

Annual Comprehensive Financial Report

of the

Township of Colts Neck School District

County of Monmouth

Colts Neck, New Jersey

For the Fiscal Year Ended June 30, 2023

Prepared by

**Colts Neck Township, Board of Education
Finance Department**

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Letter of Transmittal	1-6
Roster of Officials	7
Consultants and Advisors	8
Organizational Chart	9
 FINANCIAL SECTION	
Independent Auditor's Report	10-13
REQUIRED SUPPLEMENTARY INFORMATION - Part I	14
Management's Discussion and Analysis (Unaudited)	15-25
BASIC FINANCIAL STATEMENTS	26
A. District-Wide Financial Statements:	27
A-1 Statement of Net Position	28
A-2 Statement of Activities	29
B. Major Fund Financial Statements:	30
Governmental Funds:	
B-1 Balance Sheet	31-32
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balance	33
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	34
Other Funds:	35
Proprietary Funds:	
B-4 Statement of Net Position	36
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	37
B-6 Statement of Cash Flows	38
 Notes to the Financial Statements	39-84

TABLE OF CONTENTS (Continued)

	Page
REQUIRED SUPPLEMENTARY INFORMATION - Part II	85
C. Budgetary Comparison Schedules:	86
C-1 Comparative Statements of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual-General Fund	87-94
C-1A General Fund – ARRA Education Jobs Fund	N/A
C-2 Budgetary Comparison Schedule - Special Revenue Fund	95
C-3 Budget to GAAP Reconciliation	96
REQUIRED SUPPLEMENTARY INFORMATION - Part III	97
L. Schedules Related to Accounting and Reporting for Pension (GASB 68)	98
L-1 Schedule of the District's Proportionate Share of the Net Pension Liability – Public Employees Retirement System – Last Ten Years	99
L-2 Schedule of the District's Contributions – Public Employees Retirement System – Last Ten Years	100
L-3 Schedule of the District's Proportionate Share of the Net Pension Liability Teachers Pension and Annuity Fund – Last Ten Years	101
L-4 Notes to Required Supplementary Information Part III for the Fiscal Year Ended June 30, 2023	102
REQUIRED SUPPLEMENTARY INFORMATION – Part IV	103
M. Schedule Related to Accounting and Reporting for Postemployment Benefits Other than Pensions (GASB 75)	104
M-1 Schedule of Changes in the Total OPEB Liability and Related Ratios – Last Six Years	105
M-2 Schedules Related to Accounting and Reporting for OPEB (GASB 75) Note to RSI IV for the Fiscal Year Ended June 30, 2023	106
OTHER SUPPLEMENTARY INFORMATION	107
D. School Level Schedules	N/A
E. Special Revenue Fund:	108
E-1 Combining Schedule of Revenues and Expenditures Special Revenue Fund - Budgetary Basis	109-110
E-2 Demonstrably Effective Program Aid Schedule of Expenditures - Budgetary Basis	N/A
E-3 Early Childhood Program Aid Schedule of Expenditures - Budgetary Basis	N/A
E-4 Distance Learning Network Aid Schedule of Expenditures - Budgetary Basis	N/A
E-5 Instructional Supplement Aid Schedule of Expenditures - Budgetary Basis	N/A

TABLE OF CONTENTS (Continued)

	Page
F. Capital Projects Fund	N/A
F-1 Summary Statement of Project Expenditures - Budgetary Basis	N/A
F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis	N/A
G. Proprietary Funds	111
Enterprise Fund:	
G-1 Combining Statement of Net Position	112
G-2 Combining Statement of Revenues, Expenses and Changes in Fund Net Position	113
G-3 Combining Statement of Cash Flows	114
I. Long-Term Debt	115
I-1 Schedule of Serial Bonds	116
I-2 Schedule of Obligations Under Capital Leases	117
I-3 Budgetary Comparison Schedule - Debt Service Fund	118

STATISTICAL SECTION - UNAUDITED

J-1 Net Position by Component	119
J-2 Changes in Net Position	120-121
J-3 Fund Balances - Governmental Funds	122
J-4 Changes in Fund Balances - Governmental Funds	123
J-5 General Fund Other Local Revenue by Source	124
J-6 Assessed Value and Actual Value of Taxable Property	125
J-7 Direct and Overlapping Property Tax Rates	126
J-8 Principal Property Tax Payers - Current Year and Nine Years Ago	127
J-9 Property Tax Levies and Collections	128
J-10 Ratios of Outstanding Debt by Type	129
J-11 Ratios of Net Bonded Debt Outstanding	130
J-12 Direct and Overlapping Governmental Activities Debt	131
J-13 Legal Debt Margin Information	132
J-14 Demographic and Economic Statistics	133
J-15 Principal Employers - Current Year and Nine Years Ago	134
J-16 Full-Time Equivalent District Employees by Function/Program	135
J-17 Operating Statistics	136
J-18 School Building Information	137
J-19 Schedule of Required Maintenance	138
J-20 Insurance Schedule	139

TABLE OF CONTENTS (Continued)

Page

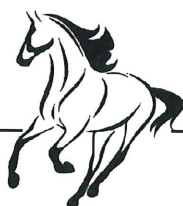
SINGLE AUDIT SECTION

K-1	Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Basic Financial Statements Performed in Accordance with Government Auditing Standards	140-141
K-2	Independent Auditor's Report on Compliance with Requirements Applicable to Major Federal and State Financial Assistance Programs and on Internal Control Over Compliance in Accordance with the Uniform Guidance and New Jersey OMB Circular 15-08	142-144
K-3	Schedule of Expenditures of Federal Awards, Schedule A	145
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	146
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	147-148
K-6	Schedule of Findings and Questioned Costs	149-151
K-7	Schedule of Prior Audit Findings	152

INTRODUCTORY SECTION

Colts Neck Township Schools

Superintendent of Schools
MaryJane Garibay, Ed.D



70 Conover Road, Colts Neck, NJ 07722
Phone: 732-946-0055
Fax Board Office: 732-946-7054
www.coltsneckschools.org

Business Administrator/Board Secretary
Vincent S. Marasco

December 5, 2023

Honorable President and
Members of the Board of Education
Colts Neck Township
Monmouth County, New Jersey

Dear Board Members:

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

The Annual Comprehensive Financial Report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal ordeals. The financial section includes the general-purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multiyear basis. The District is required to undergo an annual single audit in conformity with the provisions of the Federal Uniform Guidance and the state Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

Colts Neck Township School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds of the District are included in this report. The Colts Neck Township Board of Education and its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through grade 8. These include regular and special education, and preschool-disabled classes. The District completed

the 2022-23 fiscal year with a total enrollment of 1,018 students, which is 11 students below the previous year's ending enrollment. The following details the changes in the student enrollment of the District over the last fifteen years.

<u>Fiscal Year</u>	<u>Student Enrollment*</u>	<u>Percent Change</u>
2022-23	997	-1.09%
2021-22	1,008	6.44%
2020-21	947	-3.27%
2019-20	979	1.13%
2018-19	968	1.36%
2017-18	955	1.81%
2016-17	938	-1.67%
2015-16	954	0.74%
2014-15	947	-4.8%
2013-14	995	-8.9%
2012-13	1,093	-6.6%
2011-12	1,170	-3.8%
2010-11	1,216	-6.8%
2009-10	1,304	-3.4%
2008-09	1,350	-1.8%

**October 15th total 'on-roll' count of fiscal year.*

2. ECONOMIC CONDITIONS AND OUTLOOK:

The Colts Neck Township Public School System is in the east central part of Monmouth County. The township covers 32 square miles and has a population of approximately 9,937 who reside mainly in single-family homes and are above average, socioeconomically.

The school system is Pre-K through 8 with three schools, an administration building, and a transportation building. The total resident student population as of June 22, 2023 was 1,017. Since 2008-09, the student enrollment has decreased in the district by approximately twenty-six percent (26%). To better understand the population changes in the community and the impact of recent proposed COAH (Council on Affordable Housing) rulings, the Board of Education commissioned a professional demographic study during 2021-2022. The study projects a total of 57 additional students in grades K-8 over the next five years as a result of known COAH projects. Demographic studies use a basic cohort survival projection methodology to make informed assumptions about population changes within the school community and their impact on enrollment.

3. MAJOR INITIATIVES:

The Colts Neck Township Board of Education is extremely proud of its ongoing efforts to provide its students with a thorough and efficient education through which they have opportunities to reach their highest level of scholastic achievement. The district delivers a rigorous and engaging curriculum designed to meet the educational and developmental needs of its students. A robust balanced literacy program, founded upon the constructs of a workshop model, is the foundation upon which learning ensues. The district utilizes resources from the Center for the Collaborative Classroom in the form of Being A Reader (K-2) and Making Meaning (3-5) for reading comprehension and Systematic Instruction in Phonological Awareness, Phonics, and Sight Words (SIPPS), to provide a systematic approach to decoding. For writing instruction, the district utilizes resources from Teacher's College Reading Writing Project, (TCRWP), units of study in writing in grades K-8 and units of study in Reading in Grades 6-8. The district facilitates Multi-Sensory SIPPS, Leveled Literacy Instruction (LLI), and Orton Gillingham as tier 2 interventions. The district also facilitates the Wilson Reading System as a tier 3 intervention for eligible students. Our EnVisions 2020 (K-5) and Big Ideas (6-8) mathematics programs stress the development of critical thinking skills and overall problem solving as set forth within the New Jersey Student Learning Standards. Advanced mathematics is offered for middle school students. Sixth graders have advanced or accelerated options, and 7th and 8th graders have high school leveled options; Algebra I is offered in grade 7 and Algebra I or Geometry is offered in grade 8. Our K-5 science program consists of a unique blend of grade-level units of study, lab time, and Engineering is Elementary kits developed by the Museum of Science, Boston. Additionally, the district facilitated Innovation Labs at all three schools where design and engineering skills are introduced and developed.

During the 22-23 school year, the district invested in the continuing development of personalized learning with students enrolled in grades 2 through 8. Goals for this initiative were as follows: promote active engagement for all students; create flexible pathways based upon individual student needs; encourage student autonomy; and develop learning experiences that are both meaningful and relevant. To achieve these goals, the district utilized various digital resources that were used for blended learning opportunities. Programs such as NWEA MAP, IXL, Scholastic, Extra Math and RazKids provided platforms through which students engage with individualized growth measures, adaptive questioning, goal setting, content, and critical thinking activities.

In grades 6-8, students experienced three marking periods of grade-level NJSL Science curricula and one marking period of a Project Lead the Way (PLTW) - Gateway STEM Course. Students in grade 6 participate in Design and Modeling while students in grade 7 engage in the district's Robotics and Ecosystems course. Grade 8 students study science through problem solving in the district's Medical Detectives course. In addition to these learning experiences, the district has added two science elective courses, Aviation and Flight and Plant Science. The Plant Science course utilizes the school's greenhouse that was previously donated by the Colts Neck PTO.

The district is equally proud of its content-based enrichment in mathematics and language arts as well as enrichment opportunities through related arts. Enrichment activities involve the alignment of courses

such as computer programs, art, music, media studies, health and physical education to extracurricular offerings that includes clubs, band, chorus, and sports teams. Additionally, supplemental courses were offered through an ESEA/Title I/ESSER-funded, Before and After School Programs. These federally funded programs allow students to receive targeted instruction before and after school hours on a specific content area or skill for a designated period of time. Students are grouped for participation in these programs by targeted academic needs as demonstrated through multiple measures of performance data.

During the 22-23 school year, the district offered to all students, K-8, a Summer Bridge Program. The 2022 Summer Bridge Program was an in-person, summer learning experience for students currently enrolled in grades K-8 that focused on strengthening prior-year knowledge and skills in language arts, mathematics, and social & emotional learning. In 2023, the district will continue its Summer Bridge offerings to include vocal music, instrumental music, and science. The program was fully funded by grants and therefore free of charge to parents/guardians.

Atlas Rubicon is the district's online digital curriculum mapping program which affords members of the school community full access to district curricula and pacing guides. Colts Neck Township Schools remains committed to its whole-child approach to education inclusive of social and emotional learning experiences. In 22-23, the district renewed its commitment to being a mindful school district with support from a Mindfulness Consultant. This consultant worked directly with staff and students to facilitate Mindfulness learning, increase self-awareness, empathy, self-regulation and increase the sense of community. Our Mindfulness Coordinator also supported staff in their efforts in working with their students to build better and meaningful relationships and interpersonal skills.

To support teachers in their design for differentiation of instruction and the development of small student instructional groups, the district utilized the data warehouse program, LinkIt! This system allows the district to store all students' assessment data in one place for the purpose of creating meaningful and useful reports for staff to use in their design of instruction. Data reports from LinkIt! included Fingertip and Navigator Reports which were used to further communicate specific data points of students' learning. These reports also included our ELL data for the district's WIDA student assessment results. In addition, the district is working in partnership with Link.it! to incorporate an Intervention Manager component where the district will be able to streamline and enhance the multi-tiered system of support to help students reach their individual behavioral and academic goals.

4. INTERNAL ACCOUNTING CONTROLS:

As a recipient of federal and state financial assistance, the District 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 District management.

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

5. BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project length budgets are approved for the capital improvements accounted for in the capital project funds. 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 commitments on a line-item basis. Open encumbrances at year end are either cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balances, June 30, 2023.

6. ACCOUNTING SYSTEM AND REPORTS:

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

7. DEBT ADMINISTRATION:

As of June 30, 2023, the District's outstanding debt issues included \$6,085,000.00 of general obligation bonds and \$946,150.18 of installment purchase contracts.

8. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. 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.

9. RISK MANAGEMENT:

The Board carried 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.

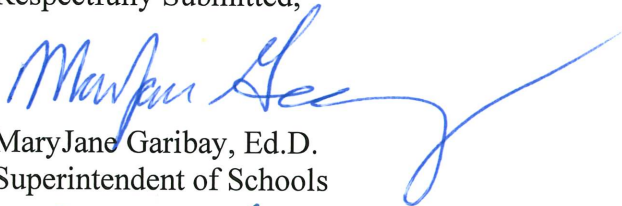
10. OTHER INFORMATION:

State statutes require an annual audit by independent Certified Public Accountants or Registered Municipal Accountants. The Board selected the accounting firm of Suplee, Clooney & Company. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Federal Uniform Guidance and state Treasury Circular Letter 15-08 OMB. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Colts Neck Township Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of the Business Office personnel.

Respectfully Submitted,



Mary Jane Garibay, Ed.D.
Superintendent of Schools



Vincent S. Marasco
Business Administrator/Board Secretary

COLTS NECK TOWNSHIP BOARD OF EDUCATION

Colts Neck, New Jersey 07722

ROSTER OF OFFICIALS

June 30, 2023

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Heather Tormey, President	2024
Kevin O'Connor, Vice President	2024
John Camera	2026
Alison DeNoia	2025
Brenna Dillon	2025
Amy Dimes	2025
Tracy Kramer	2024
Jessica Ramirez	2026
Andrew Rytter	2024

Other Officials

MaryJane Garibay, Superintendent of Schools

Vincent S. Marasco, Business Administrator/Board Secretary

John Antonides, Treasurer

COLTS NECK TOWNSHIP BOARD OF EDUCATION
Consultants and Advisors

Audit Firm

Suplee, Clooney, and Company
308 East Broad Street
Westfield, New Jersey 07090-2122

Attorney

Kenney, Gross, Kovats & Parton
214 Park Avenue
Manalapan, NJ 07726

Official Depository

PNC Bank, NA
Highway 34, P. O. Box 63
Colts Neck, NJ 07722

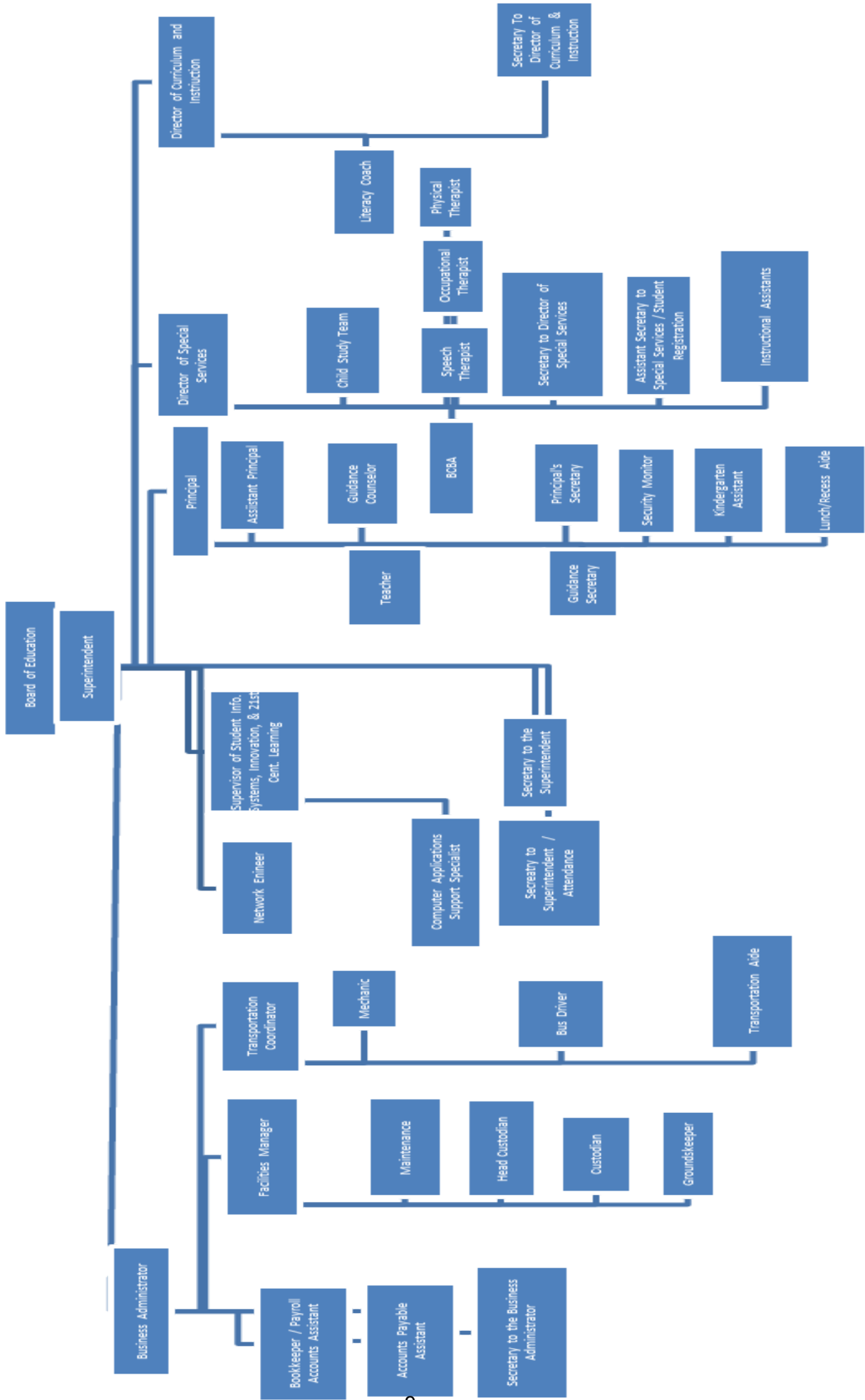
Advisors/Consultants

Phoenix Advisors, LLC (Financial)
625 Farnsworth Avenue
Bordentown, NJ 08505

Brown & Brown Metro, LLC (Benefits)
1129 Broad Street , Suite 204
Shrewsbury, NJ 07702

Aliant/Boynton (Insurance)
21 Cedar Avenue
Fair Haven, NJ 07704

Organizational Chart



FINANCIAL SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Township of Colts Neck School District
County of Monmouth
Township of Colts Neck, New Jersey 07722

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Township of Colts Neck School District, County of Monmouth, State of New Jersey (the "District") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of 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 (the "Uniform Guidance") the audit requirements of State of New Jersey OMB Circular 15-08 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards and provisions 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 District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

SUPLEE, CLOONEY & COMPANY

Emphasis of Matter

As discussed in Note 1 to the basic financial statements, for the year ended June 30, 2023, the District adopted Governmental Accounting Standards Board Statement No. 96, Subscription Based Information Technology Agreements. 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 District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, the Uniform Guidance, the State of New Jersey OMB Circular 15-08 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 generally accepted auditing standards the Uniform Guidance, the State of New Jersey OMB Circular 15-08 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

SUPLEE, CLOONEY & COMPANY

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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 in Exhibit C-1 through C-3, the schedules related to accounting and reporting for pensions in Exhibit L-1 through L-4 and the schedules related to accounting and reporting for postretirement benefits other than pensions (OPEB) in Exhibits M-1 and M-2 are 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 District's basic financial statements. The accompanying supplementary information schedules and data such as the combining statements and individual fund financial statements, and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by the Uniform Guidance, New Jersey's OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance, are 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 and individual fund financial statements and the schedule 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.

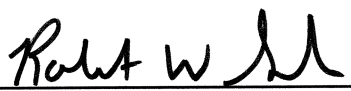
SUPLEE, CLOONEY & COMPANY

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 December 5, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 948

December 5, 2023

THIS PAGE INTENTIONALLY LEFT BLANK

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

**TOWNSHIP OF COLTS NECK SCHOOL DISTRICT
COLTS NECK, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023
UNAUDITED**

The Management's Discussion and Analysis of the Township of Colts Neck School District (the "District") offers readers of the District's financial statements a narrative overview of the financial activities for the fiscal year ended June 30, 2023. The intent of this discussion is to look at the District's financial performance as a whole; therefore, readers should also review the transmittal letter at the front of this report, along with the District's financial statements and notes to the financial statements to enhance their understanding of the District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of the Required Supplementary Information (RSI) specified in the Governmental Accounting Standards Board's (GASB) Statement Number 34, Basic Financial Statements and Management's Discussion and Analysis of State and Local Governments. Certain comparative information between the current fiscal year (2022-2023) and the prior fiscal year (2021-2022) is required to be presented in the MD&A. In fiscal year 2023 the District implemented GASB Statement No. 96- Subscription Based Information Technology Agreements.

Financial Highlights

In the District-Wide Financial Statements:

- Net position of Governmental Activities increased \$3,822,901.83 or 16.85%
- Net position of the Business-type Activities increased by \$116,029.47 or 66.19%.

In the Major Fund Financial Statements:

- Governmental fund revenues exceed expenditures by \$1,965,500.30.
- Among governmental funds, the General Fund's fund balance increased \$1,964,578.28.

**TOWNSHIP OF COLTS NECK SCHOOL DISTRICT
COLTS NECK, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023
UNAUDITED**

Overview of the Financial Statements

This Annual Comprehensive Financial Report ("ACFR") consists of three parts: Management's Discussion and Analysis (this section), The Basic Financial Statements, and Required Supplementary Information. The Basic Financial Statements include two kinds of statements that present different views of the District, District-wide Financial Statements and Fund Financial Statements.

- District-wide Financial Statements provide both short-term and long-term information about the District's overall financial status.
- Major Fund Financial Statements report the District's operations in more detail than the District-wide statements on individual parts of the District, the Governmental Funds and Proprietary Funds.
- Governmental Funds Statements tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- Proprietary Funds Statements offer short and long-term financial information about the activities the District operates like a business, which include food services.

The notes to financial statements are also included, which are an integral part of the financial statements. The information in the notes provides detailed data on the District's financial operations.

Required supplementary information further explains and supports the financial statements with a comparison of the District's budget for the year.

District-Wide Financial Statements

The District-wide Financial Statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets and liabilities. All current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or disbursed.

The District-wide Financial Statements report the District's net position and how they have changed. Net position, the difference between the District's assets and liabilities, is one way to measure the District's financial health or position. Over time, increases or decreases in the District's net position are an indicator of whether its financial position has improved or diminished. The causes of this change may be a result of many factors, some financial and some not. Non-financial factors include the District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

**TOWNSHIP OF COLTS NECK SCHOOL DISTRICT
COLTS NECK, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023
UNAUDITED**

District-Wide Financial Statements (Continued)

In the District-wide Financial Statements, the District's activities are divided into two categories, governmental and business-type activities.

