

**SCHOOL DISTRICT
OF
TOWNSHIP OF COMMERCIAL**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

of the

Township of Commercial Board of Education

Port Norris, New Jersey

For the Fiscal Year Ended June 30, 2023

ANNUAL COMPREHENSIVE FINANCIAL REPORT

of the

**Township of Commercial Board of Education
Port Norris, New Jersey**

For the Fiscal Year Ended June 30, 2023

Prepared by

Commercial Township Board of Education

Finance Department

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OF THE COMMERCIAL TOWNSHIP SCHOOL DISTRICT
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INTRODUCTORY SECTION



COMMERCIAL TOWNSHIP SCHOOL DISTRICT

Jean Smith
Superintendent/Principal

John Lavell
Supervisor of CTS/Special Services

Darren Harris
Business Administrator

Kerri Zeleniak
Assistant Principal

November 27, 2023

Honorable President and
Members of the Board of Education
Commercial Township School District
Cumberland County, New Jersey

Dear Board Members:

The Annual Comprehensive Financial Report of the Commercial Township Public School District (District) or 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. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The annual comprehensive financial report is presented in four sections as follows:

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

The Commercial Township Public School District is an independent reporting entity within the criteria adopted by the Government Accounting Standards Board (GASB) as established by Statement No. 14. All funds of the District are included in this report. The Commercial Township Board of Education and its two schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 8. These include regular, as well as special education for handicapped youngsters. The District completed the 2022-23 fiscal year with a June enrollment of 465 students, which is 6 less than the previous year enrollment. The following details the changes in the student enrollment of the District over the last ten years.

June 30 Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2022-23	462	(1.28)%
2021-22	468	2.63%
2020-21	456	(9.47)%
2019-20	507	(6.28)%
2018-19	541	2.00%
2017-18	530	(5.00)%
2016-17	558	(2.45)%
2015-16	572	.88%
2014-15	567	(2.07)%
2013-14	579	(3.82)%

2. ECONOMIC CONDITION AND OUTLOOK:

Commercial Township continues to be an economically depressed area, which continues to experience limited growth residentially and industrially. It is safe to say that this pattern shall continue.

3. MAJOR INITIATIVES:

In 2017 the NJDOE identified the Commercial Township School as a school in need of comprehensive improvement. The NJDOE Office of Comprehensive Support has supported the District's work to create annual school plans that are intended to ameliorate programs, curriculum, and instruction. The District's annual school plans have consistently identified goals and targets to raise the achievement level of all students particularly in the critical areas of language arts literacy, mathematics, and social/emotional learning. On January 31, 2023, the District received notice from the NJDOE that effective June 30, 2023 the District will exit its status with the Office of Comprehensive Support. The collaborative work to turn the District's student achievement data around has resulted in a great growth success story for the District.

Curriculum - The District's 3 year relationship with NJPSA/FEA and its Connected Action Roadmap ended in August 2022. As a grant recipient, the District gained access to an exemplar framework for curricular development and resources to work through the process of revising curricula to align with the NJSLs through Professional Learning Community (PLC) groups. Though the relationship has ended, the work and process is sustained by the leadership team and the PLC groups.

3. MAJOR INITIATIVES (CONTINUED):

The District's PLC groups have successfully revised more than half of the District curricula. The work is on-going, and the focus for the 2022-23 school year is to add:

- essential questions
- modifications
- assessments
- interdisciplinary connections including career-ready practices and 21st century themes and skills

Instruction

- Wilson Foundations to teach phonics and decoding skills
- monitor ELA NJSLs progress
- use data to drive ELA instruction
- design tier one instruction using the Instructional Theory Into Practice framework
- use specific, mathematical language and leverage Word Walls
- use representations to teach mathematical concepts
- use number lines to teach mathematical concepts
- use word problems in tier one instruction
- use Primary Numeracy and Multiplicative Thinking for math intervention
- use the common language and 6+1 Writing Traits framework for teaching writing K-8
- use the CAR framework to revise curricula for writing standards
- develop standards-aligned formative assessments that require responses in prose format
- facilitate high-quality tier one instruction for all students
- provide student-centered, differentiated instruction around grade-level standards
- provide instruction in the least restrictive environment
- align Student Growth Objectives (SGO) to the NJSLs and require all teachers to incorporate a literacy-based SGO
- incorporate components of the Marzano Focused Model for effective instruction

Programs/Resources/Other Related Initiatives

- leverage schoolwide Positive Behavior Support PAWS program
- provide education for students about conflict resolution
- attend to wellness needs through use of Wellness Room
- utilize programs (Seeing Stars, OnCourse Benchmarking and PBSIS) to help close the achievement gap
- utilize OnCourse Benchmark Assessments and other district data to measure individual student growth as well as efficacy of programs
- continue to utilize all the components in Tools of the Mind curriculum for Preschool
- use the Early Childhood Environment Rating Scale (ECERS) to guide the Preschool program
- utilize Wilson-Foundations materials and strategies in grades PK-2

Child Study Team and Related Services - The District expanded its inclusion programs in order to serve students with special needs in the least restrictive environment. Three support teachers provide tier two instruction in language arts and math.

3. MAJOR INITIATIVES (CONTINUED):

Technology - Schoology is an all-in-one platform for students, parents, and staff to interact in a virtual environment. Through Schoology, teachers deliver class materials, assessments, feedback, grades, and other supports in one location. Students access learning materials/resources, submit assignments digitally, review feedback, monitor grades, participate in synchronous discussions, and receive other information and announcements. The District uses GoGuardian for filtering, monitoring, and keeping students scholarly while online.

Technology Device Upgrades - During the 21-22 school year, the District essentially became a 2:1 district for student Chromebook devices. The District issues Chromebooks to students in grades 1-8 to use at school for instruction. Students who qualified based on financial hardship were issued their own dedicated Chromebook device and hotspot to ensure reliable connectivity for use at home through two funding sources - Emergency Connectivity Funds and ESSER.

Marzano Focused Teacher Evaluation - Commercial Township School District uses the Marzano Focused Teacher Evaluation model. This revised model supports standards-based learning, research-based practices, effective strategies, common language, and taxonomy levels to drive instruction. District goals and professional development are linked to the evaluation model. Goals for the 2022-23 school year include closing the achievement gaps in language arts and math, infusing social and emotional learning that result in a resilient school community, and integrating technology meaningfully.

The Marzano Focused Teacher Evaluation Model is used to guide observers to identify areas of effective teaching as they observe individual staff in the classroom setting. Each teacher's practice is evaluated in the same manner and the teacher is provided feedback to enhance further teaching and learning.

