

Camden County



CLEMENTON, NEW JERSEY

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2023**

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION
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INTRODUCTORY SECTION



Patrick Madden

Business Administrator/Board Secretary

February 16, 2024

Honorable President and Members of the
Camden County Educational Services Commission
County of Camden
State of New Jersey

Dear Board of Directors:

The annual comprehensive financial report of the Camden County Educational Services Commission 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 Camden County Educational Services Commission. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the Commission. All disclosures necessary to enable the reader to gain an understanding of the Commission'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 Commission's organizational chart and a list of principal officials. The financial section includes the financial statements and schedules, as well as the auditor's report therein. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The Commission is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State of New Jersey Circular 15-08 OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and questioned costs are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICE: Camden County Educational Services Commission is an independent reporting entity within the criteria adopted by the GASB as established by NCGA statement No. 3. All funds of the Commission are included in this report. The Camden County Educational Services Commission and all of its programs and services constitute the Commissions reported entity.

The Commission provides specific educational services appropriate to member districts requests for private and public students in grade levels K through 12. These services include transportation, special education and non-public services. Students transported attend summer, vocational, public, private, and special education schools. Non-Public and special services were provided in the following areas: compensatory education, ESL, speech, child study evaluations, home instruction, supplemental instruction, occupational therapy, and physical therapy. The Commission also provides the educational program at the Camden County Juvenile Detention Center.

<u>YEAR</u>	<u>TRANSPORTATION</u>	<u>PL 192/193 NON-PUBLIC AND SPECIAL SERVICES</u>
2022-2023	5,805 students	6,063 students
2021-2022	6,424 students	6,192 students
2020-2021	6,122 students	5,200 students

2. ECONOMIC CONDITION AND OUTLOOK: The uncertainty of state funding for public education, imposed rate caps by the state, and increased restrictions on fund balance have forced school districts to find creative and more cost effective ways to meet their obligations. In response, the Camden County Educational Services Commission continues to expand and seek opportunities to assist member districts. By coordinating and providing efficient programs and services at the county-level, school districts are relieved of the associated administrative burdens and realize cost savings that reduce local property taxes. The Commission continues to form partnerships and build relationships where stakeholders routinely look to the Commission for assistance in fulfilling their mission to educate the youth of Camden County.
3. MAJOR INITIATIVES: Since its inception in 1979, coordinated transportation services and non-public school programs have dominated the Commission’s activities. Coordinated student transportation services represent most of the revenue supporting the Commission’s budget.

Revenue growth to the Commission for the 2017-2018 school year was \$36.66 million. In the 2018-2019 school year transportation revenue grew to \$41.49 million. In the 2019-2020 school year transportation revenue fell to \$34.18 million and in the 2020-2021 school year transportation revenue fell to \$19.38 million. In the 2021-2022 school year transportation revenue grew to \$30.07 million. For the most recent fiscal year ending June 30, 2023, school year transportation grew to \$42.07 million.

The recent large increase in revenue is attributable to the Commission emerging from the past COVID-19 emergency and the increased costs for contracted student transportation services with private companies. The Commission and the various public school districts it provides services to have re-established the levels of services consistent with those prior to the pandemic. This is anticipated to continue and hopefully result in more consistent future transportation revenue numbers closer to what was experienced in this most recent fiscal year end June 30, 2023.

The Commission continually looks to improve efficiencies and processes through the use of information technologies. In order to increase productivity, limit customer service disruptions and provide for disaster recovery, the Commission analyzes and upgrades its network infrastructure on a regular basis. These upgrades are necessary to meet the growing customer demands and the added staff necessary for scaling to operational efficiency.

Future growth is important to the viability of the Commission. As such, the growth plan must include strategies to decrease exposure to revenue concentration by developing alternative service offers. In order to execute on these strategies, new service offers may be fulfilled by direct services, purchased services, or strategic partnerships. The current growth plan targets expansion in Purchased Services, expansion of the Commission's Cooperative Pricing System and maintaining the comprehensive Transition Program and Mental Health Services program for county students. Additionally, during the 2022-2023 school year the Commission established the Southern Region Early Childhood Collaborative (SRECC). This collaborative offers early childhood and pre-school consultation and staffing services to interested public school districts.

4. INTERNAL ACCOUNTING CONTROLS: The management of the Commission is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Commission 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 Commission is also 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 Commission management.

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

5. BUDGETARY CONTROLS: In addition to internal accounting controls, the Commission maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Directors. Annual appropriated budgets are adopted for the general fund and special revenue fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either cancelled or are included as reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as assignments of fund balance on June 30, 2023.

6. ACCOUNTING SYSTEM AND REPORTS: The Commission's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standard Board (GASB). The accounting system of the Commission is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements", Note 1.
7. CASH MANAGEMENT: The investment policy of the Commission is guided in large part by state statute as detailed in "Notes to Financial Statements", Note 2. The Commission has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
8. RISK MANAGEMENT: The Commission carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.
9. INDEPENDENT AUDIT: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman & Company LLP has been selected by the Board of Directors to conduct our audit.

In addition to meeting the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08 OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, the auditor's report on the 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.

10. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Board of Directors of the Camden County Educational Services Commission for their concern in providing fiscal accountability to the citizens and taxpayers of our member districts 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,

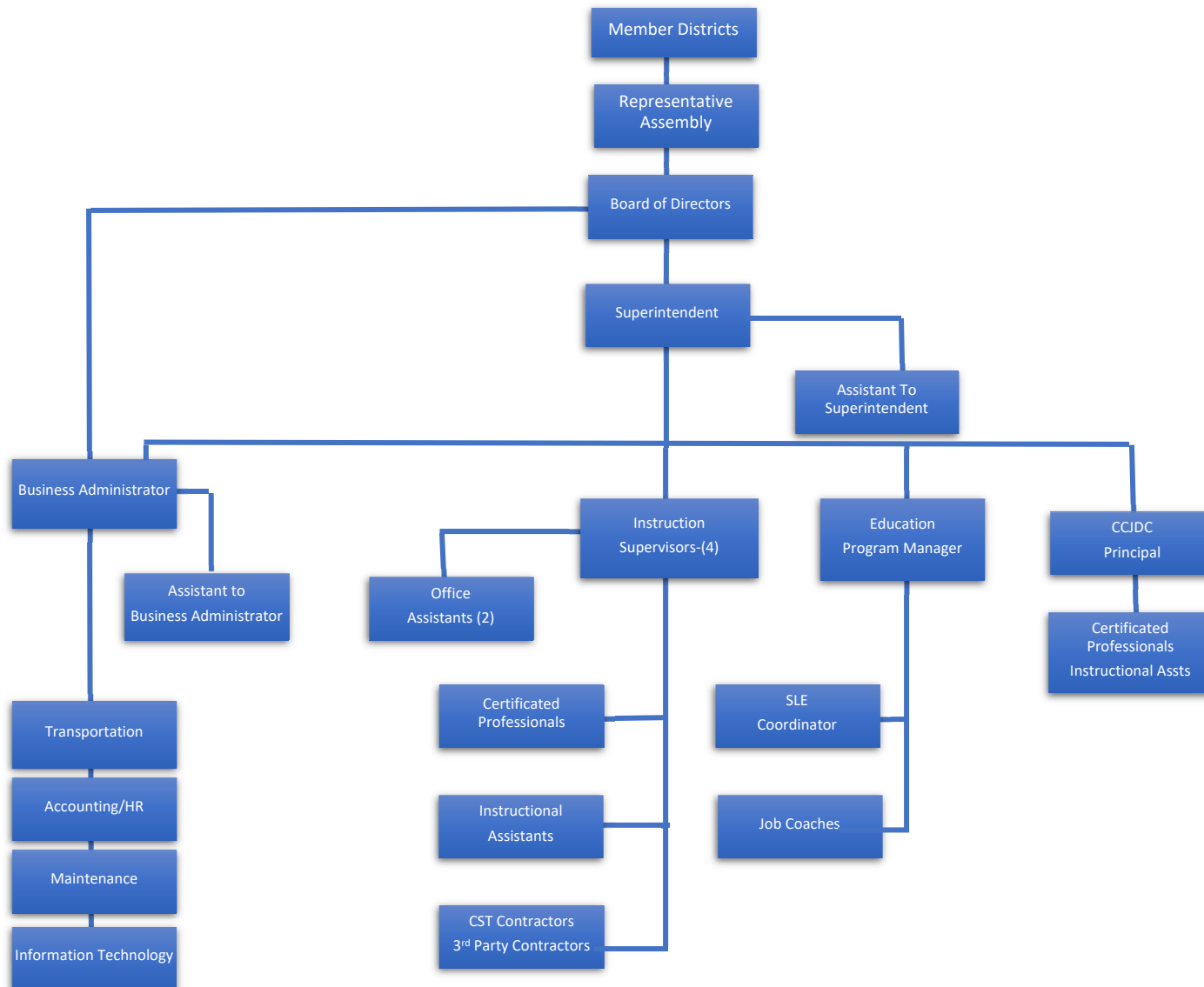


Daniel Del Vecchio
Superintendent



W. Patrick Madden
Business Administrator /
Board Secretary

Camden County Educational Services Commission Organization Chart 2022-23



**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION
CLEMENTON, NJ**

Roster of Officials

June 30, 2023

<u>Members of the Board of Directors</u>	<u>District</u>	<u>Term Expires</u>
Joyce A. Miller	Gibbsboro	2024
Matthew Minder	Laurel Springs	2024
Jennifer Storer	Black Horse Pike Regional	2024
Corrien Elmore-Stratton	Cherry Hill	2024
Darlene Still	Lawnside	2024
Veronica Parker	Eastern Regional	2024
Mary Ann Johnson	Gloucester Township	2024
Rebecca Ammen	Magnolia	2024
Alethia Gibbs-Smith	Lindenwold	2024
Michele Oriente	Berlin Township	2024
Jocelyn Lewis	Berlin Borough	2024
Randall Freiling	Clementon	2024
Felix James	Pine Hill	2024
Rachael Brown	Haddonfield	2024
Heather Farrell	Runnemede	2024

Officers

Joyce A. Miller, President	2024
Jennifer Storer, Vice President	2024
Mary Ann Johnson, Treasurer	2024

Other Officials

Daniel Del Vecchio , Superintendent

W. Patrick Madden, Business Administrator / Board Secretary

Robert Muccilli, Attorney

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION
CLEMENTON, NJ**

Consultants and Advisors

June 30, 2023

Auditor

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

Solicitor/Negotiator

Robert A. Muccilli
Capehart & Scatchard
8000 Midlantic Drive, Suite 300S
Mt. Laurel, New Jersey 08054

Health Insurance Broker/Insurance Risk Manager

Brown and Brown Consulting Group
24 Arnett Avenue Suite 110
Lambertville, New Jersey 08530

Hardenbergh Insurance Group
8000 Sagemore Drive Suite 8101
Marlton, New Jersey 08053

Architect

Garrison Architects
713 Creek Road
Bellmawr, New Jersey 08031

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Camden County Educational Services Commission
Clementon, New Jersey 08021

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Camden County Educational Services Commission, 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 Commission's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Camden County Educational Services Commission, in the County of Camden, State of New Jersey, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

Change in Accounting Principle

As described in note 1 to the financial statements, during the fiscal year ended June 30, 2023, the Commission adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

Restatement of Prior Period Financial Statements

Because of the implementation of GASB Statement No. 96, net position of governmental activities, business-type activities, and the enterprise fund as of July 1, 2022, on the statement of activities and the statement of revenues, expenses, and changes in fund net position, respectively, has been restated, as discussed in note 16 to the financial statements. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information


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

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

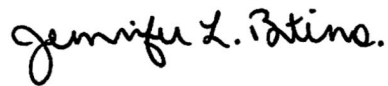
Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2024 on our consideration of the Camden County Educational Services Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Camden County Educational Services Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Camden County Educational Services Commission's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Jennifer L. Bertino
Certified Public Accountant
Public School Accountant No. CS 00253000

Voorhees, New Jersey
February 16, 2024

REQUIRED SUPPLEMENTARY INFORMATION
PART I
MANAGEMENT'S DISCUSSION AND ANALYSIS

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited)

As management of the Camden County Educational Services Commission (hereafter referred to as the "Commission"), we offer readers of the Commission's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the Commission's financial performance as a whole; readers should also review the information furnished in our letter of transmittal, notes to the basic financial statements, and financial statements to enhance their understanding of the Commission's financial performance.

FINANCIAL HIGHLIGHTS

- The net position of the Commission, which represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources, totaled \$15,300,073.65 at the close of the current fiscal year. Of this amount, (\$1,537,597.61) represents net position of governmental activities and \$16,837,671.26 for business-type activities.
- The Commission's total financed purchases decreased by \$207,560.02 as a result of the final payment being made during fiscal year 2023.
- The Commission's total charges for service revenues increased by \$13,301,535.77, which is largely due to and increase in the number of transportation contracts issued during fiscal year 2023 with local school districts.
- During fiscal year 2023, the Commission implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Due to the implementation of this GASB the net position of the enterprise fund and the net position on the government-wide financial statements has been restated as of July 1, 2022.

USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT

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

Reporting the Commission as a Whole

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

These two statements report the Commission's *net position* and changes in it. You can think of the Commission's net position as one way to measure the Commission's financial health, or *financial position*. Over time, *increases or decreases* in the Commission's net position is one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as the condition of the Commission's capital assets, to assess the *overall health* of the Commission.

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited)

USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT (CONT'D)

Reporting the Commission as a Whole (Cont'd)

In the statement of net position and the statement of activities, we divide the Commission into two kinds of activities, those being governmental activities and business-type activities. In the governmental activities, this is where the Commission's basic services are reported that are supported from intergovernmental revenues. The business-type activities of the Commission include an enterprise fund and is supported from user fees and charges.

Reporting the Commission's Most Significant Funds

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

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

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

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

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

Proprietary Funds - the Commission maintains one type of proprietary fund; that being an enterprise fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Commission uses an enterprise fund to account for its user fees and charges related to nonpublic auxiliary and handicapped services, related services, cooperative purchasing services, etc.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

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

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited)

THE COMMISSION AS A WHOLE

During fiscal year 2023, the Commission's net position increased by \$3,508,844.24, increasing from \$11,791,229.41 in fiscal year 2022 to \$15,300,073.65 in fiscal year 2023. Our analyses that follow focus on the net position (Table 1) and changes in net position (Table 2) of the Commission's governmental-type activities and business-type activities.

	TABLE 1 NET POSITION							
	Governmental Activities		Business-Type Activities		Government-wide Totals		Government-wide %	
	2023	2022	2023	2022	2023	2022	Change	Change
Current and Other Assets	\$ 3,145,762.58	\$ 1,907,080.23	\$ 14,240,413.82	\$ 11,943,098.59	\$ 17,386,176.40	\$ 13,850,178.82	\$ 3,535,997.58	25.5%
Capital Assets	333,475.40	77,461.13	3,774,395.42	3,818,821.63	4,107,870.82	3,896,282.76	211,588.06	5.4%
Total Assets	3,479,237.98	1,984,541.36	18,014,809.24	15,761,920.22	21,494,047.22	17,746,461.58	3,747,585.64	21.1%
Deferred Outflows of Resources	304,303.68	218,270.82	118,340.32	246,135.18	422,644.00	464,406.00	(41,762.00)	-9.0%
Other Liabilities	2,649,298.03	1,820,224.18	240,875.62	278,146.68	2,890,173.65	2,098,370.86	791,802.79	37.7%
Long-Term Liabilities Outstanding	1,601,390.60	1,039,755.92	638,316.32	1,310,893.21	2,239,706.92	2,350,649.13	(110,942.21)	-4.7%
Total Liabilities	4,250,688.63	2,859,980.10	879,191.94	1,589,039.89	5,129,880.57	4,449,019.99	680,860.58	15.3%
Deferred Inflows of Resources	1,070,450.64	960,670.13	416,286.36	1,083,308.87	1,486,737.00	2,043,979.00	(557,242.00)	-27.3%
Net Investment in Capital Assets	208,188.63	35,925.33	3,774,395.42	3,652,797.41	3,982,584.05	3,688,722.74	293,861.31	8.0%
Unrestricted (Deficit)	(1,745,786.24)	(1,653,763.38)	13,063,275.84	9,682,909.23	11,317,489.60	8,029,145.85	3,288,343.75	41.0%
Total Net Position (Deficit)	(1,537,597.61)	(1,617,838.05)	16,837,671.26	13,335,706.64	15,300,073.65	11,717,868.59	3,582,205.06	30.6%
Restatement to Implement GASB 96	-	(408.32)	-	73,769.14	-	73,360.82	(73,360.82)	
Total Net Position (Deficit)	\$ (1,537,597.61)	\$ (1,618,246.37)	\$ 16,837,671.26	\$ 13,409,475.78	\$ 15,300,073.65	\$ 11,791,229.41	\$ 3,508,844.24	29.8%

At the end of fiscal year 2023, the Commission experienced a net increase in current and other assets of \$3,747,585.64, and an increase in other liabilities of \$680,860.58. These net changes primarily resulted from an increase in current and other assets of \$3,535,997.58, which was caused by an increase of \$1,539,986.89 in the Commission's cash balances and by an increase of \$1,996,010.69 in the Commission's accounts receivable. The decrease in the Commission's long-term liabilities, which includes financed purchases, net pension liability, compensated absences, and subscription liabilities resulted from the scheduled pay down of principal of \$207,560.02 on the financed purchases. The changes in the deferred outflows and inflows of resources (\$41,762.00 and \$557,242.00, respectively) also relate to the actuarial estimations and calculations related to the Commission's net pension liabilities. See notes 5 and 6 in the notes to financial statements for further detail regarding the Commission's long-term liabilities and related balances.

In regard to net position, twenty-six percent (26%), or \$3,982,584.05, of the Commission's fiscal year-end balance reflects its net investment in capital assets (i.e., land, buildings and building improvements, machinery and equipment, etc.). This component represents capital assets, net of accumulated depreciation and amortization, and net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets. The Commission uses these assets to provide educational services to students and other services to local school districts; consequently, these assets are not available for future spending. Although the Commission's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from sources since the capital assets themselves cannot be used to liquidate these liabilities.

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited)

THE COMMISSION AS A WHOLE (CONT'D)

The final component of net position is unrestricted. This component represents resources and uses that do not meet the criteria of the aforementioned component of net position. At the end of the current fiscal year, the Commission's unrestricted net position was \$11,317,489.60. Unrestricted net position is decreased by the recording of long-term liabilities for financed purchases, compensated absences, net pension liability, and subscription liabilities. Such long-term liabilities are funded by the Commission on a pay-as-you-go basis.