- Governmental activities - All of the District's programs and services are reported here including, but not limited to regular and special education instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities. Property taxes and state formula aid finance most of these activities.
- Business-type activities - These services are provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. District charges fees to help it cover the costs of certain services it provided. The food service & preschool tuition accounts are reported as business activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on major funds. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by state law and by bond covenants. The District establishes other funds to control and manage money for particular purposes (i.e. long-term debt) or to show that it is properly using certain restricted revenues (i.e. entitlement grants).

The District maintains two financial funds:

- Governmental Funds: The District's activities reported in governmental funds focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting that measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the government-wide Statement of Net Position and Statement of Activities) and governmental funds statements is reconciled in the financial statements.
- Proprietary Funds: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide financial statements. The District's enterprise funds (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flow.

**TOWNSHIP OF COLTS NECK SCHOOL DISTRICT
COLTS NECK, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023
UNAUDITED**

Financial Analysis of the District as a Whole

Table 1 below reflects the District's net position as a whole for the Fiscal years 2023 and 2022.

	TABLE 1 NET POSITION	
	<u>FY2023</u>	<u>FY2022 (AS RESTATED)</u>
ASSETS		
Current & Other Assets	\$15,869,464.85	\$13,702,843.95
Capital Assets	<u>26,855,579.65</u>	<u>27,607,192.59</u>
TOTAL ASSETS	42,725,044.50	41,310,036.54
DEFERRED OUTFLOWS OF RESOURCE		
Deferred loss from debt refunding	97,365.31	122,747.25
Related to pensions	<u>1,137,763.00</u>	<u>826,610.00</u>
TOTAL DEFERRED OUTFLOWS	1,235,128.31	949,357.25
LIABILITIES		
Long-Term Liabilities	14,438,243.04	14,871,302.59
Other Liabilities	<u>1,724,770.57</u>	<u>1,453,116.30</u>
TOTAL LIABILITIES	16,163,013.61	16,324,418.89
DEFERRED INFLOWS OF RESOURCES		
Related to pensions	<u>996,296.00</u>	<u>3,073,043.00</u>
TOTAL DEFERRED INFLOWS	996,296.00	3,073,043.00
NET POSITION		
Net investment in capital assets	19,508,943.43	18,521,788.06
Restricted	10,644,074.74	8,792,549.27
Unrestricted (deficit)	<u>(3,352,154.97)</u>	<u>(4,452,405.43)</u>
TOTAL NET POSITION	<u>\$26,800,863.20</u>	<u>\$22,861,931.90</u>

The District's combined net position was \$26,800,863.20 on June 30, 2023.

**TOWNSHIP OF COLTS NECK SCHOOL DISTRICT
COLTS NECK, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023
UNAUDITED**

Financial Analysis of the District as a Whole (Continued)

Table 2 shows changes in net assets for fiscal years 2023 and 2022.

	<u>TABLE 2</u> <u>CHANGES IN NET POSITION</u>	
	<u>FY2023</u>	<u>FY2022</u> <u>(AS RESTATED)</u>
Revenues		
Program Revenues		
Charges for Services	\$894,933.60	\$874,896.94
Operating Grants & Contributions	5,404,012.79	6,835,023.63
General Revenues		
Property Taxes	25,514,618.00	25,045,513.00
Grants (includes State Aid) & Entitlements	4,197,101.00	3,820,614.00
Other Revenues	359,765.33	236,911.44
Special Items:		
Refund of Prior Year Revenue	(103,320.56)	
Donated Capital Assets	4,000.00	
Capital Asset Disposals	(122,496.00)	(98,276.25)
	<u>36,148,614.16</u>	<u>36,714,682.76</u>
Expenses:		
Instruction	19,343,380.65	19,703,959.51
Pupils and Instructional Staff	5,853,293.91	5,719,143.20
General & School Administration, Central Services & Administrative Technology	2,295,638.43	2,368,818.74
Maintenance	2,432,392.26	2,588,408.91
Transportation	1,395,451.92	1,306,727.91
Interest on Long-Term Debt	260,203.17	313,107.75
Business-Type	629,322.52	694,591.58
Total Expenses	<u>32,209,682.86</u>	<u>32,694,757.60</u>
Change in Net Position	3,938,931.30	4,019,925.16
Net Position July 1,	<u>22,861,931.90</u>	<u>18,842,006.74</u>
Net Position June 30,	<u><u>\$26,800,863.20</u></u>	<u><u>\$22,861,931.90</u></u>

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services.

**TOWNSHIP OF COLTS NECK SCHOOL DISTRICT
COLTS NECK, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023
UNAUDITED**

Financial Analysis of the District as a Whole (Continued)

Variances in both the revenues and expenditures are significantly affected by fluctuations in the actuarial revenue/expenses for TPAF and PERS Pension under GASB 68 and Postemployment Benefits under GASB 75.

Sources of Revenue for Fiscal Year 2023

In the District Wide Financial Statements, the District's total revenue for the 2022-2023 school year was \$36,148,614.16 as reflected in Table 3 below. Property taxes accounted for 70 percent of the total revenue with the other 30 percent consisting of federal & state aid, charges for service, operating grants & contributions, and miscellaneous sources. Table 3 below summarizes these revenues for FY2023 and FY2022.

TABLE 3
DISTRICT-WIDE REVENUES

	<u>FY2023</u>		<u>FY2022</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Property Taxes	\$25,514,618.00	71.00%	\$25,045,513.00	68.00%
Federal & State Grants not Restricted	4,197,101.00	11.00%	3,820,614.00	10.00%
Miscellaneous Income	359,765.33	1.00%	236,911.44	1.00%
Special Items:				
Refund of Prior Year Revenue	(103,320.56)			
Donated Capital Assets	4,000.00			
Capital Asset Disposals	(122,496.00)			
Charges for Services	894,933.60	2.00%	874,896.94	2.00%
Operating Grants and Contributions	5,404,012.79	15.00%	6,835,023.63	19.00%
	<u>\$36,148,614.16</u>	<u>100.00%</u>	<u>\$36,812,959.01</u>	<u>100.00%</u>

**TOWNSHIP OF COLTS NECK SCHOOL DISTRICT
COLTS NECK, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023
UNAUDITED**

Expenses for the Fiscal Year 2023

The total expenditures for the 2022-2023 fiscal year for all programs and services were \$32,209,682.86. Table 4 below summarizes these program costs.

**TABLE 4
DISTRICT-WIDE EXPENSES**

	<u>FY2023</u>		<u>FY2022</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Instruction	\$19,343,380.65	60.00%	\$19,703,959.51	61.00%
Pupils and Instructional Staff	5,853,293.91	18.00%	5,719,143.20	17.00%
General & School Adm., Central				
Services & Adm. Technology	2,295,638.43	7.00%	2,368,818.74	7.00%
Maintenance	2,432,392.26	8.00%	2,588,408.91	8.00%
Transportation	1,395,451.92	4.00%	1,306,727.91	4.00%
Interest on Long-Term Debt	260,203.17	1.00%	313,107.75	1.00%
Business-Type	<u>629,322.52</u>	<u>2.00%</u>	<u>694,591.58</u>	<u>2.00%</u>
	<u>\$32,209,682.86</u>	<u>100.00%</u>	<u>\$32,694,757.60</u>	<u>100.00%</u>

The District's expenses are predominantly related to instructing, providing services and transporting students, grades kindergarten through eight, which accounts for 78 percent of the total District costs. Administrative and business expenses account for the costs of the Office of the Superintendent of Schools, the Business Office, and the Principal's Offices in both school buildings. Maintenance and operations account for the costs of keeping the school buildings and grounds safe, clean and in good operating condition, and includes all the utility costs related to the school facilities. Other costs include interest on long-term debt, unallocated depreciation expense and the costs of the business-type activities of the proprietary funds. It is important to note that depreciation expense on capital assets is included in expenses for the year under this accounting reporting model; expenses therefore include 1,197,915.00 for depreciation for Governmental Activities.

**TOWNSHIP OF COLTS NECK SCHOOL DISTRICT
COLTS NECK, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023
UNAUDITED**

Governmental and Business-Type Activities

Table 5 presents the net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs) of District activities. The net cost shows the financial burden placed on the District's taxpayers and the state by each of these functions.

TABLE 5
NET COST OF SERVICES

	Total Cost of Services <u>FY2023</u>	Total Cost of Services <u>FY2022</u>	Net Cost of Services <u>FY2023</u>	Net Cost of Services <u>FY2022</u>
Instruction	\$19,343,380.65	\$19,703,959.51	\$15,796,778.94	\$15,163,504.67
Pupils and Instructional Staff	5,853,293.91	5,719,143.20	4,464,445.03	4,361,299.70
General & School Adm., Central Services & Administrative Tech.	2,295,638.43	2,368,818.74	2,005,628.72	1,915,001.69
Maintenance	2,432,392.26	2,588,408.91	2,309,604.54	2,308,609.39
Transportation	1,395,451.92	1,306,727.91	1,188,855.60	1,055,042.47
Interest on Long-Term Debt	260,203.17	313,107.75	260,203.17	313,107.75
Business-Type	629,322.52	694,591.58	(114,779.53)	(131,728.64)
Total Expenses	<u>\$32,209,682.86</u>	<u>\$32,694,757.60</u>	<u>\$25,910,736.47</u>	<u>\$24,984,837.03</u>

General Fund Budgeting Highlights

The District's budget is prepared according to New Jersey Statutes and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting.

Over the course of the year, the Board of Education approved revisions to the general fund budget as needed. These budget amendments were necessary for the following reasons:

- Realign budgeted salary accounts as needed to account for staff transfers to various programs.
- Realigned appropriations in accordance with the prescribed chart of accounts as modified by the comprehensive educational improvement and financing act.
- Transferred from unexpended appropriations to purchase teaching materials and equipment to meet various program needs.

**TOWNSHIP OF COLTS NECK SCHOOL DISTRICT
COLTS NECK, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023
UNAUDITED**

Capital Assets

During the fiscal year 2022-2023 the District's depreciation expense exceeded capital acquisitions, therefore capital assets net of depreciation decreased by \$750,881.94 Table 6 reflects the comparative balances of capital assets net of depreciation. The detail of the changes in capital assets is reflected in Note 3 to the financial statements.

Table 6
Capital Assets (Net of Depreciation) at June 30, 2023

	<u>2023</u>	<u>2022</u>
Land	\$7,114,624.00	\$7,114,624.00
Construction in Progress	103,020.65	561,193.85
Site Improvements	966,625.00	406,301.00
Building Improvements	17,603,937.00	18,560,225.92
Machinery and Equipment	<u>1,063,777.00</u>	<u>960,520.82</u>
	<u>\$26,851,983.65</u>	<u>\$27,602,865.59</u>

Debt Administration

At June 30, 2023, the District had \$14,438,243.02 of outstanding long-term debt, consisting of bonds payable, compensated absences, installment purchase contracts and net pension liability. The District will continue to pay down its debt, as the obligations are due. Table 7 reflects the comparison of outstanding debt for the past two fiscal years. More information of the District's long-term debt is presented in Note 4 to the financial statements.

Table 7
Long-Term Debt, June 30

	<u>FY2023</u>	<u>FY2022</u>
Installment Purchase Contracts	\$946,150.18	\$1,390,507.69
Compensated Absences	678,257.50	654,680.00
Bonds Payable	6,085,000.00	7,460,000.00
Unamortized Bond Premium	425,810.34	536,813.88
Net Pension Expense Payable	<u>6,303,025.00</u>	<u>4,829,301.00</u>
	<u>\$14,438,243.02</u>	<u>\$14,871,302.57</u>

**TOWNSHIP OF COLTS NECK SCHOOL DISTRICT
COLTS NECK, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023
UNAUDITED**

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional information, contact Mr. Vincent S. Marasco, School Business Administrator/Board Secretary, Colts Neck Township School District, 70 Conover Road, Colts Neck, New Jersey 07722.

BASIC FINANCIAL STATEMENTS

The basic financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds as of June 30, 2022

DISTRICT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the District. These statements include the financial activities of the overall district, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

COLTS NECK TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
ASSETS:			
Cash and cash equivalents	\$3,612,733.86	\$581,728.32	\$4,194,462.18
Receivables, net	1,028,065.44	4,178.00	1,032,243.44
Inventory		8,313.90	8,313.90
Internal balances	187,326.90	(187,326.90)	
Restricted assets:			
Restricted cash and cash equivalents	10,634,445.33		10,634,445.33
Capital assets:			
Land and construction in progress	7,217,644.65		7,217,644.65
Other capital assets net of depreciation	19,634,339.00	3,596.00	19,637,935.00
Total Assets	<u>42,314,555.18</u>	<u>410,489.32</u>	<u>42,725,044.50</u>
DEFERRED OUTFLOW OF RESOURCES:			
Related to loss from debt refunding	97,365.31		97,365.31
Related to pensions	1,137,763.00		1,137,763.00
Total Deferred Outflows	<u>1,235,128.31</u>		<u>1,235,128.31</u>
LIABILITIES:			
Accounts payable	624,810.38	87,821.73	712,632.11
Payroll Deductions Payable	723,125.76		723,125.76
Unemployment Compensation Claims Payable	34,170.78		34,170.78
Unearned revenue	182,941.77	31,333.48	214,275.25
Accrued interest payable	40,566.67		40,566.67
Noncurrent liabilities:			
Due within one year:			
Bonds and installment purchase contracts payable	1,985,047.00		1,985,047.00
Due beyond one year:			
Pension Liability	6,303,025.00		6,303,025.00
Compensated absences payable	678,257.50		678,257.50
Bonds and installment purchase contracts payable	5,471,913.54		5,471,913.54
Total liabilities	<u>16,043,858.40</u>	<u>119,155.21</u>	<u>16,163,013.61</u>
DEFERRED INFLOW OF RESOURCES:			
Related to pensions	996,296.00		996,296.00
NET POSITION:			
Net investment in capital assets	19,505,347.43	3,596.00	19,508,943.43
Restricted for:			
Special revenue fund	24,371.85		24,371.85
Capital projects fund	4,715,741.88		4,715,741.88
Other purposes	5,903,961.01		5,903,961.01
Unrestricted (deficit)	<u>(3,639,893.08)</u>	<u>287,738.11</u>	<u>(3,352,154.97)</u>
Total Net Position	<u>\$26,509,529.09</u>	<u>\$291,334.11</u>	<u>\$26,800,863.20</u>

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

COLTS NECK TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
JUNE 30, 2023

Functions/Programs	Expenses	Indirect Cost Allocation	Programs Revenues		Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular	\$ 11,173,482.77	\$ 929,727.00	\$	\$ 1,926,709.23	\$ (10,176,500.54)	\$	\$ (10,176,500.54)
Special	6,159,624.13			1,418,977.35	(4,740,646.78)		(4,740,646.78)
Other Instruction	1,080,546.75			200,915.13	(879,631.62)		(879,631.62)
Support services:							
Student and instruction related services	5,850,418.41	2,875.50	150,831.55	1,238,017.33	(4,464,445.03)		(4,464,445.03)
General administrative services	536,542.44	34,550.00		82,690.19	(488,402.25)		(488,402.25)
School administrative services	1,027,087.67	49,219.00		145,925.66	(930,381.01)		(930,381.01)
Central service	393,321.98	902.50		40,929.24	(353,295.24)		(353,295.24)
Administrative information technology	254,014.84			20,464.62	(233,550.22)		(233,550.22)
Plant operations and maintenance	2,345,299.26	87,093.00		122,787.72	(2,309,604.54)		(2,309,604.54)
Pupil transportation	1,278,326.42	117,125.50		206,596.32	(1,188,855.60)		(1,188,855.60)
Interest on long-term debt	260,203.17				(260,203.17)		(260,203.17)
Unallocated compensated absences	23,577.50	(23,577.50)					
Unallocated depreciation	1,197,915.00	(1,197,915.00)					
Total governmental activities	31,580,360.34		150,831.55	5,404,012.79	(26,025,516.00)		(26,025,516.00)
Business-type activities							
Food service	458,468.19		504,403.05			45,934.86	45,934.86
Preschool tuition program	170,854.33		239,699.00			68,844.67	68,844.67
Total business-type activities	629,322.52		744,102.05			114,779.53	114,779.53
Total primary government	\$ 32,209,682.86	\$	\$ 894,933.60	\$ 5,404,012.79	\$ (26,025,516.00)	\$ 114,779.53	\$ (25,910,736.47)
General revenues:							
Taxes:							
Property taxes, levied for general purposes, net					\$ 23,841,915.00	\$	\$ 23,841,915.00
Taxes levied for debt service					1,672,703.00		1,672,703.00
Federal and state aid not restricted					4,197,101.00		4,197,101.00
Miscellaneous income					358,515.39	1,249.94	359,765.33
Special Items:							
Refund of Prior Year Revenue					(103,320.56)		(103,320.56)
Donated Capital Assets					4,000.00		4,000.00
Disposal of Capital Assets					(122,496.00)		(122,496.00)
Total general revenues and special items					29,848,417.83	1,249.94	29,849,667.77
Change in net position					3,822,901.83	116,029.47	3,938,931.30
Net position - beginning (as restated)					22,686,627.26	175,304.64	22,861,931.90
Net position - ending					26,509,529.09	291,334.11	26,800,863.20

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

MAJOR FUND FINANCIAL STATEMENTS

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

COLTS NECK TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS:				
Cash and cash equivalents	\$ 3,479,755.55	\$ 131,504.91	\$ 1,473.40	\$ 3,612,733.86
Cash, restricted reserves	10,619,702.89			10,619,702.89
Cash with Fiscal Agents	14,742.44			14,742.44
Due from other funds	311,122.37			311,122.37
Receivables from other governments	830,244.69	197,820.75		1,028,065.44
Total assets	\$ 15,255,567.94	\$ 329,325.66	\$ 1,473.40	\$ 15,586,367.00
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts payable	\$ 67,874.38	\$	\$	\$ 67,874.38
Payroll Deductions Payable	723,125.76			723,125.76
Unemployment Compensation Claims Payable	34,170.78			34,170.78
Interfund payables		123,795.47		123,795.47
Unearned revenue	14,742.44	181,158.34		195,900.78
Total liabilities	839,913.36	304,953.81		1,144,867.17
Fund balances:				
Restricted:				
Capital reserve account	4,715,741.88			4,715,741.88
Emergency reserve account	93,023.50			93,023.50
Maintenance reserve account	1,461,854.24			1,461,854.24
Impact Aid reserve account	4,061,152.92			4,061,152.92
State Unemployment Insurance	287,930.35			287,930.35
Student Activities		24,371.85		24,371.85
Assigned:				
Designated for subsequent years expenditures	1,861,130.00		11.00	1,861,141.00
Unassigned	1,934,821.69		1,462.40	1,936,284.09
Total fund balances	14,415,654.58	24,371.85	1,473.40	14,441,499.83
Total liabilities and fund balances	\$ 15,255,567.94	\$ 329,325.66	\$ 1,473.40	\$ 15,586,367.00

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

TOWNSHIP OF COLTS NECK SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

Total Fund Balances (Brought Forward)			\$14,441,499.83
Amounts Reported for Governmental Activities in the Statement of Net Assets (A-1) are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			
Cost of Assets		\$56,603,343.65	
Accumulated Depreciation		<u>(29,751,360.00)</u>	
			26,851,983.65
Long term liabilities, including bonds payable, and other related amounts that are not due and payable in the current period and therefore are not reported as liabilities in the funds.			
Net Pension Liability		(6,303,025.00)	
Compensated Absences		(678,257.50)	
Bonds Payable	(\$6,085,000.00)		
Unamortized of Refunding Bond Premium	<u>(425,810.36)</u>		
		(6,510,810.36)	
Installment Purchase Contracts		<u>(933,191.17)</u>	
			(14,425,284.03)
Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds.			
Pensions:			
Deferred Outflows			
Pension related		580,827.00	
Employer Contribution related to pensions		<u>556,936.00</u>	
			1,137,763.00
Deferred Inflows:			
Pension related			(996,296.00)
Refunding Bonds:			
Deferred Outflow:			
Loss on Refunding Bonds			97,365.31
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.			
Accounts Payable - Pension Related		(556,936.00)	
Accrued Interest Payable		<u>(40,566.67)</u>	
			<u>(597,502.67)</u>
Net Position of Governmental Activities			<u>\$26,509,529.09</u>

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

COLTS NECK TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:				
Local sources:				
Local tax levy	\$ 23,841,915.00	\$	1,672,703.00	\$ 25,514,618.00
Tuition from Other LEAs Within State	197,022.82			197,022.82
Transportation Fees from other LEAs	124,737.84			124,737.84
Miscellaneous	296,845.94	164,853.53	1,462.61	463,162.08
Interest Earned on:				
Capital Reserve Funds	7,519.57			7,519.57
Total - local sources	24,468,041.17	164,853.53	1,674,165.61	26,307,060.31
State sources	9,698,121.00	22,662.00		9,720,783.00
Federal sources	848,667.00	689,558.42		1,538,225.42
Total revenues	35,014,829.17	877,073.95	1,674,165.61	37,566,068.73
EXPENDITURES:				
Current expense:				
Regular instruction	12,170,268.71			12,170,268.71
Special instruction	6,226,473.54	456,921.96		6,683,395.50
Other Instruction	1,199,655.84			1,199,655.84
Support services:				
Student and instruction related services	5,893,289.36	413,499.58		6,306,788.94
General administrative services	610,523.58			610,523.58
School administrative services	1,123,867.04			1,123,867.04
Central services	476,142.38			476,142.38
Administrative information technology	260,068.00			260,068.00
Plant operations and maintenance	2,583,760.46			2,583,760.46
Pupil transportation	1,443,967.22			1,443,967.22
Transfer of funds to charter schools	55,143.00			55,143.00
Debt service:				
Principal	444,357.51		1,375,000.00	1,819,357.51
Interest	16,122.43		298,400.00	314,522.43
Capital outlay	609,502.06	6,496.00		615,998.06
Total expenditures	33,113,141.13	876,917.54	1,673,400.00	35,663,458.67
Excess (deficiency) of revenues over (under) expenditures	1,901,688.04	156.41	765.61	1,902,610.06
Other financing sources (uses):				
Refund of Prior Year Revenue	(103,320.56)			(103,320.56)
Installment purchase contract (non-budgeted)	166,210.80			166,210.80
Total other financing sources (uses)	62,890.24			62,890.24
Net change in fund balances	1,964,578.28	156.41	765.61	1,965,500.30
Fund balances, July 1, 2022	12,451,076.30	24,215.44	707.79	12,475,999.53
Fund balances, June 30, 2023	\$ 14,415,654.58	\$ 24,371.85	\$ 1,473.40	\$ 14,441,499.83

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

COLTS NECK TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Total net change in fund balances - governmental funds (from B-2)		\$1,965,500.30
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period		
Depreciation expense		(1,197,915.00)
Capital outlays	\$615,998.06	
Donated Assets	4,000.00	
Less: Capital Outlays not capitalized	<u>(50,469.00)</u>	
		569,529.06
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		
Payment of Bond Principal		1,375,000.00
Amortization of Bond Premium		111,003.54
Installment purchase contract proceeds - Current Year		(166,210.80)
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		
Payment of installment purchase contracts		444,357.51
In the statement of activities, interest on long-term debt is accrued, regardless of when due. In governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.		
		9,166.66
In the statement of activities, deferred amounts on refundings are amortized as a component of interest over the shorter of the life of the old or new debt.		
		(25,381.94)
In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net assets will differ from the change in fund balance by the cost of the asset removed(-).		
		(122,496.00)
District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.		
District pension contributions	526,685.00	
Add: Pension benefit	<u>357,241.00</u>	
		883,926.00
In the statement of activities, certain expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
		<u>(23,577.50)</u>
Change in net position of governmental activities (A-2)		<u><u>\$3,822,901.83</u></u>

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

OTHER FUNDS

COLTS NECK TOWNSHIP SCHOOL DISTRICT
 COMBINING STATEMENT OF NET POSITION
 PROPRIETARY FUNDS - ENTERPRISE FUNDS
 JUNE 30, 2023