Staff not subject to mSGP receive a summative score weighted as follows:

- 15% - Student Growth Objectives
- 85% - Teacher Practice

Staff subject to mSGP receive a summative score weighed as follows:

- 5 % - mSGP
- 70% - Teacher Practice
- 25 % - Student Growth Objectives

Transportation - The district provides its own transportation through its transportation department, leased buses, and a shared service coordinator for the 2022-23 school year. The drive shortage has impacted the District, but the District has been innovative to use special funding to pay for driver training as a way to recruit and retain drivers. The District leases buses to save on the cost for contracted routes and transportation for both field trips and all after school activities.

4. INTERNAL ACCOUNTING CONTROLS:

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

As a recipient of federal awards and state financial assistance, the District also is responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. Internal control 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 internal control, including that portion related to federal awards and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5. BUDGETARY CONTROLS:

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at 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. These funds are explained in "Notes to the Financial Statements," Note 2.

7. DEBT ADMINISTRATION:

At June 30, 2023, the School District had \$5,616,039 as outstanding debt. Of this amount, \$760,302 is for compensated absences and the balance of \$3,060,000 is for refunding bonds dated April 28, 2022. The District also reported a Net Pension Liability of \$1,747,350 in accordance with GASB #68 and Right-to-Use Liability of \$47,387.

At June 30, 2023, the School District's overall legal debt margin was \$7,802,925 and the unvoted debt margin was \$4,742,925, or 61% of the total amount permitted by statute.

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

9. RISK MANAGEMENT:

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

10. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nightlinger, Colavita and Volpa, Pa. was appointed by the Board. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Title 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and State of New Jersey Treasury Circular 15-08 OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. The auditor's report on the basic financial statements and combining and individual fund statements and schedules are included in the financial section of this report. The auditor's report related specifically to the single audit are included in the single audit section of this report.

11. ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Commercial Township School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the public school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff. We received the complete cooperation from Nightlinger, Colavita & Volpa, and P.A. and appreciate the courtesies extended to us.

Respectfully submitted,

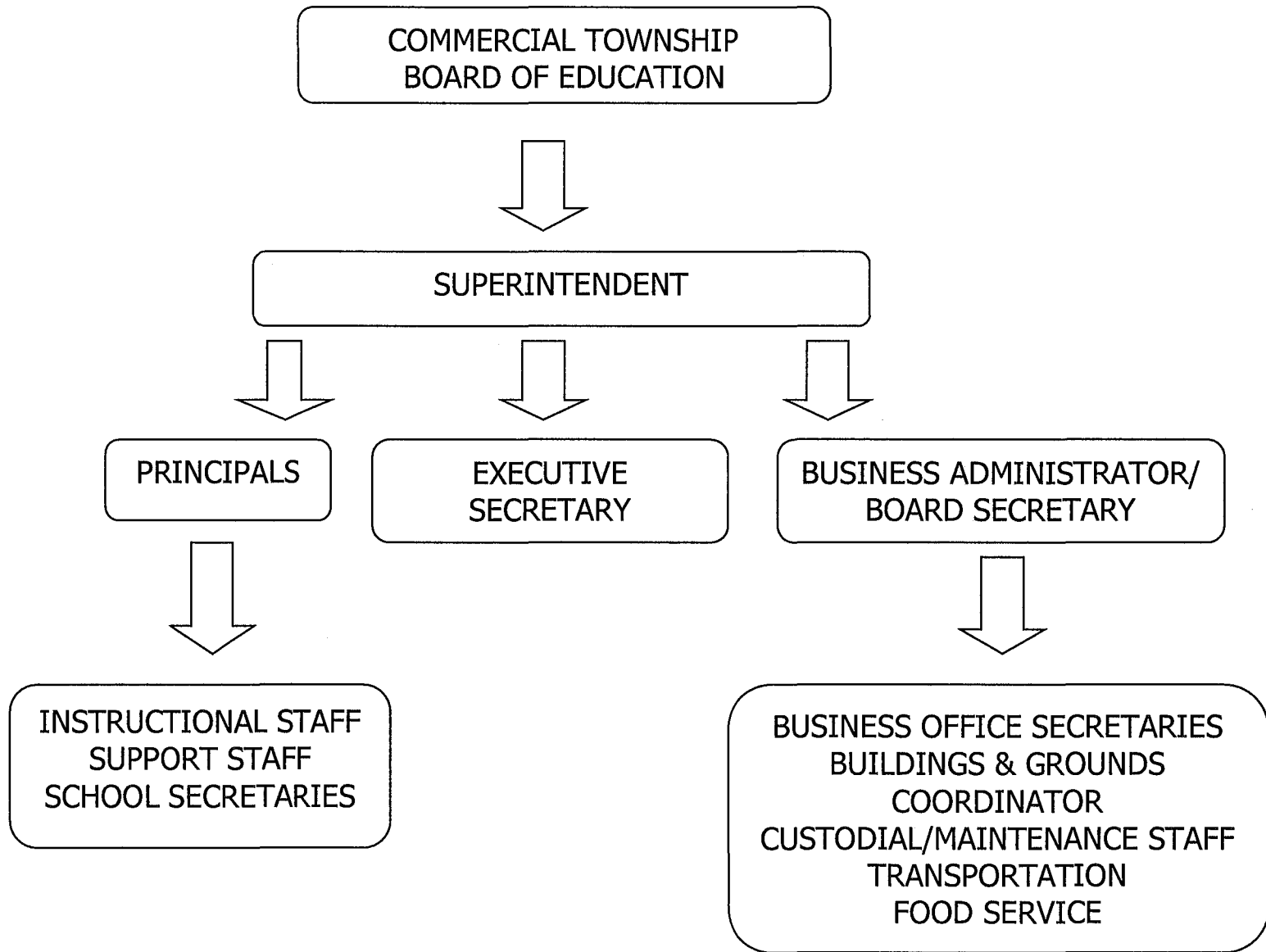
Jean Smith

Jean Smith, Superintendent/Principal

Darren Harris

Darren Harris, School Business Administrator/Board Secretary

COMMERCIAL TOWNSHIP PUBLIC SCHOOLS ORGANIZATION CHART



COMMERCIAL TOWNSHIP BOARD OF EDUCATION
PORT NORRIS, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2023

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Sharon Porter, President	2026
Stacy Wilson-Smith, Vice President	2026
Janet Campbell	2026
Tracy Richardson	2024
Carol Perrelli	2025
Karen Stormes-Rivera	2025
Jessica Driver	2025
LaRae Smith	2026
Heather Whitaker	2024
<u>OTHER OFFICIALS</u>	<u>Bond Amount</u>
Kristin Schell, Superintendent/Principal (through June 30, 2023)	
Jean Smith, Acting Superintendent	
Darren Harris, Board Secretary	\$ 100,000
Jonathan M. Busch, Solicitor	

