid	23-495-034-5120-084	200,391		7/1/22 - 6/30/23				181,075	(200,391)			(19,316)		
Security Aid	22-495-034-5120-084	200,391		7/1/21 - 6/30/22	(19,378)			19,378						
Transportation Aid	23-495-034-5120-014	73,419		7/1/22 - 6/30/23				66,342	(73,419)			(7,077)		
Transportation Aid	22-495-034-5120-014	73,419		7/1/21 - 6/30/22	(7,100)			7,100						
School Choice Aid	23-495-034-5120-068	999,630		7/1/22 - 6/30/23				903,276	(999,630)			(96,354)		
School Choice Aid	22-495-034-5120-068	1,002,960		7/1/21 - 6/30/22	(96,986)			96,986						
Adjustment Aid	23-495-034-5120-085	162,302		7/1/22 - 6/30/23				146,658	(162,302)			(15,644)		
Adjustment Aid	22-495-034-5120-085	328,370		7/1/21 - 6/30/22	(31,753)			31,753						
Stabilization Aid	23-100-034-5120-494	83,192		7/1/22 - 6/30/23				83,192	(83,192)					
Extraordinary Special Education Cost Aid	23-495-034-5120-044	376,877		7/1/22 - 6/30/23					(297,729)			(297,729)		
Extraordinary Special Education Cost Aid	22-495-034-5120-044	376,877		7/1/21 - 6/30/22	(376,877)			376,877						
On behalf TPAF Pension Contribution	23-495-034-5094-002	4,197,937		7/1/22 - 6/30/23				4,197,937	(4,197,937)					
On behalf TPAF Post Retirement Medical	23-495-034-5094-001	1,102,788		7/1/22 - 6/30/23				1,102,788	(1,102,788)					
On behalf TPAF LTDI	23-495-034-5094-004	1,574		7/1/22 - 6/30/23				1,574	(1,574)					
Reimbursed TPAF Social Security Contr.	23-495-034-5094-003	928,971		7/1/22 - 6/30/23				836,644	(928,971)			(92,327)		
Reimbursed TPAF Social Security Contr.	22-495-034-5094-003	884,156		7/1/21 - 6/30/22	(87,647)			87,647						
Total General Fund					<u>(1,376,332)</u>			<u>16,265,446</u>	<u>(16,203,689)</u>			<u>(1,314,575)</u>		
Special Revenue:														
Preschool Education Aid	23-495-034-5120-086	652,704	163,176	7/1/22 - 6/30/23				753,310	(686,424)			(62,570)	129,456	
Preschool Expansion Aid	22-495-034-5120-086	440,319	160,116	7/1/21 - 6/30/22	(44,032)	135,071		44,032					135,071	
SDA Emergent Needs & Cap. Maint.	EG-0141-D02	36,800		7/1/21 - 6/30/22	(36,800)			36,800						
Total Special Revenue					<u>(80,832)</u>	<u>135,071</u>		<u>834,142</u>	<u>(686,424)</u>			<u>(62,570)</u>	<u>264,527</u>	
Total Department of Education					<u>(1,457,164)</u>	<u>135,071</u>		<u>17,099,588</u>	<u>(16,890,113)</u>			<u>(1,377,145)</u>	<u>264,527</u>	
New Jersey Schools Construction Corporation:														
Capital Projects Fund:														
EDA Educational Facilities Construction and Financing Act - Section 15:														
Roof and Roof-Top HVAC - Level I	#0150-040-13-1002	312,000		8/1/14- 12/31/14	(187,200)							(187,200)		
Total Educational Facilities Construction					<u>(187,200)</u>							<u>(187,200)</u>		
State Department of Agriculture														
National School Lunch Program (State Share)														
Fiscal Year 2023	23-100-010-3350-023	8,629		7/1/22 - 6/30/23				7,205	(8,629)			(1,424)		
Fiscal Year 2022	22-100-010-3350-023	13,400		7/1/21 - 6/30/22	(644)			644						
Total Department of Agriculture					<u>(644)</u>			<u>7,849</u>	<u>(8,629)</u>			<u>(1,424)</u>		
Total State Financial Assistance					<u>\$ (1,645,008)</u>	<u>\$ 135,071</u>	<u>\$ -</u>	<u>\$ 17,107,437</u>	<u>(16,898,742)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,565,769)</u>	<u>\$ 264,527</u>	<u>\$ -</u>
Less: State Financial Assistance Not Subject to New Jersey OMB Circular 15-08														
On behalf TPAF Pension Contribution	23-495-034-5094-002	4,197,937							4,197,937					
On behalf TPAF Post Retirement Medical	23-495-034-5094-001	1,102,788							1,102,788					
On behalf TPAF LTDI	23-495-034-5094-004	1,574							1,574					
Total State Financial Assistance Subject to New Jersey OMB Circular 15-08									<u>\$ (11,596,443)</u>					

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

**Audubon School District
Notes to the Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2023**

I. GENERAL

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

2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The school district has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when the 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 of the June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or two June state aid payments in the current budget year, consistent with *N.J.S.A. 18A:22-44.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$12,711) for the general fund and (\$198,580) 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 are reported in the Board's basic financial statements on a GAAP basis as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 59,781	\$ 16,190,978	\$ 16,250,759
Special Revenue	2,181,488	534,443	2,715,931
Capital Projects			-
Food Service	<u>317,222</u>	<u>8,629</u>	<u>325,851</u>
Total	<u>\$ 2,558,491</u>	<u>\$ 16,734,050</u>	<u>\$ 19,292,541</u>

**Audubon School District
Notes to the Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2023
(Continued)**

4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2023. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2023.

6. MAJOR PROGRAMS

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

**AUDUBON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Section I --Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

1) Material weaknesses identified? yes X no

2) Significant deficiencies identified? yes X none reported

Noncompliance material to basic financial statements noted? yes X no

Federal Awards

Internal Control over major programs:

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

2) Significant deficiencies identified? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516 of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)? yes X no

Identification of major programs:

<u>AL Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.425D</u>	<u>S425D210027</u>	<u>CRRSA - ESSER II</u>
<u>84.425D</u>	<u>S425D210027</u>	<u>CRRSA - Learning Acceleration</u>
<u>84.425D</u>	<u>S425D210027</u>	<u>CRRSA - Mental Health</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>ARP - ESSER</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>ARP - Accelerated Learning</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>ARP - Summer Learning</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>ARP - Beyond the School Day</u>

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

Auditee qualified as low-risk auditee? X yes no

**AUDUBON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Section 2 -- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

No findings and/or questioned costs identified.

**AUDUBON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Section 3 -- Schedule of Federal Awards and State Financial Assistance
Findings and Questioned Costs**

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state 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) and New Jersey Circular 15-08-OMB.

FEDERAL AWARDS:

No findings and/or questioned costs identified.

STATE AWARDS:

No findings and/or questioned costs identified.

**AUDUBON SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT**

This section identifies the status of prior year findings related to the financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *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 New Jersey Circular 15-08-OMB.

FINANCIAL STATEMENT FINDINGS

There were no prior year audit findings.

FEDERAL AWARDS

There were no prior year audit findings.

STATE AWARDS

There were no prior year audit findings.