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND		
	FOOD SERVICE FUND	PRESCHOOL TUITION PROGRAM FUND	TOTALS
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 150,904.14	\$ 430,824.18	\$ 581,728.32
Inventories	8,313.90	-	8,313.90
Total current assets	159,218.04	435,002.18	594,220.22
Noncurrent assets:			
Furniture, machinery and equipment	241,305.00		241,305.00
Less accumulated depreciation	(237,709.00)		(237,709.00)
Total noncurrent assets	3,596.00	-	3,596.00
Total assets	162,814.04	435,002.18	597,816.22
LIABILITIES:			
Current liabilities:			
Interfunds payable	-	187,326.90	187,326.90
Accounts Payable	87,821.73	-	87,821.73
Unearned revenue	11,477.48	19,856.00	31,333.48
Total current liabilities	99,299.21	207,182.90	306,482.11
Total liabilities	99,299.21	207,182.90	306,482.11
NET POSITION:			
Net investment in capital assets	3,596.00	-	3,596.00
Unrestricted	59,918.83	227,819.28	287,738.11
Total net position	\$ 63,514.83	\$ 227,819.28	\$ 291,334.11

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

COLTS NECK TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>		
	<u>FOOD SERVICE FUND</u>	<u>PRESCHOOL TUITION PROGRAM FUND</u>	<u>TOTAL</u>
OPERATING REVENUES:			
Charges for services:			
Daily sales	\$504,403.05		\$504,403.05
Tuition - individuals		\$ 230,999.00	\$ 230,999.00
Miscellaneous		8,700.00	8,700.00
Total operating revenues	<u>504,403.05</u>	<u>239,699.00</u>	<u>744,102.05</u>
OPERATING EXPENSES:			
Cost of sales	209,696.50		209,696.50
Salaries	145,339.53	135,220.70	280,560.23
Employee benefits	38,190.65	27,275.20	65,465.85
Supplies and materials	25,576.33	8,358.43	33,934.76
Management Fees	24,331.00		24,331.00
Miscellaneous	14,603.18		14,603.18
Depreciation	731.00		731.00
Total operating expenses	<u>458,468.19</u>	<u>170,854.33</u>	<u>629,322.52</u>
Operating income (loss)	<u>45,934.86</u>	<u>68,844.67</u>	<u>114,779.53</u>
NON-OPERATING REVENUES:			
Interest	<u>1,249.94</u>		<u>1,249.94</u>
Total non-operating revenues	<u>1,249.94</u>		<u>1,249.94</u>
Change in net position (loss)	47,184.80	68,844.67	116,029.47
Total net position - beginning	<u>16,330.03</u>	<u>158,974.61</u>	<u>175,304.64</u>
Total net position - ending	<u>\$ 63,514.83</u>	<u>\$ 227,819.28</u>	<u>\$ 291,334.11</u>

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

COLTS NECK TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND		
	FOOD SERVICE FUND	PRESCHOOL TUITION PROGRAM FUND	TOTAL
Cash flows from operating activities:			
Receipts from customers	\$502,911.66	\$234,292.00	\$737,203.66
Payments to employees	(116,952.14)	(135,220.70)	(252,172.84)
Payments to employee benefits	(27,926.29)	(27,275.20)	(55,201.49)
Payments to suppliers	(265,641.06)	(8,358.43)	(273,999.49)
Net cash provided by (used for) operating activities	92,392.17	63,437.67	155,829.84
Cash flows from investing activities:			
Interest and dividends	1,249.94		1,249.94
Net cash provided by investing activities	1,249.94		1,249.94
Net increase/(deficit) in cash and cash equivalents	93,642.11	63,437.67	157,079.78
Cash and cash equivalents, July 1, 2022	57,262.03	367,386.51	424,648.54
Cash and cash equivalents, June 30, 2023	150,904.14	430,824.18	581,728.32
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	45,934.86	68,844.67	114,779.53
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	731.00		731.00
Change in assets and liabilities:			
Increase (decrease) in unearned revenue	(1,491.39)	(1,229.00)	(2,720.39)
Increase in accounts payable	51,309.13		51,309.13
Decrease in inventories	(4,091.43)		(4,091.43)
	46,457.31	(5,407.00)	41,050.31
Net cash provided by (used for) operating activities	\$92,392.17	\$63,437.67	\$155,829.84

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

Colts Neck Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Township of Colts Neck School District (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below:

Reporting Entity

The Township of Colts Neck School District is a Type II District located in Monmouth County, New Jersey. The School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board of Education of the Colts Neck School District, comprised of nine elected individuals, is the primary governing authority of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity, are set forth in Statement No. 39 of the Governmental Accounting Standards Board entitled "*Determining Whether Certain Organizations are Component Units*" (GASB 39), as codified in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

Organizations that are legally separate, tax-exempt entities and meet *all* of the following criteria should be discretely presented as component units. These criteria are:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government.
2. The primary government, or its component unit, is entitled to, or has the ability to otherwise access, a majority of the economic resources of the organization.
3. The economic resources received or held by an *individual organization* that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

Colts Neck Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include A primary school, elementary school and middle school for Grades K thru 8, located in the Township of Colts Neck. The Township is part of the Freehold Regional High School District for Grades 9 thru 12. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

Basis of Presentation

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

District-Wide Statements: The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish generally between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of net position presents the financial condition of the governmental and business-type activities of the District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

Colts Neck Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

Fund Financial Statements: During the fiscal year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds. Separate statements are presented for each fund category - governmental and proprietary. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE as the oversight entity believes that the presentation of all funds as major is important for the public interest and to promote consistency among District financial reporting models.

Governmental Fund Types

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

As required by the New Jersey Statement Department of Education, the District includes budgeted capital outlay in this fund. U.S. Generally Accepted Accounting Principles as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes, and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to the current expense by Board resolution; in certain instances approval by the County Superintendent of Schools may also be required.

Special Revenue Fund The special revenue fund is used to account for the proceeds of specific revenue sources from State and Federal Government (other than those for major capital projects, debt service or proprietary funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Colts Neck Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Types

Capital Projects Funds The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund The debt service fund is used to account for the accumulation of resources for, and the payment of principal and interest on debt issued to finance major property acquisition, construction and improvement programs.

Proprietary Funds

Enterprise Fund The enterprise fund accounts for all revenues and expenses pertaining to the District's Food Service and Preschool Tuition programs operations. These funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (*i.e.* expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Basis of Accounting-Measurement Focus

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

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

Colts Neck Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting-Measurement Focus (Continued)

The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transactions can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured.

General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from the issuance of long-term debt and acquisitions under installment purchase contract and leases are reported as other financing sources.

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. In accordance with P.L. 2011, c. 202, which became effective January 17, 2012, the District elected to move the April school Board election to the date of the November general election thereby eliminating the vote on the annual base budget. 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:23-2.2(f)1. Expenditures may not legally exceed budgeted appropriations at the line item level. All budget amendments and transfers must be approved by School Board resolution. Budget amendments during the year ended June 30, 2023 totaled \$1,014,239.71.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Colts Neck Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control (Continued)

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures. Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles (GAAP) with the exception of the legally mandated (NJSA 18A:22-44.2) revenue recognition of one or more deferred State Aid payments for budgetary purposes only due to the State deferral of such payments into the subsequent budget year and the accounting treatment of encumbrances in the special revenue fund as described below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognized 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 records.

Encumbrance Accounting

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditures of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as unearned revenues at fiscal year end.

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

Colts Neck Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfunds

Interfund receivables and payables arise from transactions between particular funds and are considered short term in duration. The interfund transactions are recorded by all funds affected in the period in which the transactions are executed and are part of the district's available spendable resources.

Inventories and Prepaid Expenses

Inventories of materials and supplies held for consumption in the governmental funds are recorded as expenditures at the time of purchase and year end balances are not reported in the financial statements.

Inventories of food and/or supplies in the food service fund are recorded at cost on a first-in, first-out basis or, in the case of Food Distribution Commodities, at stated value which approximates market.

Prepaid expenses which benefit future periods, other than those recorded in the enterprise fund, are recorded as expenditures in the year of purchase.

Capital Assets

The District has an established formal system of accounting for its capital assets. Capital Assets used for governmental purposes, which include land, buildings and improvements and furniture and equipment, are only reported in the district-wide financial statements. The District generally defines capital assets as assets with an initial cost of \$2,000.00 or more and an estimated useful life in excess of one year. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Buildings	50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office and Computer Equipment	10
Instructional Equipment	10
Grounds Equipment	15
Buses	12

Colts Neck Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy and/or collective bargaining unit contracts. Upon termination, employees are paid for accrued vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after four years of service.

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave and vacation days that are expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments.

For the district-wide statements, the current portion is the amount estimated to be used in the following year. For the governmental funds in the fund financial statements, a liability is reported only for to the extent of the amount actually due at year end as a result of employee resignations/retirements. Compensated absences are a reconciling item between the fund level and district-wide presentations.

Fund Equity

Fund balance restrictions are used to indicate that portion of the fund balance that is not available for expenditures or is legally segregated for a specific future use. Designation of portions of the fund balances are established to indicate tentative plans for financial utilization in a future period. The unassigned fund balances represent the amount available for future budgetary operations.

Unassigned net position represents the remains of the District's equity in the cumulative earnings of the proprietary fund.

Unearned Revenue

Unearned revenue in the special revenue and proprietary funds represents funds which have been received but not yet earned. A corresponding accounts receivable has also been established for any open encumbrances at year end which is an allowable practice under generally accepted accounting principles.

Colts Neck Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the district-wide 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, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Long term debt is recognized as a liability on the fund financial statements when due.

Net Position

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

Fund Balance – Governmental Funds

GASB Statement 54, "Fund Balance Reporting and Governmental Fund Type Definitions" modifies fund balance reporting and clarifies fund type definitions. This Statement aims to enhance the usefulness of fund balance information by providing clearer fund balance clarifications that can be applied more consistently.

Under the standard, in the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation. The District reports the Capital Reserve, Emergency Reserve, Maintenance Reserve, Impact Aid Reserve, Excess Surplus, Student Activities and State Unemployment Insurance as Restricted Fund Balance.

Colts Neck Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Reserves (Continued)

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator. The District reports Year End Encumbrances as Assigned Fund Balance.

Unassigned – 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 should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

Revenues Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, "available" means within sixty days of the fiscal year end.

Colts Neck Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues Exchange and Non-Exchange Transactions (Continued)

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from property taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year end: property taxes available as an advance, interest, and tuition.

Proprietary Fund Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the District, these revenues are sales in the Enterprise Funds. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of the program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities.

Colts Neck Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent of occurrence. Special items are transactions or events that are within control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Accounting and Financial Reporting for Pensions

In the district-wide financial statements for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's proportionate share of the New Jersey Public Employees Retirement System ("PERS") and the Teachers' Pension and Annuity Fund ("TPAF") and the additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they were reported by PERS and TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

In the governmental fund financial statements the year end pension liability is not required to be reflected, Pension related revenues and expenditures are reflected based on amounts that are normally expected to be liquidated with available financial resources for required pension contributions. Expenditures for PERS are recognized based upon billings made by the State of New Jersey due April 1st of each fiscal year. TPAF contributions are paid on the District's behalf by the State of New Jersey. The governmental fund financial statements reflect both revenue and expense for this pension contribution.

Colts Neck Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has only two items that qualify for reporting in this category, deferred amounts from refunding debt and deferred amounts related to pensions.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies in this category, deferred amounts related to pensions.

Leases

Lease receivables are measured at the present value of the lease payments expected to be received during the lease term. The District may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized in a systematic and rational manner over the lease term.

Lease liabilities represent obligations to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of the expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised. Payments for short-term leases with a term of 12 months or less are expensed as incurred and these leases are not included as lease liabilities or right-to-use assets on the statements of net position.

Colts Neck Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Right to Use Assets

Right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized in a systematic and rational manner over the life of the related lease.

Recently Adopted Accounting Pronouncements

Beginning with the year ended June 30, 2023, the District has implemented GASB Statement 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. GASB Statement No. 96 defines a SBITA; establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding liability; provides capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosure regarding SBITAs.

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

The Board considers petty cash, change funds, cash in banks, and short term investments with original maturities of three months or less as cash and cash equivalents. Investments are stated at cost, which approximates market.

Deposits

New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits.

Colts Neck Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

Deposits (Continued)

Each depository participating in the GUDPA system must pledge collateral equal to 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of 75% of its capital funds. No collateral is required for amounts covered by FDIC insurance. The collateral which may be pledged to support these deposits includes obligations of the State and federal governments, insured securities and other collateral approved by the Department. When the capital position of the depository deteriorates or the depository takes an unusually large amount of public deposits, the Department of Banking and Insurance requires additional collateral to be pledged. Under (GUDPA), if a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of the deposits to the governmental unit.

The Township of Colts Neck School District had the following cash and cash equivalents at June 30, 2023:

<u>Fund Type</u>	<u>Cash in Bank</u>
Governmental	\$ 15,633,899.62
Proprietary	<u>194,642.74</u>
Total Cash on Deposit	15,828,542.36
Less: Reconciling Items	<u>(999,634.85)</u>
 Total Book Balance 06/30/23	 \$ <u><u>14,828,907.51</u></u>

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The District does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of June 30, 2023, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank of \$15,828,542.36, \$250,000.00 was covered by Federal Deposit Insurance and \$15,563,799.92 was covered under the provisions of NJGUDPA. \$14,742.44 is cash held by fiscal agents and is, therefore, not covered by NJGUDPA.

Colts Neck Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

Investments

The types of investments which may be purchased by the District are strictly limited by the express authority of the N.J.S.A. 18A:20-37 Education, Administration of School Districts. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a1 et seq., and operated in accordance with 17 C.F.R. § 270.2a7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. These funds are also required to be rated by a nationally recognized statistical rating organization;
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located;
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by School Districts;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization;

Colts Neck Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

Investments (Continued)

7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 C. 17:1941); and
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

At June 30, 2023, the District had no outstanding investments.

Based upon the limitation set forth by New Jersey Statutes 18A:20-37 and its existing investment practices, the District is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risks for its deposits and investments.

Colts Neck Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 3: CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions and Transfers</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$7,114,624.00			\$7,114,624.00
Construction in Progress	561,193.85	\$166,210.80	(\$624,384.00)	103,020.65
Total Capital Assets not being depreciated	7,675,817.85	166,210.80	(624,384.00)	7,217,644.65
Site improvements	1,200,313.00	2,000.00	588,024.00	1,790,337.00
Buildings & Building Improvements	42,815,240.92	65,722.08	36,360.00	42,917,323.00
Machinery & Equipment	4,464,938.82	335,596.18	(\$122,496.00)	4,678,039.00
Totals at historical cost	48,480,492.74	403,318.26	501,888.00	49,385,699.00
Gross Assets (Memo only)	56,156,310.59	569,529.06	(122,496.00)	56,603,343.65
Less: Accumulated Depreciation				
Site improvements	(794,012.00)	(29,700.00)		(823,712.00)
Buildings & Building Improvements	(24,255,015.00)	(1,058,371.00)		(25,313,386.00)
Machinery & Equipment	(3,504,418.00)	(109,844.00)		(3,614,262.00)
Total Depreciation	(28,553,445.00)	(1,197,915.00)		(29,751,360.00)
Total capital assets being depreciated, net of depreciation	19,927,047.74	(794,596.74)	501,888.00	19,634,339.00
Total Governmental Activities, net	27,602,865.59	(628,385.94)	(122,496.00)	26,851,983.65
Business-Type Activities:				
Machinery & Equipment	\$241,305.00			\$241,305.00
Totals at historical cost	241,305.00			241,305.00
Less: Accumulated Depreciation				
Machinery & Equipment	(236,978.00)	(731.00)		(237,709.00)
Total Depreciation	(236,978.00)	(731.00)		(237,709.00)
Total Business-Type Activities, net	\$4,327.00	(\$731.00)		\$3,596.00

Colts Neck Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 3: CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functional expenses areas of the District as follows:

Instruction:	
Regular	\$951,257.00
Support services:	
Student & instruction related services	4,608.00
School administrative services	49,219.00
Plant operations and maintenance	87,368.00
Pupil transportation	105,463.00
	<u>\$1,197,915.00</u>

NOTE 4: LONG-TERM LIABILITIES

Bonds are issued by the District pursuant to the provisions of Title 18A, Education, of the New Jersey Statutes and are required to be approved by the voters of the municipality through referendum. The proceeds of bonds are recorded in the Capital Projects Fund and are restricted to the use for which they were approved in the bond referendum. All bonds are retired in annual installments within the statutory period of usefulness.

School Bonds issued by the District are entitled to and benefit from the provision of the New Jersey School Board Reserve Act P.L. 1980 c.72. Basically, funds are held by the State of New Jersey within its State Fund for the Support of Free Public Schools as a school bond reserve pledged by law to secure payment of principal and interest due on such bonds in the event of the inability of the issuer to make payments.

The following is a summary of transactions that affect long-term liabilities for the year ended June 30, 2023:

Governmental Activities:

	Balance June 30, <u>2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance June 30, <u>2023</u>	Amounts due Within <u>one year</u>
Bonds Payable	\$7,460,000.00		\$1,375,000.00	\$6,085,000.00	\$1,430,000.00
Unamortized Bond Premium	536,813.89		111,003.55	425,810.34	105,562.19
Compensated Absences	654,680.00	\$23,577.50		678,257.50	
Installment Purchase Contracts Payable	1,390,507.69		444,357.51	946,150.18	449,484.81
Net Pension Liability	4,829,301.00	1,473,724.00		6,303,025.00	
	<u>\$14,871,302.58</u>	<u>\$1,497,301.50</u>	<u>\$1,930,361.06</u>	<u>\$14,438,243.02</u>	<u>\$1,985,047.00</u>

Colts Neck Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

Debt Service Requirements:

The annual requirements to amortize all debt outstanding as of June 30, 2023, including interest payments on issued debt, are as follows:

Fiscal Year			
<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
FY2024	1,430,000.00	243,400.00	1,673,400.00
FY2025	1,490,000.00	186,200.00	1,676,200.00
FY2026	1,550,000.00	126,600.00	1,676,600.00
FY2027	<u>1,615,000.00</u>	<u>64,600.00</u>	<u>1,679,600.00</u>
	<u>\$6,085,000.00</u>	<u>\$620,800.00</u>	<u>\$6,705,800.00</u>

General obligation school and refunding bonds payable with their outstanding balances are comprised of the following individual issues:

<u>Issue</u>	<u>Amount Outstanding June 30, 2023</u>	<u>Bonds Authorized But Not Issued</u>
\$9,715,000.00 in Refunding School Bonds dated April 30, 2015 due in remaining annual installments ranging between \$1,375,000.00 and \$1,615,000.00 beginning February 1, 2024 and ending February 1, 2027 with interest of 4.00%.	<u>6,085,000.00</u>	<u>-0-</u>
	<u>\$6,085,000.00</u>	<u>-0-</u>

Installment Purchase Agreements Payable

The District has entered into two installment purchase agreements for equipment, buses, and a copier. The agreements are for terms up to five years. Future annual debt service payments on installment purchases as of June 30, 2023, including interest of \$17,365.52 are as follows:

Fiscal Year			
<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
FY2024	449,484.81	10,995.13	460,479.94
FY2025	454,671.44	5,808.50	460,479.94
FY2026	<u>41,993.93</u>	<u>561.89</u>	<u>42,555.82</u>
	<u>\$946,150.18</u>	<u>\$17,365.52</u>	<u>\$963,515.70</u>

Colts Neck Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

Bonds Authorized But Not Issued

As of June 30, 2023, the District had no Bonds Authorized but not issued.

NOTE 5: PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provision of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established under the provision of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 to provide coverage to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one year of membership.

Colts Neck Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 5: PENSION PLANS (CONTINUED)

Significant Legislation

Effective June 28, 2011, P.L. 2011, c. 78 enacted certain changes in the operations and benefit provisions of the TPAF and the PERS systems.

Pension Plan Design Changes

Effective June 28, 2011, P.L. 2011, c. 78, new members of TPAF and PERS, hired on or after June 28, 2011, will need 30 years of creditable service and have attained the age of 65 for receipt of the early retirement benefit without a reduction of 1/4 of 1% for each month that the member is under age 65. New members will be eligible for a service retirement benefit at age 65.

Funding Changes

Under the new legislation, the methodology for calculating the unfunded accrued liability payment portion of the employer's annual pension contribution to the PERS, and TPAF. The unfunded actuarial accrued liability (UAAL) will be amortized for each plan over an open-ended 30 year period and paid in level dollars. Beginning with the July 1, 2019 actuarial valuation (July 1, 2018 for PFRS), the UAAL will be amortized over a closed 30 year period until the remaining period reaches 20, when the amortization period will revert to an open-ended 20-year period.

COLA Suspension

The payment of automatic cost-of-living adjustment to current and future retirees and beneficiaries are suspended until reactivated as permitted by this law.

Vesting and Benefit Provisions

The vesting and benefit provisions of PERS are set by N.J.S.A. 43:15A and 43:3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after ten years of service, except for post-retirement healthcare benefits that vest after 25 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.

Contribution Requirements - The contribution policy is set by N.J.S.A. 43:15A and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation.

Colts Neck Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 5: PENSION PLANS (CONTINUED)

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan members and employer contributions may be amended by State of New Jersey legislation. As of July 1, 2018, PERS and TPAF provide for employee contributions of 7.50% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of TPAF (i.e. the State of New Jersey makes the employer contribution on behalf of public school districts.

Contribution Requirements:

Three Year Trend Information for PERS

<u>Year Ended</u> <u>June 30,</u>	<u>Annual</u> <u>Pension Cost</u> <u>(APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
2023	\$526,686.00	100%	\$526,686.00
2022	\$477,413.00	100%	\$477,413.00
2021	\$446,972.00	100%	\$446,972.00

Three Year Trend Information for TPAF (On-behalf Contributions)

<u>Year Ended</u> <u>June 30,</u>	<u>Annual</u> <u>Pension Cost</u> <u>(APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
2023	\$4,231,726.00	100%	\$4,231,726.00
2022	\$4,239,754.00	100%	\$4,239,754.00
2021	\$3,058,654.00	100%	\$3,058,654.00

In accordance with N.J.S.A. 18A:66-66, the State of New Jersey reimbursed the District for the years ended June 30, 2023, 2022 and 2021 \$931,089.00, \$885,421.63, and \$837,679.09 respectively for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund statements and schedules as a revenue and expenditure in accordance with GASB 27.

Colts Neck Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68

Public Employees Retirement System (PERS)

At June 30, 2023, the District reported a liability of \$6,303,025.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2022, the District's proportion was 0.0417657370 percent, which was an increase of 0.0010000991 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized pension benefit of \$357,241.00 in the government-wide financial statements. This pension benefit was based on the pension plan's June 30, 2022 measurement date.

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 45,492.00	\$ 40,118.00
Changes of assumptions	19,529.00	943,812.00
Net difference between projected and actual earnings on pension plan investments	260,876.00	
Changes in proportion and differences between District contributions and proportionate share of contributions	254,930.00	12,366.00
District contributions subsequent to the measurement date	<u>556,936.00</u>	
	\$ <u>1,137,763.00</u>	\$ <u>996,296.00</u>

The \$556,936.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2023, the plan measurement date is June 30, 2022) will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

Colts Neck Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(Continued)

Public Employees Retirement System (PERS) (Continued)

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

<u>Year Ended June 30,</u>	<u>Amount</u>
2023	(\$492,154.20)
2024	(226,939.20)
2025	(85,819.20)
2026	341,575.80
2027	47,867.80
	<u>(\$415,469.00)</u>

Actuarial Assumptions

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

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.75%-6.55%
	Based on Years of Service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis.

Colts Neck Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Public Employees Retirement System (PERS) (Continued)

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

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

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major assets class included in PERS's target assets allocation as of June 30, 2022 asset are summarized in the following table:

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

Colts Neck Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68 (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Discount Rate

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 will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability of the participating employers as of June 30, 2022 respectively, calculated using the discount rate as disclosed above as well as what the District's proportionate share of the collective 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:

	June 30, 2022		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's proportionate share of the pension liability	\$8,097,540.00	\$6,303,025.00	\$4,775,820.00

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 by visiting <http://www.state.nj.us/treasury/pensions>.