TOWNSHIP OF COMMERCIAL BOARD OF EDUCATION
CONSULTANTS AND ADVISORS

ARCHITECT

Manders Merighi Portadin Farrell Architects, LLC
1138 East Chestnut Avenue
Vineland, New Jersey 08360

AUDIT FIRM

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Nightlinger, Colavita and Volpa, PA
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Williamstown, NJ 08094

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Branch Banking & Trust
4943 Landis Ave
Vineland, NJ 08360

INSURANCE AGENCY

The Hardenbergh Insurance Agency, Inc.
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FINANCIAL SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

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Williamstown, NJ 08094

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INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Commercial Township School District
County of Cumberland, New Jersey 08349

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Commercial Township School District in the County of Cumberland, State of New Jersey, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Board of Education of the Commercial Township School District in the County of Cumberland, State of New Jersey's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Commercial Township School District in the County of Cumberland, State of New Jersey, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Board of Education of the Commercial Township School District in the County of Cumberland, State of New Jersey, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2023 on our consideration of the Commercial Township School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commercial Township School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governments Auditing Standards* in considering Commercial Township School District's internal control over financial reporting and compliance.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



Raymond Colavita, C.P.A., R.M.A.
Licensed Public School Accountant
No. 915
November 27, 2023

REQUIRED SUPPLEMENTARY INFORMATION – PART I

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
COMMERCIAL TOWNSHIP

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

UNAUDITED

The discussion and analysis of Commercial Township Public School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2023 are as follows:

- ❖ General revenues accounted for \$12,434,902 in revenue or 77.4% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$3,631,842 or 22.6% of total revenues of \$16,066,744.
- ❖ Total Net Position of governmental activities was \$6,081,562.
- ❖ The School District had \$15,429,901 in program expenses. These expenses were offset by program specific charges for services, grants or contributions of \$3,631,842 mentioned above in arriving at the net governmental activity expenses of the district. General revenues comprising federal and state aid of \$10,067,324, property taxes of \$2,308,034 and other miscellaneous revenues and adjustments of \$59,544 were adequate to provide for the programs maintained by the school.
- ❖ The General Fund had \$13,376,906 in revenues, \$12,746,050 in expenditures and other financing use reductions of \$534,068. The General Fund's balance increased \$37,361 over 2023. This increase was anticipated by the Board of Education.

Using this Annual Comprehensive Financial Report (ACFR)

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

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

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School district as a whole looks at all financial transactions and asks the question, "How did we do financially during 2023?" The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- ❖ **Governmental Activities** – All of the School District's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities. There are two school buildings maintained by the District, which are the Port Norris Middle School and the Haleyville Elementary School.
- ❖ **Business – Type Activities** – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major (all) funds begins on page 25. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

Governmental Funds (Continued)

The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same. The Food Service fund is the only enterprise fund maintained by the district.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole, which includes the Business-type Activities. Table 1 provides a comparative summary of the School District's Net Position for the years ended in 2022 and 2023.

Table 1
Net Position

	<u>2023</u>	<u>2022</u>
Assets		
Current and Other Assets	\$ 7,873,887	\$ 7,619,652
Capital Assets, Net	7,384,362	5,643,175
	<u>15,258,249</u>	<u>13,262,827</u>
Deferred Outflows of Resources		
Deferred Pension Outflows	419,324	542,120
Liabilities		
Long-term Liabilities	5,616,039	5,519,027
Other Liabilities	3,074,417	1,475,390
	<u>8,690,456</u>	<u>6,994,417</u>
Deferred Inflows of Resources		
Deferred Pension Inflows	667,207	1,127,463
Net Position		
Invested in Capital Assets, Net of Debt	4,931,104	3,548,431
Restricted	4,164,309	5,335,582
Unrestricted (Deficit)	(2,775,503)	(3,200,946)
	<u>\$ 6,319,910</u>	<u>\$ 5,683,067</u>

Table 2 shows the changes in Net Position from fiscal year's 2023 and 2022.

Table 2
Changes in Net Position

	2023	2022
Revenues		
Programs Revenues		
Charges for Services	\$ 40,002	\$ 43,475
Operating Grants and Contributions	3,591,840	2,801,770
General Revenues		
Property Taxes	2,308,034	2,272,908
Grants and Entitlements	10,067,324	11,179,832
Other	59,544	33,245
	\$ 16,066,744	\$ 16,331,230
Program Expenses		
Instruction	\$ 4,233,614	\$ 3,986,735
Support Services		
Tuition	3,242,440	3,202,622
Pupils and Instructional Staff	1,342,906	1,242,715
General Administration, School		
Administration, Business	786,159	786,309
Operations and Maintenance of Facilities	1,007,017	(132,889)
Pupil Transportation	1,111,297	956,821
Employee Benefits	2,581,929	3,203,766
Interest on Debt	96,231	26,622
Enterprise Funds	487,613	401,088
Other	540,695	377,952
	\$ 15,429,901	\$ 14,051,741
Increase/(Decrease) in Net Position	\$ 636,843	\$ 2,279,489

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Of the District's \$12,434,734 in total governmental revenues for the fiscal year ended June 30, 2023, property taxes made up 18.6% of the revenues raised for governmental activities. Federal, state and local grants accounted for another 81% and other revenues made up .4%. The total cost of all programs and services was \$15,429,901, of which the amount spent on governmental activities was \$11,844,782 and of this amount, Instruction comprised 20.2%.

Governmental Activities (Continued)

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

Table 3

	<u>Total Cost of Services 2023</u>	<u>Net Cost of Services 2023</u>	<u>Total Cost of Services 2022</u>	<u>Net Cost of Services 2022</u>
Instruction	\$ 4,233,614	\$ 2,391,767	\$ 3,986,735	\$ 2,896,101
Support Services				
Tuition	3,242,440	3,242,440	3,202,622	3,202,622
Pupils and Instructional Staff	1,342,906	1,042,186	1,242,715	751,967
General Administration, School				
Administration, Business	786,159	786,159	786,309	786,309
Operation and Maintenance of Facilities	1,007,017	1,007,017	(132,889)	(132,889)
Pupil Transportation	1,111,297	1,111,297	956,821	956,821
Employee Benefits	2,581,929	1,626,990	3,203,766	2,419,119
Interest and Fiscal Charges	96,231	96,231	26,622	26,622
Other	540,695	540,695	377,952	377,952
Total Expenses	<u>\$ 14,942,288</u>	<u>\$ 11,844,782</u>	<u>\$ 13,650,653</u>	<u>\$ 11,284,624</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

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

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

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

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

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District. Other includes unallocated depreciation and amortization.