Table 2 below illustrates the changes in net position of the Commission's governmental-type activities and business-type activities.

TABLE 2 CHANGES IN NET POSITION								
	Governmental Activities		Business-Type Activities		Government-wide Totals		Government-wide	
	2023	2022	2023	2022	2023	2022	Change	% Change
REVENUES:								
Program Revenues:								
Charges for Services	\$ 43,103,825.28	\$ 31,016,234.88	\$ 13,265,954.48	\$ 12,052,009.11	\$ 56,369,779.76	\$ 43,068,243.99	\$ 13,301,535.77	30.9%
Operating Grants and Contributions	1,138,342.55	699,487.94	2,078,069.92	2,539,623.11	3,216,412.47	3,239,111.05	(22,698.58)	-0.7%
Capital Grants and Contributions		14,956.00				14,956.00	(14,956.00)	100.0%
General Revenues:								
Interest and Investment Earnings - Unrestricted	76,478.90	6,598.10			76,478.90	6,598.10	69,880.80	1059.1%
Miscellaneous - Unrestricted	5,902.53	210.68	54,637.45	19,898.99	60,539.98	20,109.67	40,430.31	201.0%
Gain (Loss) on Disposal of Capital Assets			(983.60)	(306.67)	(983.60)	(306.67)	(676.93)	220.7%
Transfers	(917,145.55)	(2,044,378.24)	917,145.55	2,044,378.24				
Total Revenues	43,407,403.71	29,693,109.36	16,314,823.80	16,655,602.78	59,722,227.51	46,348,712.14	13,373,515.37	28.9%
EXPENSES:								
Instruction	802,299.12	787,197.82			802,299.12	787,197.82	15,101.30	1.9%
Support Services	42,523,524.02	30,525,509.10			42,523,524.02	30,525,509.10	11,998,014.92	39.3%
Interest on Long-Term Debt	931.81	4,265.13			931.81	4,265.13	(3,333.32)	-78.2%
Enterprise Fund			12,886,628.32	12,822,943.64	12,886,628.32	12,822,943.64	63,684.68	0.5%
Total Expenses	43,326,754.95	31,316,972.05	12,886,628.32	12,822,943.64	56,213,383.27	44,139,915.69	12,073,467.58	27.4%
Change in Net Position	80,648.76	(1,623,862.69)	3,428,195.48	3,832,659.14	3,508,844.24	2,208,796.45	\$ 1,300,047.79	58.9%
Net Position (Deficit), July 1	(1,618,246.37)	6,024.64	13,409,475.78	9,503,047.50	11,791,229.41	9,509,072.14		
Net Position (Deficit), June 30	(1,537,597.61)	(1,617,838.05)	16,837,671.26	13,335,706.64	15,300,073.65	11,717,868.59		
Restatement to Implement GASB 96	-	(408.32)	-	73,769.14	-	73,360.82		
Net Position (Deficit), June 30	\$ (1,537,597.61)	\$ (1,618,246.37)	\$ 16,837,671.26	\$ 13,409,475.78	\$ 15,300,073.65	\$ 11,791,229.41		

During fiscal year 2023, the Commission's total revenues increased by \$13,373,515.37, increasing from \$46,348,712.14 in fiscal year 2022 to \$59,722,227.51 in fiscal year 2023. The reason for the increase in revenues during the fiscal year was largely related to the increase in the number of transportation contracts in fiscal year 2023.

Regarding expenses, the Commission's total expenses increased by \$12,073,467.58, increasing from \$44,139,915.69 in fiscal year 2022 to \$56,213,383.27 in fiscal year 2023. As with the increase in revenues from the number of transportation contracts obtained by the Commission, there was a corresponding increase in expenses incurred associated with the providing of those services in the prior year.

THE COMMISSION'S FUNDS

Governmental Funds

General fund - The general fund is the general operating fund of the Commission and is used to account for the inflows and outflows of its financial resources. The acquisition of certain capital assets, such as equipment, is accounted for in the general fund when it is responsible for the financing of such expenditures. At the end of the current fiscal year, unassigned fund balance of the general fund was \$465,255.35.

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION

Management's Discussion and Analysis
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(Unaudited)

THE COMMISSION'S FUNDS (CONT'D)

Governmental Funds (Cont'd)

General fund (cont'd) - During the current fiscal year, the unassigned fund balance of the Commission's general fund increased by \$301,337.37, or one hundred eighty-four percent (184%). This increase is due to the increase in the number of transportation contracts in fiscal year 2023.

Special revenue fund - The special revenue fund is used to account for and report the proceeds of specific revenue sources, such as state or federal government grants, which are restricted or committed to expenditure for specified purposes other than debt service or capital projects. During the fiscal year ended June 30, 2023, the Commission administered and operated activities funded by Title I, Part D, which is federal funds passed through the New Jersey Department of Education. In addition, the Commission administered and operated activities funded by the United States Department of Education for the Education Stabilization Fund, STOP School Violence grant program, and the Substance Abuse and Mental Health Services grant program. Total revenues and expenditures related to these activities totaled \$775,618.95, compared to revenues and expenditures of \$230,270.41 in the prior fiscal year.

Capital projects fund - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of major capital facilities, other than those financed by the proprietary funds. Generally, the financial resources of the capital projects fund are derived from the issuance of debt. There was no activity in the capital projects fund during the fiscal year ended June 30, 2023.

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. There was no activity in the debt service fund during the fiscal year ended June 30, 2023.

Proprietary Funds

Enterprise fund - As the Commission completed the fiscal year, the Commission's total net position of the enterprise fund was \$16,837,671.26, which was comprised of \$3,774,395.42 of net investment in capital assets and unrestricted net position in the amount of \$13,063,275.84.

During the current fiscal year, the net position of the Commission's enterprise fund increased by \$3,428,195.48, or twenty-six percent (26%). This increase is primarily due to the results of operations of the enterprise fund as revenues exceeded expenses by \$2,511,049.93.

General Fund Budgetary Highlights

The final budgetary basis revenue estimate was \$43,163,038.00, which increased from the original budgeted estimate. Total budgeted revenues realized equaled \$43,765,582.36, which was \$602,544.36 in excess of the budget estimate. This excess was directly attributable to the increase in the Commission's reimbursed T.P.A.F. pension contributions and reimbursed T.P.A.F. social security contributions which totaled \$501,611.10, and \$77,764.55, respectively.

The final budgetary basis expenditure appropriation estimate was \$43,163,471.74, which increased from the original budgeted estimate. Actual expenditures incurred of \$43,299,124.73 were over the final budget estimate by \$135,652.99, which is directly a result of the expenditures related to the aforementioned reimbursed T.P.A.F. pension contributions and reimbursed T.P.A.F. social security contributions, which totaled \$501,611.10, and \$77,764.55, respectively.

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited)

THE COMMISSION'S FUNDS (CONT'D)

Special Revenue Fund Budgetary Highlights

The final budgetary basis revenue estimate was \$3,145,112.84, which was \$1,980,000.00 more than the original budgeted estimate. The final budget amount is more than the original because the Commission received additional funding after the budget was adopted for Coronavirus Response and Relief Supplemental Appropriations Act - Elementary and Secondary School Emergency Relief II grant program and Substance Abuse and Mental Health Services grant funds. Likewise, this was the same for the final budgetary basis appropriation estimate.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Commission's capital assets for its governmental and business-type activities as of June 30, 2023 amounts to a historical cost of \$7,316,750.06, or \$4,107,870.82 net of accumulated depreciation and amortization (see Table 3). Capital assets include land, land improvements, buildings and building improvements, machinery and equipment, vehicles, and subscription assets. Net capital assets decreased by \$27,994.50 in fiscal year 2023 from fiscal year 2022. The primary factors affecting the net change in net capital assets are as follows:

- current year depreciation and amortization expense was \$242,762.36; and
- current year asset additions was \$215,751.46.

	Governmental Activities		Business-Type Activities		Government-wide Totals	
	2023	2022	2023	2022	2023	2022
Land			\$ 291,900.00	\$ 291,900.00	\$ 291,900.00	\$ 291,900.00
Land Improvements				13.54		13.54
Buildings and Building Improvements	\$ 505.65	\$ 618.02	3,413,433.88	3,474,425.44	3,413,939.53	3,475,043.46
Machinery and Equipment	95,911.03	73,528.53	27,605.76	38,015.95	123,516.79	111,544.48
Vehicles	112,698.66	3,314.58		14,466.70	112,698.66	17,781.28
Subscription Assets	124,360.06	165,813.42	41,455.78	73,769.14	165,815.84	239,582.56
Total, net	<u>\$ 333,475.40</u>	<u>\$ 243,274.55</u>	<u>\$ 3,774,395.42</u>	<u>\$ 3,892,590.77</u>	<u>\$ 4,107,870.82</u>	<u>\$ 4,135,865.32</u>

Additional information on the Commission's capital assets can be found in note 4.

Debt

Financed Purchases. At the end of the current fiscal year, the Commission had no balance outstanding for financed purchases as the final payment was made during fiscal year 2023. Additional information on financed purchases can be found in note 5 to the financial statements.

Net Pension Liability. The Commission's annual required contribution to the Public Employees' Retirement System is paid on an annual basis. For additional details on the net pension liability, see note 6 to the financial statements.

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION
Management's Discussion and Analysis
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(Unaudited)

CAPITAL ASSET AND DEBT ADMINISTRATION (CONT'D)

Debt (Cont'd)

Compensated Absences. At the end of the current fiscal year, the liability for compensated absences was \$161,783.15. Compensated absences are those absences for which employees will be paid, such as sick leave. Additional information on compensated absences can be found in note 11 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

For the fiscal year 2023, the Commission was able to sustain its budget through transportation fees, tuition, federal and state sources, and other various revenue sources. The Commission will continue to grow and develop services based upon the needs of its member districts. Any future programs offered will be the direct result of cooperation between its member districts and the Commission. The fiscal year 2024 budget was approved on February 1, 2023, by the Board.

CONTACTING THE COMMISSION'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Camden County Educational Services Commission's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Patrick Madden, Business Administrator, at the Camden County Educational Services Commission, 225 White Horse Avenue, Clementon, New Jersey 08021.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION
Statement of Net Position
June 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents		\$ 7,195,415.73	\$ 7,195,415.73
Internal Balances	\$ (4,206,403.68)	4,206,403.68	
Accounts Receivable	7,352,166.26	2,838,594.41	10,190,760.67
Capital Assets, net	333,475.40	3,774,395.42	4,107,870.82
Total Assets	<u>3,479,237.98</u>	<u>18,014,809.24</u>	<u>21,494,047.22</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pension	304,303.68	118,340.32	422,644.00
Total Deferred Outflows of Resources	<u>304,303.68</u>	<u>118,340.32</u>	<u>422,644.00</u>
LIABILITIES:			
Accounts Payable:			
Other	2,514,341.30	178,789.82	2,693,131.12
Pensions	134,344.80	52,245.20	186,590.00
Accrued Wages	611.93	9,840.60	10,452.53
Noncurrent Liabilities:			
Due within One Year	62,412.19	19,826.14	82,238.33
Due beyond One Year	1,538,978.41	618,490.18	2,157,468.59
Total Liabilities	<u>4,250,688.63</u>	<u>879,191.94</u>	<u>5,129,880.57</u>
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions	1,070,450.64	416,286.36	1,486,737.00
Total Deferred Inflows of Resources	<u>1,070,450.64</u>	<u>416,286.36</u>	<u>1,486,737.00</u>
NET POSITION:			
Net Investment in Capital Assets	208,188.63	3,774,395.42	3,982,584.05
Unrestricted (Deficit)	(1,745,786.24)	13,063,275.84	11,317,489.60
Total Net Position (Deficit)	<u>\$ (1,537,597.61)</u>	<u>\$ 16,837,671.26</u>	<u>\$ 15,300,073.65</u>

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

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION
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	\$ 802,299.12	\$ 1,038,470.28	\$ 134,576.94		\$ 370,748.10		\$ 370,748.10
Support Services:							
Student and Instruction Related Services	720,425.49		641,042.01		(79,383.48)		(79,383.48)
Other Administrative Services	553,491.73				(553,491.73)		(553,491.73)
School Administrative Services	486,693.64				(486,693.64)		(486,693.64)
Plant Operations and Maintenance	79,487.45				(79,487.45)		(79,487.45)
Pupil Transportation	40,132,847.07	42,065,355.00			1,932,507.93		1,932,507.93
Personal Services - Employee Benefits	550,578.64		362,723.60		(187,855.04)		(187,855.04)
Interest on Long-Term Debt	931.81				(931.81)		(931.81)
Total Governmental Activities	43,326,754.95	43,103,825.28	1,138,342.55	-	915,412.88	-	915,412.88
Business-Type Activities:							
Enterprise Fund	12,886,628.32	13,265,954.48	2,078,069.92			\$ 2,457,396.08	2,457,396.08
Total Business-Type Activities	12,886,628.32	13,265,954.48	2,078,069.92	-	-	2,457,396.08	2,457,396.08
Total Government	\$ 56,213,383.27	\$ 56,369,779.76	\$ 3,216,412.47	-	915,412.88	2,457,396.08	3,372,808.96
General Revenues:							
Interest and Investment Earnings - Unrestricted					76,478.90		76,478.90
Miscellaneous - Unrestricted					5,902.53	54,637.45	60,539.98
Gain (Loss) on Disposal of Capital Assets						(983.60)	(983.60)
Transfers					(917,145.55)	917,145.55	
Total General Revenues, Gain (Loss) on Disposal of Capital Assets, and Transfers					(834,764.12)	970,799.40	136,035.28
Change in Net Position					80,648.76	3,428,195.48	3,508,844.24
Net Position (Deficit), July 1					(1,617,838.05)	13,335,706.64	11,717,868.59
Prior Period Adjustment					(408.32)	73,769.14	73,360.82
Net Position (Deficit), July 1 (Restated)					(1,618,246.37)	13,409,475.78	11,791,229.41
Net Position (Deficit), June 30					\$ (1,537,597.61)	\$ 16,837,671.26	\$ 15,300,073.65

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

FUND FINANCIAL STATEMENTS

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION

Governmental Funds

Balance Sheet

June 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS:					
Intergovernmental Accounts Receivable:					
Federal		\$ 70,246.19			\$ 70,246.19
State	\$ 7,751.74				7,751.74
Other	7,274,168.33				7,274,168.33
	<u>7,281,920.07</u>	<u>70,246.19</u>	<u>-</u>	<u>-</u>	<u>7,352,166.26</u>
Total Assets	<u>\$ 7,281,920.07</u>	<u>\$ 70,246.19</u>	<u>-</u>	<u>-</u>	<u>\$ 7,352,166.26</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Interfunds Account Payable:					
Enterprise Fund	\$ 4,136,406.28	\$ 69,997.40			\$ 4,206,403.68
Accounts Payable	2,495,680.50	248.79			2,495,929.29
Payroll Deductions and Withholdings Payable	18,412.01				18,412.01
Accrued Wages	611.93				611.93
	<u>6,651,110.72</u>	<u>70,246.19</u>	<u>-</u>	<u>-</u>	<u>6,721,356.91</u>
Total Liabilities	<u>6,651,110.72</u>	<u>70,246.19</u>	<u>-</u>	<u>-</u>	<u>6,721,356.91</u>
Fund Balances:					
Assigned:					
Other Purposes	165,554.00				165,554.00
Unassigned	465,255.35				465,255.35
	<u>630,809.35</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>630,809.35</u>
Total Fund Balances	<u>630,809.35</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>630,809.35</u>
Total Liabilities and Fund Balances	<u>\$ 7,281,920.07</u>	<u>\$ 70,246.19</u>	<u>-</u>	<u>-</u>	

(Continued)

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION

Governmental Funds

Balance Sheet

June 30, 2023

	Total Governmental <u>Funds</u>
Amounts reported for <i>governmental activities</i> 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 \$627,322.46, and the accumulated depreciation and amortization is \$293,847.06.	\$ 333,475.40
Deferred outflows and deferred inflows related to pensions represent the consumption and acquisition, respectively, of resources that relate to future periods; therefore, such amounts are not reported in the fund financial statements.	(766,146.96)
Accounts payable related to pensions are not liquidated with current financial resources; therefore, such amounts are not recorded in the fund financial statements.	(134,344.80)
Long-term liabilities, including pension liability, financed purchases, compensated absences payable, and subscription liabilities are not due and payable in the current period and therefore are not reported in the funds.	<u>(1,601,390.60)</u>
Net Position of Governmental Activities	<u><u>\$ (1,537,597.61)</u></u>

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

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION
 Governmental Funds
 Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Fiscal Year Ended June 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES:					
Tuition from Other Sources	\$ 1,038,470.28				\$ 1,038,470.28
Transportation Fees from Other LEAs	42,065,355.00				42,065,355.00
Unrestricted Miscellaneous Revenues	82,381.43				82,381.43
Federal Sources		\$ 775,618.95			775,618.95
State Sources	<u>579,375.65</u>				<u>579,375.65</u>
Total Revenues	<u>43,765,582.36</u>	<u>775,618.95</u>	<u>-</u>	<u>-</u>	<u>44,541,201.31</u>
EXPENDITURES:					
Current:					
Regular Instruction	666,271.60	134,576.94			800,848.54
Support Services and Undistributed Costs:					
Student and Instruction Related Services	53,695.72	641,042.01			694,737.73
Other Administrative Services	544,695.88				544,695.88
School Administrative Services	529,716.55				529,716.55
Plant Operations and Maintenance	79,487.45				79,487.45
Pupil Transportation	40,138,498.69				40,138,498.69
Personal Services - Employee Benefits	1,143,883.57				1,143,883.57
Capital Outlay	<u>142,875.27</u>				<u>142,875.27</u>
Total Expenditures	<u>43,299,124.73</u>	<u>775,618.95</u>	<u>-</u>	<u>-</u>	<u>44,074,743.68</u>
Excess (Deficiency) of Revenues over Expenditures	466,457.63	-	-	-	466,457.63

(Continued)

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION
 Governmental Funds
 Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Fiscal Year Ended June 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Net Change in Fund Balances	\$ 466,457.63	-	-	-	\$ 466,457.63
Fund Balance, July 1	<u>164,351.72</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>164,351.72</u>
Fund Balance, June 30	<u><u>\$ 630,809.35</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>\$ 630,809.35</u></u>