Colts Neck Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Teachers Pensions and Annuity Fund (TPAF)

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

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2023 was as follows:

Net Pension Liability:	
Districts proportionate share	-0-
State's proportionate share associated with the District	<u>53,137,218.00</u>
	<u><u>\$53,137,218.00</u></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 June 30, 2021 which was rolled forward to June 30, 2022. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2022, the proportion of the TPAF net pension liability associated with the District was .1029902513% which was an decrease of .0022413254 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2023, the District recognized on-behalf pension expense and revenue of \$4,231,726 in the government-wide financial statements for contributions provided by the State. This pension expense and revenue was based on the pension plans June 30, 2022 measurement date.

Colts Neck Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases	1.55%-5.65%
	Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rate

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.

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

Colts Neck Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

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

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.19%
Real Assets	3.00%	7.60%
Real Estate	8.00%	11.19%
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%

Discount Rate

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 will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Colts Neck Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

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

Because the District's proportionate share of the net pension liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Teachers Public and Annuity Fund (TPAF). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

Colts Neck Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75

Plan Description and Benefits Provided

The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan, which 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 Postemployment Benefits Other Than Pensions*. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Employees Covered by Benefit Terms

The State Health Benefit Local Education Retired Employees Plan Membership covered by the benefit terms consisted of the following:

Active Plan Members	213,148
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	151,669
Inactive Plan Members or Beneficiaries	
Not Yet Receiving Benefits	<u>- 0 -</u>
Total Plan Members	<u>364,817</u>

Colts Neck Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Total Non-Employer OPEB Liability

The portion of the total Non-Employer OPEB Liability that was associated with the District at June 30, 2023 was as follows:

Total OPEB Liability:	
District's Proportionate Share	\$-0-
State's Proportionate Share associated with the District	<u>54,292,250</u>
	<u><u>\$54,292,250</u></u>

The total Non-Employer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022.

The total Non-Employer OPEB liability was determined separately based on actual data of the District.

For the year ended June 30, 2023, the District recognized on-behalf post-employment expense and revenue of \$2,046,462.00 in the government-wide financial statements for contributions provided by the State. This expense and revenue was based on the plans June 30, 2022 measurement date.

At June 30, 2023, the District's proportion was .1071985028 percent, which was an increase of .0010652648 from its proportion measured as of June 30, 2022.

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS, TPAF/ABP and PFRS participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Consequently, the District did not recognize any portion of the collective Non-Employer OPEB liability on the Statement of Net Position.

Colts Neck Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Actuarial Assumptions and Other Inputs

The total Non-Employer OPEB liability that was associated with the District as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

		<u>June 30, 2022</u>	
	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Inflation – 2.5%			
Salary Increases	2.75-4.25%*	2.75-6.55%*	3.25-16.25%*

*Based on Years of Service

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

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

Colts Neck Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

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

Changes in the Total Non-Employer OPEB Liability

Shown below are details regarding The Total OPEB non-employer Liability associated with the District for the measurement period from June 30, 2021 to June 30, 2022.

Balance at 6/30/21		\$63,688,063
Changes for the year:		
Service cost	\$2,885,831	
Interest	1,438,805	
Changes of Benefit Terms		
Differences between expected and actual experience	2,223,392	
Changes in assumptions or other inputs	(14,564,383)	
Membership Contributions	45,720	
Benefit payments - Net	(1,425,178)	
Net changes		(9,395,813)
Balance at 6/30/22		<u>\$54,292,250</u>

Colts Neck Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate

The following presents the total Non-Employer OPEB liability associated with the District as of June 30, 2022, calculated using the discount rate as disclosed above as well as what the total Non-Employer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2022		
	1.00% <u>Decrease (2.54%)</u>	At Discount Rate (3.54%)	1.00% <u>Increase (4.54%)</u>
State of New Jersey's Proportionate Share of the total Non-Employer OPEB Liability associated with the District	\$63,814,829	\$54,292,250	\$46,660,379

Sensitivity of the Total Non-Employer OPEB Liability to Changes in Healthcare Trends

The following presents the total Non-Employer OPEB liability associated with the District as of June 30, 2022, calculated using the healthcare trend rate as disclosed above as well as what the total Non-Employer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2022		
	1.00% <u>Decrease</u>	Healthcare Cost Trend Rate	1.00% <u>Increase</u>
State of New Jersey's Proportionate Share of the total Non-Employer OPEB Liability associated with the District	\$44,875,863	\$54,292,250	\$66,661,246

Colts Neck Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

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

At June 30, 2022, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's Non-Employer OPEB Liability associated with the District from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 9,693,320	\$ 16,576,052
Changes of assumptions	9,396,614	18,478,116
Changes in proportion	<u>2,823,651</u>	<u>14,747</u>
	\$ <u>21,913,585</u>	\$ <u>35,068,915</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 District will be recognized in OPEB expense as follows:

Measurement Period Ended	<u>Amount</u>
<u>June 30,</u>	
2023	(\$2,136,568)
2024	(2,136,568)
2025	(2,136,568)
2026	(1,770,269)
2027	(771,716)
Total Thereafter	<u>(4,203,640)</u>
	<u>(\$13,155,330)</u>

Colts Neck Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Non-Employer OPEB Liability (Continued)

In accordance with GASBS No. 75, the District's proportionate share of school retirees OPEB is zero. There is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources in the financial statements.

State Health Benefit Local Education Retired Employee Plan Information

The New Jersey Division of Pension and Benefits issues publicly available reports on the OPEB plan. Those reports may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295 or on their website at <http://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

NOTE 8: LITIGATION

The District's counsel advises that there is no litigation, pending litigation, claims, contingent liabilities, unasserted claims or assessments or statutory violations which involve the School District and which might materially affect the District's financial position.

NOTE 9: CONTINGENCIES

The District receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2022-2023 fiscal year were subject to the Uniform Guidance and New Jersey OMB Circular 15-08 which mandates that grant revenues and expenditures be audited in conjunction with the District's annual audit if expenditures for federal or state programs exceed \$750,000. Findings and questioned costs, if any, relative to federal and state financial assistance programs are discussed in the Single Audit Section, Schedule of Findings and Questioned Costs. In addition, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. The District's management does not believe any such audit would result in material amounts of disallowed costs.

Colts Neck Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 10: RISK MANAGEMENT

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

Property and Liability Insurance The District maintains insurance coverage covering each of those risks of loss. The administration believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded the insurance coverage in any of the past three fiscal years.

New Jersey Unemployment Compensation Insurance The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. Charges are applied to the Unemployment Compensation Claims Payable first, and any remaining charges are applied to the Unemployment Compensation budget appropriation. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District for the current and previous two years:

					<u>Analysis of Balance 06/30/2023</u>	
<u>Year Ended</u> <u>June 30,</u>	<u>Board</u>	<u>Employee</u>	<u>Amount</u>	<u>Ending</u>	<u>State</u>	
	<u>Contributions</u> <u>and Interest</u>	<u>Contributions</u>	<u>Reimbursed</u>	<u>Balance</u>	<u>Unemployment</u> <u>Insurance Payable</u>	<u>Restricted</u> <u>Fund Balance</u>
2023	\$2,171.16	\$59,036.18	\$71,672.13	\$321,449.03	\$34,170.78	\$287,930.35
2022	\$30.73	\$74,098.32	\$50,950.30	\$331,913.82	\$44,635.57	\$287,278.25
2021	\$74.71	\$75,669.35	\$54,181.80	\$308,735.07	\$21,487.55	\$287,247.52

NOTE 11: COMPENSATED ABSENCES

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

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

Colts Neck Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 11: COMPENSATED ABSENCES (CONTINUED)

The liability for vested compensated absences of the governmental fund types are recorded in the district - wide statement of net position. As of June 30, 2023, a liability existed for compensated absences for governmental fund-types in the district- wide Statement of Net Position of \$678,257.50.

For additional descriptive information, see Note1: Summary of Significant Accounting Policies.

NOTE 12: FUND BALANCE

General Fund The table below reflects the District's Fund Balance at June 30, 2023 on both a GAAP (Exhibit B-1) and Budgetary (Exhibit C-1) basis including the required adjustment related to the last state aid payment which under GAAP is not recognized:

	Budgetary <u>Basis</u>	<u>Adjustment</u>	GAAP <u>Basis</u>
Restricted:			
Capital reserve	\$ 4,715,741.88	\$	\$ 4,715,741.88
Emergency Reserve	93,023.50		93,023.50
Maintenance Reserve	1,461,854.24		1,461,854.24
Impact Aid Reserve	4,061,152.92		4,061,152.92
State Unemployment Insurance	287,930.35		287,930.35
Assigned:			
Designated for Subsequent			
Year's Expenditures	1,861,130.00		1,861,130.00
Encumbrances	78,266.82	(78,266.82)	
Unassigned	<u>2,116,089.87</u>	<u>(181,268.18)</u>	<u>1,934,821.69</u>
	\$ <u>14,675,189.58</u>	\$ <u>(259,535.00)</u>	\$ <u>14,415,654.58</u>

Colts Neck Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 13: CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS

Calculation of Excess Surplus In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2007, c73 (S1701), the Restricted Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if the District did not appropriate a required minimum amount as budgeted fund balance in the subsequent year's budget.

General Fund Expenditures:		
Fiscal Year Ended, June 30 2023		\$33,113,141.13
Decreased by:		
Reimb. TPAF Social Security Contributions	\$931,089.00	
Reimb. TPAF Pension Contributions	5,418,598.00	
Installment Purchase Contracts	166,210.80	
	<u>6,515,897.80</u>	
Adjusted General Fund Expenditures		<u>\$26,597,243.33</u>
Excess Surplus Percentage		<u>2.00%</u>
		<u>\$531,944.87</u>
Increased by:		
Impact Aid	\$848,667.00	
Extraordinary Aid	671,518.00	
Non-Public Transportation Aid	63,960.00	
	<u>1,584,145.00</u>	
Maximum Unreserved/Undesignated		
General Fund Balance		\$2,116,089.87
Actual Unreserved/Undesignated		
General Fund Balance		<u>2,116,089.87</u>
Excess Surplus		<u><u>\$0.00</u></u>

Based on the preceding calculation, as of June 30, 2023 the District has no Excess Surplus at June 30, 2023

Colts Neck Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 14: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2023:

<u>Fund</u>	<u>Interfund Balance</u>	
	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 311,122.37	\$
Special Revenue Fund		123,795.47
Proprietary Fund		187,326.90
	<u>\$ 311,122.37</u>	<u>\$ 311,122.37</u>

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were received.

NOTE 15: CAPITAL RESERVE ACCOUNT

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

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

Colts Neck Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 15: CAPITAL RESERVE ACCOUNT

The activity of the capital reserve during the year ended June 30, 2023, is as follows:

Balance, July 1, 2022		\$	3,908,222.31
Increases:			
Interest Earnings	\$	7,519.57	
Board Resolution dated 06/28/2023		<u>800,000.00</u>	
			<u>807,519.57</u>
Balance, June 30, 2023		\$	<u><u>4,715,741.88</u></u>

NOTE 16: EMERGENCY RESERVE ACCOUNT

In accordance with N.J.S.A. 18A:7F-41c(1), an emergency reserve account was established by the District. The emergency reserve account is maintained in the general fund.

Balance, July 1, 2022 and		
June 30, 2023	\$	<u><u>93,023.50</u></u>

The account balance is not to exceed \$250,000 or one percent of the district's general fund budget up to a maximum of \$1,000,000, whichever is greater. Withdrawals require approval by the Commissioner.

At June 30, 2023, the balance of the Emergency Reserve Account was \$93,023.50.

Colts Neck Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 17: MAINTENANCE RESERVE ACCOUNT

On June 19, 2014, the District, in accordance with N.J.S.A. 18A:7G-13, established a Maintenance reserve account in the amount of \$250,000.00. The Maintenance reserve account is maintained in the general fund.

A district board of education or board of school estimate, as appropriate, may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes.

A district board of education or board of school estimate, as appropriate, may by resolution withdraw such funds from the maintenance reserve account and appropriate into the required maintenance account lines at budget time or any time during the year for use on required maintenance activities for a school facility as reported in the comprehensive maintenance plan pursuant to N.J.A.C. 6A:26A-4.

The district board of education shall ensure that the maintenance reserve account balance does not, at any time, exceed four percent of the replacement cost of the school district's school facilities for the current year. If the account exceeds this maximum amount at June 30, the district board of education shall reserve and designate such excess in the subsequent year's budget.

The activity in the maintenance reserve during the year ended June 30, 2023, is as follows:

Balance, July 1, 2022	\$ 1,015,533.85
Deposits:	
Board Resolution dated 06/28/23	<u>446,320.39</u>
Balance, June 30, 2023	\$ <u><u>1,461,854.24</u></u>

Colts Neck Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 18: IMPACT AID RESERVE ACCOUNT

The District, in accordance with N.J.S.A. 18A:7F-41, established an Impact Aid reserve account. The Impact Aid reserve account is maintained in the general fund.

A district board of education or board of school estimate, as appropriate, may increase the balance in the Impact Aid reserve account by appropriating funds in the annual general fund budget certified for taxes, however transfers in to the reserve account shall not exceed the amount of federal Impact Aid received in the fiscal year.

A district board of education or board of school estimate, as appropriate, may by resolution withdraw such funds from the Impact Aid reserve account and appropriate to finance the district's general fund or to finance school facilities projects, in a manner consistent with federal law at budget time or any time during the year. The total amount of funds on deposit in the reserve account shall not be limited,

The activity in the Impact Aid reserve during the year ended June 30, 2023, is as follows:

Balance, July 1, 2022		\$	3,464,275.92
Increases:			
Board Resolution dated 06/28/23			<u>848,667.00</u>
			4,312,942.92
Withdrawals:			
Budget Amendment 01/25/2023	\$	117,550.00	
Budget Amendment 04/05/2023		97,940.00	
Budget Amendment 05/03/2023		16,500.00	
Budget Amendment 05/24/2023		<u>19,800.00</u>	
			<u>251,790.00</u>
Balance, June 30, 2023		\$	<u><u>4,061,152.92</u></u>

Colts Neck Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 19: DEFERRED COMPENSATION

The Board offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457. The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Metropolitan Life Insurance Company
VALIC
ING
Voya Equitable

NOTE 20: INVENTORY

Inventory in the Food Service Fund at June 30, 2023 consisted of the following:

Food and Supplies	<u>\$8,313.90</u>
-------------------	-------------------

NOTE 21: SUBSEQUENT EVENTS

The District has evaluated subsequent events occurring after the financial statement date through December 5, 2023 which is the date the financial statements were available to be issued. The District has determined that there are no material subsequent events that need to be disclosed.

NOTE 22: PRIOR PERIOD ADJUSTMENTS

Net Position at June 30, 2022 has been adjusted to properly reflect Capital Assets:

District-Wide Financial Statements:	
	Governmental <u>Activities</u>
Net Position 06/30/22	\$22,784,903.51
Adjustments:	
Capital Asset Adjustment	<u>(98,276.25)</u>
Net Position 06/30/22 (As restated)	<u>\$22,686,627.26</u>

REQUIRED SUPPLEMENTARY INFORMATION - Part II

BUDGETARY COMPARISON SCHEDULES

COLTS NECK TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 23,841,915.00	\$	\$ 23,841,915.00	\$ 23,841,915.00	\$
Tuition from Other LEAs Within State	116,113.00		116,113.00	197,022.82	80,909.82
Transportation Fees From Other LEAS	120,000.00		120,000.00	124,737.84	4,737.84
Unrestricted Miscellaneous Revenues	79,500.00		79,500.00	296,845.94	217,345.94
Interest Earned on Current Expense Emergency Res	10.00		10.00	(10.00)	(10.00)
Interest Earned on Maintenance Reserve	100.00		100.00	(100.00)	(100.00)
Interest Earned on Capital Reserve Funds	1,000.00		1,000.00	7,519.57	6,519.57
Total Local Sources	24,158,638.00		24,158,638.00	24,468,041.17	309,403.17
Categorical Transportation Aid	486,041.00		486,041.00	486,041.00	
Extraordinary Aid				671,518.00	671,518.00
Categorical Special Education Aid	1,036,386.00		1,036,386.00	1,036,386.00	
Categorical Security Aid	89,090.00		89,090.00	89,090.00	
Other State Aids				63,960.00	63,960.00
Military Impact Aid	1,024,303.00		1,024,303.00	1,024,303.00	
On-behalf TPAF Contributions-non-budgeted				4,231,726.00	4,231,726.00
On-behalf TPAF N.C.G.I.-non-budgeted				58,710.00	58,710.00
Reimbursed TPAF Soc. Sec. Contribution-non-budgeted				931,089.00	931,089.00
On-behalf Post Retirement Medical-non budgeted				1,127,087.00	1,127,087.00
On-behalf Long Term Disability Insurance				1,075.00	1,075.00
Total State Sources	2,635,820.00		2,635,820.00	9,720,985.00	7,085,165.00
Federal Sources:					
Impact Aid				848,667.00	848,667.00
Total Federal Sources				848,667.00	848,667.00
Total Revenues	26,794,458.00		26,794,458.00	35,037,693.17	8,243,235.17
EXPENDITURES:					
CURRENT EXPENSE:					
Instruction - Regular Programs:					
Kindergarten	484,031.00	140,729.00	634,760.00	584,253.66	50,506.34
Grades 1-5	3,571,598.00	(51,265.21)	3,520,332.79	3,425,295.24	95,037.55
Grades 6-8	2,423,989.00	115,624.21	2,539,613.21	2,535,113.21	4,500.00
Regular programs - home instruction:					
Salaries of teachers	20,000.00	32,338.00	52,338.00	52,338.00	
Regular programs - undistributed instruction:					
Purchased professional - educational services	3,000.00	74,530.00	77,530.00	58,011.70	19,518.30
Purchased technical services	115,600.00	(11,908.40)	103,691.60	101,395.72	2,295.88
Other purchased services (400 - 500 series)	178,492.00	16,908.40	195,400.40	171,036.91	24,363.49
General supplies	362,531.62	(18,100.88)	344,430.74	295,609.54	48,821.20
Textbooks	51,567.00	1,627.89	53,194.89	52,210.16	984.73
Total regular programs	7,220,808.62	300,483.01	7,521,291.63	7,275,264.14	246,027.49

COLTS NECK TOWNSHIP SCHOOL DISTRICT

GENERAL FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Instruction - Special Education:					
Learning and/or Language Disabilities:					
Salaries of Teachers	\$ 98,486.00	\$ 3,272.00	\$ 101,758.00	\$ 101,546.81	\$ 211.19
Other salaries for instruction	115,480.00	(50,391.14)	65,088.86	47,069.10	18,019.76
General Supplies	2,586.00	351.03	2,937.03	2,937.03	
Total Learning and/or Language Disabilities	216,552.00	(46,768.11)	169,783.89	151,552.94	18,230.95
Resource Room / Resource Center:					
Salaries of Teachers	2,030,190.00	59,199.00	2,089,389.00	2,081,479.77	7,909.23
Other salaries for instruction	19,130.00		19,130.00	19,130.00	
General Supplies	26,986.00	(3,461.42)	23,504.58	19,547.19	3,957.39
Total Resource Room / Resource Center	2,076,286.00	55,737.58	2,132,023.58	2,101,026.96	30,996.62
Autism:					
Salaries of Teachers	296,429.00	27,468.38	323,897.38	315,310.22	8,587.16
Other Salaries for Instruction	347,505.00	(72,075.20)	275,429.80	272,929.80	2,500.00
Purchased Professional-Educational Services		163,149.22	163,149.22	147,330.00	15,819.22
Other Purchased Services (400-500 series)		2,230.07	2,230.07	2,230.07	
General Supplies	26,916.00	(2,602.65)	24,313.35	15,923.55	8,389.80
Total Autism	670,850.00	118,169.82	789,019.82	753,723.64	35,296.18
Preschool Disabilities - Full - Time:					
Salaries of Teachers	251,491.00	3,222.05	254,713.05	254,713.05	
Other Salaries for Instruction	57,280.00	104,082.29	161,362.29	161,362.29	
Supplies and Materials	2,750.00	173.63	2,923.63	2,923.63	
Total Preschool Disabilities - Full - Time	311,521.00	107,477.97	418,998.97	418,998.97	
Total Special Education	3,275,209.00	234,617.26	3,509,826.26	3,425,302.51	84,523.75
Basic Skills / Remedial:					
Salaries of Teachers	475,956.00		475,956.00	413,852.53	62,103.47
Other Salaries for Instruction	136,819.00	(136,819.00)			
General Supplies	11,450.00	(2,105.07)	9,344.93	1,090.96	8,253.97
Total Basic Skills / Remedial	624,225.00	(138,924.07)	485,300.93	414,943.49	70,357.44
Bilingual Education Instruction:					
Salaries of Teachers	92,201.00		92,201.00	92,201.00	
General Supplies	76.00		76.00		76.00
Total Bilingual Education Instruction	92,277.00		92,277.00		
School Sponsored Co-Curricular Activities:					
Salaries	83,123.00	4,592.48	87,815.48	87,510.48	305.00
Purchased Services (300-500 series)	5,760.00	(1,432.00)	4,328.00	3,784.50	543.50
Supplies and Materials	12,620.00		12,620.00	8,769.14	3,850.86
Total School Sponsored Co-Curricular Activities	101,503.00	3,260.48	104,763.48	100,064.12	4,699.36

COLTS NECK TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
\$	\$	\$	\$	\$	\$
School Sponsored Athletics:					
Salaries	56,250.00	(4,128.48)	52,121.52	52,014.00	107.52
Purchased Services (300-500 Series)	7,969.00	(564.00)	7,405.00	7,268.00	137.00
Supplies and Materials	10,950.00	3,000.00	13,950.00	13,746.48	203.52
Other Objects	7,062.00	1,432.00	8,494.00	8,494.00	
Total School Sponsored Athletics	82,231.00	(260.48)	81,970.52	81,522.48	448.04
Total Other Instructional Programs	900,236.00	(135,924.07)	764,311.93	688,731.09	75,580.84
Total - Instruction	11,396,253.62	399,176.20	11,795,429.82	11,389,297.74	406,132.08
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEA's within the State - Regular	64,404.00	(17,242.71)	47,161.29	21,209.32	25,951.97
Tuition to Other LEA's within the State - Special	98,757.00	(4,101.00)	94,656.00	80,085.44	14,570.56
Tuition to Private Schools for the Handicapped w/in State	133,686.00	175,825.30	309,511.30	280,756.20	28,755.10
Total Undistributed Expenditures - Instruction	296,847.00	154,481.59	451,328.59	382,050.96	69,277.63
Attendance and Social Work Services:					
Salaries	100,776.00	(4.00)	100,772.00	99,435.98	1,336.02
Total Attendance and Social Work Services	100,776.00	(4.00)	100,772.00	99,435.98	1,336.02
Health Services:					
Salaries	278,275.00	1,051.00	279,326.00	254,474.00	24,852.00
Purchased Professional and Technical Services	19,125.00		19,125.00	9,740.00	9,385.00
Other Purchased Services	1,200.00		1,200.00	1,200.00	1,200.00
Supplies and Materials	2,981.00		2,981.00	1,716.34	1,264.66
Other Objects	1,500.00		1,500.00	1,500.00	1,500.00
Total Health Services	303,081.00	1,051.00	304,132.00	265,930.34	38,201.66
Other Support Services - Speech, OT, PT & Related Services:					
Salaries	695,493.00	14,588.00	710,081.00	710,048.54	32.46
Purchased Professional - Educational Services	116,618.00	20,594.00	137,212.00	110,171.75	27,040.25
Other Purchased Services		1,805.00	1,805.00	1,805.00	
Supplies and Materials	10,544.96	(2,466.78)	8,078.18	7,517.35	560.83
Other Objects	6,980.99	(2,180.02)	4,800.97	4,800.97	
Total Other Support Services - Speech, OT, PT & Related Services	829,636.95	32,340.20	861,977.15	834,343.61	27,633.54
Other Support Services - Students - Extra Services					
Aids for Instruction	499,861.00	(80,237.42)	419,623.58	387,905.80	31,717.78
Purchased Professional - Educational Services		79,147.00	79,147.00	38,810.96	40,336.04
Total Other Support Services - Students - Extra Services	499,861.00	(1,090.42)	498,770.58	425,716.76	72,053.82