Business-Type Activities

Revenues for the District's business-type activities (food service program and extended day program) were comprised of charges for services and federal and state reimbursements.

- ❖ Food service revenues exceeded expenses by \$46,723.
- ❖ The General Fund did not subsidize the food service operation in 2022-2023.
- ❖ Charges for services in the food service fund were \$27,220 of revenue. This represents amount paid by patrons for daily food services or 5.1% of the revenue in the food service fund. There were no service charges in the Extended Day program for the year.
- ❖ Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities were \$507,116, which represents 94.9% of the revenue.

The School District's Funds

Information about the School District's major funds starts on page 24. These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., general fund, special revenue fund, capital projects and debt service fund presented in the fund-based statements) had total revenues of \$16,110,053 and expenditures of \$17,444,385. The net negative change in fund balance for the year was \$1,396,131, there were no prior period adjustment relating to GASB #84. The School District was able to meet current operating costs during the current fiscal year.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds (including capital projects fund expenditures) for the fiscal year ended June 30, 2023, and the amount and percentage of increases and decreases in relation to prior year revenues.

Table 4

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2022</u>	<u>Percent Increase (Decrease)</u>
Local Sources	\$ 2,428,916	15.1%	\$ 119,029	5.2%
State Sources	11,654,262	72.3%	(235,671)	-2.0%
Federal Sources	2,026,875	12.6%	403,072	24.8%
Total	\$ 16,110,053	100.0%	\$ 286,430	1.8%

The School District's Funds (Continued)

The increase in Local Sources is attributed to increases in local tax levy of \$35,126, interest revenue of \$12,270, miscellaneous revenue of \$72,358, offset by a decrease in tuition of \$725.

The net decrease in State Sources is attributed to various general fund state aid and various other grants.

The increase in Federal Sources is attributed to net increases in various grant awards totaling \$403,072.

The following schedule presents a summary of general fund, special revenue fund, capital projects fund and debt service fund expenditures for the fiscal year ended June 30, 2023.

Table 5

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2022</u>	<u>Percent Increase (Decrease)</u>
Current:				
Instruction	\$ 4,233,614	24.3%	\$ 246,879	6.2%
Undistributed Expenditures	10,879,662	62.3%	462,597	4.4%
Capital Outlay	2,242,545	12.9%	777,214	53.0%
Debt Service:				
Principal		0.0%	(230,000)	-100.0%
Interest	88,564	0.5%	83,389	1611.4%
Total	<u>\$ 17,444,385</u>	<u>100.0%</u>	<u>\$ 1,340,079</u>	<u>8.3%</u>

The increase in Current – Instruction is attributed to increases in regular instruction of \$518,248, and other instruction of \$5,379, offset by decreases in Special education instruction of \$139,306 and other special education instruction of \$137,442.

The increase in Current – Undistributed Expenditures is attributed to increases in various line items totaling \$462,597.

The increase in capital outlay is attributed to increases in capital projects and construction service costs of \$777,214.

The decrease in debt service is attributed to increased interest of \$83,389 offset by decrease of \$230,000 in outstanding debt obligations.

General Fund Budgeting Highlights

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

During the course of the fiscal year 2023, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

Some of the normal budgetary situations requiring attention during the year are:

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

While the District’s final budget for the general fund anticipated that revenues, including surplus appropriated, would roughly equal expenditures, the actual results for the year show an actual increase in fund balance of \$37,361.

- ❖ Actual revenues were \$254,631 more than expected, excluding On-Behalf pension and social security state aid of \$1,846,523, due primarily to miscellaneous revenue.
- ❖ The actual expenditures were \$1,133,210 less than expected, which excluded the effects of state On-Behalf pension and social security aid of \$1,846,523, partially offset by favorable variances in various budget appropriations.

Capital Assets

At the end of the fiscal year 2023, the School District had \$5,830,489 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2022 balances compared to 2023.

	<u>2023</u>	<u>2022</u>
Land	\$ 14,877	\$ 14,877
Land Improvements	1,724,051	769,795
Building and Improvements	4,574,759	4,166,908
Equipment	1,028,619	690,045
Right-to-Use Lease Assets	42,056	1,550
Totals	<u>\$ 7,384,362</u>	<u>\$ 5,643,175</u>

Overall capital assets increased \$1,741,187 from fiscal year 2022 to fiscal year 2023. Increases in capital assets of \$2,285,060 were offset by depreciation expense of \$543,580 and an adjustment of \$293.

Debt Administration

At June 30, 2023, the School District had \$5,616,039 as outstanding debt. Of this amount, \$760,302 is for compensated absences and the balance of \$3,060,000 is for refunding bonds dated April 28, 2022. The District also reported a Net Pension Liability of \$1,747,350 in accordance with GASB #68 and Right-to-Use Liability of \$48,387.

At June 30, 2023, the School District's overall legal debt margin was \$7,802,925 and the unvoted debt margin was \$4,742,925, or 61% of the total amount permitted by statute.

For the Future

Commercial Township School District's future is positive and bright. Over the past three years, the Commercial Township School District has identified multiple students out of district in special education programs that may benefit from the provision of programming within their resident schools. With the cost savings from decreased tuition expenditures and special transportation services, we are able to meet the needs of our most exceptional children in a less restrictive environment. These programs not only meet the needs of our students, but offer a cost effective option for special education placements to other local school districts, while serving as a revenue source for Commercial Township Schools.

During the budget process, it was a concern to the Administration and Board of Education how future budgets would be financed. Therefore, the Board of Education and Administration are constantly looking at ways to decrease spending while continuing to provide the best possible education for our students. With a declining enrollment the District closed the Port Norris Middle School and opened the Commercial Township School (formerly Haleyville-Mauricetown Elementary School) as a Pre-k through 8 facility. The consolidation of the schools has led to some significant financial savings and these savings were used to address some facilities projects at the Commercial Township School.

Commercial Township is primarily a residential community, with very few ratables and the burden is, therefore, focused on homeowners to absorb the cost through higher taxes. With a free and reduced population of 75%, our students need to be afforded the same opportunities as their peers throughout the state.

In conclusion, the Commercial Township School District has committed itself to responsible fiscal management and plans to continue to meet the challenges of the future. In addition, the School District's system for financial planning, budgeting, and internal financial controls are maintained in accordance with state statutes.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Darren Harris, Business Administrator at Commercial Township Board of Education, Port Norris, N.J.