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

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION

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

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

Net Change in Fund Balances - Governmental Funds	\$ 466,457.63
<p>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 and amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization in the period.</p>	
Depreciation and Amortization Expense	\$ (67,141.12)
Capital Outlays	<u>142,875.27</u>
	75,734.15
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, transfers, trade-ins, and donations) is an increase to net position.	14,466.70
The issuance of long-term debt (e.g., financed purchases, subscriptions) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	82,470.77
In the statement of activities, certain operating expenses, (e.g., pensions, compensated absences, and interest on debt) are measured by the amounts incurred during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). This amount is the net effect of these differences in the treatment of these items.	<u>(558,480.49)</u>
Change in Net Position of Governmental Activities	<u>\$ 80,648.76</u>

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

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION

Proprietary Fund
Business-Type Activities - Enterprise Fund
Statement of Net Position
June 30, 2023

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$ 7,195,415.73
Interfund Accounts Receivable:	
General Fund	4,136,406.28
Special Revenue Fund	69,997.40
Intergovernmental Accounts Receivable:	
State	45,574.49
Other	<u>2,793,019.92</u>
Total Current Assets	<u>14,240,413.82</u>

Noncurrent Assets:

Capital Assets	6,689,427.60
Less: Accumulated Depreciation and Amortization	<u>(2,915,032.18)</u>
Total Capital Assets, net	<u>3,774,395.42</u>
Total Noncurrent Assets	<u>3,774,395.42</u>

Total Assets

18,014,809.24

DEFERRED OUTFLOWS OF RESOURCES:

Related to Pensions	<u>118,340.32</u>
Total Deferred Outflows of Resources	<u>118,340.32</u>

LIABILITIES:

Current Liabilities:

Accounts Payable:	
Other	178,789.82
Related to Pensions	52,245.20
Accrued Wages	9,840.60
Compensated Absences Payable	<u>19,826.14</u>
Total Current Liabilities	<u>260,701.76</u>

Noncurrent Liabilities:

Compensated Absences Payable	71,751.82
Net Pension Liability	<u>546,738.36</u>
Total Noncurrent Liabilities	<u>618,490.18</u>

Total Liabilities

879,191.94

(Continued)

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION
Proprietary Fund
Business-Type Activities - Enterprise Fund
Statement of Net Position
June 30, 2023

DEFERRED INFLOWS OF RESOURCES:

Related to Pensions	<u>\$ 416,286.36</u>
Total Deferred Inflows of Resources	<u>416,286.36</u>

NET POSITION:

Net Investment in Capital Assets	3,774,395.42
Unrestricted	<u>13,063,275.84</u>
Total Net Position	<u><u>\$ 16,837,671.26</u></u>

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

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION
 Proprietary Fund
 Business-Type Activities - Enterprise Fund
 Statement of Revenues, Expenses, and Changes in Fund Net Position
 For the Fiscal Year Ended June 30, 2023

OPERATING REVENUES:

Charges for Services:	
Related Services	\$ 6,950,006.51
Nonpublic Auxiliary and Handicapped Services	4,416,660.07
Cooperative Purchasing Services	1,899,287.90
General:	
Miscellaneous	54,637.45
	<hr/>
Total Operating Revenues	13,320,591.93

OPERATING EXPENSES:

Personnel Services - Salaries	7,856,486.02
Personnel Services - Employee Benefits	3,798,570.95
Purchased Professional and Technical Services	757,923.96
Other Purchased Services	204,022.41
Supplies and Materials	71,130.50
Depreciation and Amortization	175,621.24
Miscellaneous Expenditures	3,911.86
Other Objects	15,115.16
	<hr/>
Total Operating Expenses	12,882,782.10
	<hr/>
Operating Income	437,809.83

NONOPERATING REVENUES (EXPENSES):

State Sources:	
On-Behalf T.P.A.F. Pension Contributions - Normal Cost	682,651.15
On-Behalf T.P.A.F. Pension Contributions - Non-contributory Insurance	30,787.00
On-Behalf T.P.A.F. Pension Contributions - Post-Retirement Medical	899,735.20
On-Behalf T.P.A.F. Pension Contributions - Long-Term Disability Insurance	1,594.60
Reimbursed T.P.A.F. Social Security Contributions	457,197.97
Other Grant Revenues	6,104.00
Interest Expense	(3,846.22)
Gain (Loss) on Disposal of Capital Assets	(983.60)
	<hr/>
Total Nonoperating Revenues (Expenses)	2,073,240.10
	<hr/>
Income before Transfers	2,511,049.93

(Continued)

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION
Proprietary Fund
Business-Type Activities - Enterprise Fund
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2023

TRANSFERS:

Transfer from Governmental Activities	<u>\$ 917,145.55</u>
Total Transfers	<u>917,145.55</u>
Change in Net Position	3,428,195.48
Net Position, July 1	<u>13,335,706.64</u>
Prior Period Adjustments	<u>73,769.14</u>
Net Position, July 1 (Restated)	<u>13,409,475.78</u>
Net Position, June 30	<u><u>\$ 16,837,671.26</u></u>

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

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION

Proprietary Fund

Business-Type Activities - Enterprise Fund

Statement of Cash Flows

For the Fiscal Year Ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES:

Receipts from Customers and Users	\$ 13,186,198.54
Payments to Suppliers	(1,055,373.42)
Payments to Employees	(7,854,808.43)
Payments for Employee Benefits	<u>(3,945,183.78)</u>
Net Cash Provided by (Used for) Operating Activities	<u>330,832.91</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

State Sources	2,046,792.62
Other Grant Revenues	6,104.00
Transfer from / (to) General Fund	(570,167.12)
Transfer from / (to) Special Revenue Fund	<u>(27,594.53)</u>
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>1,455,134.97</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Purchases of Capital Assets	(72,876.19)
Principal Paid on Financed Purchase Debt	(166,024.22)
Interest Paid on Financed Purchase Debt	<u>(7,080.58)</u>
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(245,980.99)</u>

Net Increase (Decrease) in Cash and Cash Equivalents 1,539,986.89

Cash and Cash Equivalents, July 1 5,655,428.84

Cash and Cash Equivalents, June 30 \$ 7,195,415.73

Reconciliation of Operating Income to Net Cash Provided (Used)
by Operating Activities:

Operating Income	\$ 437,809.83
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used for) Operating Activities:	
Depreciation and Amortization	175,621.24
(Increase) Decrease in Intergovernmental Accounts Receivable	(134,393.39)
Increase (Decrease) in Accounts Payable	(3,269.53)
Increase (Decrease) in Accrued Wages	3,464.55
Increase (Decrease) in Compensated Absences Payable	(1,923.67)
Increase (Decrease) in Net Pension Liability	<u>(146,476.12)</u>
Net Cash Provided by (Used for) Operating Activities	<u><u>\$ 330,832.91</u></u>

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

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION

Notes to Financial Statements
For the Fiscal Year Ended June 30, 2023

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Description of the Financial Reporting Entity

The Commission is a local educational agency organized pursuant to the rules and regulations of the Department of Education of the State of New Jersey. The Commission is located in the Borough of Clementon, County of Camden, State of New Jersey. The purpose of the Commission is to provide educational and administrative services and programs for local school districts located within Camden County. The Commission functions independently through a Board of Directors. The Board is comprised of fifteen members selected to a one-year term at the annual reorganization meeting of the Member Districts. The Superintendent is appointed by the Board to act as executive officer of the Commission.

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

Government-wide and Fund Financial Statements

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

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

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

The Commission reports the following major governmental funds:

General Fund - The general fund 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 Commission 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 transportation fees, tuition fees, other revenues, and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to, or remodeling of buildings, and the purchase of built-in equipment.

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

Capital Projects Fund - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes, serial bonds, or from the general fund by way of transfers from capital outlay or the capital reserve account.

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

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

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

The Commission reports the following major proprietary fund:

Enterprise Fund

This fund accounts for the financial activity related to contracting with private schools to provide services under Chapters 192 and 193 of the Laws of 1977, Auxiliary and Handicapped Services for Non-Public Pupils. Students from various Camden County districts, as well as some districts from adjacent counties, receive one or more of the following services as needed: compensatory education, English as a second language, examination and classification, speech correction, home instruction, and supplemental instruction. In addition, this fund accounts for the financial activity related to contracting with schools for other various services, such as cooperative purchasing services.

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

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

Budgets / Budgetary Control

Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds (if necessary), and are submitted to the county office of education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line-item accounts within each fund. Line-item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2(f)1. Transfers of appropriations may be made by 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 year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

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

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

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 Commission does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows the modified accrual basis of accounting.

Encumbrances

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

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

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

Cash, Cash Equivalents and Investments

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

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

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

Transportation Fees from Other LEAs Receivable

Transportation fees from other LEAs ("local education agency") were established by the Commission based on actual costs plus an administrative fee approved by the Board of Directors.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Tuition Receivable**

Tuition charges for the fiscal year ended June 30, 2023 were based on the number of students serviced times the state allotments awarded to the sending school district for students.

Lease Receivable

Lease receivables recorded on the government-wide financial statement, in the governmental funds, and in the proprietary fund types represents a contract that conveys control of the right to use the Commission's (lessor) nonfinancial asset. At the commencement of the lease term, the lessor recognizes a lease receivable and a deferred inflow of resources. The lease receivable is measured at the present value of lease payments expected to be received during the lease term. The Commission was not a lessor during the fiscal year ended June 30, 2023.

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. The Commission had no prepaid expenses for the fiscal year ended June 30, 2023.

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

Short-Term Interfund Receivables / Payables

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

Capital Assets

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

The Commission's capitalization threshold is \$2,000.00. Other costs incurred for repairs and maintenance are expensed as incurred. All reported capital assets, except land and construction in progress, are depreciated using the straight-line method over the useful life of the assets. Lease and subscription assets are amortized in a systematic and rational manner over the shorter of the lease and subscription term or the useful life of the underlying assets.

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

The useful lives of the Commission's capital assets are as follows:

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	20 Years
Buildings and Building Improvements	7 - 50 Years
Machinery and Equipment	5 - 20 Years
Vehicles	10 Years
Subscription Assets	3 - 5 Years

The Commission does not possess any infrastructure assets.

Deferred Outflows of Resources and Deferred Inflows of Resources

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

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

Unearned Revenue

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

Accrued Salaries and Wages

Accrued salaries and wages represent the amount of liability remaining at the end of the fiscal year for salaries that have been earned by employees but not yet paid to them.

Compensated Absences

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Accrued Liabilities and Long-Term Obligations**

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

Net Position

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

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

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

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

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

Fund Balance

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

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

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

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

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

The Commission's classifications, and policies for determining such classifications, are as follows (cont'd):

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

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

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

Interfund Activity

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

Accounting Estimates

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

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

The Commission implemented the following GASB Statement for the fiscal year ended June 30, 2023:

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). The requirements of this Statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.

Because of the implementation of GASB Statement No. 96, the Commission has reported and disclosed subscription assets and subscription liabilities in accordance with the Statement (notes 4 and 5).

Recently Issued Accounting Pronouncements

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

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

Note 2: CASH AND CASH EQUIVALENTS

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

As of June 30, 2023, the Commission's bank balances of \$8,449,341.09 were insured by FDIC and GUDPA.

Note 3: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2023 consisted of reimbursements and intergovernmental awards / grants as well as charges for transportation, tuition, nonpublic auxiliary and handicapped services, and other various services. All receivables are considered collectible in full due to the stable condition of federal and state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey.

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

<u>Description</u>	<u>Governmental Funds</u>			<u>Proprietary Funds</u>		<u>Total</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Activities</u>	<u>Enterprise Fund</u>	<u>Total Business-Type Activities</u>	
Federal Awards		\$ 70,246.19	\$ 70,246.19			\$ 70,246.19
State Awards	\$ 7,751.74		7,751.74	\$ 45,574.49	\$ 45,574.49	53,326.23
Intergovernmental	7,274,168.33		7,274,168.33	2,793,019.92	2,793,019.92	10,067,188.25
Total	\$ 7,281,920.07	\$ 70,246.19	\$ 7,352,166.26	\$ 2,838,594.41	\$ 2,838,594.41	\$ 10,190,760.67

Note 4: CAPITAL ASSETS

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

	<u>(Restated) Balance July 1, 2022</u>	<u>Increases</u>	<u>Transfers</u>	<u>Decreases</u>	<u>Balance June 30, 2023</u>
Governmental Activities:					
Capital Assets, being Depreciated:					
Buildings and Building Improvements	\$ 2,247.38				\$ 2,247.38
Machinery and Equipment	179,448.86	\$ 37,957.47		\$ (31,875.00)	185,531.33
Vehicles	75,922.00	104,917.80	\$ 51,437.17		232,276.97
Total Capital Assets, being Depreciated	257,618.24	142,875.27	51,437.17	(31,875.00)	420,055.68
Total Capital Assets, Cost	257,618.24	142,875.27	51,437.17	(31,875.00)	420,055.68
Less Accumulated Depreciation:					
Buildings and Building Improvements	(1,629.36)	(112.37)			(1,741.73)
Machinery and Equipment	(105,920.33)	(15,574.97)		31,875.00	(89,620.30)
Vehicles	(72,607.42)	(10,000.42)	(36,970.47)		(119,578.31)
Total Accumulated Depreciation	(180,157.11)	(25,687.76)	(36,970.47)	31,875.00	(210,940.34)
Total Capital Assets, being Depreciated, net Excluding Subscription Assets	77,461.13	117,187.51	14,466.70	-	209,115.34
Total Capital Assets, net Excluding Subscription Assets	77,461.13	117,187.51	14,466.70	-	209,115.34
Subscription Assets	207,266.78	-	-	-	207,266.78
Less Accumulated Amortization:					
Subscription Assets	(41,453.36)	(41,453.36)	-	-	(82,906.72)
Total Subscription Assets, net	165,813.42	(41,453.36)	-	-	124,360.06
Governmental Activities Capital Assets, net	\$ 243,274.55	\$ 75,734.15	\$ 14,466.70	-	\$ 333,475.40

Note 4: CAPITAL ASSETS (CONT'D)

Capital asset activity for the fiscal year ended June 30, 2023 is as follows (cont'd):

	(Restated) Balance July 1, 2022	Increases	Transfers	Decreases	Balance June 30, 2023
Business-Type Activities:					
Capital Assets, not being Depreciated:					
Land	\$ 291,900.00				\$ 291,900.00
Total Capital Assets, not being Depreciated	291,900.00	-	-	-	291,900.00
Capital Assets, being Depreciated:					
Land Improvements	129,326.00				129,326.00
Buildings and Building Improvements	5,552,920.87	\$ 72,876.19		\$ (4,800.00)	5,620,997.06
Machinery and Equipment	200,317.66			(6,746.00)	193,571.66
Vehicles	405,397.17		\$ (51,437.17)		353,960.00
Total Capital Assets, being Depreciated	6,287,961.70	72,876.19	(51,437.17)	(11,546.00)	6,297,854.72
Total Capital Assets, Cost	6,579,861.70	72,876.19	(51,437.17)	(11,546.00)	6,589,754.72
Less Accumulated Depreciation:					
Land Improvements	(129,312.46)	(13.54)			(129,326.00)
Buildings and Building Improvements	(2,078,495.43)	(133,267.75)		4,200.00	(2,207,563.18)
Machinery and Equipment	(162,301.71)	(10,026.59)		6,362.40	(165,965.90)
Vehicles	(390,930.47)		36,970.47		(353,960.00)
Total Accumulated Depreciation	(2,761,040.07)	(143,307.88)	36,970.47	10,562.40	(2,856,815.08)
Total Capital Assets, being Depreciated, net Excluding Subscription Assets	3,526,921.63	(70,431.69)	(14,466.70)	(983.60)	3,441,039.64
Total Capital Assets, net Excluding Subscription Assets	3,818,821.63	(70,431.69)	(14,466.70)	(983.60)	3,732,939.64
Subscription Assets	99,672.88	-	-	-	99,672.88
Less Accumulated Amortization:					
Subscription Assets	(25,903.74)	(32,313.36)	-	-	(58,217.10)
Total Subscription Assets, net	73,769.14	(32,313.36)	-	-	41,455.78
Business-Type Activities Capital Assets, net	\$ 3,892,590.77	\$ (102,745.05)	\$ (14,466.70)	\$ (983.60)	\$ 3,774,395.42

Depreciation and amortization expense was charged to functions / programs of the Commission as follows:

Governmental Activities:	
Other Administrative Services	\$ 41,453.36
Student and Instruction Related Services	25,687.76
Total Depreciation and Amortization Expense - Governmental Activities	\$ 67,141.12
Business-Type Activities:	
Enterprise Services	\$ 175,621.24

Note 5: LONG-TERM LIABILITIES

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

	(Restated) Balance July 1, 2022	Additions	Transfers	Deductions	Balance June 30, 2023	Due within One Year
Governmental Activities:						
Other Liabilities:						
Compensated Absences Payable	\$ 65,875.48	\$ 67,102.77		\$ (62,773.06)	\$ 70,205.19	\$ 21,066.33
Net Pension Liability	932,344.64	871,454.21	\$ 931,612.25	(1,329,512.46)	1,405,898.64	
Financed Purchases	41,535.80			(41,535.80)		
Total Other Liabilities	<u>1,039,755.92</u>	<u>938,556.98</u>	<u>931,612.25</u>	<u>(1,433,821.32)</u>	<u>1,476,103.83</u>	<u>21,066.33</u>
Lease and Subscription Liabilities:						
Subscription Liabilities	166,221.74	-	-	(40,934.97)	125,286.77	41,345.86
Total Lease and Subscription Liabilities	<u>166,221.74</u>	<u>-</u>	<u>-</u>	<u>(40,934.97)</u>	<u>125,286.77</u>	<u>41,345.86</u>
Governmental Activities Long-Term Liabilities	<u>\$ 1,205,977.66</u>	<u>\$ 938,556.98</u>	<u>\$ 931,612.25</u>	<u>\$ (1,474,756.29)</u>	<u>\$ 1,601,390.60</u>	<u>\$ 62,412.19</u>

Compensated absences, net pension liability, financed purchases, and subscription liabilities are liquidated by the general fund.

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

	Balance July 1, 2022	Additions	Transfers	Deductions	Balance June 30, 2023	Due within One Year
Business-Type Activities:						
Other Liabilities:						
Compensated Absences Payable	\$ 93,501.63	\$ 71,571.81		\$ (73,495.48)	\$ 91,577.96	\$ 19,826.14
Net Pension Liability	1,051,367.36	1,048,613.79	\$ (931,612.25)	(621,630.54)	546,738.36	
Financed Purchases	166,024.22			(166,024.22)		
Business-Type Activities Long-Term Liabilities	<u>\$ 1,310,893.21</u>	<u>\$ 1,120,185.60</u>	<u>\$ (931,612.25)</u>	<u>\$ (861,150.24)</u>	<u>\$ 638,316.32</u>	<u>\$ 19,826.14</u>

Compensated absences, net pension liability, and financed purchases are liquidated by the enterprise fund.