COLTS NECK TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
\$	\$	\$	\$	\$	\$
Guidance:					
Salaries of Other Professional Staff	350,204.00	3,602.60	353,806.60	353,806.60	10,628.55
Salaries of Secretarial and Clerical Assistants	36,605.00	(3,602.60)	33,002.40	22,373.85	6,600.00
Other Purchased Services	6,600.00		6,600.00		596.24
Supplies and Materials	11,500.00		11,500.00	10,903.76	
Total Guidance	404,909.00	0.00	404,909.00	387,084.21	17,824.79
Child Study Teams:					
Salaries of Other Professional Staff	470,880.00	3,795.02	474,675.02	474,675.02	0.08
Salaries of Secretarial and Clerical Assistants	49,292.00		49,292.00	49,291.92	6,150.55
Purchased Professional Educational Services	16,200.00	(9,049.45)	7,150.55	1,000.00	
Other Purchased Services (400-500 series)	2,400.00	2,284.57	4,684.57	4,684.57	1,844.91
Supplies and Materials	24,341.00	(123.06)	24,217.94	22,373.03	1,506.00
Other Objects	3,348.00	(52.00)	3,296.00	1,790.00	
Total Child Study Teams	566,461.00	(3,144.92)	563,316.08	553,814.54	9,501.54
Improvement of Instruction Services					
Other Support Services - Instructional Staff:					
Salaries of Supervisors of Instruction	209,607.00	(29,337.74)	180,269.26	180,269.26	24,861.32
Salaries of Other Professional Staff	405,604.00	(5,111.50)	400,492.50	375,631.18	
Salaries of Secretarial and Clerical Assts.	63,411.00	0.11	63,411.11	63,411.11	0.10
Sal of Facilitators, Math & Literacy Coaches	125,486.00	77,490.00	202,976.00	202,975.90	
Other Purch Prof. and Tech. Services	16,088.00	(258.57)	15,799.43	15,799.43	1,825.08
Other Purchased Services (400-500)	15,051.00	(6,410.00)	9,091.00	7,265.92	80.51
Supplies and materials	30,556.34	113.70	30,670.04	30,589.53	309.00
Other Objects	3,175.00		3,175.00	2,866.00	
Total Improvement of Instruction Services /					
Other Support Services - Instructional Staff	869,398.34	36,486.00	905,884.34	878,808.33	27,076.01
Educational Media Services / School Library:					
Salaries	80,776.00	137,992.00	218,768.00	206,594.98	12,173.02
Salaries of Technological Coordinators	185,242.00	(137,742.00)	47,500.00	46,075.44	1,424.56
Other Purchased Services (400-500 Series)	8,140.00	(250.00)	7,890.00	3,516.46	4,373.54
Supplies and materials	26,528.42		26,528.42	26,042.43	485.99
Total Educational Media Services / School Library	300,686.42		300,686.42	282,229.31	18,457.11
Instructional Staff Training Services:					
Salaries of Supervisors of Instr. Summer Hours	11,064.00	25,816.00	36,880.00	36,879.80	0.20
Other Purchased Professional - Educational Svcs.	45,000.00	(3,000.00)	42,000.00	27,669.60	14,330.40
Other Purchased Services (400- 500)	15,648.00	(4,751.12)	10,896.88	10,868.60	28.28
Supplies and materials	450.00	2,801.12	3,251.12	2,565.65	685.47
Total Instructional Staff Training Services	72,162.00	20,866.00	93,028.00	77,983.65	15,044.35

COLTS NECK TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
	\$	\$	\$	\$	
Support Services General Administration:					
Salaries	323,829.00	249.11	324,078.11	324,078.11	
Legal Services	70,050.00		70,050.00	70,000.00	50.00
Expenditure and Internal Control Audit Fees	27,300.00		27,300.00	25,500.00	1,800.00
Other Purchased Technical Services	4,835.00		4,835.00	4,835.00	
Communications / Telephone	5,540.00		5,540.00	3,983.78	1,556.22
Board Travel Expense	5,000.00		5,000.00	4,703.42	296.58
Miscellaneous Expenditures	60,450.00		60,450.00	56,273.34	4,176.66
General Supplies	3,420.80	380.96	3,801.76	3,801.76	
BOE In- House Training/ Meeting Supplies	1,500.00	643.83	2,143.83	2,143.83	
Judgements against the District	5,000.00	(4,273.90)	726.10	7,735.74	726.10
Miscellaneous Expenditures	4,415.00	5,345.00	9,760.00	2,024.26	2,024.26
BOE Membership Dues and Fees	12,360.00	(105.08)	12,254.92	12,018.34	236.58
Total Support Services General Administration	523,699.80	2,239.92	525,939.72	515,073.32	10,866.40
Support Services School Administration:					
Salaries of Principals / Asst. Principals	438,442.00	111.08	438,553.08	438,553.08	
Salaries of Other Professionals	96,800.40	0.40	96,800.40	96,800.40	
Salaries of Secretarial and Clerical Assistants	83,821.00	11,208.13	95,029.13	95,029.13	
Other Purchased Services(400-500 series)	3,900.00	(3,405.01)	494.99	494.99	
Supplies and Materials	10,369.01	(1,227.06)	9,141.95	9,141.95	
Other Objects	9,340.00	(859.02)	8,480.98	8,480.98	
Total Support Services School Administration	642,672.01	5,828.52	648,500.53	648,500.53	
Central Service:					
Salaries	360,019.00	(5,723.44)	354,295.56	339,018.98	15,276.58
Purchased Professional Services	28,120.00		28,120.00	28,070.00	50.00
Other Purchase Professional Service	2,370.00	410.00	2,780.00	2,700.00	80.00
Misc. Purch Services (400-500)	2,700.00		2,700.00	1,078.22	1,621.78
Supplies and Materials	10,400.00	(410.00)	9,990.00	8,334.92	1,655.08
Miscellaneous Expenditures	2,665.00		2,665.00	1,490.00	1,175.00
Total Central Service	406,274.00	(5,723.44)	400,550.56	380,692.12	19,858.44
Administrative Information Technology:					
Salaries	80,692.00	3,688.00	84,380.00	82,955.28	1,424.72
Other Purchased Services	140,240.20		140,240.20	112,345.52	27,894.68
Supplies and Materials	37,775.00	(5,000.00)	32,775.00	16,992.07	15,782.93
Other objects	4,035.00		4,035.00	50.00	3,985.00
Total Administrative Information Technology	262,742.20	(1,312.00)	261,430.20	212,342.87	49,087.33
Required Maintenance for School Facilities:					
Salaries	193,787.00	113,646.88	307,433.88	272,709.85	34,724.03
Unused Vacation Payment to Terminated/Retired Staff		1,713.12	1,713.12	1,713.12	-
Cleaning, Repair and Maintenance Services	427,489.21	(28,933.40)	398,555.81	215,242.28	183,313.53
General Supplies	92,060.32		92,060.32	31,425.04	60,635.28
Other Objects	21,725.00		21,725.00	13,050.19	8,674.81
Total Required Maintenance for School Facilities	735,061.53	86,426.60	821,488.13	534,140.48	287,347.65

COLTS NECK TOWNSHIP SCHOOL DISTRICT

GENERAL FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
\$	\$	\$	\$	\$	\$
Custodial Services:					
Salaries	831,180.00	(121,597.63)	709,582.37	530,220.87	179,361.50
Salaries of Non-Instructional Aides	74,458.00	6,237.63	80,695.63	80,695.63	-
Unused Vacation Payment to Terminated/Retired Staff	-	7,403.15	7,403.15	7,403.15	-
Purchased Professional and Technical Services	20,210.00		20,210.00	7,265.67	12,944.33
Cleaning, Repair and Maintenance Services	38,900.00	47,468.00	86,368.00	75,360.44	11,007.56
Other Purchased Property Services	375,233.00	(1.00)	375,232.00	375,231.69	0.31
Insurance	138,525.00		138,525.00	138,525.00	-
Miscellaneous Purchased Services	1,550.00		1,550.00	1,442.57	107.43
General Supplies	80,073.00	3.00	80,076.00	70,877.07	9,198.93
Energy (Natural Gas)	217,000.00	10,500.00	227,500.00	222,435.69	5,064.31
Energy (Heat and Electricity)	334,000.00		334,000.00	300,304.24	33,695.76
Other Objects	5,785.00		5,785.00	2,870.79	2,914.21
Total Custodial Services	2,116,914.00	(49,986.85)	2,066,927.15	1,812,632.81	254,294.34
Care and Upkeep of Grounds:					
Purchased Professional and Technical Services	83,000.00		83,000.00	72,095.00	10,905.00
Cleaning, Repair And Maintenance	41,500.00		41,500.00	4,850.00	36,650.00
General Supplies	39,750.00		39,750.00	3,468.53	36,281.47
Total Care and Upkeep of Grounds	164,250.00		164,250.00	80,413.53	83,836.47
Security:					
Salaries	102,270.00	39,321.95	141,591.95	121,452.50	20,139.45
Purchased Professional and Technical Services	59,872.00	32,940.00	92,812.00	85,409.81	7,402.19
Cleaning, Repair, and Maintenance Services	47,538.39	(377.60)	47,160.79	17,225.29	29,935.50
General Supplies	22,008.00	377.60	22,385.60	21,366.94	1,018.66
Other Objects	250.00		250.00		250.00
Total Security	231,938.39	72,261.95	304,200.34	245,454.54	58,745.80
Student Transportation Services:					
Salaries of Non-Instructional Aides	38,169.00		38,169.00	32,637.20	5,531.80
Salaries for Pupil Transportation (Between Home and School) - Regular	528,234.00	(24,318.01)	503,915.99	487,437.62	16,478.37
Salaries for Pupil Transportation (Between Home and School) - Special	72,110.00	62,936.35	135,046.35	135,046.35	
Salaries (Other than H & S)	20,629.00	(6,838.34)	13,790.66	12,281.32	1,509.34
Transportation- Other Purchased Prof & Tech	25,572.00	2,500.00	28,072.00	25,624.58	2,447.42
Cleaning, Repair and Maintenance Services	14,509.00	7,000.00	21,509.00	19,217.31	2,291.69
Lease Payments	66,284.00		66,284.00	66,283.60	0.40
Contracted Services - Aid in Lieu Payments-NonPub Sch	220,000.00	(14,477.98)	205,522.02	189,705.04	15,816.98
Contract Services (Sp. Ed. Stds.) - Vendors	14,333.00	14,611.48	28,944.48	28,944.48	
Contract. Serv.(Reg. Students)-ESCs & CTSAs	11,220.00	28,135.50	39,355.50	131,743.14	39,355.50
Contracted Svcs -(Spec.Ed. Stud) - ESCs & CTSAs	131,947.00		131,947.00	16,879.55	203.86
Miscellaneous Purchased Services - Transportation	18,027.00		18,027.00	2,103.61	1,147.45
General Supplies	2,655.00	(15,547.95)	279,452.05	170,748.54	551.39
Transportation Supplies	295,000.00				108,703.51
Other Objects	650.00	47.95	697.95	697.95	
Total Student Transportation Services	1,459,339.00	54,049.00	1,513,388.00	1,319,350.29	194,037.71

COLTS NECK TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
	\$	\$	\$	\$	
Unallocated Benefits - Employee Benefits:	350,000.00		350,000.00	337,176.12	12,823.88
Social Security Contributions	482,451.00	62,230.05	544,681.05	544,352.83	328.22
Other Retirement Contributions - PERS	2,000.00	(315.05)	1,684.95		1,684.95
Unemployment Compensation	221,107.00	2,796.07	223,903.07	223,903.07	
Workmen's Compensation	3,658,122.00	(19,501.59)	3,638,620.41	3,433,712.37	204,908.04
Health Benefits	72,000.00	(20,112.07)	51,887.93	22,130.35	29,757.58
Tuition Reimbursements	151,663.18	4,657.73	156,320.91	156,320.91	
Other Employee Benefits	55,678.00	(446.73)	55,231.27	54,917.50	313.77
Unused sick payment					
Total Unallocated Benefits - Employee Benefits	4,993,021.18	29,308.41	5,022,329.59	4,772,513.15	249,816.44
On-Behalf TPAF Contributions (Non-Budgeted):					
On-behalf TPAF Contributions-non-budgeted				4,231,726.00	(4,231,726.00)
On-behalf NCGI-non-budgeted				58,710.00	(58,710.00)
On-behalf Post Retirement Medical-non budgeted				1,127,087.00	(1,127,087.00)
Reimbursed TPAF Social Security Contribution-non-budgeted				931,089.00	(931,089.00)
On-behalf Long Term Disability Insurance				1,075.00	(1,075.00)
Total TPAF Pension/Social Security				6,349,687.00	(6,349,687.00)
Total Undistributed Expenditures	15,779,730.82	434,077.56	16,213,808.38	21,059,198.33	(4,845,389.95)
General Current Expense:					
Interest Earned on Maintenance Reserve	100.00		100.00		100.00
Interest Earned on Current Expense Emergency Res	10.00		10.00		10.00
Total General Current Expense	110.00		110.00		110.00
TOTAL EXPENDITURES - CURRENT EXPENSE	27,176,094.44	833,253.76	28,009,348.20	32,448,496.07	(4,439,147.87)
CAPITAL OUTLAY:					
Equipment:					
Grades 1-5	17,896.40		17,896.40		
Grades 6-8	18,356.95	176.68	18,533.63		
School Sponsored and Other Instructional Program	9,000.00	5,489.92	14,489.92	4,399.12	10,090.80
Undistributed Expenditures - Instruction		8,930.00	8,930.00		8,930.00
Undistributed-Req. Maint. For Schools	76,450.00	29,123.40	105,573.40	100,965.40	4,608.00
Undistributed-Custodial Services	3,500.00	2,045.18	5,545.18		
Undist. Expend. - Care and Upkeep of Grounds	18,690.00	1,310.00	20,000.00		
Undistributed-Security	26,991.20		26,991.20		
Undist.Expend.-Student Trans.-Non-Inst. Equip.	47,895.00	(0.67)	47,895.00	26,721.20	20,000.00
School Buses - Regular	170,867.00		170,866.33	47,895.00	270.00
Undistributed Expenditures - Non-Inst. Serv.		18,490.00	18,490.00	170,866.33	
Special Schools (All Programs)	4,395.12	(4,399.12)			18,490.00
Total Equipment	394,045.67	61,165.39	455,211.06	392,822.26	62,388.80

COLTS NECK TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
\$	\$	\$	\$	\$	\$
Facilities Acquisition and Construction Services:					
Architectural/engineering services	40,469.00		16,500.00	10,000.00	6,500.00
Assessment for Debt Service on SDA Funding	40,469.00		40,469.00	40,469.00	
Total Facilities Acquisition and Construction Services	40,469.00	16,500.00	56,969.00	50,469.00	6,500.00
Interest Deposit to Capital Reserve	1,000.00		1,000.00		1,000.00
Assets acquired under installment purchase contracts (non-budgeted)					
Undistributed expenditures:					
Construction				166,210.80	(166,210.80)
Total assets acquired under installment purchase contracts (non-budgeted)				166,210.80	(166,210.80)
TOTAL CAPITAL OUTLAY	435,514.67	77,665.39	513,180.06	609,502.06	(96,322.00)
Transfer of funds to charter schools	55,143.00		55,143.00	55,143.00	
TOTAL EXPENDITURES	27,666,752.11	910,919.15	28,577,671.26	33,113,141.13	(4,535,469.87)
Excess (deficiency) of revenues over (under) expenditures	(872,294.11)	(910,919.15)	(1,783,213.26)	1,924,552.04	3,707,765.30
Other financing sources (uses)					
Refund of Prior Year Revenue		(103,320.56)	(103,320.56)	(103,320.56)	166,210.80
Proceeds from Installment Contracts (non-budgeted)				166,210.80	166,210.80
Total other financing sources		(103,320.56)	(103,320.56)	62,890.24	
Excess of revenues and other financing sources over expenditures and other financing sources					
	(872,294.11)	(1,014,239.71)	(1,886,533.82)	1,987,442.28	3,873,976.10
Fund balances, July 1	12,687,747.30		12,687,747.30	12,687,747.30	
Fund balances, June 30	11,815,453.19	(1,014,239.71)	10,801,213.48	14,675,189.58	3,873,976.10
Recapitulation:					
Restricted:					
Impact aid reserve - general				4,061,152.92	
Capital reserve				4,715,741.88	
Maintenance reserve				1,461,854.24	
Emergency reserve				93,023.50	
State Unemployment Insurance				287,930.35	
Assigned:					
Year-end encumbrances				78,266.82	
Designated for subsequent years expenditures				1,861,130.00	
Unassigned fund balance				2,116,089.87	
Reconciliation to governmental funds statements (GAAP):				14,675,189.58	
Prior Year aid payment not recognized on GAAP basis				(259,535.00)	
Fund balance per governmental funds (GAAP)				14,415,654.58	

COLTS NECK TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
Federal sources	\$ 715,624.53	\$ 575,832.62	\$ 1,291,457.15	\$ 713,164.80	\$ (578,292.35)
State sources		22,662.00	22,662.00	22,662.00	
Other sources	12,378.00	343,636.77	356,014.77	199,853.53	(156,161.24)
Total revenues	\$ 728,002.53	\$ 942,131.39	\$ 1,670,133.92	\$ 935,680.33	\$ (734,453.59)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	399,855.00	(112,602.00)	287,253.00	111,195.00	176,058.00
Purchased professional - educational services	10,000.00	(10,000.00)			
Tuition	176,720.00	45,351.00	222,071.00	222,071.00	
Other Purchased Services		106.41	106.41		106.41
Supplies and materials	17,935.53	213,747.55	231,683.08	131,096.34	100,586.74
Total instruction	604,510.53	136,602.96	741,113.49	464,362.34	276,751.15
Support services:					
Salaries of Principals/ Asst Principals/Program Directors	3,600.00	9,828.00	13,428.00	3,600.00	9,828.00
Salaries of other Professional Staff	7,698.00	16,799.00	24,497.00	16,197.00	8,300.00
Other Salaries	19,250.00	13,308.00	32,558.00	21,444.00	11,114.00
Salaries of Facilitators, Math and Literacy Coaches	35,000.00	(35,000.00)			
Personal Services Employee - Benefits	9,096.00	13,616.00	22,712.00	7,922.88	14,789.12
Purchased professional - educational services	48,848.00	174,871.00	223,719.00	84,814.50	138,904.50
Purchased professional services		4,124.00	4,124.00	4,124.00	
Rentals		172,226.87	172,226.87	112,376.87	59,850.00
Supplies and materials		23,245.43	23,245.43	12,345.19	10,900.24
Miscellaneous Expenditures		175,000.00	175,000.00	150,675.14	24,324.86
Total support services	123,492.00	568,018.30	691,510.30	413,499.58	278,010.72
Facilities acquisition and construction services:					
Non-Instructional equipment		237,510.13	237,510.13	57,662.00	179,848.13
Total facilities acquisition and construction serv.		237,510.13	237,510.13	57,662.00	179,848.13
Total expenditures	\$ 728,002.53	\$ 942,131.39	\$ 1,670,133.92	\$ 935,523.92	\$ 734,610.00
Excess (deficiency) of revenues over (under) expenditures	\$	\$	\$	156.41	156.41
Fund Balance, July 1				\$ 24,215.44	
Fund Balance, June 30				\$ 24,371.85	

COLTS NECK TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
BUDGET TO GAAP RECONCILIATION
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Note A - Explanation of difference between budgetary inflows and outflows
and GAAP Revenues and Expenditures

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$35,037,693.17	\$935,680.33
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized. Current Year		(58,606.38)
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year	(259,535.00)	
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	<u>236,671.00</u>	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$35,014,829.17</u>	<u>\$877,073.95</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule.	\$33,113,141.13	\$935,523.92
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes (net).		(58,606.38)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$33,113,141.13</u>	<u>\$876,917.54</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSION (GASB 68)

TOWNSHIP OF COLTS NECK SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS

	Measurement Date Ending June 30, 2022	Measurement Date Ending June 30, 2021	Measurement Date Ending June 30, 2020	Measurement Date Ending June 30, 2019	Measurement Date Ending June 30, 2018	Measurement Date Ending June 30, 2017	Measurement Date Ending June 30, 2016	Measurement Date Ending June 30, 2015	Measurement Date Ending June 30, 2014	Measurement Date Ending June 30, 2013
District's proportion of the net pension liability (asset)	0.0417657370%	0.0407656379%	0.0408555565%	0.0407649619%	0.0393523800%	0.0385869628%	0.0401959412%	0.0382578612%	0.0322250907%	0.3496524770%
District's proportionate share of the net pension liability (asset)	\$6,303,025	\$4,829,301	\$7,345,228	\$7,748,287	\$8,982,428	\$11,904,885	\$8,588,123	\$6,033,418	\$6,682,554	\$6,033,418
District's covered-employee payroll	2,925,466	3,010,287	2,921,814	2,875,510	2,818,330	2,677,435	2,679,968	2,479,317	2,196,744	1,949,783
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	215.45%	160.43%	251.39%	269.46%	318.71%	444.64%	320.46%	243.35%	303.93%	309.44%
Plan fiduciary net position as a percentage of the total pension liability	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.92%	52.08%	52.08%

TOWNSHIP OF COLTS NECK SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS

	Fiscal Year Ending June 30, 2023	Fiscal Year Ending June 30, 2022	Fiscal Year Ending June 30, 2021	Fiscal Year Ending June 30, 2020	Fiscal Year Ending June 30, 2019	Fiscal Year Ending June 30, 2018	Fiscal Year Ending June 30, 2017	Fiscal Year Ending June 30, 2016	Fiscal Year Ending June 30, 2015	Fiscal Year Ending June 30, 2014
Contractually required contribution	\$ 556,936	\$ 526,686	\$ 446,972	\$ 396,523	\$ 391,429	\$ 357,467	\$ 357,095	\$ 328,915	\$ 265,659	\$ 263,456.00
Contributions in relation to the contractually required contribution	556,936	526,686	446,972	396,523	391,429	357,467	357,095	328,915	265,659	263,456.00
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	2,968,439	2,925,466	3,010,287	2,921,814	2,875,510	2,818,330	2,677,435	2,679,968	2,479,317	2,198,744.00
Contributions as a percentage of covered-employee payroll	18.76%	18.00%	14.85%	13.57%	13.61%	12.68%	13.34%	12.27%	10.72%	

TOWNSHIP OF COLTS NECK SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS PENSION AND ANNUITY FUND

LAST TEN YEARS

	Measurement Date Ending June 30, 2022	Measurement Date Ending June 30, 2021	Measurement Date Ending June 30, 2020	Measurement Date Ending June 30, 2019	Measurement Date Ending June 30, 2018	Measurement Date Ending June 30, 2017	Measurement Date Ending June 30, 2016	Measurement Date Ending June 30, 2015	Measurement Date Ending June 30, 2014	Measurement Date Ending June 30, 2013
District's proportion of the net pension liability (asset)	0.1029902513%	0.1052315767%	0.1015921293%	0.1012051967%	0.1003055649%	0.0997271916%	0.0998082185%	0.0957972507%	0.0997451300%	0.1035880346%
State's proportionate share of the net pension liability (asset) associated with the District	\$53,137,218	\$50,590,279	\$66,897,195	\$62,110,584	\$63,812,299	\$67,239,669	\$78,515,500	\$60,547,953	\$53,310,526	\$52,352,578
District's covered-employee payroll	12,160,482	11,523,054	11,630,192	11,357,117	11,013,591	10,718,836	10,245,938	9,989,001	9,477,489	9,071,453
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
State's Proportionate Share of the Total Net Pension Liability associated with the District as a percentage of the District's Covered-Employee Payroll	436.97%	439.04%	575.20%	546.89%	579.40%	627.30%	766.01%	606.15%	562.50%	577.11%
Plan fiduciary net position as a percentage of the total pension liability	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.64%