BASIC FINANCIAL STATEMENTS

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.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental		Business-type		Total
	Activities		Activities		Total
	<hr/>		<hr/>		<hr/>
ASSETS					
Cash and Cash Equivalents	\$ 3,529,616	\$	105,169	\$	3,634,785
Receivables, Net	2,616,318		115,771		2,732,089
Inventory			9,559		9,559
Restricted Cash and Cash Equivalents	1,497,454				1,497,454
Capital Assets, Net (Note 5):	7,366,955		17,407		7,384,362
	<hr/>		<hr/>		<hr/>
Total Assets	15,010,343		247,906		15,258,249
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Pension Outflows	419,324				419,324
	<hr/>		<hr/>		<hr/>
LIABILITIES					
Accounts Payable	754,981		5,549		760,530
Accrued Interest	14,927				14,927
Unearned Revenue	2,294,951		4,009		2,298,960
Non-current Liabilities (Note 6):					
Due Within One Year	230,371				230,371
Due Beyond One Year	5,385,668				5,385,668
	<hr/>		<hr/>		<hr/>
Total Liabilities	8,680,898		9,558		8,690,456
DEFERRED INFLOWS OF RESOURCES					
Deferred Pension Inflows	667,207				667,207
	<hr/>		<hr/>		<hr/>
NET POSITION					
Invested in Capital Assets, Net of Related Debt	4,913,697		17,407		4,931,104
Restricted for:					
Unemployment Compensation	126,627				126,627
Scholarships	26,276				26,276
Student Activities	13,855				13,855
Capital Projects	178,510				178,510
Other Purposes	3,819,041				3,819,041
Unrestricted (Deficit)	(2,996,444)		220,941		(2,775,503)
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Total Net Position	\$ 6,081,562	\$	238,348	\$	6,319,910
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The accompanying Notes to Financial Statements are an integral part of this statement.

**COMMERCIAL TOWNSHIP BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 3,629,615	\$	\$ 1,841,847	\$ (1,787,768)	\$	\$ (1,787,768)
Special Education	566,499			(566,499)		(566,499)
Other Special Instruction	25,141			(25,141)		(25,141)
Other Instruction	12,359			(12,359)		(12,359)
Support Services:						
Tuition	3,242,440			(3,242,440)		(3,242,440)
Student & Instruction Related Services	1,342,906	12,782	287,938	(1,042,186)		(1,042,186)
General and Business Administrative Services	356,683			(356,683)		(356,683)
School Administrative Services	178,722			(178,722)		(178,722)
Central Services	150,320			(150,320)		(150,320)
Admin Info Tech	100,434			(100,434)		(100,434)
Plant Operations and Maintenance	1,007,017			(1,007,017)		(1,007,017)
Pupil Transportation	1,111,297			(1,111,297)		(1,111,297)
Employee Benefits	2,581,929		954,939	(1,626,990)		(1,626,990)
Interest on Long-term Debt	96,231			(96,231)		(96,231)
Unallocated Depreciation	540,695			(540,695)		(540,695)
Total Governmental Activities	14,942,288	12,782	3,084,724	(11,844,782)		(11,844,782)
Business-type Activities:						
Food Service	487,613	27,220	507,116		46,723	46,723
Extended Day						
Total Business-type Activities	487,613	27,220	507,116		46,723	46,723
Total Primary Government	\$15,429,901	\$ 40,002	\$ 3,591,840	\$ (11,844,782)	\$ 46,723	\$ (11,798,059)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				\$ 2,219,470	\$	\$ 2,219,470
Taxes Levied for Debt Service				88,564		88,564
Federal, State and Local Aid not Restricted				10,067,324		10,067,324
Tuition from Other LEA'S Within the State and Individuals				200		200
Investment Earnings				15,583	168	15,751
Transfer to Charter Schools				(61,799)		(61,799)
Miscellaneous Income				105,099		105,099
Special Items:						
Fixed Asset Adjustment				293		293
Total General Revenues, Special Items, Extraordinary Items and Transfers				12,434,734	168	12,434,902
Change in Net Position				589,952	46,891	636,843
Net Position—Beginning				5,491,610	191,457	5,683,067
Net Position—Ending				\$ 6,081,562	\$ 238,348	\$ 6,319,910

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

FUND FINANCIAL STATEMENTS

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

GOVERNMENTAL FUNDS

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 2,260,953	\$ 35,656	\$ 1,299,040	\$	\$ 3,595,649
Restricted Cash and Cash Equivalents	1,370,827				1,370,827
Due from Other Funds	84,179				84,179
State Aid Receivable	233,588				233,588
Federal Aid Receivable		2,382,730			2,382,730
Total Assets	\$ 3,949,547	\$2,418,386	\$ 1,299,040	\$	\$ 7,666,973
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 301,044	\$ 230,140	\$	\$	\$ 531,184
Payroll Deductions Payable	223,797				223,797
Due to Other Funds			84,179		84,179
Unearned Revenue		2,234,357			2,234,357
Total Liabilities	524,841	2,464,497	84,179		3,073,517
Fund Balances:					
Restricted For:					
Excess Surplus	1,234,859				1,234,859
Excess Surplus - Designated for Subsequent Year's Expenditures	832,133				832,133
Unemployment Compensation	126,627				126,627
Scholarships		26,276			26,276
Student Activity		13,855			13,855
Capital Reserve	655,129				655,129
Maintenance Reserve	674,299				674,299
Emergency Reserve	41,399				41,399
Assigned:					
Year-end Encumbrances	6,828				6,828
Designated for Subsequent Year's Expenditure	224,787				224,787
Committed to Encumbrances			1,036,351		1,036,351
Unassigned, Reported in:					
General Fund (Deficit)	(371,355)				(371,355)
Special Revenue Fund (Deficit)		(86,242)			(86,242)
Capital Projects Fund			178,510		178,510
Total Fund Balances (Deficit)	3,424,706	(46,111)	1,214,861		4,593,456
Total Liabilities and Fund Balances	\$ 3,949,547	\$2,418,386	\$ 1,299,040	\$	

Amounts reported for *governmental activities* in the Statement of Net Position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$15,861,628 and the accumulated depreciation is \$8,494,673 (See Note 5)	7,366,955
Long Term Net Pension Liability	(1,747,350)
Deferred Pension Outflows	419,324
Deferred Pension Inflows	(667,207)
Long-term liabilities, representing accrued interest, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(14,927)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 6).	(3,868,689)
Net Position of Governmental Activities	\$ 6,081,562