Debt Authorized but not Issued - As of June 30, 2023, the Commission had no authorizations to issue additional debt.

Compensated Absences - As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid. Refer to note 11 for a description of the Commission's policy.

Net Pension Liability - For details on the net pension liability, refer to note 6. The Commission's annual required contribution to the Public Employees' Retirement System is budgeted and paid from the general and enterprise funds on an annual basis.

Financed Purchases - On July 26, 2006, the Commission entered into a financed purchase agreement with the Camden County Improvement Authority ("CCIA") to finance the addition and renovation to the Commission's administrative building. The financed purchase agreement was subsequently amended on January 9, 2008 to allow for the Commission to prepay all or a portion of the outstanding balance any time upon compliance with the condition contained therein. Under the financed purchase agreement, the CCIA sold revenue bonds, which are guaranteed by the County of Camden, State of New Jersey, to finance the project. Under this agreement, the Commission is required to repay principal on January 15, and interest on January 15 and July 15 until maturity to the CCIA. The final payment on these revenue bonds was made during fiscal year 2023 on January 15, 2023.

The Commission's payments on financed purchases were budgeted and paid from the general and enterprise funds.

Financed purchases are depreciated in a manner consistent with the Commission's depreciation policy for owned assets.

Note 5: LONG-TERM LIABILITIES (CONT'D)

Subscription Liabilities - The Commission's payments on subscription liabilities are budgeted and paid from the general on an annual basis.

The Commission has entered into subscription-based information technology arrangements (SBITAs) involving accounting software and various other types of software.

The accounting software arrangement is a five-year agreement, initiated in fiscal year 2021 with a quarterly payment of \$10,611.00. The Commission has imputed an interest rate of 1% to determine the present value of the intangible right-to-use asset and SBITA liability. There are no options to extend the arrangement or to purchase the software.

The Sophos software, SecureID software, and email protection software are three-year agreements, initiated in fiscal year 2021 with one-time payments of \$7,812.16, \$34,610.40, and \$31,215.60, respectively. There are no options to extend these arrangements or to purchase the software. The Commission has imputed an interest rate of 1% to determine the present value of the intangible right-to-use assets.

The backup software, firewall software, and web filter software are each three-year agreements, initiated in fiscal year 2022 with one-time payments of \$13,887.20, \$5,884.32, and \$6,263.20, respectively. There are no options to extend these arrangements or to purchase the software. The Commission has imputed an interest rate of 4.25% to determine the present value of the intangible right-to-use assets.

The future subscription payments under the SBITA agreements are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 41,345.86	\$ 1,098.14	\$ 42,444.00
2025	41,760.87	683.13	42,444.00
2026	42,180.04	263.96	42,444.00
Total	<u>\$ 125,286.77</u>	<u>\$ 2,045.23</u>	<u>\$ 127,332.00</u>

Subscription liabilities are amortized in a manner consistent with the Commission's depreciation policy for owned assets.

Note 6: PENSION PLANS

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

Note 6: PENSION PLANS (CONT'D)

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

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

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

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

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

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

Note 6: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions**

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

The following represents the membership tiers for TPAF:

Tier Definition

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

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

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

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

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

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

Note 6: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions**

Teachers' Pension and Annuity Fund - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2022. The State's contribution is based on an actuarially determined amount, which includes the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2022, the State's pension contribution was more than the actuarial determined amount.

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

The Commission's contractually required contribution rate for the fiscal year ended June 30, 2023 was 35.15% of the Commission's covered payroll, of which 0.00% of payroll was required from the Commission and 100.00% of payroll was required from the State of New Jersey. The Commission was not required to contribute 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 Commission, to the pension plan for the fiscal year ended June 30, 2023 was \$2,529,865.00, and was paid by April 1, 2023. Commission employee contributions to the Plan during the fiscal year ended June 30, 2023 were \$549,757.01.

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2022. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and an amortization of the unfunded accrued liability.

Special Funding Situation Component - Under N.J.S.A. 43:15A, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. One of such legislations, which legally obligate the State, is Chapter 133, P.L. 2001. This legislation increased the accrual rate from 1/60 to 1/55. In addition, it lowered the age required for a veteran benefit equal to 1/55 of highest 12-month compensation for each year of service from 60 to 55. Chapter 133, P.L. 2001 also established the Benefit Enhancement Fund (BEF) to fund the additional annual employer normal contribution due to the State's increased benefits. If the assets in the BEF are insufficient to cover the normal contribution for the increased benefits for a valuation period, the State will pay such amount for both the State and local employers. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a *special funding situation* as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the local participating employers related to this legislation.

The Commission's contractually required contribution rate for the fiscal year ended June 30, 2023 was 15.57% of the Commission's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Note 6: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Public Employees' Retirement System (Cont'd) - Based on the most recent PERS measurement date of June 30, 2022, the Commission's contractually required contribution to the pension plan for the fiscal year ended June 30, 2023 was \$163,164.00, and was paid by April 1, 2023. Commission employee contributions to the Plan during the fiscal year ended June 30, 2023 were \$92,032.83.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Commission, under Chapter 133, P.L. 2001, for the fiscal year ended June 30, 2023 was .34% of the Commission's covered payroll.

Based on the most recent PERS measurement date of June 30, 2022, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the Commission, to the pension plan for the fiscal year ended June 30, 2023 was \$4,108.00.

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

For the fiscal year ended June 30, 2023, employee contributions totaled \$56,525.55, and the Commission recognized pension expense, which equaled the required contributions, of \$41,625.41. There were no forfeitures during the fiscal year.

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

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

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

Proportionate Share of Net Pension Liability	-
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Employer	\$ 31,187,356.00
	<u>\$ 31,187,356.00</u>

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 total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. For the June 30, 2022 measurement date, the Commission's proportion of the net pension liability was based on a projection of the Commission's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At the June 30, 2022 measurement date, the Commission's proportion was 0.00% due to the 100% special funding situation with the State of New Jersey; however, the State's proportionate share of the TPAF net pension liability associated with the Commission was .0604471536%, which was an increase of .0036247066% from its proportion measured as of June 30, 2021.

Note 6: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Teachers' Pension and Annuity Fund (Cont'd)**

Pension (Benefit) Expense - For the fiscal year ended June 30, 2023, the State's proportionate share of the pension (benefit) expense, associated with the Commission, calculated by the Plan as of June 30, 2022 measurement date, was \$839,339.00. This on-behalf expense has been recognized by the Commission in the government-wide financial statements.

Public Employees' Retirement System

Pension Liability - At June 30, 2023, there is no net pension liability associated with the special funding situation under Chapter 133, P.L. 2001, as there was no accumulated difference between the annual additional normal cost and the actual State contribution through the valuation date. The Commission reported a liability of \$1,952,637.00 for its proportionate share of the net pension liability for PERS. 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 total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. The Commission's proportion of the net pension liability was based on a projection of the Commission's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2022 measurement date, the Commission's proportion was .0129387618%, which was a decrease of .0038063738% from its proportion measured as of June 30, 2021.

Pension (Benefit) Expense - For the fiscal year ended June 30, 2023, the Commission recognized pension (benefit) expense of (\$359,965.00), in the government-wide financial statements. This pension expense was based on the pension plan's June 30, 2022 measurement date.

For the fiscal year ended June 30, 2023, the State's proportionate share of the pension (benefit) expense, associated with the Commission, under Chapter 133, P.L. 2001, calculated by the Plan as of June 30, 2022 measurement date, was \$4,108.00. This on-behalf expense has been recognized by the Commission in the government-wide financial statements.

Deferred Outflows and Inflows of Resources - At June 30, 2023, the Commission reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 14,093.00	\$ 12,428.00
Changes of Assumptions	6,050.00	292,387.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	80,818.00	-
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	135,093.00	1,181,922.00
Contributions Subsequent to the Measurement Date	186,590.00	-
	<u>\$ 422,644.00</u>	<u>\$ 1,486,737.00</u>

Note 6: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System (Cont'd)**

Deferred Outflows and Inflows of Resources (Cont'd) - Deferred outflows of resources in the amount of \$186,590.00 will be included as a reduction of the net pension liability in the subsequent fiscal year, June 30, 2024. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year	
<u>Ending June 30,</u>	
2024	\$ (436,682.00)
2025	(366,339.00)
2026	(364,458.00)
2027	(77,256.00)
2028	(5,948.00)
	<u>\$ (1,250,683.00)</u>

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

	<u>Deferred</u>	<u>Deferred</u>		<u>Deferred</u>	<u>Deferred</u>
	<u>Outflows of</u>	<u>Inflows of</u>		<u>Outflows of</u>	<u>Inflows of</u>
	<u>Resources</u>	<u>Resources</u>		<u>Resources</u>	<u>Resources</u>
Differences between Expected and Actual Experience			Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:			Year of Pension Plan Deferral:		
June 30, 2017	5.48	-	June 30, 2018	5.00	-
June 30, 2018	-	5.63	June 30, 2019	5.00	-
June 30, 2019	5.21	-	June 30, 2020	5.00	-
June 30, 2020	5.16	-	June 30, 2021	5.00	-
June 30, 2021	-	5.13	June 30, 2022	5.00	-
June 30, 2022	-	5.04			
Changes of Assumptions			Changes in Proportion		
Year of Pension Plan Deferral:			Year of Pension Plan Deferral:		
June 30, 2017	-	5.48	June 30, 2017	5.48	5.48
June 30, 2018	-	5.63	June 30, 2018	5.63	5.63
June 30, 2019	-	5.21	June 30, 2019	5.21	5.21
June 30, 2020	-	5.16	June 30, 2020	5.16	5.16
June 30, 2021	5.13	-	June 30, 2021	5.13	5.13
June 30, 2022	-	5.04	June 30, 2022	5.04	5.04

Note 6: PENSION PLANS (CONT'D)**Actuarial Assumptions**

The net pension liabilities were measured as of June 30, 2022 and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation as of July 1, 2021. The total pension liabilities were calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>TPAF</u>	<u>PERS</u>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases:	2.75% - 5.65%	2.75% - 6.55%
	Based on Years of Service	Based on Years of Service
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2018 - June 30, 2021	July 1, 2018 - June 30, 2021

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

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

Note 6: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

For TPAF and PERS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at the June 30, 2022 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-US Developed Markets 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%
	<u>100.00%</u>	

Discount Rate -

Teachers' Pension and Annuity Fund - The discount rate used to measure the 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 would be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to projected benefit payments in determining the total pension liability.

Note 6: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)****Discount Rate (Cont'd) -**

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

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

Teachers' Pension and Annuity Fund (TPAF) - As previously mentioned TPAF has a special funding situation where the State pays 100% of the Commission's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2022, the Plan's measurement date, attributable to the Commission is \$0.00. The following, however, presents the net pension liability of the State as of June 30, 2022 (Plan's measurement date), attributable to the Commission, calculated using the discount rate of 7.00% as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Proportionate Share of the Net Pension Liability	-	-	-
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Employer	\$ 36,567,838.00	\$ 31,187,356.00	\$ 26,654,976.00
	<u>\$ 36,567,838.00</u>	<u>\$ 31,187,356.00</u>	<u>\$ 26,654,976.00</u>

Public Employees' Retirement System (PERS) - The following presents the Commission's proportionate share of the net pension liability at June 30, 2022, the Plan's measurement date, calculated using a discount rate of 7.00%, as well as what the Commission's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Proportionate Share of the Net Pension Liability	\$ 2,508,567.00	\$ 1,952,637.00	\$ 1,479,519.00
	<u>\$ 2,508,567.00</u>	<u>\$ 1,952,637.00</u>	<u>\$ 1,479,519.00</u>

Note 6: PENSION PLANS (CONT'D)**Pension Plan Fiduciary Net Position**

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

Note 7: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN****General Information about the OPEB Plan**

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

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

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

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.

Note 7: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****General Information about the OPEB Plan (Cont'd)**

Employees Covered by Benefit Terms - At June 30, 2022, the OPEB Plan's measurement date, the entire State Health Benefit Local Education Retired Employees OPEB Plan consisted of the following members.

Active Plan Members	213,148
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	151,669
Inactive Plan Members Entitled to but Not Yet Receiving Benefit Payments	-
	364,817

Total Non-Employer OPEB Liability

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

The State's proportionate share of the net OPEB liability associated with the Commission as of June 30, 2023 was \$18,288,991.00. Since the OPEB liability associated with the Commission is 100% attributable to the State, the OPEB liability will be referred to as the total non-employer OPEB liability.

The total non-employer OPEB liability was measured as of June 30, 2022, and was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. For the June 30, 2022 measurement date, the State's proportionate share of the non-employer OPEB liability associated with the Commission was .0361110923%, which was an increase of .0006665054% from its proportion measured as of June 30, 2021.

Actuarial Assumptions and Other Inputs - The actuarial assumptions and other inputs vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2021, which was rolled forward to June 30, 2022, used the following actuarial assumptions, applied to all periods in the measurement:

Salary Increases -

	<u>TPAF/ABP</u> *	<u>PERS</u> *	<u>PFRS</u> *
Salary Increases	2.75% to 4.25%	2.75% to 6.55%	3.25% to 16.25%

* based on service years

Note 7: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Total Non-Employer OPEB Liability (Cont'd)****Actuarial Assumptions and Other Inputs (Cont'd) -**

Mortality Rates - Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 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.

Experience Studies - The actuarial assumptions used in the June 30, 2021 valuation, which was rolled forward to June 30, 2022, were based on the results of actuarial experience studies for the periods July 1, 2018 to June 30, 2021 for TPAF, PERS, and PFRS.

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%.

Discount Rate - The discount rate for June 30, 2022 measurement date 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 Non-Employer OPEB Liability

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

Balance at June 30, 2022		\$ 21,269,464.00
Changes for the Year:		
Service Cost	\$ 1,384,075.00	
Interest Cost	484,678.00	
Changes in Benefit Terms	-	
Difference between Expected and Actual Experience	521,647.00	
Changes in Assumptions	(4,906,186.00)	
Member Contributions	15,401.00	
Gross Benefit Payments	(480,088.00)	
Net Changes		<u>(2,980,473.00)</u>
Balance at June 30, 2023		<u>\$ 18,288,991.00</u>

Note 7: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Changes in the Total Non-Employer OPEB Liability (Cont'd)**

Differences between expected and actual experience reflect an increase in liability for the measurement period from June 30, 2021 to June 30, 2022 due to changes in the census and premium and claims experience.

Changes in assumptions reflect a decrease in the liability for the measurement period from June 30, 2021 to June 30, 2022 is due to the combined effect of the discount rate change; and changes in the trend, and experience study.

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2022, associated with the Commission, using a discount rate of 3.54%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used is as follows:

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the Employer	<u>\$ 21,496,785.00</u>	<u>\$ 18,288,991.00</u>	<u>\$ 15,718,104.00</u>

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Healthcare Cost Trend Rates - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2022, associated with the Commission, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used is as follows:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the Employer	<u>\$ 15,116,969.00</u>	<u>\$ 18,288,991.00</u>	<u>\$ 22,455,635.00</u>

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

OPEB Expense - For the fiscal year ended June 30, 2023, the Commission recognized \$1,058,512.00 in OPEB expense and revenue, in the government-wide financial statements, for the State's proportionate share of the OPEB Plan's OPEB expense, associated with the Commission. This expense and revenue was based on the OPEB Plan's June 30, 2022 measurement date.

Note 7: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Total Non-Employer OPEB Liability (Cont'd)**

Deferred Outflows and Inflows of Resources - In accordance with GASBS No. 75, the Commission'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 Commission; however, at June 30, 2023, the State's proportionate share of the total non-employer OPEB liability's deferred outflows of resources and deferred inflows of resources, associated with Commission, from the following sources are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ 3,265,310.00	\$ 5,583,840.00
Changes of Assumptions	3,165,361.00	6,224,573.00
Changes in Proportion	<u>1,214,785.00</u>	<u>780,694.00</u>
	<u>\$ 7,645,456.00</u>	<u>\$ 12,589,107.00</u>

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

Fiscal Year Ending June 30,	
2024	\$ (805,482.00)
2025	(805,482.00)
2026	(805,482.00)
2027	(694,505.00)
2028	(375,552.00)
Thereafter	<u>(1,457,148.00)</u>
	<u>\$ (4,943,651.00)</u>

Note 8: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2023, the Commission has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance were \$391,597.65, \$5,433.00, \$104,299.05, and \$281.40, respectively, in the general fund and \$682,651.15, \$30,787.00, \$899,735.20, and \$1,594.60, respectively, in the enterprise fund.

Note 9: RISK MANAGEMENT

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

Joint Insurance Fund - The Commission is a member of and maintains insurance coverage for property, liability, and surety bonds through the New Jersey Schools Insurance Group ("NJSIG"). The NJSIG provides its members with the following coverage:

General Liability
Boiler & Machinery
Errors & Omissions
Worker's Compensation
Umbrella Liability
Automobile Liability
Public Official Bonds
Property Damage
Crime

Contributions to the NJSIG are determined by the NJSIG Board of Trustees, based on actuarial assumptions determined by an actuary. The Commission is jointly and personally liable for claims insured by the NJSIG and its members during the period of its membership, including liability for supplemental assessments, if necessary. The NJSIG'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 NJSIG provides the Commission with the coverage as identified in the statistic section of this Annual Comprehensive Financial Report, specifically exhibit J-20.

The NJSIG publishes its own financial report which can be obtained at www.njsig.org.

Note 10: DEFERRED COMPENSATION

The Commission offers its employees a choice of four deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457. The plans, which are administered by the Omni Financial Group, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency.

Note 11: COMPENSATED ABSENCES

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

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

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2023, the liability for compensated absences reported on the government-wide statement of net position and on the proprietary fund statement of net position was \$70,205.19 and \$91,577.96, respectively.

Note 12: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfunds - The composition of interfund balances as of June 30, 2023 is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General		\$ 4,136,406.28
Special Revenue		69,997.40
Enterprise	<u>\$ 4,206,403.68</u>	
Totals	<u>\$ 4,206,403.68</u>	<u>\$ 4,206,403.68</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2024, the Commission expects to liquidate such interfunds, depending upon the availability of cash flow.

Transfers - The Commission allocates the net pension liability based on how the applicable employee salaries are being expensed each year. There was a change in the allocation percentage during fiscal year 2023, which caused the transfer of \$931,612.25 between the governmental activities fund and the business-type activities fund. In addition, certain capital assets previously used in programs and activities related to the enterprise fund were transferred during fiscal year 2023 to programs and activities of the governmental activities. The net balance of the capital assets was \$14,466.70.