TOWNSHIP OF COLTS NECK SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms: None

Change in assumptions:

The following assumptions were used in calculating the net pension liability in their respective accounting periods:

Measurement Date Ending <u>June 30,</u>	Discount <u>Rate</u>	Long-Term Expected Rate of <u>Return</u>	Actuarial Experience <u>Study Period</u>
2022	7.00%	7.00%	07/01/18-06/30/21
2021	7.00%	7.00%	07/01/18-06/30/21
2020	7.00%	7.00%	07/01/14-06/30/18
2019	6.28%	7.00%	07/01/14-06/30/18
2018	5.66%	7.00%	07/01/11-06/30/14
2017	5.00%	7.00%	07/01/11-06/30/14
2016	3.98%	7.65%	07/01/11-06/30/14
2015	4.90%	7.90%	07/01/08-06/30/11
2014	5.39%	7.90%	07/01/08-06/30/11
2013	5.55%	7.90%	07/01/08-06/30/11

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms: None

Change in assumptions:

The following assumptions were used in calculating the net pension liability in their respective accounting periods:

Measurement Date Ending <u>June 30,</u>	Discount <u>Rate</u>	Long-Term Expected Rate of <u>Return</u>	Actuarial Experience <u>Study Period</u>
2022	7.00%	7.00%	07/01/18-06/30/21
2021	7.00%	7.00%	07/01/18-06/30/21
2020	5.40%	7.00%	07/01/15-06/30/18
2019	5.60%	7.00%	07/01/15-06/30/18
2018	4.86%	7.00%	07/01/12-06/30/15
2017	4.25%	7.00%	07/01/12-06/30/15
2016	3.22%	7.65%	07/01/12-06/30/15
2015	4.13%	7.90%	07/01/09-06/30/12
2014	4.68%	7.90%	07/01/09-06/30/12
2013	4.95%	7.90%	07/01/09-06/30/12

REQUIRED SUPPLEMENTARY INFORMATION - PART IV

**SCHEDULE RELATED TO ACCOUNTING AND REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER
THAN PENSIONS (GASB 75)**

COLTS NECK TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST SIX YEARS

	Measurement Date Ended June 30,				
	2022	2021	2020	2019	2017
Total Non-Employer OPEB Liability - State's Proportionate Share of Total OPEB Liability Associated with the School District					
Balance at 6/30	\$63,688,063	\$70,845,802	\$42,345,875	\$46,811,995	\$54,270,276
Changes for the year:					
Service cost	2,885,831	3,323,539	1,757,172	1,840,014	2,127,349
Interest	1,438,805	1,652,135	1,522,857	1,858,657	1,997,594
Changes of benefit terms		(67,788)			
Differences between expected and actual experience	2,223,392	(10,869,275)	13,474,788	(7,534,811)	(5,002,839)
Changes in assumptions or other inputs	(14,564,383)	62,833	12,941,094	631,380	(5,371,911)
Membership Contributions	45,720	42,237	37,383	38,532	43,262
Benefit payments - Net	(1,425,178)	(1,301,420)	(1,233,367)	(1,299,892)	(1,251,736)
Net changes	(9,395,813)	(7,157,739)	28,499,927	(4,466,120)	(7,458,281)
Balance at 6/30	\$54,292,250	\$63,688,063	\$70,845,802	\$46,811,995	\$41,877,272
Covered Employee Payroll	15,085,948	14,533,341	14,552,006	14,232,627	13,831,921
District's Proportionate Share of the Total Non-Employer OPEB Liability as a percentage of the District's Covered Employee Payroll	-0-	-0-	-0-	-0-	-0-
Total OPEB Liability as a percentage of Covered Employee Payroll	359.89%	438.22%	486.85%	328.91%	301.31%
					322.33%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

COLTS NECK TOWNSHIP SCHOOL DISTRICT
SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR OPEB (GASB 75)
NOTE TO RSI IV
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Change in benefit terms: None

Change in assumptions:

The following assumptions were used in calculating the net OPEB liability
in their respective accounting periods:

Measurement Date Ending	Discount
<u>June 30,</u>	<u>Rate</u>
2022	3.54%
2021	2.16%
2020	2.21%
2019	3.50%
2018	3.87%

OTHER SUPPLEMENTARY INFORMATION

**SPECIAL REVENUE FUND
DETAIL STATEMENTS**

COLTS NECK TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	EVERY STUDENT SUCCEEDS ACT TITLE I A	TITLE II A	IDEA PART B	IDEA PRESCHOOL	STUDENT LEARNING LOSS	CRRSR ESSER II	LEARNING ACCELERATION	MENTAL HEALTH
REVENUES:								
State sources	\$56,767.00	\$28,148.00	\$222,071.00	\$11,534.00	\$10,165.00	\$80,737.24	\$14,200.76	\$108.00
Federal sources								
Local sources								
Total revenues	\$56,767.00	\$28,148.00	\$222,071.00	\$11,534.00	\$10,165.00	\$80,737.24	\$14,200.76	\$108.00
EXPENDITURES:								
Instruction:								
Salaries of Teachers	27,168.00						8,036.00	
Tuition			222,071.00			2,067.60		
Supplies and materials	29,599.00							
Total instruction	56,767.00		222,071.00			2,067.60	8,036.00	
Support services:								
Salaries of Principals/ Asst Principals/Program Directors					10,165.00			
Salaries of other Professional Staff				11,534.00				
Other Salaries						11,882.00	614.76	108.00
Personal Services Employee - Benefits							5,550.00	
Purchased professional - educational services	28,148.00					59,850.00		
Rentals						6,927.64		
Supplies and materials								
Miscellaneous Expenditures								
Total support services		28,148.00		11,534.00	10,165.00	78,669.64	6,164.76	108.00
Facilities acquisition and construction serv:								
Non-instructional equipment								
Total facilities acquisition and construction serv.								
Total expenditures	\$56,767.00	\$28,148.00	\$222,071.00	\$11,534.00	\$10,165.00	\$80,737.24	\$14,200.76	\$108.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$	\$	\$	\$	\$	\$	\$	\$
Fund Balance, July 1								
Fund Balance, June 30	\$	\$	\$	\$	\$	\$	\$	\$

COLTS NECK TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ARP ESSER	ARP COACH AND EDUCATOR SUPPORT	ARP SUMMER LEARNING AND ENRICHMENT	ARP MENTAL HEALTH	SDA EMERGENT GRANT	STUDENT ACTIVITIES	LOCAL GRANTS	TOTAL
REVENUES:								
State sources	\$239,190.33	\$10,964.00	\$162.97	\$39,116.50	\$22,662.00	\$150,831.55	\$49,021.98	\$22,662.00
Federal sources								713,164.80
Local sources								199,853.53
Total revenues	\$239,190.33	\$10,964.00	\$162.97	\$39,116.50	\$22,662.00	\$150,831.55	\$49,021.98	\$935,680.33
EXPENDITURES:								
Instruction:								
Salaries of Teachers	65,806.00	10,185.00						111,195.00
Tuition								222,071.00
Supplies and materials	94,786.34		162.97				4,480.43	131,096.34
Total instruction	160,592.34	10,185.00	162.97				4,480.43	464,362.34
Support services:								
Salaries of Principals/ Asst Principals/Program Directors	3,600.00							3,600.00
Salaries of other Professional Staff	6,032.00							16,197.00
Other Salaries	9,910.00							21,444.00
Personal Services Employee - Benefits	6,529.12	779.00		39,116.50				7,922.88
Purchased professional - educational services								84,814.50
Purchased professional services								4,124.00
Rentals	52,526.87					\$150,675.14		112,376.87
Supplies and materials							5,417.55	12,345.19
Miscellaneous Expenditures								150,675.14
Total support services	78,597.99	779.00		39,116.50		150,675.14	9,541.55	413,499.58
Facilities acquisition and construction serv:								
Non-instructional equipment					22,662.00		35,000.00	57,662.00
Total facilities acquisition and construction serv.					22,662.00		35,000.00	57,662.00
Total expenditures	\$239,190.33	\$10,964.00	\$162.97	\$39,116.50	\$22,662.00	\$150,675.14	\$49,021.98	\$935,523.92
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$	\$		\$	\$	156.41	\$	156.41
Fund Balance, July 1						24,215.44		24,215.44
Fund Balance, June 30	\$	\$		\$	\$	24,371.85	\$	24,371.85

PROPRIETARY FUND DETAIL STATEMENTS

Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

FOOD SERVICES FUND: This fund provides for the operation of Food services within the school district.

PRESCHOOL TUITION PROGRAM: This fund provides for the operation of a Preschool Program within the school district.

COLTS NECK TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS - ENTERPRISE FUNDS
JUNE 30, 2023

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>		
	<u>FOOD SERVICE FUND</u>	<u>PRESCHOOL TUITION PROGRAM FUND</u>	<u>TOTAL</u>
ASSETS:			
Current assets:			
Cash and cash equivalents	\$150,904.14	\$430,824.18	\$581,728.32
Accounts receivable:			
Tuition		4,178.00	4,178.00
Inventories	8,313.90		8,313.90
Total current assets	159,218.04	435,002.18	594,220.22
Noncurrent assets:			
Furniture, machinery and equipment	241,305.00		241,305.00
Less accumulated depreciation	(237,709.00)		(237,709.00)
Total noncurrent assets	3,596.00		3,596.00
Total assets	162,814.04	435,002.18	597,816.22
LIABILITIES :			
Current liabilities:			
Interfunds payable		187,326.90	187,326.90
Accounts payable	87,821.73		87,821.73
Unearned revenue	11,477.48	19,856.00	31,333.48
Total current liabilities	99,299.21	207,182.90	306,482.11
Total liabilities	99,299.21	207,182.90	306,482.11
NET POSITION:			
Net investment in capital assets	3,596.00		3,596.00
Unrestricted	59,918.83	227,819.28	287,738.11
Total net position	\$63,514.83	\$227,819.28	\$291,334.11

COLTS NECK TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND		
	FOOD SERVICE FUND	PRESCHOOL TUITION PROGRAM FUND	TOTAL
OPERATING REVENUES:			
Charges for services:			
Daily sales	\$504,403.05		\$504,403.05
Tuition - individuals		\$230,999.00	230,999.00
Miscellaneous		8,700.00	8,700.00
Total operating revenues	504,403.05	239,699.00	744,102.05
OPERATING EXPENSES:			
Cost of sales	209,696.50		209,696.50
Salaries	145,339.53	135,220.70	280,560.23
Employee benefits	38,190.65	27,275.20	65,465.85
Supplies and materials	25,576.33	8,358.43	33,934.76
Management fees	24,331.00		24,331.00
Miscellaneous	14,603.18		14,603.18
Depreciation	731.00		731.00
Total operating expenses	458,468.19	170,854.33	629,322.52
Operating income (loss)	45,934.86	68,844.67	114,779.53
NON-OPERATING REVENUES (EXPENSES):			
Interest	1,249.94		1,249.94
Total non-operating revenues (expenses)	1,249.94		1,249.94
Income/(loss) before contributions and transfers	47,184.80	68,844.67	116,029.47
Change in net position	47,184.80	68,844.67	116,029.47
Total net position - beginning	16,330.03	158,974.61	175,304.64
Total net position - ending (deficit)	\$63,514.83	\$227,819.28	\$291,334.11

COLTS NECK TOWNSHIP SCHOOL DISTRICT
 COMBINING STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS - ENTERPRISE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND		
	FOOD SERVICE FUND	PRESCHOOL TUITION PROGRAM FUND	TOTAL
Cash flows from operating activities:			
Receipts from customers	\$502,911.66	\$234,292.00	\$737,203.66
Payments to employees	(116,952.14)	(135,220.70)	(252,172.84)
Payments to employee benefits	(27,926.29)	(27,275.20)	(55,201.49)
Payments to suppliers	(265,641.06)	(8,358.43)	(273,999.49)
Net cash provided by (used for) operating activities	92,392.17	63,437.67	155,829.84
Cash flows from investing activities:			
Interest and dividends	1,249.94		1,249.94
Net cash provided by investing activities	1,249.94		1,249.94
Net increase/(decrease) in cash and cash equivalents	93,642.11	63,437.67	157,079.78
Cash and cash equivalents, June 30, 2022	57,262.03	367,386.51	424,648.54
Cash and cash equivalents, June 30, 2023	150,904.14	430,824.18	581,728.32
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	45,934.86	68,844.67	114,779.53
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	731.00		731.00
Change in assets and liabilities:			
Increase (decrease) in unearned revenue	(1,491.39)	(1,229.00)	(2,720.39)
(Increase) decrease in accounts receivable		(4,178.00)	(4,178.00)
Increase (decrease) in accounts payable	51,309.13		51,309.13
(Increase) decrease in inventories	(4,091.43)		(4,091.43)
	46,457.31	(5,407.00)	41,050.31
Net cash provided by operating activities	\$92,392.17	\$63,437.67	\$155,829.84

LONG-TERM DEBT SCHEDULES

The Long-Term schedules are used to reflect the outstanding principal balances of the long-term long-term liabilities of the District. This includes obligations under Serial Bonds and Installment Purchase Contracts.

COLTS NECK TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2023

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	MATURITIES		RATE OF INTEREST	BALANCE JUNE 30, 2022	RETIRED	BALANCE JUNE 30, 2023
			DATE	AMOUNT				
2015 Refunding Bonds	04/30/15	\$ 9,715,000.00	02/01/24	1,430,000.00	4.00%			
			02/01/25	1,490,000.00	4.00%			
			02/01/26	1,550,000.00	4.00%			
			02/01/27	1,615,000.00	4.00%			
						\$ 7,460,000.00	\$ 1,375,000.00	\$ 6,085,000.00
						<u>\$ 7,460,000.00</u>	<u>\$ 1,375,000.00</u>	<u>\$ 6,085,000.00</u>

COLTS NECK TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF OBLIGATIONS UNDER INSTALLMENT PURCHASE CONTRACTS
AS OF JUNE 30, 2023

<u>PURPOSE</u>	<u>INTEREST RATE</u>	<u>ORIGINAL ISSUE</u>	<u>BALANCE JUNE 30, 2022</u>	<u>RETIRED</u>	<u>BALANCE JUNE 30, 2023</u>
Acquisition and Installation of Various Equipment / Projects	1.14%	2,034,304.00	\$ 1,225,829.51	\$ 404,005.08	\$ 821,824.43
Purchase of 2 Buses & 1 Copier	1.34%	207,234.00	164,678.18	40,352.43	124,325.75
		\$	<u>1,390,507.69</u>	<u>\$ 444,357.51</u>	<u>\$ 946,150.18</u>

COLTS NECK TOWNSHIP SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES:				
Local Sources:				
Local Tax Levy	\$ 1,672,703.00	\$ 1,672,703.00	\$ 1,672,703.00	\$ 1,462.61
Miscellaneous			1,462.61	
Total Revenues	\$ 1,672,703.00	\$ 1,672,703.00	\$ 1,674,165.61	\$ 1,462.61
EXPENDITURES:				
Regular Debt Service:				
Interest	\$ 298,400.00	\$ 298,400.00	\$ 298,400.00	\$
Redemption of Principal	\$ 1,375,000.00	\$ 1,375,000.00	\$ 1,375,000.00	
Total Debt Service	\$ 1,673,400.00	\$ 1,673,400.00	\$ 1,673,400.00	\$
Total Expenditures	\$ 1,673,400.00	\$ 1,673,400.00	\$ 1,673,400.00	\$
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (697.00)	\$ (697.00)	\$ 765.61	\$ 1,462.61
Fund Balance, July 1	707.79	707.79	707.79	
Fund Balance, June 30	\$ 10.79	\$ 10.79	\$ 1,473.40	\$ 1,462.61

THIS PAGE INTENTIONALLY LEFT BLANK

STATISTICAL SECTION - UNAUDITED

COLTS NECK TOWNSHIP SCHOOL DISTRICT
STATISTICAL SECTION

<u>Contents</u>	<u>Page</u>
Financial Trends:	
These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	J-1 to J-4
Revenue Capacity:	
These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	J-5 to J-9
Debt Capacity:	
These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information:	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
Operating Information:	
These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20

Sources

Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports (ACFR) for the relevant year.

COLTS NECK TOWNSHIP SCHOOL DISTRICT

NET POSITION BY COMPONENT

UNAUDITED

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental activities										
Net investment in capital assets	\$ 19,505,347.43	\$ 18,615,737.31	\$ 17,943,946.29	\$ 17,010,017.88	\$ 16,286,391.45	\$ 15,541,953.21	\$ 15,954,135.47	\$ 15,399,603.66	\$ 14,021,535.43	\$ 13,845,349.95
Restricted for:										
Special Revenue Fund	24,371.85	24,215.44	15,065.83	2,774,218.26	2,909,118.20	2,633,660.04	25,989.80	25,989.80	690,060.00	93,693.40
Capital projects	4,715,741.88	3,908,222.31	3,192,183.98	3,519,609.02	3,172,034.90	2,926,761.45	5,076,296.55	4,444,275.75	3,120,950.90	2,506,793.93
Other purposes	5,903,961.01	4,860,111.52	4,342,420.00	(6,695,174.98)	(7,365,451.91)	(6,944,792.75)	(6,604,716.40)	(6,014,197.30)	(5,451,981.44)	1,520,977.82
Unrestricted (Deficit)	(3,639,893.08)	(4,623,383.07)	(6,695,174.98)	(6,750,687.15)	(7,365,451.91)	(6,944,792.75)	(6,604,716.40)	(6,014,197.30)	(5,451,981.44)	1,520,977.82
Total governmental activities net position	\$ 26,509,529.09	\$ 22,784,903.51	\$ 18,798,441.12	\$ 16,553,158.01	\$ 15,002,092.64	\$ 14,157,581.95	\$ 14,451,705.42	\$ 13,855,671.91	\$ 12,380,564.89	\$ 17,966,815.10
Business-type activities										
Net investment in capital assets	\$ 3,596.00	\$ 4,327.00	\$ 5,059.00	\$ 5,790.00	\$ 6,521.65	\$ 7,253.05	\$ 7,984.45	\$ 8,715.85	\$ 9,447.25	\$ 10,331.16
Unrestricted	287,738.11	170,977.64	38,506.62	97,080.31	172,702.62	170,637.75	148,565.56	105,398.13	66,440.90	55,080.35
Total business-type activities net position	\$ 291,334.11	\$ 175,304.64	\$ 43,565.62	\$ 102,870.31	\$ 179,224.27	\$ 177,890.80	\$ 156,550.01	\$ 114,113.98	\$ 75,888.15	\$ 65,411.51
District-wide										
Net investment in capital assets	\$ 19,508,943.43	\$ 18,620,064.31	\$ 17,949,005.29	\$ 17,015,807.88	\$ 16,292,913.10	\$ 15,549,206.26	\$ 15,962,119.92	\$ 15,408,319.51	\$ 14,030,982.68	\$ 13,855,681.11
Restricted for:										
Special Revenue Fund	24,371.85	24,215.44	15,065.83	2,774,218.26	2,909,118.20	2,909,118.20	2,633,660.04	25,989.80	25,989.80	690,060.00
Capital projects	4,715,741.88	3,908,222.31	3,192,183.98	3,519,609.02	3,172,034.90	3,172,034.90	2,926,761.45	5,076,296.55	4,444,275.75	3,120,950.90
Other projects	5,903,961.01	4,860,111.52	4,342,420.00	(6,695,174.98)	(7,365,451.91)	(6,944,792.75)	(6,604,716.40)	(6,014,197.30)	(5,451,981.44)	1,520,977.82
Unrestricted (Deficit)	(3,352,154.97)	(4,452,405.43)	(6,656,668.36)	(6,653,606.84)	(7,192,749.29)	(7,192,749.29)	(6,774,155.00)	(6,456,150.84)	(5,908,799.17)	(5,385,540.54)
Total district net position	\$ 26,800,863.20	\$ 22,960,208.15	\$ 18,842,006.74	\$ 16,656,028.32	\$ 15,181,316.91	\$ 14,437,610.07	\$ 14,748,386.41	\$ 14,054,455.02	\$ 12,592,449.06	\$ 12,281,151.47

Source: ACFR Schedule A-1

COLTS NECK TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
UNAUDITED

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses										
Governmental activities										
Instruction:										
Regular	\$ 12,103,209.77	\$ 12,395,794.10	\$ 11,349,089.01	\$ 12,062,338.81	\$ 12,321,282.39	\$ 13,348,801.43	\$ 12,918,281.51	\$ 12,370,330.03	\$ 11,741,195.14	\$ 10,143,407.87
Special education	6,159,624.13	5,989,660.48	5,574,050.39	5,318,500.39	5,201,831.42	5,410,379.77	4,636,379.87	4,006,013.47	3,808,022.79	3,340,355.24
Other instruction	1,080,546.75	1,318,604.93	953,491.27	1,075,339.36	736,954.12	670,715.69	617,690.01	368,266.70	797,888.92	702,573.16
Support services:										
Tuition										
Student and instruction related services	5,853,293.91	5,719,143.20	5,282,794.35	5,586,454.98	6,667,056.49	6,741,331.37	6,320,735.12	5,310,688.38	4,430,785.33	3,992,656.67
General administrative services	571,092.44	572,340.09	715,753.09	685,025.58	686,434.08	785,250.88	721,310.18	693,171.86	673,689.75	986,339.67
School administrative services	1,076,306.67	1,121,551.34	1,047,351.17	1,010,389.63	1,083,166.80	1,127,095.26	1,051,666.30	973,771.32	1,068,019.99	945,741.76
Central services	394,224.48	400,505.25	517,881.69	489,328.02	504,642.53	551,645.94	557,098.92	421,729.62	364,902.01	375,465.01
Administrative information technology	254,014.84	274,422.06	266,509.30	189,797.34	86,037.75	85,758.96	107,042.63	133,908.16	100,339.23	99,160.70
Plant operations and maintenance	2,432,392.26	2,588,408.91	2,741,864.81	2,510,444.24	2,615,588.58	2,544,198.17	2,501,459.27	2,255,042.17	2,144,863.20	2,216,704.94
Pupil transportation	1,395,451.92	1,306,727.91	1,417,020.53	1,385,904.53	1,652,912.27	1,822,989.07	1,797,657.20	1,469,008.23	1,547,187.72	1,465,885.80
Interest on long-term debt	260,203.17	313,107.75	516,819.64	468,581.27	462,952.31	1,578,473.99	658,149.22	635,057.61	634,804.61	825,638.37
Total governmental activities expenses	31,580,360.34	32,000,166.02	30,382,625.25	30,762,104.15	32,018,858.74	33,496,811.37	28,636,987.55	27,311,698.69	25,093,929.19	24,706,575.87
Business-type activities:										
Food service	458,468.19	491,809.19	28,328.56	299,677.92	383,076.83	352,071.75	330,037.77	347,031.07	365,746.35	352,637.00
Preschool tuition program	170,854.33	202,782.39	391,780.45	470,368.64	546,560.81	559,723.12	402,471.59	350,183.43	53,346.90	53,701.42
Total business-type activities expense	629,322.52	694,591.58	420,109.01	770,046.56	929,637.64	911,794.87	697,214.50	419,093.25	406,338.42	579,611.71
Total district expenses	\$ 32,209,682.86	\$ 32,694,757.60	\$ 30,802,734.26	\$ 31,532,150.71	\$ 32,948,496.38	\$ 32,930,653.61	\$ 29,334,202.05	\$ 27,730,791.94	\$ 25,500,267.61	\$ 25,286,187.58
PROGRAM REVENUES										
Governmental activities:										
Operating grants and contributions	\$ 5,404,012.79	\$ 6,835,023.63	\$ 5,341,575.41	\$ 6,071,169.20	\$ 7,244,123.09	\$ 9,501,107.43	\$ 8,117,596.39	\$ 5,877,522.72	\$ 4,970,183.12	\$ 2,215,870.77
Charges for services	150,831.55	48,576.72	11,670.26							
Total governmental activities program revenues	5,554,844.34	6,883,600.35	5,353,245.67	6,071,169.20	7,244,123.09	9,501,107.43	8,177,522.72	4,970,183.12	2,215,870.77	2,461,415.14
Business-type activities:										
Charges for services										
Food service	504,403.05	464,563.22	285,410.91	285,410.91	391,367.21	352,163.49	316,720.64	315,878.44	308,939.31	275,075.01
Preschool tuition program	239,699.00	361,757.00	136,420.35	407,311.30	538,335.69	573,488.00	451,707.00	372,130.57	37,383.11	57,240.00
Operating grants and contributions							1,283.52	46,469.54	48,206.32	42,723.01
Total business type activities program revenues	744,102.05	826,320.22	136,420.35	692,722.21	929,702.90	925,651.49	734,478.55	394,528.74	375,038.02	559,478.41
Total district program revenues	6,298,946.39	7,709,920.57	5,489,666.02	6,763,891.41	8,173,825.99	8,169,774.58	6,612,001.27	5,364,711.86	2,590,908.79	3,020,893.55