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

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	\$ 2,219,470	\$	\$	\$ 88,564	\$ 2,308,034
Tuition from Other LEA'S Within the State	200				200
Interest Earned on Investments	9,989		5,594		15,583
Miscellaneous Local Sources	92,957	12,142			105,099
Total - Local Sources	2,322,616	12,142	5,594	88,564	2,428,916
State Sources	11,037,288	616,974			11,654,262
Federal Sources	17,002	2,009,873			2,026,875
Total Revenues	13,376,906	2,638,989	5,594	88,564	16,110,053
EXPENDITURES					
Current:					
Regular Instruction	1,787,768	1,841,847			3,629,615
Special Education Instruction	566,499				566,499
Other Special Instruction	25,141				25,141
Other Instruction	12,359				12,359
Support Services:					
Tuition	3,242,440				3,242,440
Student & Instruction Related Services	1,080,015	287,938			1,367,953
General Administrative Services	356,683				356,683
School Administrative Services	178,722				178,722
Central Services	150,320				150,320
Admin Info Tech	100,434				100,434
Plant Operations and Maintenance	1,007,017				1,007,017
Pupil Transportation	1,111,297				1,111,297
Employee Benefits	3,010,984	353,812			3,364,796
Debt Service:					
Interest and Other Charges				88,564	88,564
Principal					
Capital Outlay	116,371	339,045	1,787,129		2,242,545
Total Expenditures	12,746,050	2,822,642	1,787,129	88,564	17,444,385
Excess (Deficiency) of Revenues over Expenditures	630,856	(183,653)	(1,781,535)		(1,334,332)
OTHER FINANCING SOURCES (USES)					
Transfers of Capital Project Interest	5,594		(5,594)		
Transfer to Capital Projects Fund	(345,183)		345,183		
Transfer to Charter Schools	(61,799)				(61,799)
Transfer to Preschool Program	(132,680)	132,680			
Total Other Financing Sources and Uses	(534,068)	132,680	339,589		(61,799)
Net Change in Fund Balances	96,788	(50,973)	(1,441,946)		(1,396,131)
Fund Balance - July 1	3,327,918	4,862	2,656,807		5,989,587
Fund Balance - June 30 (Deficit)	\$ 3,424,706	\$ (46,111)	\$ 1,214,861	\$	\$ 4,593,456

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

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ (1,396,131)

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	\$ (540,695)	
Capital outlays	2,233,275	
Fixed Asset Adjustment	293	
		1,692,873

In the statement of activities, interest on long-term debt is accrued regardless of when it is due.

In the governmental funds, interest is reported when due. 1,603

Repayment of right-to-use lease 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. 37,829

Pension Contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period. 234,378

In the statement of activities, certain operating expenses, e.g. compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). 19,400

Change in Net Position of Governmental Activities (A-2) \$ 589,952

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

PROPRIETARY FUNDS

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	Business-type Activities - Enterprise Funds			Shared Services Fund
	Food Service	Extended Day	Totals	
ASSETS				
Current Assets:				
Cash	\$ 39,147	\$ 66,022	\$ 105,169	\$ 60,594
Accounts Receivable	115,771		115,771	
Inventories	9,559		9,559	
Total Current Assets	<u>164,477</u>	<u>66,022</u>	<u>230,499</u>	<u>60,594</u>
Fixed Assets:				
Equipment	193,795		193,795	
Accumulated Depreciation	(176,388)		(176,388)	
Total Fixed Assets	<u>17,407</u>		<u>17,407</u>	
Total Assets	<u>181,884</u>	<u>66,022</u>	<u>247,906</u>	<u>60,594</u>
LIABILITIES:				
Current Liabilities:				
Due to General Accounts Payable	5,549		5,549	
Unearned Revenue	4,009		4,009	35,315
Total Current Liabilities	<u>9,558</u>		<u>9,558</u>	<u>35,315</u>
NET POSITION				
Invested in Capital Assets Net of Related Debt Unrestricted	17,407		17,407	
	154,919	66,022	220,941	
Total Net Position	<u>\$ 172,326</u>	<u>\$ 66,022</u>	<u>\$ 238,348</u>	<u>\$</u>

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

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Business-type Activities - Enterprise Fund			Shared Services Fund
	Food Service	Extended Day	Total Enterprise	
Operating Revenues:				
Charges for Services:				
Daily Sales - Reimbursable Programs	\$	\$	\$	\$
Daily Sales - Non-reimbursable Programs	27,220		27,220	
Child Study Fees				35,479
Total Operating Revenue:	27,220		27,220	35,479
Operating Expenses:				
Salaries	4,157		4,157	12,782
Supplies and Materials	29,448		29,448	
Depreciation	2,885		2,885	
Cost of Sales - Reimbursable Programs	420,457		420,457	
Repairs and Other Expenses	30,666		30,666	
Total Operating Expenses	487,613		487,613	12,782
Operating Income (Loss)	(460,393)		(460,393)	22,697
Non-operating Revenues (Expenses):				
State Sources:				
State School Breakfast Program	5,963		5,963	
State School Lunch Program	4,307		4,307	
Federal Sources:				
National School Breakfast Program	146,103		146,103	
National School Lunch Program	254,095		254,095	
Supply Chain Assistance Funding	21,681		21,681	
P-EBT Administrative Cost Reimbursement	653		653	
Food Distribution Program	48,369		48,369	
Fruit and Vegetable Grant	25,945		25,945	
Interest		168	168	
Total Non-operating Revenues (Expenses)	507,116	168	507,284	
Income (Loss) before Contributions & Transfers	46,723	168	46,891	22,697
Transfer to Unearned Revenue				(22,697)
Change in Net Position	46,723	168	46,891	
Total Net Position—Beginning	125,603	65,854	191,457	
Total Net Position—Ending	\$ 172,326	\$ 66,022	\$ 238,348	\$

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

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Business-type Activities			Shared Services Fund
	Enterprise Funds			
	Food Service	Extended Day	Total Enterprise	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	\$ 27,220		\$ 27,220	\$ 58,176
Payments to Employees	(4,157)		(4,157)	(12,782)
Payments for Employee Benefits				
Payments to Suppliers	(520,607)		(520,607)	
Net Cash Provided by (used for) Operating Activities	(497,544)		(497,544)	45,394
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
State Sources	10,270		10,270	
Federal Sources	496,846		496,846	
Operating Subsidies and Transfers to Other Funds				(22,697)
Net Cash Provided by (used for) Non-capital Financing Activities	507,116		507,116	(22,697)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of Capital Assets				
Net Cash Provided by (used for) Capital and Related Financing Activities				
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and Dividends		168	168	
Net Cash Provided by (used for) Investing Activities		168	168	
Net Increase (Decrease) in Cash and Cash Equivalents	9,572	168	9,740	22,697
Balances—Beginning of Year	29,575	65,854	95,429	37,897
Balances—End of Year	\$ 39,147	\$ 66,022	\$ 105,169	\$ 60,594
Reconciliation of Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:				
Operating Income (Loss)	\$ (460,393)		\$ (460,393)	\$ 22,697
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities				
Depreciation and Net Amortization	2,885		2,885	
(Increase) Decrease in Accounts Receivable, Net	4,593		4,593	
(Increase) Decrease in Inventories	2,033		2,033	
Increase (Decrease) in Accounts Payable	5,549		5,549	
Increase (Decrease) in Due to General				
Increase (Decrease) in Unearned Revenue				22,697
Total Adjustments	(37,151)		(37,151)	22,697
Net Cash Provided by (used for) Operating Activities	\$ (497,544)		\$ (497,544)	\$ 45,394

Noncash Investing, Capital, and Financing Activities:

During the year, the District received \$30,570 of food commodities from the U.S. Department of Agriculture.