From Governmental Activities to Business-Type Activities	\$ 931,612.25
From Business-Type Activities to Governmental Activities	<u>(14,466.70)</u>
Total Transfers, net	<u>\$ 917,145.55</u>

Note 13: CONTINGENCIES

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

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

Note 14: CONCENTRATIONS

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

Note 15: FUND BALANCES**ASSIGNED**

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

General Fund

Other Purposes - As of June 30, 2023, the Commission had \$165,554.00 of encumbrances outstanding for purchase orders and contracts signed by the Commission, but not completed, as of the close of the fiscal year.

UNASSIGNED

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

General Fund - As of June 30, 2023, \$465,255.35 of general fund balance was unassigned.

Note 16: RESTATEMENT OF PRIOR PERIOD NET POSITION

For the fiscal year ended June 30, 2023, the Commission adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. As a result, net position as of July 1, 2022 has been restated. The following table illustrates the restatement:

		Governmental Activities
Beginning Net Position as Previously Reported at July 1, 2022		\$ (1,617,838.05)
Prior Period Adjustments:		
Implementation of GASB Statement No. 96:		
Increase Capital Assets, net:		
Subscription Assets	\$ 207,266.78	
Accumulated Amortization	<u>(41,453.36)</u>	
	\$ 165,813.42	
Increase Noncurrent Liabilities:		
Subscription Liabilities	<u>(166,221.74)</u>	
Total Prior Period Adjustment(s)		<u>(408.32)</u>
Net Position as Restated, July 1, 2022		<u>\$ (1,618,246.37)</u>
		Business - Type Activities / Enterprise Fund
Beginning Net Position as Previously Reported at July 1, 2022		\$ 13,335,706.64
Prior Period Adjustments:		
Implementation of GASB Statement No. 96:		
Increase Capital Assets, net:		
Subscription Assets	\$ 99,672.88	
Accumulated Amortization	<u>(25,903.74)</u>	
		<u>73,769.14</u>
Net Position as Restated, July 1, 2022		<u>\$ 13,409,475.78</u>

Note 17: SUBSEQUENT EVENTS

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

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Commission’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Commission is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2024.

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

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION
 Required Supplementary Information - Part II
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Modifications / Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Tuition from Other Sources	\$ 1,314,903.00		\$ 1,314,903.00	\$ 1,038,470.28	\$ (276,432.72)
Transportation Fees from Other LEAs	28,029,500.00	\$ 13,814,635.00	41,844,135.00	42,065,355.00	221,220.00
Unrestricted Miscellaneous Revenues	4,000.00		4,000.00	82,381.43	78,381.43
Total - Local Sources	29,348,403.00	13,814,635.00	43,163,038.00	43,186,206.71	23,168.71
State Sources:					
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)				391,597.65	391,597.65
On-Behalf T.P.A.F. Pension Contributions - Non-contributory Insurance				5,433.00	5,433.00
On-Behalf T.P.A.F. Pension Contributions - Post-Retirement Medical (non-budgeted)				104,299.05	104,299.05
On-Behalf T.P.A.F. Pension Contributions - Long-Term Disability Insurance (non-budgeted)				281.40	281.40
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				77,764.55	77,764.55
Total - State Sources	-	-	-	579,375.65	579,375.65
Total Revenues	29,348,403.00	13,814,635.00	43,163,038.00	43,765,582.36	602,544.36
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Grades 9-12 - Salaries of Teachers	776,629.00		776,629.00	646,609.60	130,019.40
Regular Programs - Undistributed Instruction:					
General Supplies	20,083.74		20,083.74	19,662.00	421.74
Total Regular Programs - Instruction	796,712.74	-	796,712.74	666,271.60	130,441.14
Total Instruction	796,712.74	-	796,712.74	666,271.60	130,441.14
Undistributed Expenditures - Guidance:					
Students - Regular:					
Salaries of Other Professional Staff		71,000.00	71,000.00	52,695.72	18,304.28
Total Undistributed Expenditures - Guidance	-	71,000.00	71,000.00	52,695.72	18,304.28

(Continued)

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION

Required Supplementary Information - Part II

General Fund

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Modifications / Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Child Study Team:					
Salaries of Other Professional Staff	\$ 139,050.00	\$ (71,000.00)	\$ 68,050.00		\$ 68,050.00
Total Undistributed Expenditures - Child Study Team	<u>139,050.00</u>	<u>(71,000.00)</u>	<u>68,050.00</u>	<u>-</u>	<u>68,050.00</u>
Undistributed Expenditures - Instructional Staff Training Services:					
Purchased Professional - Educational Services	1,500.00		1,500.00	\$ 1,000.00	500.00
Other Objects	<u>1,000.00</u>		<u>1,000.00</u>		<u>1,000.00</u>
Total Undistributed Expenditures - Instructional Staff Training Services	<u>2,500.00</u>	<u>-</u>	<u>2,500.00</u>	<u>1,000.00</u>	<u>1,500.00</u>
Undistributed Expenditures - Support Services - General Administration:					
Salaries	263,200.00	3,760.00	266,960.00	266,957.04	2.96
Legal Services	42,000.00	(36,489.00)	5,511.00	2,611.00	2,900.00
Audit Fees	12,000.00	24,000.00	36,000.00	36,000.00	
Other Purchased Professional Services	9,000.00	(5,634.00)	3,366.00	3,365.71	0.29
Communications / Telephone	17,000.00	901.00	17,901.00	17,876.41	24.59
Miscellaneous Purchased Services (400-500)	20,350.00	(10,206.00)	10,144.00	8,393.03	1,750.97
General Supplies	600.00	(65.00)	535.00	534.36	0.64
Miscellaneous Expenditures	<u>5,000.00</u>	<u>(862.00)</u>	<u>4,138.00</u>	<u>4,137.96</u>	<u>0.04</u>
Total Undistributed Expenditures - Support Services - General Administration	<u>369,150.00</u>	<u>(24,595.00)</u>	<u>344,555.00</u>	<u>339,875.51</u>	<u>4,679.49</u>
Undistributed Expenditures - Support Services - School Administration:					
Salaries of Principals / Assistant Principals	120,724.00		120,724.00	118,207.92	2,516.08
Purchased Professional and Technical Services		312.00	312.00	311.42	0.58
Other Purchased Services (400-500 Series)	3,500.00	(2,812.00)	688.00		688.00
Other Objects	<u>1,000.00</u>		<u>1,000.00</u>	<u>845.00</u>	<u>155.00</u>
Total Undistributed Expenditures - Support Services - School Administration	<u>125,224.00</u>	<u>(2,500.00)</u>	<u>122,724.00</u>	<u>119,364.34</u>	<u>3,359.66</u>

(Continued)

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION

Required Supplementary Information - Part II

General Fund

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Modifications / Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Central Services:					
Salaries	\$ 342,200.00	\$ 9,027.00	\$ 351,227.00	\$ 351,226.28	\$ 0.72
Unused Vacation Payment to Terminated / Retired Staff		385.00	385.00	384.20	0.80
Miscellaneous Purchased Services (400-500 Series)	6,500.00	(833.00)	5,667.00	5,665.76	1.24
Supplies and Materials	12,000.00	(4,168.00)	7,832.00	7,831.77	0.23
Interest on Financed Purchase Agreements	43,300.00	(3.00)	43,297.00	43,276.20	20.80
Miscellaneous Expenditures	3,000.00	(1,000.00)	2,000.00	1,968.00	32.00
Total Undistributed Expenditures - Central Services	407,000.00	3,408.00	410,408.00	410,352.21	55.79
Undistributed Expenditures - Administration Information					
Technology:					
Salaries		81,802.00	81,802.00	81,801.12	0.88
Purchased Professional and Technical Services		115,167.00	115,167.00	115,166.06	0.94
Other Purchased Services (400-500 Series)		4,122.00	4,122.00	4,120.74	1.26
Supplies and Materials		3,733.00	3,733.00	3,732.45	0.55
Total Undistributed Expenditures - Administration Information Technology	-	204,824.00	204,824.00	204,820.37	3.63
Undistributed Expenditures - Required Maintenance for School					
Facilities:					
Lead Testing of Drinking Water	300.00	(142.00)	158.00	157.80	0.20
Total Undistributed Expenditures - Required Maintenance for School Facilities	300.00	(142.00)	158.00	157.80	0.20
Undistributed Expenditures - Custodial Services:					
Cleaning, Repair, and Maintenance Services	10,000.00	19,579.00	29,579.00	29,526.03	52.97
Other Purchased Property Services	1,200.00	2,609.00	3,809.00	3,808.39	0.61
Insurance	5,000.00	(1,000.00)	4,000.00	3,970.43	29.57
General Supplies	1,000.00	1,100.00	2,100.00	2,088.84	11.16
Energy (Electricity)	6,800.00	20,400.00	27,200.00	27,174.47	25.53
Energy (Natural Gas)	2,700.00	6,100.00	8,800.00	8,789.89	10.11
Total Undistributed Expenditures - Custodial Services	26,700.00	48,788.00	75,488.00	75,358.05	129.95

(Continued)

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION

Required Supplementary Information - Part II

General Fund

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Modifications / Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Care and Upkeep of Grounds:					
Cleaning, Repair, and Maintenance Services	\$ 6,000.00	\$ (4,307.00)	\$ 1,693.00	\$ 1,692.50	\$ 0.50
Total Undistributed Expenditures - Care and Upkeep of Grounds	<u>6,000.00</u>	<u>(4,307.00)</u>	<u>1,693.00</u>	<u>1,692.50</u>	<u>0.50</u>
Total Undistributed Expenditures - Operation and Maintenance of Plant Services	<u>33,000.00</u>	<u>44,339.00</u>	<u>77,339.00</u>	<u>77,208.35</u>	<u>130.65</u>
Undistributed Expenditures - Student Transportation Services:					
Salaries for Pupil Transportation (Between Home and School) - Regular	22,200.00	14,633.00	36,833.00	36,832.55	0.45
Salaries for Pupil Transportation (Between Home and School) - Special Education	285,400.00	127,220.00	412,620.00	412,619.36	0.64
Unused Vacation Payment to Terminated / Retired Staff	2,700.00	5,899.00	8,599.00	8,598.09	0.91
Other Purchased Professional and Technical Services	41,500.00	(7,572.00)	33,928.00	28,927.92	5,000.08
Contracted Services - (Between Home and School) - Vendors	24,300,000.00	13,459,962.00	37,759,962.00	37,759,961.26	0.74
Contracted Services - (Other than Between Home and School) - Vendors	50,000.00	(39,485.00)	10,515.00	10,515.00	
Contracted Services - Aid in Lieu Payments - Nonpublic Schools	2,130,000.00	(274,842.00)	1,855,158.00	1,855,157.85	0.15
Cleaning, Repair, and Maintenance Services	10,000.00	(7,280.00)	2,720.00	2,719.42	0.58
Rental Payments - School Buses	18,000.00	(18,000.00)			
Miscellaneous Purchased Services - Transportation	23,000.00	(8,041.00)	14,959.00	14,958.21	0.79
General Supplies	3,500.00	(2,948.00)	552.00	551.37	0.63
Transportation Supplies	9,000.00	(5,967.00)	3,033.00	3,032.66	0.34
Other Objects	<u>200.00</u>	<u>75.00</u>	<u>275.00</u>	<u>275.00</u>	
Total Undistributed Expenditures - Student Transportation Services	<u>26,895,500.00</u>	<u>13,243,654.00</u>	<u>40,139,154.00</u>	<u>40,134,148.69</u>	<u>5,005.31</u>
Allocated Benefits:					
Student Transportation Services - Employee Benefits:					
Unused Sick Payment to Terminated / Retired Staff	<u>6,000.00</u>	<u>(1,650.00)</u>	<u>4,350.00</u>	<u>4,350.00</u>	
Total Allocated Benefits	<u>6,000.00</u>	<u>(1,650.00)</u>	<u>4,350.00</u>	<u>4,350.00</u>	<u>-</u>

(Continued)

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION

Required Supplementary Information - Part II

General Fund

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Modifications / Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	\$ 51,500.00	\$ 12,714.00	\$ 64,214.00	\$ 63,373.35	\$ 840.65
Other Retirement Contributions - PERS	97,000.00	8,813.00	105,813.00	105,812.92	0.08
Unemployment Compensation	11,000.00	(3,642.00)	7,358.00	6,379.98	978.02
Workmen's Compensation	25,000.00	(1,184.00)	23,816.00	20,113.97	3,702.03
Health Benefits	377,000.00	27,326.00	404,326.00	356,672.15	47,653.85
Other Employee Benefits	13,200.00	(833.00)	12,367.00	12,155.55	211.45
Total Unallocated Benefits - Employee Benefits	574,700.00	43,194.00	617,894.00	564,507.92	53,386.08
On-behalf Contributions:					
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)				391,597.65	(391,597.65)
On-Behalf T.P.A.F. Pension Contributions - Non-contributory Insurance				5,433.00	(5,433.00)
On-Behalf T.P.A.F. Pension Contributions - Post-Retirement Medical (non-budgeted)				104,299.05	(104,299.05)
On-Behalf T.P.A.F. Pension Contributions - Long-Term Disability Insurance (non-budgeted)				281.40	(281.40)
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				77,764.55	(77,764.55)
Total On-behalf Contributions	-	-	-	579,375.65	(579,375.65)
Total Personal Services - Employee Benefits	574,700.00	43,194.00	617,894.00	1,143,883.57	(525,989.57)
Total Undistributed Expenditures	28,552,124.00	13,510,674.00	42,062,798.00	42,487,698.76	(424,900.76)
Total General Current Expense	29,348,836.74	13,510,674.00	42,859,510.74	43,153,970.36	(294,459.62)
Capital Outlay:					
Equipment:					
Undistributed Expenditures:					
Undistributed Expenditures - Central Services		104,918.00	104,918.00	104,917.80	0.20
Undistributed Expenditures - Admin. Information Technology		35,490.00	35,490.00	35,489.10	0.90
Undistributed Expenditures - Custodial Services		2,700.00	2,700.00	2,699.10	0.90
Undistributed Expenditures - Student Transportation		2,049.00	2,049.00	2,048.37	0.63
School Buses - Regular		158,804.00	158,804.00		158,804.00
Total Equipment	-	303,961.00	303,961.00	145,154.37	158,806.63
Total Capital Outlay	-	303,961.00	303,961.00	145,154.37	158,806.63

(Continued)

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION
 Required Supplementary Information - Part II
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Modifications / Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Total Expenditures	\$ 29,348,836.74	\$ 13,814,635.00	\$ 43,163,471.74	\$ 43,299,124.73	\$ (135,652.99)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(433.74)	-	(433.74)	466,457.63	466,891.37
Fund Balances, July 1	-	-	-	164,351.72	164,351.72
Fund Balances, June 30	<u>\$ (433.74)</u>	<u>-</u>	<u>\$ (433.74)</u>	<u>\$ 630,809.35</u>	<u>\$ 631,243.09</u>
Recapitulation:					
Assigned:					
Year-End Encumbrances				\$ 165,554.00	
Unassigned				<u>465,255.35</u>	
				<u>\$ 630,809.35</u>	

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION
 Required Supplementary Information - Part II
 Special Revenue Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers / Modifications	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal Sources:					
Title I, Part D	\$ 281,463.84		\$ 281,463.84	\$ 217,583.81	\$ (63,880.03)
STOP School Violence Program	873,649.00		873,649.00	507,674.46	(365,974.54)
ARP - Non-Title I	10,000.00		10,000.00	10,000.00	
Coronavirus Response and Relief Supplemental Appropriations Act: A.R.P. ESSER		\$ 40,000.00	40,000.00	7,731.39	(32,268.61)
Substance Abuse and Mental Health Services Grant		1,940,000.00	1,940,000.00	32,629.29	(1,907,370.71)
Total - Federal Sources	<u>1,165,112.84</u>	<u>1,980,000.00</u>	<u>3,145,112.84</u>	<u>775,618.95</u>	<u>(2,369,493.89)</u>
Total Revenues	<u>1,165,112.84</u>	<u>1,980,000.00</u>	<u>3,145,112.84</u>	<u>775,618.95</u>	<u>(2,369,493.89)</u>
EXPENDITURES:					
Instruction:					
Salaries	190,367.84	(16,824.43)	173,543.41	128,916.94	44,626.47
Purchased Professional and Technical Services	5,660.00	10,000.00	15,660.00	5,660.00	10,000.00
Total Instruction	<u>196,027.84</u>	<u>(6,824.43)</u>	<u>189,203.41</u>	<u>134,576.94</u>	<u>54,626.47</u>
Support Services:					
Salaries	96,671.00	146,983.46	243,654.46	87,615.10	156,039.36
Personnel Services - Employee Benefits	63,693.00	27,634.74	91,327.74	61,839.35	29,488.39
Purchased Professional and Technical Services	802,921.00	1,806,300.00	2,609,221.00	487,460.31	2,121,760.69
Other Purchased Services (400-500 series)	5,800.00	5,906.23	11,706.23	4,127.25	7,578.98
Total Support Services	<u>969,085.00</u>	<u>1,986,824.43</u>	<u>2,955,909.43</u>	<u>641,042.01</u>	<u>2,314,867.42</u>
Total Expenditures	<u>1,165,112.84</u>	<u>1,980,000.00</u>	<u>3,145,112.84</u>	<u>775,618.95</u>	<u>2,369,493.89</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION

Required Supplementary Information - Part II
 Budgetary Comparison Schedule
 Notes to Required Supplementary Information
 For the Fiscal Year Ended June 30, 2023

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

	General Fund	Special Revenue Fund
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-series)	<u>\$ 43,765,582.36</u>	<u>\$ 775,618.95</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 43,765,582.36</u>	<u>\$ 775,618.95</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule (C-series)	<u>\$ 43,299,124.73</u>	<u>\$ 775,618.95</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 43,299,124.73</u>	<u>\$ 775,618.95</u>

**REQUIRED SUPPLEMENTARY INFORMATION
PART III**

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

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION
 Required Supplementary Information - Part III
 Schedule of the Commission's Proportionate Share of the Net Pension Liability
 Public Employees' Retirement System (PERS)
 Last Ten Plan Years