COLTS NECK TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
UNAUDITED

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Net (Expense)/Revenue										
Governmental activities	\$ (26,025,516.00) \$	(25,116,565.67) \$	(25,029,379.58) \$	(24,690,934.95) \$	(24,774,735.65) \$	(25,165,532.90) \$	(25,165,532.90) \$	(22,759,464.83) \$	(22,341,515.57) \$	(22,878,058.42) \$
Business-type activities	114,779.53	131,728.64	(283,688.66)	(77,324.35)	65.26	13,856.62	13,856.62	37,264.05	(24,564.51)	(31,300.40)
Total district-wide net expense	<u>\$ (25,910,736.47) \$</u>	<u>(24,984,837.03) \$</u>	<u>(25,313,068.24) \$</u>	<u>(24,768,259.30) \$</u>	<u>(24,774,670.39) \$</u>	<u>(25,151,676.28) \$</u>	<u>(22,722,200.78) \$</u>	<u>(22,366,060.08) \$</u>	<u>(22,309,358.82) \$</u>	<u>(22,265,294.03) \$</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 23,841,915.00 \$	23,374,425.00 \$	22,719,155.00 \$	21,808,248.00 \$	21,347,051.00 \$	20,956,327.00 \$	20,599,297.00 \$	20,257,388.00 \$	19,726,580.00 \$	19,378,243.00 \$
Taxes levied for debt service	1,672,703.00	1,671,087.00	1,672,071.00	1,672,874.00	1,673,657.00	1,507,845.00	1,509,562.00	1,411,491.00	1,551,195.00	1,543,956.00
Unrestricted grants and contributions	4,197,101.00	3,820,614.00	2,655,717.00	2,388,129.00	2,356,482.79	2,128,040.76	2,104,851.19	2,463,209.50	2,012,953.00	1,952,130.00
Miscellaneous income	358,515.39	236,901.06	217,834.71	372,749.32	243,636.11	142,177.97	157,385.51	110,643.35	141,071.23	156,139.17
Transfers			(224,366.90)			(7,280.30)	(5,188.35)		(35,000.00)	64,033.40
Other cancellations			(71,269.80)							
Refund of Prior Year Revenue	(103,320.56)				(1,580.56)				(14,166.37)	
Disposal of Capital Assets	(122,496.00)					144,299.00			55,186.50	
Adjustment to Capital Assets	4,000.00				25,620,626.90	24,727,110.43	24,242,731.85	23,386,799.23	23,094,501.57	24,590,864.52
Total governmental activities	<u>29,848,417.83</u>	<u>29,103,028.06</u>	<u>26,969,141.01</u>	<u>26,242,000.32</u>	<u>25,620,626.90</u>	<u>24,727,110.43</u>	<u>24,242,731.85</u>	<u>23,386,799.23</u>	<u>23,094,501.57</u>	<u>24,590,864.52</u>
Business-type activities:										
Miscellaneous income	1,249.94	10.38	17.07	970.39	1,268.21	203.87	45.88	961.78	41.15	52.85
Transfers			224,366.90			7,280.30	5,188.35		35,000.00	(64,033.40)
Total business-type activities	<u>1,249.94</u>	<u>10.38</u>	<u>224,383.97</u>	<u>970.39</u>	<u>(312.35)</u>	<u>151,783.17</u>	<u>961.78</u>	<u>78,061.28</u>	<u>(63,980.55)</u>	<u>584.10</u>
Total district-wide	<u>\$ 29,849,667.77 \$</u>	<u>\$ 29,103,038.44 \$</u>	<u>\$ 27,193,524.98 \$</u>	<u>\$ 26,242,970.71 \$</u>	<u>\$ 25,620,514.55 \$</u>	<u>\$ 24,878,893.60 \$</u>	<u>\$ 24,243,693.63 \$</u>	<u>\$ 23,472,860.51 \$</u>	<u>\$ 23,030,521.02 \$</u>	<u>\$ 24,591,478.62 \$</u>
Change in Net Position										
Governmental activities	\$ 3,822,901.83 \$	3,986,462.39 \$	1,939,761.43 \$	1,551,065.37 \$	846,091.25 \$	(438,422.47) \$	1,483,267.02 \$	1,055,283.66 \$	216,443.15 \$	2,345,733.79 \$
Business-type activities	116,029.47	131,739.02	(59,304.69)	(76,353.96)	(247.09)	165,639.79	38,225.83	51,496.77	(95,280.95)	(19,549.20)
Total district	<u>\$ 3,938,931.30 \$</u>	<u>\$ 4,118,201.41 \$</u>	<u>\$ 1,880,456.74 \$</u>	<u>\$ 1,474,711.41 \$</u>	<u>\$ 845,844.16 \$</u>	<u>\$ (272,782.68) \$</u>	<u>\$ 1,521,492.85 \$</u>	<u>\$ 1,106,780.43 \$</u>	<u>\$ 121,162.20 \$</u>	<u>\$ 2,326,184.59 \$</u>

Source: ACFR Schedule A-2

COLTS NECK TOWNSHIP SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
UNAUDITED

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund										
Restricted	\$ 10,619,702.89	\$ 8,768,333.83	\$ 7,534,603.98	\$ 6,267,837.48	\$ 6,055,163.30	\$ 5,534,431.69	\$ 5,076,296.55	\$ 4,444,275.75	\$ 3,120,950.90	\$ 2,506,793.93
Assigned	1,861,130.00	872,294.11	647,470.13	1,148,368.38	749,879.73	954,383.42	904,727.99	631,098.94	670,273.35	1,198,745.21
Unassigned	1,934,821.89	2,810,448.36	2,107,596.06	1,684,450.02	1,318,329.97	1,364,985.03	1,346,741.35	1,228,029.08	1,242,924.25	1,237,270.73
Total general fund	<u>\$ 14,415,654.58</u>	<u>\$ 12,451,076.30</u>	<u>\$ 10,289,670.17</u>	<u>\$ 9,100,655.88</u>	<u>\$ 8,123,373.00</u>	<u>\$ 7,853,800.14</u>	<u>\$ 6,303,403.77</u>	<u>\$ 5,034,148.50</u>	<u>\$ 4,942,809.87</u>	<u>\$ 5,022,562.00</u>
All Other Governmental Funds										
Restricted	\$ 24,371.85	\$ 24,215.44	\$ 15,178.83	\$ 26,668.80	\$ 26,669.19	\$ 26,908.76	\$ 26,782.56	\$ 26,544.15	\$ 690,440.76	\$ 94,442.53
Assigned	1,473.40	707.79	697.16	792.45	126.00				114,842.00	715.00
Total all other governmental funds	<u>\$ 25,845.25</u>	<u>\$ 24,923.23</u>	<u>\$ 15,875.99</u>	<u>\$ 27,461.25</u>	<u>\$ 26,795.19</u>	<u>\$ 26,908.76</u>	<u>\$ 26,544.15</u>	<u>\$ 805,282.76</u>	<u>\$ 95,157.53</u>	<u>\$ 96,102.90</u>

Source: ACFR Schedule B-1

COLTS NECK TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
UNAUDITED

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
Tax levy	\$ 25,514,618.00	\$ 25,045,513.00	\$ 24,391,226.00	\$ 23,481,122.00	\$ 23,020,708.00	\$ 22,464,172.00	\$ 22,108,859.00	\$ 21,668,879.00	\$ 21,277,775.00	\$ 20,922,199.00
Tuition	197,022.82	95,823.00		97,794.50	54,262.78	150,080.58	149,631.70	148,783.60	222,035.57	
Transportation Fees from other LEAs	124,737.84	91,800.00		399,819.08	253,454.35	164,357.84	210,935.95	111,713.20	141,071.23	162,882.68
Miscellaneous	470,681.65	224,896.21	307,908.23	6,914,552.09	5,577,869.37	4,787,131.95	4,270,178.67	4,327,161.07	3,475,903.55	3,291,619.45
State sources	9,720,783.00	9,335,854.63	6,914,552.09	5,577,869.37	5,495,645.07	965,144.78	971,474.77	965,822.70	934,505.00	869,637.81
Federal sources	1,538,225.42	1,309,319.57	1,116,516.06	1,056,777.56	961,972.79					
Total revenue	37,566,068.73	36,103,206.41	32,730,202.38	30,613,382.51	29,786,042.99	28,530,887.15	27,222,359.57	26,051,290.35	25,246,338.94	26,727,237.30
Expenditures										
Instruction										
Regular Instruction	12,170,268.71	11,653,666.69	10,725,067.48	10,359,692.26	10,145,261.32	9,899,360.83	9,619,930.22	9,917,704.63	9,538,594.52	9,164,646.33
Special education instruction	6,683,395.50	6,183,663.55	5,729,544.83	4,992,216.95	4,626,329.52	4,379,463.43	3,700,923.44	3,480,625.10	3,397,121.83	3,340,355.24
Other instruction	1,199,655.84	1,346,647.88	987,340.53	1,001,865.98	707,390.87	613,669.58	586,157.77	354,067.01	702,685.90	702,573.16
Support services:										
Tuition										
Student and instruction related services	6,306,788.94	5,865,982.56	5,452,308.30	5,246,636.74	5,930,107.77	5,399,800.58	5,072,417.94	4,590,363.59	3,899,683.12	3,981,731.47
General administrative services	610,523.58	630,306.76	601,256.28	593,211.08	609,049.46	628,093.32	582,914.68	642,618.07	677,753.69	989,824.67
School administrative services	1,123,867.04	1,097,978.15	1,085,660.50	939,795.63	910,119.52	865,437.30	818,374.95	818,351.95	923,559.05	949,389.73
Central services	476,142.38	489,769.95	456,220.39	448,739.02	431,312.91	429,078.58	421,803.42	370,693.33	357,333.45	374,700.01
Administrative information technology	260,068.00	266,529.79	232,746.99	166,539.44	82,126.43	77,414.46	77,932.88	123,222.67	101,816.07	99,160.70
Plant operations and maintenance	2,583,760.46	2,672,652.71	2,438,652.72	2,300,665.79	2,338,411.75	2,101,267.72	2,096,377.99	2,081,658.62	2,125,699.57	2,185,505.04
Pupil transportation	1,443,967.22	1,295,067.75	1,178,475.62	1,185,190.48	1,353,467.63	1,401,331.02	1,342,757.92	1,198,683.10	1,396,373.66	1,293,750.10
Transfer to Charter School	55,143.00	73,982.00								
Capital outlay	615,998.06	967,904.66	1,923,999.41	678,410.78	659,087.03	505,710.14	612,895.70	1,601,066.17	322,494.57	489,276.89
Debt service:										
Principal	1,819,357.51	1,762,025.01	1,674,005.30	1,253,475.67	1,197,501.95	1,126,547.67	1,135,393.98	1,223,117.09	997,403.00	1,019,627.00
Interest and other charges	314,522.43	369,654.93	416,668.82	468,993.75	526,417.54	570,271.77	613,410.32	558,511.58	774,308.06	800,529.50
Cost of Issuance of Bonds							126,035.26			
Total expenditures	35,663,458.67	34,655,832.39	32,901,947.17	29,635,433.57	29,516,583.70	29,516,583.70	27,987,446.40	25,214,828.49	25,391,069.84	25,126,550.02
Excess (deficiency) of revenues over (under) expenditures	1,902,610.06	1,447,374.02	(171,744.79)	977,948.94	269,459.29	269,459.29	(985,696.55)	(775,086.83)	836,463.86	(144,730.90)
Other financing sources (uses)										
Refunding bond proceeds										
Payment to refunded bonds escrow agent								11,026,996.20		
Refunding of Prior Year Revenue	(103,320.56)							(10,900,962.94)		
Grant Receivable Cancelled			(224,366.90)							
Capital leases (non-budgeted)	166,210.80	723,079.35	1,339,288.84			(7,280.30)	(5,188.35)	237,000.00	(35,000.00)	64,033.40
Transfers out			(71,269.80)			(7,280.30)	(5,188.35)	363,035.26	(35,000.00)	64,033.40
Total other financing sources (uses)	62,890.24	723,079.35	1,043,652.14							
Net change in fund balances	\$ 1,965,500.30	\$ 2,170,453.37	\$ 871,907.35	\$ 977,948.94	\$ 269,459.29	\$ 262,178.99	\$ (990,884.90)	\$ (412,051.57)	\$ 801,463.86	\$ (80,697.50)
Debt service as a percentage of noncapital expenditures	6.09%	6.33%	6.75%	5.95%	5.97%	5.97%	7.03%	7.12%	7.31%	7.45%

Source: ACFR Schedule B-2

COLTS NECK TOWNSHIP SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
UNAUDITED

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest</u> <u>on Investments</u>	<u>Tuition</u> <u>Revenue</u>	<u>Cancelled</u> <u>Accounts Payable</u>	<u>Miscellaneous</u>	<u>Total</u>
2023	\$ 129,682.93	\$	\$ 8,585.87	\$ 158,577.14	\$ 296,845.94
2022	1,137.05		43,338.14	124,032.52	168,507.71
2021	2,964.56	93,017.07	89,278.08	26,754.35	212,014.06
2020	70,070.21			277,378.25	347,448.46
2019	79,782.76	39,521.33	18,528.49	72,160.38	209,992.96
2018	14,118.16		22,308.03	101,312.09	137,738.28
2017	3,850.33	39,886.66	29,250.85	83,304.01	156,291.85
2016	3,749.66	14,463.45	\$8,118.60	83,218.73	109,550.44
2015	4,502.35	18,158.00	23,610.00	86,909.83	133,180.18
2014	4,937.60	18,636.00	20,327.61	111,078.01	154,979.22

Source: District Records

COLTS NECK TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
UNAUDITED

Year Ended	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Total Assessed Value	Public Utilities (a)	Net Valuation Taxable	Total Direct School Tax Rate (b)	Estimated Actual (County Equalized Value)
2022	\$ 40,597,500.00	\$ 2,892,838,700.00	\$ 189,924,100.00	\$ 3,289,600.00	\$ 171,035,900.00	\$ 3,297,685,800.00	\$ 4,557,243.00	\$ 3,302,243,043.00	1.117	\$ 3,542,846,728.00
2021	35,294,400.00	2,660,186,500.00	207,364,800.00	3,747,200.00	169,635,300.00	3,076,228,200.00	4,486,457.00	3,080,714,657.00	1.187	3,305,514,679.00
2020	34,048,800.00	2,575,335,800.00	219,344,800.00	3,913,700.00	167,485,400.00	3,000,128,500.00	4,445,891.00	3,004,574,391.00	1.206	3,107,278,138.00
2019	35,878,300.00	2,583,155,800.00	235,671,000.00	4,032,700.00	162,699,400.00	3,021,437,200.00	4,241,007.00	3,025,678,207.00	1.199	3,048,816,984.00
2018	39,970,600.00	2,574,100,700.00	241,579,500.00	4,069,600.00	161,479,600.00	3,021,200,000.00	3,876,763.00	3,025,076,763.00	1.207	3,079,828,708.00
2017	41,407,700.00	2,552,994,800.00	232,105,700.00	4,045,100.00	164,887,600.00	2,995,440,900.00	3,077,794.00	2,998,518,694.00	1.215	3,048,057,282.00
2016	41,748,200.00	2,534,198,600.00	244,132,600.00	4,203,100.00	163,892,200.00	2,988,174,700.00	3,065,471.00	2,991,240,171.00	1.178	3,015,171,174.00
2015	38,448,100.00	2,503,435,400.00	257,605,800.00	4,125,100.00	164,609,600.00	2,968,224,000.00	3,159,066.00	2,971,383,066.00	1.184	3,017,649,789.00
2014	39,881,800.00	2,540,498,000.00	263,017,800.00	4,159,900.00	167,385,000.00	3,014,942,500.00	3,079,851.00	3,018,022,351.00	1.152	3,041,417,551.00
2013	41,257,000.00	2,558,728,600.00	263,081,000.00	4,158,700.00	178,123,400.00	3,045,348,700.00	3,723,634.00	3,049,072,334.00	1.094	3,066,222,327.00

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

(b): Tax rates are per \$100

COLTS NECK TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
UNAUDITED

Fiscal Year Ended June 30,	Township of Colts Neck Board of Education				Overlapping Rates				Total Direct and Overlapping Tax Rate
	General Obligation		Total Direct		Freehold		Colts Neck		
	Basic Rate (a)	Debt Service (b)	School Tax Rate		School District	Regional	Township	County Library/Other	
2023	\$ 0.667	\$ 0.047	\$ 0.714	\$	0.327		0.286	\$ 0.041	\$ 0.188
2022	0.721	0.052	0.773		0.344		0.286	0.044	0.214
2021	0.757	0.056	0.813		0.374		0.281	0.046	0.232
2020	0.754	0.058	0.812		0.394		0.272	0.046	0.240
2019	0.720	0.056	0.776		0.423		0.272	0.046	0.244
2018	0.710	0.051	0.761		0.446		0.270	0.046	0.252
2017	0.698	0.051	0.749		0.466		0.262	0.033	0.259
2016	0.691	0.048	0.739		0.439		0.253	0.034	0.266
2015	0.676	0.054	0.730		0.454		0.240	0.033	0.278
2014	0.653	0.052	0.705		0.447		0.226	0.033	0.276

Source: District Records and Municipal Tax Collector
(Rates are per \$100 of assessed value)

NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

(a) The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable

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

COLTS NECK TOWNSHIP SCHOOL DISTRICT
 PRINCIPAL PROPERTY TAX PAYERS - CURRENT YEAR AND NINE YEARS AGO
 UNAUDITED

2023				2014			
Taxpayer	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Trump Nat'l Golf & CC	\$ 32,059,100.00	1	0.971%	Due Process Golf & CC	\$ 9,890,800.00	1	0.324%
Due Process Golf & CC	19,941,700.00	2	0.604%	Laird & Company Inc	4,788,100.00	2	0.157%
Wellsprings Stable Florida, LLC	12,990,000.00	3	0.393%	Shadow Isle Golf Club LLC	4,283,600.00	3	0.140%
G&F Realty of Richmond	11,305,100.00	4	0.342%	Pegasus Properties, LLC	3,798,700.00	4	0.125%
Gelfand, Todd, Trustees, et al.	10,757,300.00	5	0.326%	Rojen Inc.	3,772,000.00	5	0.124%
Parmar, Parmit Singh	8,525,500.00	6	0.258%	Meridian/Qualcare-CN Assisted Living	3,700,000.00	6	0.121%
Feiler, Abby & Nachmias, Carolyn S	7,076,100.00	7	0.214%	Parmar, Parmit Singh	3,104,000.00	7	0.102%
Rada, Ali & Josefine	6,723,900.00	8	0.204%	Pebble Creek at Colts Neck	3,095,000.00	8	0.102%
Land Banc Trust	6,234,700.00	9	0.189%	34 South Associates LLC	2,908,400.00	9	0.095%
Laird & Company Inc	5,786,300.00	10	0.175%	Colts Neck Shopping Center Assoc	2,595,400.00	10	0.085%
Total	\$ 121,399,700.00		3.676%	Total	\$ 41,936,000.00		1.375%

Source: Municipal Tax Assessor

Source: Municipal Tax Assessor

COLTS NECK TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	<u>Collected within the Fiscal Year of the Levy (a)</u>		Collections in Subsequent Years
		<u>Amount</u>	<u>Percentage of Levy</u>	
2023	\$ 25,514,618.00	\$ 25,514,618.00	100.00%	0.00
2022	25,045,513.00	25,045,513.00	100.00%	0.00
2021	24,391,226.00	24,391,226.00	100.00%	0.00
2020	23,481,122.00	23,481,122.00	100.00%	0.00
2019	23,020,708.00	23,020,708.00	100.00%	0.00
2018	22,464,172.00	22,464,172.00	100.00%	0.00
2017	22,108,859.00	22,108,859.00	100.00%	0.00
2016	21,668,879.00	21,668,879.00	100.00%	0.00
2015	21,277,775.00	21,668,879.00	100.00%	0.00
2014	20,922,199.00	20,922,199.00	100.00%	0.00

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

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

COLTS NECK TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
UNAUDITED

Fiscal Year Ended <u>June 30,</u>	<u>Governmental Activities</u>		<u>Total District</u>	<u>Percentage of Personal Income (a)</u>	<u>Per Capita (a)</u>
	<u>General Obligation Bonds</u>	<u>Installment Purchase Contracts</u>			
2023	\$ 6,085,000.00	\$ 946,150.18	\$ 7,031,150.18	N/A	N/A
2022	7,460,000.00	1,390,507.69	8,850,507.69	0.94%	890.66
2021	8,780,000.00	1,625,298.70	10,405,298.70	1.15%	1,045.44
2020	10,045,000.00		10,045,000.00	1.19%	1,020.73
2019	11,250,000.00	48,475.67	11,298,475.67	1.39%	1,150.32
2018	12,400,000.00	95,977.62	12,495,977.62	1.58%	1,266.06
2017	13,480,000.00	142,525.29	13,622,525.29	1.83%	1,379.36
2016	14,520,000.00	237,919.27	14,757,919.27	2.09%	1,487.69
2015	15,610,000.00	134,036.36	15,744,036.36	2.28%	1,579.93
2014	16,225,000.00	216,439.36	16,441,439.36	2.49%	1,642.50

Source: District ACFR Schedules I-1, I-2

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

(a) See Exhibit J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

N/A - Not Available

COLTS NECK TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET BONDED DEBT OUTSTANDING
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value (a) of Property	Per Capita (b)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2023	\$ 6,085,000.00	-0-	\$ 6,085,000.00	N/A	N/A
2022	7,460,000.00	-0-	7,460,000.00	0.211%	750.73
2021	8,780,000.00	-0-	8,780,000.00	0.266%	882.15
2020	10,045,000.00	-0-	10,045,000.00	0.323%	1,020.73
2019	11,250,000.00	-0-	11,250,000.00	0.369%	1,145.39
2018	12,400,000.00	-0-	12,400,000.00	0.410%	1,256.33
2017	13,480,000.00	-0-	13,480,000.00	0.450%	1,364.93
2016	14,520,000.00	-0-	14,520,000.00	0.485%	1,463.71
2015	15,610,000.00	-0-	15,610,000.00	0.525%	1,566.48
2014	16,225,000.00	-0-	16,225,000.00	0.538%	1,620.88

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

(a) See Exhibit J-6 for property tax data.

(b) Population data can be found in Exhibit J-14.