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

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Commercial Township School District (District) is organized under the Constitution of the State of New Jersey. The District operates under a locally elected Board form of government consisting of nine members elected to three-year terms, which are staggered. The District provides educational services as authorized by state and federal guidelines.

The District serves an area of thirty-four square miles. It is located in Cumberland County and provides education for all of Commercial Township's grades K through 8. The District currently operates two instructional buildings and an administrative building. The Commercial Township School District had an approximate enrollment at June 30, 2023 of 465 students.

A. Reporting Entity:

The Commercial Township School District is a Type II district as provided by statute of the State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades K-8.

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

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

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

New Accounting Standards:

Accounting standards that the School District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB Statement No. 99 - *Omnibus 2022*: The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Management is evaluating the potential impact of the adoption of GASB 99 on the School District's financial statements.
- GASB Statement No. 100 - *Accounting Changes and Error Corrections, an amendment of GASB Statement No. 62*: The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Management is evaluating the potential impact of the adoption of GASB 100 on the School District's financial statements.
- GASB Statement No. 101 - *Compensated Absences*: The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Management is evaluating the potential impact of the adoption of GASB 101 on the School District's financial statements.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

A. Basis of Presentation:

The District's financial reporting consist of a Management's Discussion and Analysis (MD&A) providing an analysis of the District's over-all financial position and results of operations, as well as Basic financial statements prepared using full-accrual accounting for all of the District's activities.

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

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

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

Fund Financial Statements: During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* – are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey Districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among District financial reporting. The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available.

B. Fund Accounting:

The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

GOVERNMENTAL FUND TYPE

The focus of governmental fund measurement is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income. The District reports the following major governmental funds:

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

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

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

As a result of implementing GASB Statement No. 84, Fiduciary Activities, amounts maintained for unemployment claims and payroll withholdings for employee salary deductions are included in the general fund. Amounts maintained for unemployment claims are used to account for the portion of employee deductions for unemployment compensation required to be deposited and accumulated for future unemployment claims under the Benefit Reimbursement Method.

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

As a result of implementing GASB Statement No. 84, Fiduciary Activities, amounts maintained for student activities and private purpose scholarships are included in the special revenue fund. The amounts are considered to be restricted and available to use for specific expenditures. Amounts maintained for student activities are derived from athletic events or other activities of pupil organizations and accumulated for payment of student group.

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

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 bonds issued to finance major property acquisition, construction and improvement programs.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

B. Fund Accounting (Continued):

PROPRIETARY FUND TYPE

The focus of Proprietary Fund measurement is on determination of net income, financial position and cash flows. The applicable generally accepted accounting principles are similar to businesses in the private sector. The following is a description of the Proprietary Funds of the District:

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

The District's Enterprise Funds are comprised of the Food Service Fund and Extended Day Fund.

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

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

Food Service Fund Equipment 7 – 20 Years

Internal Service Fund - The Commercial Township School District maintains an Internal Service Fund, whereby Child Study Team services would be provided on a cost-reimbursement basis.

FIDUCIARY FUND TYPE

Fiduciary Funds include Expendable Trust, Nonexpendable Trust and Agency Funds. The measurement focus of the Expendable Trust Funds is the same as for governmental funds. The measurement focus of the Nonexpendable Trust Funds is similar to Proprietary Funds. Agency Funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. The following is a description of the Fiduciary Funds of the School District:

Expendable Trust Fund - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. Expendable Trust Funds include Unemployment Compensation Insurance and a scholarship fund.

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

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

D. Budgets/Budgetary Control: Continued

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

A reconciliation of the special revenue funds from the budgetary basis of accounting (as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds) to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types is shown on Exhibit C-2.

E. Encumbrance Accounting:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as reservations of fund balances at fiscal yearend 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.

F. Tuition Receivable:

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

G. Tuition Payable:

Tuition charges for the fiscal years 2022-2023, 2021-2022 and 2020-2021 were based on rates established by the receiving District. These rates are subject to change when the actual costs have been determined.

H. Basis of Accounting and Measurement Focus:

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

On District-wide financial statements and in the Enterprise Fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2023.

I. Short -Term Interfund Receivables/Payables:

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

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

J. Lease Acquisition Costs:

As part of any long-term lease agreement, providing for the use of school buildings, payments constituting professional lease acquisition and other related professional fees will be expensed when incurred in accordance with GASB Statement No. 65. There were no such leases for the year ended June 30, 2023.

K. Assets, Liabilities and Equity:

Transactions

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

Inventories

On District-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method and is expensed when used. This includes \$3,354 in federal commodities on hand at June 30, 2023. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2023.

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

Food	\$	6,678
Supplies		2,881
		<hr/>
Total	\$	9,559
		<hr/> <hr/>

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1986, as revised) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

Capital Assets – The District is establishing a formal system of accounting for its capital assets. Capital assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. Capital assets acquired or constructed prior to June 30, 2003 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Capital assets are reflected as expenditures in the applicable governmental funds. The cost of normal repairs and maintenance 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 financial statements using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Building	40-50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office and Computer Equipment	5-10
Instructional Equipment	10

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

L. Compensated Absences:

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits.

Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the General Long-Term Debt.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

M. Unearned Revenue:

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

N. Operating Revenues and Expenses:

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

O. 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 not 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 that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities.

Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

P. Extraordinary and Special Items:

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

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

Q. Fund Equity:

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

R. Comparative Data/Reclassifications:

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

S. Management Estimates:

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

T. Accrued Liabilities and Long-term Obligations:

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

U. Fund Balance Reserves:

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

V. Net Position:

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

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

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

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

V. Net Position: Continued

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

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

W. Fund balances - Governmental Funds

In the fund financial statements, governmental funds report the following classifications of fund balance:

- Non-spendable - 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.
- 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.