	<u>Measurement Date Ended June 30,</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Commission's Proportion of the Net Pension Liability	0.0129387618%	0.0167451356%	0.0211585623%	0.0199494105%	0.0202208372%
Commission's Proportionate Share of the Net Pension Liability	\$ 1,952,637.00	\$ 1,983,712.00	\$ 3,450,408.00	\$ 3,594,581.00	\$ 3,981,382.00
Commission's Covered Payroll (Plan Measurement Period)	\$ 1,125,700.00	\$ 1,283,340.00	\$ 1,641,592.00	\$ 1,424,776.00	\$ 1,522,116.00
Commission's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	173.46%	154.57%	210.19%	252.29%	261.57%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.91%	70.33%	58.32%	56.27%	53.60%
	<u>Measurement Date Ended June 30,</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Commission's Proportion of the Net Pension Liability	0.0193832381%	0.0173819769%	0.0149825794%	0.0131602254%	0.0115869100%
Commission's Proportionate Share of the Net Pension Liability	\$ 4,512,108.00	\$ 5,148,043.00	\$ 3,363,289.00	\$ 2,463,954.00	\$ 2,214,489.00
Commission's Covered Payroll (Plan Measurement Period)	\$ 1,427,960.00	\$ 1,261,080.00	\$ 1,043,760.00	\$ 997,496.00	\$ 850,940.00
Commission's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	315.98%	408.22%	322.23%	247.01%	260.24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.10%	40.14%	47.93%	52.08%	48.72%

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION
 Required Supplementary Information - Part III
 Schedule of the Commission's Contributions
 Public Employees' Retirement System (PERS)
 Last Ten Fiscal Years

	<u>Fiscal Year Ended June 30,</u>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually Required Contribution	\$ 186,590.00	\$ 163,164.00	\$ 196,105.00	\$ 231,464.00	\$ 194,049.00
Contributions in relation to the Contractually Required Contribution	<u>(186,590.00)</u>	<u>(163,164.00)</u>	<u>(196,105.00)</u>	<u>(231,464.00)</u>	<u>(194,049.00)</u>
Contribution Deficiency (Excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Commission's Covered Payroll (Fiscal Year)	\$ 1,198,326.00	\$ 1,049,609.00	\$ 1,116,328.00	\$ 1,236,194.00	\$ 1,531,050.00
Contributions as a Percentage of Commission's Covered Payroll	15.57%	15.55%	17.57%	18.72%	12.67%

	<u>Fiscal Year Ended June 30,</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 201,132.00	\$ 179,565.00	\$ 154,419.00	\$ 128,810.00	\$ 108,491.00
Contributions in relation to the Contractually Required Contribution	<u>(201,132.00)</u>	<u>(179,565.00)</u>	<u>(154,419.00)</u>	<u>(128,810.00)</u>	<u>(108,491.00)</u>
Contribution Deficiency (Excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Commission's Covered Payroll (Fiscal Year)	\$ 1,339,707.00	\$ 1,358,113.00	\$ 1,206,054.00	\$ 1,057,840.00	\$ 890,883.00
Contributions as a Percentage of Commission's Covered Payroll	15.01%	13.22%	12.80%	12.18%	12.18%

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION
 Required Supplementary Information - Part III
 Schedule of the Commission's Proportionate Share of the Net Pension Liability
 Teachers' Pension and Annuity Fund (TPAF)
 Last Ten Plan Years

	<u>Measurement Date Ended June 30.</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Commission's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability associated with the Commission	100.00%	100.00%	100.00%	100.00%	100.00%
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Commission's Proportionate Share of the Net Pension Liability	-	-	-	-	-
State's Proportionate Share of the Net Pension Liability associated with the Commission	\$ 31,187,356.00	\$ 27,317,499.00	\$ 35,269,186.00	\$ 29,199,156.00	\$ 26,345,486.00
	<u>\$ 31,187,356.00</u>	<u>\$ 27,317,499.00</u>	<u>\$ 35,269,186.00</u>	<u>\$ 29,199,156.00</u>	<u>\$ 26,345,486.00</u>
Commission's Covered Payroll (Plan Measurement Period)	\$ 8,562,784.00	\$ 7,512,996.00	\$ 7,218,904.00	\$ 6,541,652.00	\$ 5,723,516.00
Commission's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	364.22%	363.60%	488.57%	446.36%	460.30%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	32.29%	35.52%	24.60%	26.95%	26.49%

	<u>Measurement Date Ended June 30.</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Commission's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability associated with the Commission	100.00%	100.00%	100.00%	100.00%	100.00%
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Commission's Proportionate Share of the Net Pension Liability	-	-	-	-	-
State's Proportionate Share of the Net Pension Liability associated with the Commission	\$ 25,248,616.00	\$ 26,589,742.00	\$ 23,880,268.00	\$ 22,090,905.00	\$ 21,355,215.00
	<u>\$ 25,248,616.00</u>	<u>\$ 26,589,742.00</u>	<u>\$ 23,880,268.00</u>	<u>\$ 22,090,905.00</u>	<u>\$ 21,355,215.00</u>
Commission's Covered Payroll (Plan Measurement Period)	\$ 4,880,388.00	\$ 4,351,668.00	\$ 3,790,488.00	\$ 4,252,724.00	\$ 4,661,040.00
Commission's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	517.35%	611.02%	630.01%	519.45%	458.16%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	25.41%	22.33%	28.71%	33.64%	33.76%

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION
Required Supplementary Information - Part III
Schedule of Commission's Contributions
Teachers' Pension and Annuity Fund (TPAF)
Last Ten Fiscal Years

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

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

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION

Required Supplementary Information - Part III
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2023

Teachers' Pension and Annuity Fund (TPAF)

Changes in Benefit Terms:

The Division of Pensions and Benefits adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions. Previously, after termination of employment, but prior to retirement or death, interest was credited on member accumulated deductions at the valuation interest rate for the entire period. Effective July 1, 2018, interest is only credited at the valuation interest rate for the first two years of inactivity prior to retirement or death.

Changes in Assumptions:

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2017	4.25%
2021	7.00%	2016	3.22%
2020	5.40%	2015	4.13%
2019	5.60%	2014	4.68%
2018	4.86%		

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2017	7.00%
2021	7.00%	2016	7.65%
2020	7.00%	2015	7.90%
2019	7.00%	2014	7.90%
2018	7.00%		

For 2022, demographic assumptions were updated to reflect the most recent experience study for the period July 1, 2018 to June 30, 2021.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms:

The Division of Pensions and Benefits adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions. Previously, after termination of employment, but prior to retirement or death, interest was credited on member accumulated deductions at the valuation interest rate for the entire period. Effective July 1, 2018, interest is only credited at the valuation interest rate for the first two years of inactivity prior to retirement or death.

The June 30, 2022 measurement date included three changes to the plan provisions, only one of which had an impact on the Total Pension Liability (TPL). Chapter 226, P.L. 2021 reopened the Prosecutors Part of PERS and made membership in the Prosecutors Part of PERS mandatory for all prosecutors.

Changes in Assumptions:

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2017	5.00%
2021	7.00%	2016	3.98%
2020	7.00%	2015	4.90%
2019	6.28%	2014	5.39%
2018	5.66%		

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2017	7.00%
2021	7.00%	2016	7.65%
2020	7.00%	2015	7.90%
2019	7.00%	2014	7.90%
2018	7.00%		

For 2022, demographic assumptions were updated to reflect the most recent experience study for the period July 1, 2018 to June 30, 2021.

**REQUIRED SUPPLEMENTARY INFORMATION
PART IV**

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

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION

Required Supplementary Information - Part IV
Schedule of Changes in the Commission's
Total OPEB Liability and Related Ratios
Last Six Plan Years

	<u>Measurement Date Ended June 30,</u>		
	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total Non-Employer OPEB Liability - State's Proportionate Share of the Total OPEB Liability Associated with the Commission			
Changes for the Year:			
Service Cost	\$ 1,384,075.00	\$ 1,793,133.00	\$ 887,225.00
Interest Cost	484,678.00	551,752.00	555,880.00
Change in Benefit Terms		(22,639.00)	
Difference Between Expected and Actual Experience	521,647.00	(5,762,532.00)	4,298,279.00
Changes in Assumptions	(4,906,186.00)	20,984.00	4,586,604.00
Member Contributions	15,401.00	14,106.00	13,249.00
Gross Benefit Payments	(480,088.00)	(434,626.00)	(437,132.00)
Net Change in Total Non-Employer OPEB Liability	(2,980,473.00)	(3,839,822.00)	9,904,105.00
Total Non-Employer OPEB Liability - July 1	21,269,464.00	25,109,286.00	15,205,181.00
Total Non-Employer OPEB Liability - June 30	<u>\$ 18,288,991.00</u>	<u>\$ 21,269,464.00</u>	<u>\$ 25,109,286.00</u>
Commission's Covered Payroll (Plan Measurement Period)	<u>\$ 7,706,549.00</u>	<u>\$ 8,454,175.00</u>	<u>\$ 7,591,877.00</u>
State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the Commission as a Percentage of Covered Payroll	237.32%	251.59%	330.74%
	<u>Measurement Date Ended June 30,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total Non-Employer OPEB Liability - State's Proportionate Share of the Total OPEB Liability Associated with the Commission			
Changes for the Year:			
Service Cost	\$ 827,772.00	\$ 910,576.00	\$ 1,089,661.00
Interest Cost	649,767.00	697,507.00	593,868.00
Change in Benefit Terms			
Difference Between Expected and Actual Experience	(2,232,539.00)	(1,926,309.00)	
Changes in Assumptions	226,710.00	(1,857,469.00)	(2,440,443.00)
Member Contributions	13,836.00	14,959.00	16,017.00
Gross Benefit Payments	(466,754.00)	(432,818.00)	(434,983.00)
Net Change in Total Non-Employer OPEB Liability	(981,208.00)	(2,593,554.00)	(1,175,880.00)
Total Non-Employer OPEB Liability - July 1	16,186,389.00	18,779,943.00	19,955,823.00
Total Non-Employer OPEB Liability - June 30	<u>\$ 15,205,181.00</u>	<u>\$ 16,186,389.00</u>	<u>\$ 18,779,943.00</u>
Commission's Covered Payroll (Plan Measurement Period)	<u>\$ 7,685,937.00</u>	<u>\$ 6,954,470.00</u>	<u>\$ 6,078,866.00</u>
State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the Commission as a Percentage of Covered Payroll	197.83%	232.75%	308.94%

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

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION

Notes to Required Supplementary Information - Part IV

For the Fiscal Year Ended June 30, 2023

Changes in Benefit Terms:

None.

Changes in Assumptions:

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	3.54%	2019	3.50%
2021	2.16%	2018	3.87%
2020	2.21%	2017	3.58%

In addition to changes in the discount rate, other factors that affected the valuation of the net OPEB liability included update in trend and experience study.

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 is 5.00%.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2023

	Every Student Succeeds Act (E.S.S.A.)	Education Stabilization Fund				Total
	Title I, Part D, Prevention and Intervention Programs for Children	American Rescue Plan - Non Title I	American Rescue Plan Elementary and Secondary School Emergency Relief Fund (ARP ESSER)	STOP School Violence Program	Substance Abuse and Mental Health Services Grant	
REVENUES:						
Federal Sources	\$ 217,583.81	\$ 10,000.00	\$ 7,731.39	\$ 507,674.46	\$ 32,629.29	\$ 775,618.95
Total Revenues	217,583.81	10,000.00	7,731.39	507,674.46	32,629.29	775,618.95
EXPENDITURES:						
Instruction:						
Salaries	128,916.94					128,916.94
Purchased Professional and Technical Services	5,660.00					5,660.00
Total Instruction	134,576.94	-	-	-	-	134,576.94
Support Services:						
Salaries	18,659.48	3,900.00	7,115.78	28,911.84	29,028.00	87,615.10
Personnel Services - Employee Benefits	55,767.14	300.00	615.61	2,572.81	2,583.79	61,839.35
Purchased Professional and Technical Services	4,453.00	5,800.00		476,189.81	1,017.50	487,460.31
Other Purchased Services (400-500 series)	4,127.25					4,127.25
Total Support Services	83,006.87	10,000.00	7,731.39	507,674.46	32,629.29	641,042.01
Total Expenditures	217,583.81	10,000.00	7,731.39	507,674.46	32,629.29	775,618.95
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-

PROPRIETARY FUND

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION

Proprietary Fund

Business-Type Activities - Enterprise Fund

Statement of Net Position

June 30, 2023

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$ 7,195,415.73
Interfund Accounts Receivable:	
General Fund	4,136,406.28
Special Revenue Fund	69,997.40
Intergovernmental Accounts Receivable:	
State	45,574.49
Other	<u>2,793,019.92</u>
Total Current Assets	<u>14,240,413.82</u>

Noncurrent Assets:

Capital Assets	6,689,427.60
Less: Accumulated Depreciation and Amortization	<u>(2,915,032.18)</u>
Total Capital Assets, net	<u>3,774,395.42</u>

Total Noncurrent Assets

3,774,395.42

Total Assets

18,014,809.24

DEFERRED OUTFLOWS OF RESOURCES:

Related to Pensions	<u>118,340.32</u>
Total Deferred Outflows of Resources	<u>118,340.32</u>

LIABILITIES:

Current Liabilities:

Accounts Payable:	
Other	178,789.82
Related to Pensions	52,245.20
Accrued Wages	9,840.60
Compensated Absences Payable	<u>19,826.14</u>
Total Current Liabilities	<u>260,701.76</u>

Noncurrent Liabilities:

Compensated Absences Payable	71,751.82
Net Pension Liability	<u>546,738.36</u>

Total Noncurrent Liabilities

618,490.18

Total Liabilities

879,191.94

(Continued)

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION

Proprietary Fund

Business-Type Activities - Enterprise Fund

Statement of Net Position

June 30, 2023

DEFERRED INFLOWS OF RESOURCES:

Related to Pensions	\$ 416,286.36
Total Deferred Inflows of Resources	<u>416,286.36</u>

NET POSITION:

Net Investment in Capital Assets	3,774,395.42
Unrestricted	<u>13,063,275.84</u>
Total Net Position	<u><u>\$ 16,837,671.26</u></u>

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION
Proprietary Fund
Business-Type Activities - Enterprise Fund
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2023

OPERATING REVENUES:

Charges for Services:	
Related Services	\$ 6,950,006.51
Nonpublic Auxiliary and Handicapped Services	4,416,660.07
Cooperative Purchasing Services	1,899,287.90
General:	
Miscellaneous	54,637.45
	<hr/>
Total Operating Revenues	13,320,591.93
	<hr/>

OPERATING EXPENSES:

Personnel Services - Salaries	7,856,486.02
Personnel Services - Employee Benefits	3,798,570.95
Purchased Professional and Technical Services	757,923.96
Other Purchased Services	204,022.41
Supplies and Materials	71,130.50
Depreciation and Amortization	175,621.24
Miscellaneous Expenditures	3,911.86
Other Objects	15,115.16
	<hr/>
Total Operating Expenses	12,882,782.10
	<hr/>
Operating Income	437,809.83
	<hr/>

NONOPERATING REVENUES (EXPENSES):

State Sources:	
On-Behalf T.P.A.F. Pension Contributions - Normal Cost	682,651.15
On-Behalf T.P.A.F. Pension Contributions - Non-contributory Insurance	30,787.00
On-Behalf T.P.A.F. Pension Contributions - Post-Retirement Medical	899,735.20
On-Behalf T.P.A.F. Pension Contributions - Long-Term Disability Insurance	1,594.60
Reimbursed T.P.A.F. Social Security Contributions	457,197.97
Other Grant Revenues	6,104.00
Interest Expense	(3,846.22)
Gain (Loss) on Disposal of Capital Assets	(983.60)
	<hr/>
Total Nonoperating Revenues (Expenses)	2,073,240.10
	<hr/>
Income before Transfers	2,511,049.93

(Continued)

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION
 Proprietary Fund
 Business-Type Activities - Enterprise Fund
 Statement of Revenues, Expenses and Changes in Fund Net Position
 For the Fiscal Year Ended June 30, 2023

TRANSFERS:

Transfer from Governmental Activities	\$ 917,145.55
Total Transfers	<u>917,145.55</u>
Change in Net Position	3,428,195.48
Net Position, July 1	<u>13,335,706.64</u>
Prior Period Adjustments	<u>73,769.14</u>
Net Position, July 1 (Restated)	<u>13,409,475.78</u>
Net Position, June 30	<u><u>\$ 16,837,671.26</u></u>

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION

Proprietary Fund

Business-Type Activities - Enterprise Fund

Statement of Cash Flows

For the Fiscal Year Ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES:

Receipts from Customers and Users	\$ 13,186,198.54
Payments to Suppliers	(1,055,373.42)
Payments to Employees	(7,854,808.43)
Payments for Employee Benefits	<u>(3,945,183.78)</u>
Net Cash Provided by (Used for) Operating Activities	<u>330,832.91</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

State Sources	2,046,792.62
Other Grant Revenues	6,104.00
Transfer from / (to) General Fund	(570,167.12)
Transfer from / (to) Special Revenue Fund	<u>(27,594.53)</u>
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>1,455,134.97</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Purchases of Capital Assets	(72,876.19)
Principal Paid on Financed Purchase Debt	(166,024.22)
Interest Paid on Financed Purchase Debt	<u>(7,080.58)</u>
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(245,980.99)</u>

Net Increase (Decrease) in Cash and Cash Equivalents	1,539,986.89
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Cash and Cash Equivalents, July 1	<u>5,655,428.84</u>
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Cash and Cash Equivalents, June 30	<u>\$ 7,195,415.73</u>
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Reconciliation of Operating Income to Net Cash Provided (Used)

by Operating Activities:

Operating Income	\$ 437,809.83
Adjustments to Reconcile Operating Income to Net Cash	
Provided by (Used for) Operating Activities:	
Depreciation and Amortization	175,621.24
(Increase) Decrease in Intergovernmental Accounts Receivable	(134,393.39)
Increase (Decrease) in Accounts Payable	(3,269.53)
Increase (Decrease) in Accrued Wages	3,464.55
Increase (Decrease) in Compensated Absences Payable	(1,923.67)
Increase (Decrease) in Net Pension Liability	<u>(146,476.12)</u>

Net Cash Provided by (Used for) Operating Activities	<u>\$ 330,832.91</u>
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STATISTICAL SECTION

Financial Trends Information

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

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION
 Net Position by Component
 Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2023	2022	2021**	2020	2019	2018	2017	2016	2015	2014*
Governmental Activities:										
Net Investment in Capital Assets	\$ 208,188.63	\$ 35,517.01	\$ 17,795.43	\$ 25,053.10	\$ 29,303.71	\$ 11,219.62	\$ 18,238.41	\$ 26,142.79	\$ 469,125.31	\$ 397,581.69
Unrestricted (Deficit)	(1,745,786.24)	(1,653,763.38)	(11,770.79)	(8,280.40)	(4,424.54)	(2,971.89)	(2,422.22)	(3,098.89)	6,061,402.55	3,256,317.72
Total Governmental Activities Net Position	\$ (1,537,597.61)	\$ (1,618,246.37)	\$ 6,024.64	\$ 16,772.70	\$ 24,879.17	\$ 8,247.73	\$ 15,816.19	\$ 23,043.90	\$ 6,530,527.86	\$ 3,653,899.41
Business-Type Activities:										
Net Investment in Capital Assets	\$ 3,774,395.42	\$ 3,726,566.55	\$ 3,627,468.49	\$ 3,322,467.50	\$ 2,898,590.03	\$ 2,646,193.32	\$ 2,620,124.20	\$ 2,522,286.47	\$ 2,088,840.67	\$ 2,137,512.36
Unrestricted (Deficit)	13,063,275.84	9,682,909.23	5,875,579.01	5,512,184.36	5,594,058.17	5,626,582.34	5,082,379.39	4,747,309.71	(1,741,113.11)	299,635.81
Total Business-Type Activities Net Position	\$ 16,837,671.26	\$ 13,409,475.78	\$ 9,503,047.50	\$ 8,834,651.86	\$ 8,492,648.20	\$ 8,272,775.66	\$ 7,702,503.59	\$ 7,269,596.18	\$ 347,727.56	\$ 2,437,148.17
Government-Wide:										
Net Investment in Capital Assets	\$ 3,982,584.05	\$ 3,762,083.56	\$ 3,645,263.92	\$ 3,347,520.60	\$ 2,927,893.74	\$ 2,657,412.94	\$ 2,638,362.61	\$ 2,548,429.26	\$ 2,557,965.98	\$ 2,535,094.05
Unrestricted	11,317,489.60	8,029,145.85	5,863,808.22	5,503,903.96	5,589,633.63	5,623,610.45	5,079,957.17	4,744,210.82	4,320,289.44	3,555,953.53
Total Government-Wide Net Position	\$ 15,300,073.65	\$ 11,791,229.41	\$ 9,509,072.14	\$ 8,851,424.56	\$ 8,517,527.37	\$ 8,281,023.39	\$ 7,718,319.78	\$ 7,292,640.08	\$ 6,878,255.42	\$ 6,091,047.58

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

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

Source: Annual Comprehensive Financial Report Exhibit A-1.