N/A - Not Available

COLTS NECK TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2022
UNAUDITED

<u>Governmental Unit</u>	<u>Gross Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Colts Neck Township	\$ 31,759,577.00	100.000%	\$ 31,759,577.00
Other debt			
Freehold Regional High School	-0-	3.305%	-0-
Monmouth County	1,298,400,000.00	2.269%	29,454,728.98
Subtotal, overlapping debt			61,214,305.98
Colts Neck Township School District Direct Debt			7,460,000.00
Total direct and overlapping debt			<u>\$ 68,674,305.98</u>

Source: Township of Colts Neck Chief Financial Officer, Monmouth County Treasurer's Office and Freehold Regional School District

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

COLTS NECK TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
UNAUDITED

Legal Debt Margin Calculation for Year 2022:

Equalized Valuation Basis

2022	\$ 3,538,289,485.00
2021	3,301,028,222.00
2020	3,102,832,247.00
	<u>\$ 9,942,149,954.00</u>

Average Equalized Valuation of Taxable Property

\$ 3,314,049,984.67

Debt Limit (3% (a) of Average Equalization Value)

\$ 99,421,499.54

Total Net Debt Applicable to Limit

7,460,000.00

Legal Debt Margin

\$ 91,961,499.54

	Fiscal Year Ending June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Debt Limit	\$ 99,421,499.54	\$ 94,484,364.46	\$ 92,233,601.69	\$ 91,655,074.10	\$ 91,330,371.36	\$ 90,715,759.14	\$ 90,649,341.26	\$ 91,153,271.16	\$ 92,199,116.09	\$ 92,952,180.39
Total Net Debt Applicable To Limit	<u>7,460,000.00</u>	<u>8,780,000.00</u>	<u>10,080,000.00</u>	<u>11,722,930.33</u>	<u>13,344,987.57</u>	<u>14,892,162.07</u>	<u>16,398,975.12</u>	<u>17,968,543.00</u>	<u>19,070,869.90</u>	<u>17,105,000.00</u>
Legal Debt Margin	<u>\$ 91,961,499.54</u>	<u>\$ 85,704,364.46</u>	<u>\$ 82,153,601.69</u>	<u>\$ 74,196,931.90</u>	<u>\$ 73,872,229.16</u>	<u>\$ 75,520,616.01</u>	<u>\$ 74,250,366.14</u>	<u>\$ 73,184,728.16</u>	<u>\$ 73,128,246.19</u>	<u>\$ 75,847,180.39</u>
Total Net Debt Applicable to the Limit as a % of Debt Limit	7.50%	9.29%	10.93%	12.79%	14.61%	16.42%	18.09%	19.71%	20.68%	18.40%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation
(a) Limit set by N.J.S.A. 18A:24-19 for a K through 8 district; other % limits would be applicable for other district types.

COLTS NECK TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
UNAUDITED

<u>Year</u>	<u>Population (a)</u>	<u>Personal Income (b)</u>	<u>Per Capita Personal Income (c)</u>	<u>Unemployment Rate (d)</u>
2022	9,937	\$ 937,863,997.00	\$ 94,381.00	2.90%
2021	9,953	908,181,391.00	91,247.00	7.90%
2020	9,841	847,221,531.00	86,091.00	7.90%
2019	9,822	810,815,922.00	82,551.00	2.70%
2018	9,870	789,382,860.00	79,978.00	2.90%
2017	9,876	744,601,020.00	75,395.00	3.30%
2016	9,920	706,671,040.00	71,237.00	3.70%
2015	9,965	691,670,650.00	69,410.00	4.20%
2014	10,010	660,850,190.00	66,019.00	4.70%
2013	10,059	632,721,159.00	62,901.00	3.10%

Source:

- (a) Population information provided by the NJ Dept. of Labor and Workforce Development.
- (b) Personal income has been estimated based upon the municipal population and per capita personal income pres
- (c) Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau Economic Analysis.
- (d) Unemployment data provided by the NJ Dept. of Labor and Workforce Development.

COLTS NECK TOWNSHIP SCHOOL DISTRICT
PRINCIPAL EMPLOYERS - CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Employer	2022				2014			
	# of Employees	Rank (Optional)	Percentage of Total Employment (b)		# of Employees	Rank (Optional)	Percentage of Total Employment	
Naval Weapons Station EARLE	635	(a)	14.34%		635	(a)	14.34%	
Colts Neck Township Bd. Of Educ.	278	2	6.28%		244	2	5.51%	
Delicious Orchards	228	(a)	5.15%		228	(a)	5.15%	
Colts Neck Township	47	(a)	1.06%		47	(a)	1.06%	
Lairds	25	(a)	0.56%		25	(a)	0.56%	
	1,213		27.40%		1,179		26.63%	

Source: Municipal Records

(a) Estimate

(b) 4,427 per New Jersey Department of Labor 2021 Average Labor Force Estimates

COLTS NECK TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
UNAUDITED

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Instruction:										
Regular	83.5	80.5	78.5	79.0	82.5	84.0	81.0	85.0	85.0	86.0
Special education	66.0	65.5	60.5	60.0	40.5	41.0	45.0	40.0	39.0	39.0
Support Services:										
Student & instruction related services	51.5	52.5	53.0	56.0	73.0	66.0	57.0	54.0	57.0	56.5
General administrative services	5.0	5.0	4.0	4.0	4.0	4.0	3.0	4.0	4.0	4.0
School administrative services	7.0	7.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Central services	5.0	5.0	4.5	4.5	5.0	5.0	5.0	5.0	5.0	5.0
Plant operations and maintenance	25.0	25.0	24.0	29.0	26.0	26.0	27.0	26.0	20.0	19.0
Pupil transportation	18.0	18.0	22.0	21.0	20.0	20.0	22.0	24.0	27.0	27.0
Total	261.0	258.5	254.5	261.5	259.0	254.0	248.0	246.0	245.0	244.5

Source: District Personnel Records

COLTS NECK TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	% Change	Teaching Staff (b)	Pupil/Teacher Ratio		Average Daily Enrollment (c)	Average Daily Attendance (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2022-2023	1,008	\$32,913,580.67	\$ 32,652.36	5.34%	143.1	9:01	8:01	N/A	N/A	N/A	N/A
2021-2022	1,018	31,556,247.79	30,998.28	3.12%	136	9:01	8:01	1,012	946	5.97%	93.48%
2020-2021	947	28,887,273.64	30,059.60	9.65%	136	9:01	8:01	955	911	-3.83%	95.39%
2019-2020	979	27,234,553.37	27,818.75	-0.76%	137	9:01	8:01	993	944	1.72%	95.07%
2018-2019	968	27,133,577.18	28,030.55	3.78%	139	9:01	8:01	976	921	2.11%	94.30%
2017-2018	955	25,794,916.82	27,010.38	5.07%	140	9:01	8:01	956	899	1.81%	94.04%
2016-2017	946	24,319,591.21	25,707.81	4.02%	136	9:01	8:01	939	892	-1.37%	94.99%
2015-2016	954	23,577,988.07	24,714.87	1.23%	141	9:01	8:01	952	907	-0.73%	95.27%
2014-2015	947	23,120,620.86	24,414.59	5.25%	140	10:01	8:01	959	914	-4.48%	95.31%
2013-2014	995	23,081,636.45	23,197.62	11.57%	138	10:01	8:01	1,004	956	-8.89%	95.22%

Sources: District records

Note: Enrollment based on annual October district count.

(a) Operating expenditures equal total expenditures less debt service and capital outlay.

(b) Teaching staff includes only full-time equivalents of certificated staff.

(c) Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

n/a - not available

COLTS NECK TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
UNAUDITED

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<u>District Buildings</u>										
<u>Early Learning Center</u>										
Conover Road Primary School (2003)										
Square Feet	106,565	106,565	106,565	106,565	106,565	106,565	106,565	102,000	102,000	102,000
Capacity (students)	457	457	457	457	457	457	457	457	457	457
Enrollment	353	372	346	380	367	367	331	305	284	235
<u>Elementary</u>										
Conover Road Elementary School										
Square Feet	85,689	85,689	85,689	85,689	85,689	85,689	85,689	81,099	81,099	81,099
Capacity (students)	587	587	587	587	587	587	587	587	587	587
Enrollment	319	310	287	277	275	275	278	283	302	365
<u>Middle School</u>										
Cedar Drive Middle School										
Square Feet	93,170	93,170	93,170	93,170	93,170	93,170	93,170	89,345	89,345	89,345
Capacity (students)	677	677	677	677	677	677	677	677	677	677
Enrollment	325	325	328	339	335	335	348	352	366	396
<u>Other</u>										
Administration Building										
Square Feet	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Transportation										
Square Feet	5,520	5,520	5,520	5,520	5,520	5,520	5,520	5,520	5,520	5,520

Number of Schools at June 30, 2023

Early Learning Center = 1

Elementary = 1

Middle School = 1

Other = 2

Source: District records

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions. Enrollment is based on the annual October district count.

COLTS NECK TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
UNAUDITED

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

School Facilities *			Cedar Drive		Conover Road		Administration		Conover Road	
<u>Project #(s)</u>		<u>Total</u>		<u>Middle School</u>		<u>Elementary School</u>		<u>Building</u>	<u>Primary School</u>	
2023	\$	534,140.48	\$	139,484.16	\$	139,695.35	\$	8,493.88	\$	246,467.09
2022		601,071.25		150,547.68		164,989.23		8,778.15		276,756.19
2021		549,924.01		140,275.14		154,169.85		7,294.20		248,184.82
2020		584,365.22		171,585.00		128,008.00		5,536.22		279,236.00
2019		533,660.43		139,541.27		136,933.02		27,245.18		229,940.96
2018		529,490.44		146,469.59		138,576.23		6,992.08		237,452.54
2017		499,736.63		139,911.29		138,392.04		3,087.71		218,345.59
2016		520,957.00		131,904.00		125,453.00		2,538.00		261,062.00
2015		449,070.00		124,768.00		121,526.00		3,108.00		199,668.00
2014		482,277.85		134,400.17		130,752.60		5,423.99		211,701.09

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

Source: District records

COLTS NECK TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2023
UNAUDITED

	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
Package Policy - School Alliance Insurance Fund (SAIF)		
Property:		
Blanket Buildings and Contents Limits	\$73,154,590	\$2,500
Comprehensive General Liability - Aggregate	5,000,000	
Comprehensive Automobile Liability	5,000,000	
Inland Marine - Computers	1,088,000	
Boiler Machinery	Policy Limit	
Excess Liability - SAIF	5,000,000	
School Board Legal Liability -	1,000,000	5,000
Directors and Officers Policy		
MOCSSIF/NJSBAIG		
Workers Compensation - MOCSSIF/NJSBAIG	2,000,000	
Group Accident - Volunteers	100,000	
Student Accident - All Students (except football)	1,000,000	
Public Employees Faithful Performance Blanket Bond - SAIF		
Employee Dishonesty	500,000	1,000
Vincent S. Marasco - Business Administrator	250,000	
John Antonides - Treasurer of School Monies	250,000	

Source: District Records
Insurance Agent/Policy

THIS PAGE INTENTIONALLY LEFT BLANK

SINGLE AUDIT SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

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

Honorable President and Members
of the Board of Education
Township of Colts Neck School District
County of Monmouth
Township of Colts Neck, New Jersey 07722

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities and each major fund of the Township of Colts Neck School District (the "District") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 5, 2023.

Internal Control Over Financial Reporting

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

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

SUPLEE, CLOONEY & COMPANY

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

Compliance and Other Matters

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

Purpose of This Report

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



CERTIFIED PUBLIC ACCOUNTANTS



PUBLIC SCHOOL ACCOUNTANT NO. 948

December 5, 2023



SUPLEE, CLOONEY & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL
AND STATE FINANCIAL ASSISTANCE PROGRAMS AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH THE UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

Honorable President and Members
of the Board of Education
Township of Colts Neck School District
County of Monmouth
Township of Colts Neck, New Jersey 07722

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Township of Colts Neck School District, County of Monmouth, State of New Jersey (the "District") compliance with the types of compliance requirements identified as subject to audit in the Federal *OMB Compliance Supplement* and the *New Jersey OMB State Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2023. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal and State Program

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; 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 the *New Jersey OMB State Grant Compliance Supplement*. Our responsibilities under those standards, the Uniform Guidance and the New Jersey OMB State Grant Compliance Supplement are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

SUPLEE, CLOONEY & COMPANY

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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 District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance and the New Jersey OMB State Grant Compliance Supplement will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal or state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance and New Jersey OMB State Grant Compliance Supplement, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the New Jersey OMB State Grant Compliance Supplement, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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.

SUPLEE, CLOONEY & COMPANY

Report on Internal Control Over Compliance

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

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 the New Jersey OMB State Grant Compliance Supplement. Accordingly, this report is not suitable for any other purpose.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 948

December 5, 2023

COLTS NECK TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023

FEDERAL AL NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	GRANT PERIOD FROM TO	AWARD AMOUNT	BALANCE AT JUNE 30, 2022	ADJ. ADJUSTED BALANCE AT JUNE 30, 2022	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED- THROUGH TO SUBRECIPIENTS	REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE JUNE 30, 2023 (ACCOUNTS RECEIVABLE)	UNEARNED REVENUE
84.041	N/A	09/01/2022 06/31/2023	\$848,667.00			\$848,667.00	(\$848,667.00)				
						848,667.00	(848,667.00)				
Special Revenue Fund											
NCLB											
84.010	S010A190030	07/01/2019 06/30/2020	81,650.00	1,282.60	1,282.60				1,282.60	(620.00)	
84.010	S010A200030	07/01/2022 06/30/2023	56,767.00			56,767.00	(56,767.00)				
84.010	S010A210030	07/01/2021 06/30/2022	66,720.00	(27,174.78)	(27,174.78)	27,174.78					
84.367	S367A200029	07/01/2022 06/30/2023	28,148.00			28,148.00	(28,148.00)				
84.367	S367A210029	07/01/2021 06/30/2022	26,177.00	(6,877.00)	(6,877.00)	8,877.00					
				(\$34,769.18)	(\$34,769.18)	\$120,346.78	(\$84,915.00)		\$1,282.60	(\$620.00)	
Total NCLB											
I.D.E.A. Part B Special Education Cluster											
84.027	H027A200100	07/01/2022 06/30/2023	222,071.00			211,559.00	(222,071.00)			(10,512.00)	
84.027	H027A210100	07/01/2021 06/30/2022	207,906.00	(39,926.00)	(39,926.00)	39,926.00					
84.027x	H027X210100	07/01/2021 06/30/2022	40,609.00	(40,609.00)	(40,609.00)	40,609.00				(1,154.00)	
84.173	H173A200114	07/01/2022 06/30/2023	11,534.00			10,380.00	(11,534.00)				
84.173x	H173X210114	07/01/2021 06/30/2022	3,467.00	(3,467.00)	(3,467.00)	3,467.00				(1,866.00)	
				(84,002.00)	(84,002.00)	305,941.00	(233,605.00)				
Total I.D.E.A. Part B Special Education Cluster											
Education Stabilization Fund											
84.425D	S425D210027	07/01/2020 06/30/2021	132,781.00			10,165.00	(10,165.00)				
84.425D	S425D210027	07/01/2020 06/30/2021	257,886.00	(3,000.40)	(3,000.40)	72,429.40	(80,737.24)			(11,308.24)	
84.425D	S425D210027	07/01/2021 06/30/2022	25,000.00			5,236.00	(14,200.76)			(8,964.76)	
84.425D	S425D210027	07/01/2021 06/30/2022	45,000.00	(12,340.00)	(12,340.00)	12,340.00				(108.00)	
84.425U	S425U210027	07/01/2021 06/30/2022	579,583.00	(6,240.00)	(6,240.00)	99,950.00	(238,190.33)			(145,480.33)	
84.425U	S425U210027	07/01/2021 06/30/2022	80,195.00	(6,796.45)	(6,367.03)	7,073.00	(10,964.00)			(10,964.00)	543.00
84.425U	S425U210027	07/01/2021 06/30/2022	40,000.00			31,904.00	(162.97)			(7,212.50)	
			45,000.00	(28,376.85)	(27,947.43)	238,097.40	(394,644.80)			(184,037.83)	543.00
				(147,148.03)	(153,540.36)	665,385.18	(713,164.80)		1,282.60	(196,323.83)	543.00
Total U.S. Department of Education											
U.S. Department of Treasury											
Passed-through State Department of Education:											
21.019	S377A130031	07/01/2020 06/30/2021	27,215.00	3,990.00	3,990.00			3,990.00			
				3,990.00	3,990.00			3,990.00			
COVID Relief											
Total Coronavirus Relief Fund Special Education Cluster											
				(143,158.03)	(149,550.36)	665,385.18	(713,164.80)		1,282.60	(196,323.83)	543.00
Total Special Revenue Fund											
				(\$143,158.03)	(\$149,550.36)	\$1,514,052.18	(\$1,551,831.80)		\$1,282.60	(\$196,323.83)	\$543.00
Total Federal Financial Assistance											

See accompanying notes to schedules of financial assistance.

COLTS NECK TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD		BALANCE JUNE 30, 2022	BUDGETARY EXPENDITURES	ADJUSTMENTS/ REPAYMENT OF PRIOR YEARS BALANCES	BALANCE JUNE 30, 2023		MEMO
			FROM	TO				(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE	
State Department of Education										
General Funds:										
State Aid - Public Cluster										
Categorical Special Education Aid	23-495-034-5120-089	\$1,036,386.00	07/01/2022	06/30/2023		\$936,794.30	\$99,591.70			\$1,036,386.00
Categorical Special Education Aid	22-495-034-5120-089	925,947.00	07/01/2021	06/30/2022		88,546.00	(88,546.00)			925,947.00
Categorical Security Aid	23-495-034-5120-084	89,090.00	07/01/2022	06/30/2023		80,181.00	8,909.00			89,090.00
Categorical Security Aid	22-495-034-5120-084	89,090.00	07/01/2021	06/30/2022		8,909.00	(8,909.00)			89,090.00
Total State Aid - Public Cluster						1,114,430.30	11,045.70			2,140,513.00
Categorical Transportation Aid	23-495-034-5120-078	486,041.00	07/01/2022	06/30/2023		437,436.90	48,604.10			486,041.00
Categorical Transportation Aid	22-495-034-5120-078	360,420.00	07/01/2021	06/30/2022		36,042.00	(36,042.00)			360,420.00
State Military Impact Aid	22-495-034-5120-114	1,024,303.00	07/01/2022	06/30/2023		921,872.80	102,430.20			1,024,303.00
State Military Impact Aid	22-495-034-5120-114	1,031,730.00	07/01/2021	06/30/2022		103,174.00	(103,174.00)			1,031,730.00
Extraordinary Aid	23-100-034-5120-473	671,518.00	07/01/2022	06/30/2023		728,770.00	(671,518.00)			671,518.00
Extraordinary Aid	22-100-034-5120-473	728,770.00	07/01/2021	06/30/2022		(\$728,770.00)				728,770.00
Non-Public Transportation Aid	23-495-034-5120-078	63,960.00	07/01/2022	06/30/2023			(63,960.00)			63,960.00
Non-Public Transportation Aid	22-495-034-5120-078	61,143.00	07/01/2021	06/30/2022		(61,143.00)				61,143.00
State Reimbursement Securing Our Schools (Alyssa)	22-588-034-5120-001	48,386.00	07/01/2021	06/30/2022		(48,386.00)				48,386.00
On-behalf TPAF non-contributory insurance	23-495-034-5094-004	58,710.00	07/01/2021	06/30/2022		58,710.00				58,710.00
On-behalf TPAF Pension	23-495-034-5094-002	4,231,726.00	07/01/2021	06/30/2022		4,231,726.00				4,231,726.00
On-behalf TPAF Post retirement medical	23-495-034-5094-001	1,127,087.00	07/01/2021	06/30/2022		1,127,087.00				1,127,087.00
On-behalf TPAF Long-Term Disability Insurance	23-495-034-5094-004	1,075.00	07/01/2021	06/30/2022		1,075.00				1,075.00
Reimbursed TPAF Social Security Contributions	23-495-034-5094-003	931,089.00	07/01/2022	06/30/2023		885,150.06	(831,089.00)			931,089.00
Total General Funds						9,755,003.06	22,864.00	(45,938.94)	(781,416.94)	12,966,471.00
Special Revenue Fund:										
SDA Emergent Needs	22-100-034-5120-519	20,717.00	07/01/2022	06/30/2023		22,662.00				20,717.00
Total Special Revenue Fund						22,662.00				20,717.00
Total State Financial Assistance						\$9,777,665.06	\$22,864.00	(\$781,416.94)		\$12,987,188.00
Less: On-Behalf amounts not utilized for determination of Major Programs:										
On-behalf TPAF non-contributory insurance	23-495-034-5094-004					(\$58,710.00)				
On-behalf TPAF Pension	23-495-034-5094-002					(4,231,726.00)				
On-behalf TPAF Long-Term Disability Insurance	23-495-034-5094-001					(1,127,087.00)				
On-behalf TPAF post retirement medical	23-495-034-5094-004					(1,075.00)				
Total State Financial Assistance Subject to Single Audit						\$4,359,067.06				

See accompanying notes to schedules o expenditures of federal awards and state financial assistance.

Township of Colts Neck School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2023

NOTE 1: GENERAL

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

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exceptions of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 of the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The General fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas GAAP basis does not.

Township of Colts Neck School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2023

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$22,864.00 for the general fund and \$23,606.38 for the Special Revenue Fund. See the notes to the required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Federal awards and state financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$848,667.00	\$9,698,121.00	\$10,546,788.00
Special Revenue Fund	689,558.42	22,662.00	712,220.42
	1,538,225.42	9,720,783.00	11,259,008.42
GAAP Adjustment			
State Aid		22,864.00	22,864.00
Encumbrances	23,606.38		23,606.38
Total Awards and Financial Assistance	<u>\$1,561,831.80</u>	<u>\$9,743,647.00</u>	<u>\$11,281,872.42</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: OTHER

Revenues and expenditures reported in the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF pension contributions, post-retirement medical benefits and long-term disability insurance represents the amount paid by the state on behalf of the district for the year ended June 30, 2023. TPAF Social Security contributions represent the amount reimbursed by the state for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2023.

Township of Colts Neck School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section I – Summary of Auditor’s Results

Financial Statements

- | | | |
|-----|--|------------|
| (1) | Type of Auditor’s Report Issued: | Unmodified |
| (2) | Internal Control Over Financial Reporting: | |
| | (a) Material weakness identified? | No |
| | (b) Significant deficiencies identified that are not considered to be material weaknesses? | No |
| (3) | Noncompliance material to basic financial statements noted? | No |

Federal Program(s)

- | | | |
|-----|---|------------|
| (1) | Internal Control Over Major Federal Programs: | |
| | (a) Material weakness identified? | No |
| | (b) Significant deficiencies identified that are not considered to be material weaknesses? | No |
| (2) | Type of Auditor’s Report issued on compliance for major federal program(s)? | Unmodified |
| (3) | Any audit findings disclosed that are required to be reported in accordance with section .516 (a) of Circular OMB Uniform Guidance? | No |
| (4) | Identification of Major Federal Program(s): | |

<u>Program</u>	<u>AL Number</u>
Education Stabilization Fund:	
CARES Act Addressing Student Learning Loss	84.425D
CRRSA ESSER II	84.425D
CRRSA - Learning Acceleration	84.425D
CRRSA - Mental Health	84.425D
ARP ESSER	84.425U
ARP Coach and Educator Support	84.425U
ARP Summer Learning	84.425U
ARP Beyond the School Day	84.425U
ARP Mental Health	84.425U

Township of Colts Neck School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section I – Summary of Auditor’s Results (Continued)

Federal Program(s) (Continued)

- (5) Program Threshold Determination:
 Type A Federal Program Threshold > \$750,000.00
 Type B Federal Program Threshold <= \$750,000.00
- (6) Auditee qualified as a low-risk auditee under the Uniform Guidance? Yes

State Program(s)

- (1) Internal Control Over Major State Programs:
- (a) Material weakness identified? No
- (b) Significant deficiencies identified that are not considered to be material weaknesses? No
- (2) Type of Auditor’s Report issued on compliance for major state program(s)? Unmodified
- (3) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08? No
- (4) Identification of Major State Program(s):
- State Aid Public Cluster:
- Categorical Special Education Aid 495-034-5120-089
- Categorical Security Aid 495-034-5120-089
- Categorical Transportation Aid 495-034-5120-078
- (5) Program Threshold Determination:
 Type A State Program Threshold > \$750,000.00
 Type B State Program Threshold <= \$750,000.00
- (6) Auditee qualified as a low-risk auditee under OMB Circular 15-08? Yes

Township of Colts Neck School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section II – Financial Statement Audit – Reported Findings Under Government Auditing Standards

Internal Control Findings

None Reported

Compliance Findings

None Reported

Section III – Findings and Questioned Costs Relative to Major Federal and State Programs

Federal Programs – None Reported

State Programs – None Reported

Township of Colts Neck School District

Schedule of Prior Year Audit Findings

Not Applicable