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION
Changes in Net Position
Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2023	2022***	2021**	2020	2019	2018	2017	2016	2015*	2014
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 802,299.12	\$ 787,197.82	\$ 891,758.02	\$ 819,364.86	\$ 774,824.98	\$ 736,025.34	\$ 702,111.87	\$ 683,891.56	\$ 624,284.15	\$ 565,086.54
Special Education										483,290.52
Other Special Instruction										143,308.31
Support Services:										
Student and Instruction Related Services	720,425.49	126,602.01	78,154.44	70,155.25	86,997.79	184,980.05	191,941.65	195,624.27	161,533.58	874,964.62
Other Administrative Services	553,491.73	289,754.01							25,795.72	119,785.26
School Administrative Services	486,693.64	448,213.01	133,848.18	132,518.90	124,579.48	122,386.14	119,028.85	15,512.68	14,461.57	117,543.15
Plant Operations and Maintenance	79,487.45	22,162.31							11,914.34	31,303.41
Pupil Transportation	40,132,847.07	28,949,570.51							26,455,193.96	23,342,917.74
Personal Services - Employee Benefits	550,578.64	689,207.25	627,370.87	560,663.62	551,659.44	576,030.02	497,953.34	424,116.27	396,614.84	1,297,696.73
Loss on Disposal of Capital Assets					2,146.43	2,101.40				1,903.81
Interest on Long-term Debt	931.81	4,265.13							12,941.23	14,177.91
Total Governmental Activities Expenses	43,326,754.95	31,316,972.05	1,731,131.51	1,582,702.63	1,540,208.12	1,621,522.95	1,511,035.71	1,319,144.78	27,702,739.39	26,991,978.00
Business-Type Activities:										
Enterprise Fund	12,886,628.32	12,822,943.64	35,144,307.63	46,936,832.22	55,371,357.55	49,325,746.71	45,575,521.87	39,455,410.79	7,817,347.26	454,720.10
Internet Connect Program							275,126.76			
Total Business-Type Activities Expense	12,886,628.32	12,822,943.64	35,144,307.63	46,936,832.22	55,371,357.55	49,325,746.71	45,850,648.63	39,455,410.79	7,817,347.26	454,720.10
Total Government-Wide Expenses	\$ 56,213,383.27	\$ 44,139,915.69	\$ 36,875,439.14	\$ 48,519,534.85	\$ 56,911,565.67	\$ 50,947,269.66	\$ 47,361,684.34	\$ 40,774,555.57	\$ 35,520,086.65	\$ 27,446,698.10
Program Revenues:										
Governmental Activities:										
Charges for Services	\$ 43,103,825.28	\$ 31,016,234.88	\$ 1,019,655.79	\$ 1,013,062.05	\$ 957,309.18	\$ 889,041.22	\$ 839,021.83	\$ 771,735.71	\$ 28,009,807.28	\$ 27,093,827.47
Operating Grants and Contributions	1,138,342.55	699,487.94	700,727.66	558,371.00	572,980.88	724,913.27	664,786.17	543,850.68	316,788.86	891,337.23
Capital Grants and Contributions		14,956.00		3,163.11	26,549.50			7,890.95	20,411.95	6,510.00
Total Governmental Activities Program Revenues	44,242,167.83	31,730,678.82	1,720,383.45	1,574,596.16	1,556,839.56	1,613,954.49	1,503,808.00	1,323,477.34	28,347,008.09	27,991,674.70
Business-Type Activities:										
Charges for services:										
Enterprise Fund	13,265,954.48	12,052,009.11	31,819,688.64	44,729,316.78	52,969,170.58	46,673,461.76	43,684,766.28	38,073,907.62	7,288,236.96	4,682,305.69
Internet Connect Program							213,366.00			
Operating Grants and Contributions	2,078,069.92	2,539,623.11	3,912,346.04	2,500,265.44	2,595,207.85	3,180,285.54	2,369,257.88	1,774,741.51	647,481.35	
Total Business-Type Activities Program Revenues	15,344,024.40	14,591,632.22	35,732,034.68	47,229,582.22	55,564,378.43	49,853,747.30	46,267,390.16	39,848,649.13	7,935,718.31	4,682,305.69
Total Government-Wide Program Revenues	\$ 59,586,192.23	\$ 46,322,311.04	\$ 37,452,418.13	\$ 48,804,178.38	\$ 57,121,217.99	\$ 51,467,701.79	\$ 47,771,198.16	\$ 41,172,126.47	\$ 36,282,726.40	\$ 32,673,980.39
Net (Expense) / Revenue:										
Governmental Activities	\$ 915,412.88	\$ 413,706.77	\$ (10,748.06)	\$ (8,106.47)	\$ 16,631.44	\$ (7,568.46)	\$ (7,227.71)	\$ 4,332.56	\$ 644,268.70	\$ 999,696.70
Business-Type Activities	2,457,396.08	1,768,688.58	587,727.05	292,750.00	193,020.88	528,000.59	416,741.53	393,238.34	118,371.05	4,227,585.59
Total Government-Wide Net Expense	\$ 3,372,808.96	\$ 2,182,395.35	\$ 576,978.99	\$ 284,643.53	\$ 209,652.32	\$ 520,432.13	\$ 409,513.82	\$ 397,570.90	\$ 762,639.75	\$ 5,227,282.29

(Continued)

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION
Changes in Net Position
Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2023	2022***	2021**	2020	2019	2018	2017	2016	2015*	2014
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Interest and Investment Earnings - Unrestricted	\$ 76,478.90	\$ 6,598.10						\$ 5,290.48	\$ 15,201.56	\$ 20,248.38
Miscellaneous	5,902.53	210.68					\$ 23.21	12,580.27	4,262.31	260,799.51
Transfers	(917,145.55)	(2,044,378.24)					(6,511,839.73)			(2,162,632.78)
Total Governmental Activities	(834,764.12)	(2,037,569.46)	-	-	-	-	(6,511,816.52)	17,870.75	19,463.87	(1,881,584.89)
Business-Type Activities:										
Miscellaneous	54,637.45	19,898.99	\$ 49,253.66	\$ 26,851.66	\$ 42,271.48	\$ 16,165.88	16,790.55	6,697.34		9,253.00
Gain (Loss) on Disposal of Capital Assets	(983.60)	(306.67)								
Transfers	917,145.55	2,044,378.24					6,511,839.73			2,210,879.72
Total Business-Type Activities	970,799.40	2,063,970.56	49,253.66	26,851.66	42,271.48	16,165.88	6,528,630.28	6,697.34	-	2,220,132.72
Total Government-Wide	\$ 136,035.28	\$ 26,401.10	\$ 49,253.66	\$ 26,851.66	\$ 42,271.48	\$ 16,165.88	\$ 16,813.76	\$ 24,568.09	\$ 19,463.87	\$ 338,547.83
Change in Net Position:										
Governmental Activities	\$ 80,648.76	\$ (1,623,862.69)	\$ (10,748.06)	\$ (8,106.47)	\$ 16,631.44	\$ (7,568.46)	\$ (6,519,044.23)	\$ 22,203.31	\$ 663,732.57	\$ (881,888.19)
Business-Type Activities	3,428,195.48	3,832,659.14	636,980.71	319,601.66	235,292.36	544,166.47	6,945,371.81	399,935.68	118,371.05	6,447,718.31
Total Government-Wide	\$ 3,508,844.24	\$ 2,208,796.45	\$ 626,232.65	\$ 311,495.19	\$ 251,923.80	\$ 536,598.01	\$ 426,327.58	\$ 422,138.99	\$ 782,103.62	\$ 5,565,830.12

* The implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, was effective beginning with the fiscal year ended June 30, 2015.

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

*** Beginning with fiscal year 2022, transportation revenues and related expenses are recorded in the Governmental Activities fund.

Source: Annual Comprehensive Financial Report Exhibit A-2.

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION
Fund Balances, Governmental Funds
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Fund:										
Assigned	\$ 165,554.00	\$ 433.74								
Unassigned	465,255.35	163,917.98							\$ 6,073,573.05	\$ 5,490,535.25
Total General Fund	<u>\$ 630,809.35</u>	<u>164,351.72</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 6,073,573.05</u>	<u>\$ 5,490,535.25</u>

Source: Annual Comprehensive Financial Report Exhibit B-1.

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION
 Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2023	2022*	2021	2020	2019	2018	2017	2016	2015	2014
Revenues:										
Tuition Charges	\$ 1,038,470.28	\$ 950,154.14	\$ 1,019,655.79	\$ 1,013,062.05	\$ 957,309.18	\$ 889,041.22	\$ 839,021.83	\$ 771,735.71	\$ 702,781.22	\$ 617,247.45
Transportation Fees from Other LEAs	42,065,355.00	30,066,080.74							27,307,026.06	24,375,975.42
Unrestricted Miscellaneous Revenues	82,381.43	6,808.78						23.21	17,870.75	2,120,068.47
Federal Sources	775,618.95	230,270.41	219,682.47	178,922.28	212,617.94	292,033.33	312,296.27	238,882.24	214,875.24	180,527.00
State Sources	579,375.65	578,088.57	304,886.90	272,647.29	238,522.38	172,171.54	147,527.22	134,736.79	126,916.13	717,320.23
Total Revenue	44,541,201.31	31,831,402.64	1,544,225.16	1,464,631.62	1,408,449.50	1,353,246.09	1,298,845.32	1,145,377.95	28,369,469.40	28,011,138.57
Expenditures:										
Current:										
Instruction:										
Regular Instruction	800,848.54	789,910.60	888,065.62	816,294.15	773,525.11	735,912.31	702,781.39	683,401.75	611,035.70	549,969.43
Special Education Instruction										484,102.21
Other Special Instruction										142,598.63
Support Services and Undistributed Costs:										
Student and Instruction Related Services	694,737.73	109,766.81	70,896.77	62,780.83	80,639.51	177,360.86	184,037.27	188,526.19	165,790.33	872,351.65
Other Administrative Services	544,695.88	297,212.00							16,732.31	109,140.26
School Administrative Services	529,716.55	491,612.07	134,050.19	131,694.45	124,466.00	121,949.50	119,036.00	16,000.00	57,737.77	161,693.54
Plant Operations and Maintenance	79,487.45	22,162.31							35.43	20,004.71
Pupil Transportation	40,138,498.69	28,946,136.45							26,454,665.97	23,342,653.99
Personal Services - Employee Benefits	1,143,883.57	995,435.39	451,212.58	450,699.08	403,269.38	315,321.62	292,990.66	249,535.85	401,205.40	1,297,696.73
Capital Outlay	142,875.27	14,956.00		3,163.11	26,549.50	2,701.80		7,890.95	79,228.69	16,832.50
Total Expenditures	44,074,743.68	31,667,191.63	1,544,225.16	1,464,631.62	1,408,449.50	1,353,246.09	1,298,845.32	1,145,354.74	27,786,431.60	26,997,043.65
Excess (Deficiency) of Revenues Over (Under) Expenditures	466,457.63	164,211.01	-	-	-	-	-	23.21	583,037.80	1,014,094.92
Other Financing Sources (Uses):										
Transfers Out		140.71						(6,073,596.26)		
Total Other Financing Sources (Uses)	-	140.71	-	-	-	-	-	(6,073,596.26)	-	-
Net Change in Fund Balances	\$ 466,457.63	\$ 164,351.72	-	-	-	-	-	\$ (6,073,573.05)	\$ 583,037.80	\$ 1,014,094.92
Debt Service as a Percentage of Noncapital Expenditures										
	-	-	-	-	-	-	-	-	-	-

* Beginning with fiscal year 2022, transportation revenues and related expenses are recorded in the General fund.

Source: Annual Comprehensive Financial Report Exhibit B-2.

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION
 General Fund - Unrestricted Miscellaneous Revenues by Source
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Interest on Investments	\$ 76,478.90	\$ 6,598.10							\$ 5,290.48	\$ 15,201.56
Miscellaneous	5,389.77	210.68						\$ 23.21	9,715.97	4,262.31
Educational Services ⁽¹⁾										1,272,654.49
Home Instruction Services ⁽¹⁾										75,009.60
Child Study Team Evaluations ⁽¹⁾										216,837.08
Nursing Services ⁽¹⁾										83,214.00
Related Services ⁽¹⁾										383,688.00
Technology Coordinator ⁽¹⁾										64,913.43
Cooperative Purchasing Agreement ⁽¹⁾										4,288.00
Refund of Prior Year's Expenditures	<u>512.76</u>								<u>2,864.30</u>	
	<u>\$ 82,381.43</u>	<u>6,808.78</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 23.21</u>	<u>\$ 17,870.75</u>	<u>\$ 2,120,068.47</u>

Source: Commission records.

⁽¹⁾ Beginning with fiscal year 2015, the charges for these services have been recorded in the enterprise fund.

Revenue Capacity Information

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

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION
 Schedule of Charges for Services by Source
 Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental Activities:										
Tuition Charges ⁽¹⁾	\$ 1,038,470.28	\$ 950,154.14	\$ 1,019,655.79	\$ 1,013,062.05	\$ 957,309.18	\$ 889,041.22	\$ 839,021.83	\$ 771,735.71	\$ 702,781.22	\$ 617,247.45
Transportation Fees from Other LEAs ⁽⁵⁾	42,065,355.00	30,066,080.74							27,307,026.06	24,375,975.42
Educational Services ⁽⁴⁾										1,272,654.49
Home Instruction Services ⁽⁴⁾										75,009.60
Child Study Team Evaluations ⁽⁴⁾										216,837.08
Nursing Services ⁽⁴⁾										83,214.00
Related Services ⁽⁴⁾										383,688.00
Technology Coordinator ⁽⁴⁾										64,913.43
Cooperative Purchasing Agreement ⁽⁴⁾										4,288.00
Total Governmental Activities	43,103,825.28	31,016,234.88	1,019,655.79	1,013,062.05	957,309.18	889,041.22	839,021.83	771,735.71	28,009,807.28	27,093,827.47
Business-Type Activities:										
Transportation Services ⁽⁵⁾		0.31	19,378,039.18	34,184,056.04	41,485,595.75	36,664,590.91	34,783,730.38	30,028,936.07		
Nonpublic Auxiliary and Handicapped Services ⁽³⁾	4,416,660.07	4,245,714.64	4,719,186.05	4,766,079.16	5,134,798.29	5,175,222.75	5,145,560.08	4,783,795.66	5,029,538.69	4,682,305.69
Educational Services ⁽⁴⁾		577,030.52	1,953,281.60	1,270,490.00	1,720,979.85	1,208,687.40	1,403,448.17	1,324,372.47	1,391,738.80	
Child Study Team Evaluations ⁽⁴⁾		44,242.00	145,644.66	239,894.64	459,647.13	423,194.57	515,972.14	594,186.43	384,591.96	
Related Services ⁽⁴⁾	6,950,006.51	5,344,939.03	3,835,009.23	3,115,162.08	2,883,497.67	2,352,041.05	1,599,048.92	1,100,016.48	359,434.61	
Home Instruction Services ⁽⁴⁾							91,266.00	146,002.50	98,632.50	
Transition Services		187,800.00	571,500.00	695,175.00	801,787.50	628,174.05	78,192.00			
Nursing Services ⁽⁴⁾				66,280.86	182,836.96	145,676.42	54,323.12	21,799.82	22,759.40	
Cooperative Purchasing Agreement ⁽⁴⁾	1,899,287.90	1,652,282.61	1,217,027.92	392,179.00	300,027.43	75,874.61	13,225.47		1,541.00	
McKinney-Vento Services								74,798.19		
Internet Connect Program							213,366.00			
Total Business-Type Activities	13,265,954.48	12,052,009.11	31,819,688.64	44,729,316.78	52,969,170.58	46,673,461.76	43,898,132.28	38,073,907.62	7,288,236.96	4,682,305.69
Total Government-Wide Charges for Services	\$ 56,369,779.76	\$ 43,068,243.99	\$ 32,839,344.43	\$ 45,742,378.83	\$ 53,926,479.76	\$ 47,562,502.98	\$ 44,737,154.11	\$ 38,845,643.33	\$ 35,298,044.24	\$ 31,776,133.16

Source: Commission records.

⁽¹⁾ Beginning with fiscal year 2013, tuition charges have been classified as charges for services.

⁽²⁾ Beginning with fiscal year 2013, the other charges have been detailed by source.

⁽³⁾ Beginning with fiscal year 2013, the charges for the nonpublic auxiliary and handicapped services have been recorded in the business-type activities.

⁽⁴⁾ Beginning with fiscal year 2015, the charges for these services have been recorded in the business-type activities.

⁽⁵⁾ Beginning with fiscal year 2022, the charges for these services have been recorded in the governmental activities.

Debt Capacity Information

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

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Unaudited

Fiscal Year Ended <u>June 30,</u>	<u>Financed Purchases</u>			Percentage of Personal <u>Income</u> ⁽²⁾	<u>Per Capita</u> ⁽³⁾
	<u>Governmental Activities</u> ⁽¹⁾	<u>Business-Type Activities</u> ⁽¹⁾	<u>Total Commission</u>		
2023				*	*
2022	\$ 41,535.80	\$ 166,024.22	\$ 207,560.02	*	\$ 0.40
2021		406,658.36	406,658.36	0.00%	0.78
2020		597,639.98	597,639.98	0.00%	1.18
2019		780,835.78	780,835.78	0.00%	1.54
2018		956,563.16	956,563.16	0.00%	1.89
2017		1,125,126.60	1,125,126.60	0.00%	2.22
2016		1,286,818.15	1,286,818.15	0.01%	2.54
2015	288,383.59	1,153,534.37	1,441,917.96	0.01%	2.84
2014	318,138.95	1,272,555.80	1,590,694.75	0.01%	3.13

Sources:

⁽¹⁾ *Commission records.*

⁽²⁾ *Personal income has been estimated based upon the municipal population and per capita.*

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

** information not available.*

Demographic and Economic Information

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

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended <u>June 30,</u>	<u>Population</u> ⁽¹⁾	<u>Personal Income</u> ⁽²⁾	<u>Per Capita Personal Income</u> ⁽³⁾	<u>Unemployment Rate</u> ⁽⁴⁾
2022	\$ 524,907	*	*	4.4%
2021	523,771	\$ 32,286,291,982.00	\$ 61,642.00	7.4%
2020	506,809	29,815,573,470.00	58,830.00	11.0%
2019	506,503	27,836,391,874.00	54,958.00	4.9%
2018	506,685	26,867,478,810.00	53,026.00	5.4%
2017	506,488	25,879,510,848.00	51,096.00	5.7%
2016	507,119	25,047,621,648.00	49,392.00	6.2%
2015	507,760	24,373,495,520.00	48,002.00	8.8%
2014	508,409	23,484,936,937.00	46,193.00	10.3%
2013	509,983	22,672,314,231.00	44,457.00	9.0%

Sources:

⁽¹⁾ *Annual Estimates of the Resident Population for Municipalities in New Jersey, by County: April 1, 2013 to July 1, 2022.*

⁽²⁾ *Personal income has been estimated based upon the municipal population and per capita personal income.*

⁽³⁾ *Regional Economic Information System, Bureau of Economic Analysis, November 16, 2022.*

⁽⁴⁾ *New Jersey Department of Labor and Workforce Development, Office of Research and Information, Local Area Unemployment Statistics - April 17, 2023.*

* *information not available.*

Operating Information

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

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION
 Full-Time Equivalent Commission Employees by Function/Program
 Last Ten Fiscal Years
Unaudited

<u>Function / Program</u>	Fiscal Year Ended June 30,									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Instruction:										
Other Instruction	47	45	26	21	20	15	12	13	16	14
Nonpublic school programs	24	38	51	52	63	61	61	62	59	66
Support Services:										
Student and Instruction Related Services	69	65	69	70	82	74	57	48	30	30
School Administrative Services	6	6	8	7	8	7	7	5	5	4
General and Business Administrative Services	2	2	2	2	1	1	1	1	1	1
Plant Operations and Maintenance	2	1	2	1	1	1	1	1		
Pupil Transportation	6	7	4	8	9	9	10	9	9	1
Business and Other Support Services	8	8	7	8	8	8	9	8	7	11
Total	<u>164</u>	<u>172</u>	<u>169</u>	<u>169</u>	<u>192</u>	<u>176</u>	<u>158</u>	<u>147</u>	<u>127</u>	<u>127</u>

Source: Commission records.

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION
 School Building Information
 Last Ten Fiscal Years
Unaudited

	Fiscal Year Ended June 30,									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Other:										
Central Administration (1997)										
Square Feet	16,788	16,788	16,788	16,788	16,788	16,788	16,788	16,788	16,788	16,788
Functional Capacity (students)	-	-	-	-	-	-	-	-	-	-
Enrollment	-	-	-	-	-	-	-	-	-	-
Number of Schools at June 30, 2023										
Elementary = 0										
Middle School = 0										
Senior High School = 0										
Other = 1										

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

Source: Commission records.

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION

Insurance Schedule

June 30, 2023

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Insurance Package Policy ⁽¹⁾		
Real and Personal Property	\$ 500,000,000.00	\$ 1,000.00
Extra Expense	50,000,000.00	1,000.00
Valuable Papers	10,000,000.00	1,000.00
Demolition and Increased Cost of Construction	25,000,000.00	
Limited Builders Risk	10,000,000.00	
Fire Department Service Charge	10,000.00	
Arson Reward	10,000.00	
Pollutant Cleanup and Removal	250,000.00	
Special Flood Hazard Area Flood Zones	25,000,000.00	500,000.00
Accounts Receivable	250,000.00	
All Flood Zones	75,000,000.00	10,000.00
Earthquake	50,000,000.00	
Terrorism	1,000,000.00	
Electronic Data Processing	500,000,000.00	1,000.00
Computer Virus	250,000.00	1,000.00
Equipment Breakdown	100,000,000.00	25,000.00
General Liability	16,000,000.00	
Sexual Abuse	15,000,000.00	
Communicable Disease	1,000,000.00	
Personal Injury	16,000,000.00	
Employee Benefits Liability	16,000,000.00	
Premises Medical Payments	10,000.00	
Automobile Liability	16,000,000.00	
Crime & Bonds:		
Faithful Performance	250,000.00	1,000.00
Forgery and Alteration	25,000.00	500.00
Money and Securities	5,000.00	500.00
Money Orders / Counterfeit	5,000.00	500.00
Computer Fraud	250,000.00	1,000.00

(1) New Jersey Schools Insurance Group

Source: Commission records.

SINGLE AUDIT SECTION

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

The Honorable President and
Members of the Board of Directors
Camden County Educational Services Commission
Clementon, New Jersey 08021

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and each major fund of the Camden County Educational Services Commission, 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 Commission's basic financial statements, and have issued our report thereon dated February 16, 2024. Our report on the financial statements included an emphasis of matter paragraph describing the adoption of a new accounting principle and an additional paragraph on the restatement of the prior period financial statements resulting from the new accounting principle.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

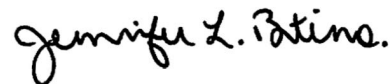
Purpose of this Report

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Jennifer L. Bertino
Certified Public Accountant
Public School Accountant No. CS 00253000

Voorhees, New Jersey
February 16, 2024

**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 Directors
Camden County Educational Services Commission
Clementon, New Jersey 08021

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Camden County Educational Services Commission's, in the County of Camden, State of New Jersey, compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the Commission's major federal and state programs for the fiscal year ended June 30, 2023. The Commission's major federal and state programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

In our opinion, the Camden County Educational Services Commission, in the County of Camden, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2023.

Basis for Opinion on Each Major Federal and State Program

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

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

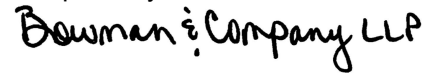
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

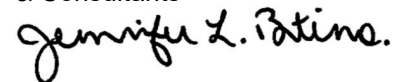
Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Jennifer L. Bertino
Certified Public Accountant
Public School Accountant No. CS 00253000

Voorhees, New Jersey
February 16, 2024

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION
 Schedule of Expenditures of Federal Awards, Schedule A
 For the Fiscal Year Ended June 30, 2023

Federal Grantor / Pass-through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Additional Award Identification	Federal FAIN Number	Pass-Through Entity Identifying Number	Program or Award Amount	<u>Grant Period</u> From To	
Special Revenue Fund:							
U.S. Department of Justice: STOP School Violence Program	16.839		2018YSBX0123		\$ 873,649.00	10/01/21	09/30/24
U.S. Department of Education:							
Passed-through State Department of Education:							
E.S.S.A.:							
Title I Grants to Local Educational Agencies	84.010		S010A210030	NCLB0218017	265,698.00	07/01/21	09/30/22
Title I Grants to Local Educational Agencies	84.010		S010A220030	NCLB0228017	228,391.00	07/01/22	09/30/23
Total Title I Grants to Local Educational Agencies							
Education Stabilization Fund:							
ARP - Non Title I	84.425U	COVID-19	S425U210027	Unknown	10,000.00	03/13/20	09/30/24
Passed-through County of Camden:							
Elementary and Secondary School Emergency							
Relief Fund (ESSER II)	84.425D	COVID-19	S425D200027	Unknown	20,000.00	03/13/20	09/30/23
American Rescue Plan Elementary and Secondary School							
Emergency Relief Fund (ARP ESSER)	84.425D	COVID-19	S425D200027	Unknown	40,000.00	03/13/20	09/30/24
Total Education Stabilization Fund Grant							
U.S. Department of Health and Human Services: Substance Abuse and Mental Health Services	93.243		H79SM087193		1,940,000.00	12/31/22	12/30/26
Total Special Revenue Fund							
Total Federal Financial Assistance							

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

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

Balance June 30, 2022	Cash Received	Budgetary Expenditures			Passed- Through to Subrecipients	Adjustments ^(a)	Repayment of Prior Years' Balances	Balance June 30, 2023		
		Pass-Through Funds	Direct Funds	Total Budgetary Expenditures				(Accounts Receivable)	Unearned Revenue	Due to Grantor
-	\$ 504,496.73	-	\$ (507,674.46)	\$ (507,674.46)	-	-	-	\$ (3,177.73)	-	-
\$ (35,017.11)	88,090.00 137,803.00	\$ (53,073.03) (164,510.78)		(53,073.03) (164,510.78)		\$ 0.14		(26,707.78)		
(35,017.11)	225,893.00	(217,583.81)	-	(217,583.81)	-	0.14	-	(26,707.78)	-	-
	10,000.00	(10,000.00)		(10,000.00)						
(20,000.00)	20,000.00									
		(7,731.39)		(7,731.39)				(7,731.39)		
(20,000.00)	30,000.00	(17,731.39)	-	(17,731.39)	-	-	-	(7,731.39)	-	-
-	-	-	(32,629.29)	(32,629.29)	-	-	-	(32,629.29)	-	-
(55,017.11)	760,389.73	(235,315.20)	(540,303.75)	(775,618.95)	-	0.14	-	(70,246.19)	-	-
\$ (55,017.11)	\$ 760,389.73	\$ (235,315.20)	\$ (540,303.75)	\$ (775,618.95)	-	\$ 0.14	-	\$ (70,246.19)	-	-

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION
 Schedule of Expenditures of State Financial Assistance, Schedule B
 For the Fiscal Year Ended June 30, 2023

State Grantor / Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2022	
			From	To	Unearned Revenue / (Accounts Receivable)	Due to Grantor
General Fund:						
New Jersey Department of Education:						
Current Expense:						
Reimbursed TPAF Social Security Contributions	495-034-5094-003	\$ 79,712.73	07/01/21	06/30/22	\$ (3,953.49)	
Reimbursed TPAF Social Security Contributions	495-034-5094-003	77,764.55	07/01/22	06/30/23		
Total Reimbursed TPAF Social Security Contributions					(3,953.49)	-
On-Behalf T.P.A.F. Pension Contributions - Post-Retirement Medical (non-budgeted)	495-034-5094-001	104,299.05	07/01/22	06/30/23		
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)	495-034-5094-002	391,597.65	07/01/22	06/30/23		
On-Behalf T.P.A.F. Non-contributory Insurance	495-034-5094-004	5,433.00	07/01/22	06/30/23		
On-Behalf T.P.A.F. Pension Contributions - Long-Term Disability Insurance (non-budgeted)	495-034-5094-004	281.40	07/01/22	06/30/23		
Total On-Behalf TPAF Pension Contributions (non-budgeted)					-	-
Total General Fund					(3,953.49)	-
Enterprise Fund:						
New Jersey Department of Education:						
Current Expense:						
Reimbursed TPAF Social Security Contributions	495-034-5094-003	411,341.91	07/01/21	06/30/22	(20,401.19)	
Reimbursed TPAF Social Security Contributions	495-034-5094-003	457,197.97	07/01/22	06/30/23		
Total Reimbursed TPAF Social Security Contributions					(20,401.19)	-
On-Behalf T.P.A.F. Pension Contributions - Post-Retirement Medical (non-budgeted)	495-034-5094-001	899,735.20	07/01/22	06/30/23		
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)	495-034-5094-002	682,651.15	07/01/22	06/30/23		
On-Behalf T.P.A.F. Non-contributory Insurance	495-034-5094-004	30,787.00	07/01/22	06/30/23		
On-Behalf T.P.A.F. Pension Contributions - Long-Term Disability Insurance (non-budgeted)	495-034-5094-004	1,594.60	07/01/22	06/30/23		
Total On-Behalf TPAF Pension Contributions (non-budgeted)					-	-
Total Enterprise Fund					(20,401.19)	-
Total State Financial Assistance					\$ (24,354.68)	-
Less: State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:						
General Fund (Non-Cash Assistance):						
New Jersey Department of Education:						
On-Behalf T.P.A.F. Pension Contributions - Post-Retirement Medical (non-budgeted)	495-034-5094-001		07/01/22	06/30/23		
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)	495-034-5094-002		07/01/22	06/30/23		
On-Behalf T.P.A.F. Non-contributory Insurance	495-034-5094-004		07/01/22	06/30/23		
On-Behalf T.P.A.F. Pension Contributions - Long-Term Disability Insurance (non-budgeted)	495-034-5094-004		07/01/22	06/30/23		
Total General Fund (Non-Cash Assistance)						
Enterprise Fund (Non-Cash Assistance):						
New Jersey Department of Education:						
On-Behalf T.P.A.F. Pension Contributions - Post-Retirement Medical (non-budgeted)	495-034-5094-001		07/01/22	06/30/23		
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)	495-034-5094-002		07/01/22	06/30/23		
On-Behalf T.P.A.F. Non-contributory Insurance	495-034-5094-004		07/01/22	06/30/23		
On-Behalf T.P.A.F. Pension Contributions - Long-Term Disability Insurance (non-budgeted)	495-034-5094-004		07/01/22	06/30/23		
Total Enterprise Fund (Non-Cash Assistance)						
Total State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit						
Total State Financial Assistance subject to Major Program Determination for State Single Audit						

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

Cash Received	Total Budgetary Expenditures	Passed-Through to Subrecipients	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2023			(Memo Only)	
					(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2023	Cumulative Total Expenditures
\$ 3,953.49									
<u>70,012.81</u>	<u>\$ (77,764.55)</u>				<u>\$ (7,751.74)</u>				<u>\$ (77,764.55)</u>
73,966.30	(77,764.55)	-	-	-	(7,751.74)	-	-	-	(77,764.55)
104,299.05	(104,299.05)								(104,299.05)
391,597.65	(391,597.65)								(391,597.65)
5,433.00	(5,433.00)								(5,433.00)
<u>281.40</u>	<u>(281.40)</u>								<u>(281.40)</u>
501,611.10	(501,611.10)	-	-	-	-	-	-	-	(501,611.10)
<u>575,577.40</u>	<u>(579,375.65)</u>	-	-	-	<u>(7,751.74)</u>	-	-	-	<u>(579,375.65)</u>
20,401.19									
<u>411,623.48</u>	<u>(457,197.97)</u>				<u>(45,574.49)</u>				<u>(457,197.97)</u>
432,024.67	(457,197.97)	-	-	-	(45,574.49)	-	-	-	(457,197.97)
899,735.20	(899,735.20)								(899,735.20)
682,651.15	(682,651.15)								(682,651.15)
30,787.00	(30,787.00)								(30,787.00)
<u>1,594.60</u>	<u>(1,594.60)</u>								<u>(1,594.60)</u>
1,614,767.95	(1,614,767.95)	-	-	-	-	-	-	-	(1,614,767.95)
<u>2,046,792.62</u>	<u>(2,071,965.92)</u>	-	-	-	<u>(45,574.49)</u>	-	-	-	<u>(2,071,965.92)</u>
<u>\$ 2,622,370.02</u>	<u>(2,651,341.57)</u>	-	-	-	<u>\$ (53,326.23)</u>	-	-	-	<u>\$ (2,651,341.57)</u>
	\$ (104,299.05)								
	(391,597.65)								
	(5,433.00)								
	<u>(281.40)</u>								
	<u>(501,611.10)</u>								
	(899,735.20)								
	(682,651.15)								
	(30,787.00)								
	<u>(1,594.60)</u>								
	<u>(1,614,767.95)</u>								
	<u>(2,116,379.05)</u>								
	<u>\$ (534,962.52)</u>								

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2023

Note 1: BASIS OF PRESENTATION

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Note 3: INDIRECT COST RATE

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

Note 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis. The special revenue fund is presented in the accompanying schedules on the budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

Net adjustments to reconcile expenditures from the budgetary basis to the GAAP basis for the general fund and special revenue fund were not needed for the fiscal year ended June 30, 2023.

Note 5: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note 6: ADJUSTMENTS

Amounts reported in the column entitled "adjustments" on the schedule of expenditures of federal awards represents a rounding adjustment in the amount of \$0.14 resulting on the collection of an accounts receivable balance during fiscal year 2022-2023.

Note 7: REIMBURSED AND ON-BEHALF PAYMENTS

During the fiscal year ended June 30, 2023, the Commission was the recipient of federal and state assistance that represented either a reimbursement to the Commission or payments made on-behalf of the Commission. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year. Lastly, the Commission has recognized as revenues and expenditures on-behalf payments made by the State for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance related to TPAF members.

Note 8: MAJOR PROGRAMS

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

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued unmodified
Internal control over financial reporting:
Material weakness(es) identified? yes X no
Significant deficiency(ies) identified? yes X none reported
Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:
Material weakness(es) identified? yes X no
Significant deficiency(ies) identified? yes X none reported
Type of auditor's report issued on compliance for major programs unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)? yes X no

Identification of major programs:

Table with 3 columns: Assistance Listing Number(s), FAIN Number(s), Name of Federal Program or Cluster. Row 1: 16.839, 2018YSBX0123, STOP School Violence Program.

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

Auditee qualified as low-risk auditee? yes X no

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION
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, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements related to financial statements for which *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, requires.

None.

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section 3- Schedule of Federal Award Findings and Questioned Costs

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

None.

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

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

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

None.

CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management

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

FINANCIAL STATEMENT FINDINGS

None.

FEDERAL AWARDS

A Federal single audit was not required for the fiscal year ended June 30, 2022.

STATE FINANCIAL ASSISTANCE PROGRAMS

None.