Unassigned - includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the general fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

When an expenditure is incurred for purposes which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When 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.

X. Revenues – Exchange and Non-exchange Transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available.

Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

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

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

X. Revenues – Exchange and Non-exchange Transactions: Continued

Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or for the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal yearend: property taxes available as an advance, interest, and tuition.

Y. Tax assessments and property taxes:

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners.

Upon the filing of certified adopted budgets by the municipality, the municipality's local school districts, and the County, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are mailed annually in June. The taxes are due August 1 and November 1 respectively, and are adjusted to reflect the current fiscal year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding fiscal year are based upon one-half of the current year's total tax.

School taxes are guaranteed, as to amount of collection, by the municipality (the collection agency) and are transmitted to the school district in accordance with the Schedule of Tax Installments as certified by the school district's Board of Education on an annual basis.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value. New Jersey School Districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey School District's.

Investments are stated at cost, or amortized cost, which approximates market. The amortized cost method involves valuing a security at its cost on the date of purchase and thereafter assuming a constant amortization to maturity for any discount or premium. The Board classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB Statement No. 3 requires the disclosure of the level of custodial credit risk assumed by the Board in its cash, cash equivalents and investments.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

Deposits:

New Jersey statutes require that School Districts deposit public funds in public depositories located in New Jersey, which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School Districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments:

New Jersey statutes (N.J.S.A. 18A:20-37) permits the Board to purchase the following types of securities:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives, which have a maturity date no greater than twelve months from the date of purchase.
- c. Bonds of other obligations of the School District.

As of June 30, 2023, cash and cash equivalents in the fund financial statements of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>	
Checking Accounts	\$ 5,117,750	
Certificates of Deposit	<u>14,489</u>	
Total	<u>\$ 5,132,239</u>	
Unrestricted cash		
Governmental funds, Balance Sheet	B-1	\$ 3,595,649
Enterprise funds, Statement of Net Position	B-4	105,169
Internal service funds, Statement of Net Position	B-4	60,594
Restricted cash		
Governmental funds, Balance Sheet	B-1	<u>1,370,827</u>
Total cash		<u>\$ 5,132,239</u>

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

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

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

Funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. As of June 30, 2023, the District's bank balance of \$5,526,229 was insured or collateralized as follows:

Insured	\$	250,000
Uninsured and collateralized with securities held by pledging financial institutions		<u>5,276,229</u>
	\$	<u><u>5,526,229</u></u>

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal policy that limits investment maturities as a means of managing its exposure to losses in fair value arising in interest rate fluctuations.

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

Concentration of Credit Risk - The District does not place a limit on the amount that may be invested in any one issuer. At June 30, 2023, investments are limited to Certificate of Deposit, in the amount of \$14,489.

The investments recorded in the basic financial statements have been recorded at the carrying amount of which the difference between the carrying amount and market value is not material.

New Jersey Cash Management Fund – All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other-than-State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis. As of June 30, 2023, the District had no funds on deposit with the New Jersey Cash Management Fund.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Commercial Township Board of Education by inclusion of \$21,520 in the original 1998-99 annual capital outlay budget, which was certified for taxes, 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.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 4. CAPITAL RESERVE ACCOUNT - Continued

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a 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 of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Districts are also permitted, as per N.J.S.A. 18A:7F-41(a) and 41(b) to deposit into the legal reserves by Board Resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this state statute, the District did not deposit any additional funds into their Capital Reserve Account by Board Resolution in June 2023.

The activity in the capital reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022	\$1,000,312
Interest Earnings	
Deposits	
Withdrawals	<u>345,183</u>
Ending Balance, June 30, 2023	<u>\$ 655,129</u>

Of this amount, none has been appropriated as revenue to fund the 2023-2024 operating budget.

The LRFP balance of local support costs of uncompleted capital projects at June 30, 2023. The withdrawals from the capital reserve were for use in a DOE approved facilities project, consistent with the District's Long Range Facilities Plan.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 5. CAPITAL ASSETS

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

	Beginning Balance 7/1/2022	Additions	Adjustments/ Retirements	Ending Balance 6/30/2023
Governmental activities:				
Capital Assets that are not being Depreciated:				
Land	\$ 14,877	\$	\$	\$ 14,877
Total capital assets not being depreciated	14,877			14,877
Capital Assets being Depreciated and Amortized				
Land Improvements	1,379,231	1,035,309		2,414,540
Building and building improvements	10,366,338	743,371		11,109,709
Machinery and equipment	1,813,609	454,595		2,268,204
Right-to-Use Lease Assets	108,947	51,785	(106,433)	54,299
Totals at historical cost	13,668,125	2,285,060	(106,433)	15,846,752
Less Accum. Depreciation and Amortization				
Land Improvements	(609,436)	(81,053)		(690,489)
Building and improvements	(6,199,430)	(335,520)		(6,534,950)
Equipment	(1,143,856)	(113,136)		(1,256,992)
Right-to-Use Lease Assets	(107,397)	(10,986)	106,140	(12,243)
Total Accum. Depreciation and Amortization	(8,060,119)	(540,695)	106,140	(8,494,674)
Total Capital Assets being Depr. and Amortized, Net of Accum. Depr. and Amortization	5,608,006	1,744,365		7,352,078
Government Activities Capital Assets, Net	\$ 5,622,883	\$ 1,744,365	\$ (293)	\$ 7,366,955
				To A-1
Business-type activities - Equipment	\$ 193,795			\$ 193,795
Less accumulated depreciation	(173,503)	(2,885)		(176,388)
Business-type Activities Capital Assets, Net	\$ 20,292	\$ (2,885)	\$	\$ 17,407

Depreciation expense was charged to governmental functions as follows:

Unallocated	\$ 540,695
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COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 6. LONG-TERM OBLIGATIONS

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

	Beginning Balance 7/1/2022	Additions	Reductions	Ending Balance 6/30/2023	Amounts Due within One Year	Long-term Portion
Governmental Activities:						
Bonds payable:						
General obligation debt	\$ 3,060,000			\$ 3,060,000	\$ 220,000	\$ 2,840,000
Total bonds payable	<u>3,060,000</u>			<u>3,060,000</u>	<u>220,000</u>	<u>2,840,000</u>
Other Liabilities:						
Right-to-Use Lease Liability	18,120	51,353	21,086	48,387	10,371	38,016
Compensated absences payable	779,702		19,400	760,302		760,302
Net Pension Liability	1,626,926	120,424		1,747,350		1,747,350
Total Long-term Obligations	<u>\$ 5,484,748</u>	<u>\$ 171,777</u>	<u>\$ 40,486</u>	<u>\$ 5,616,039</u>	<u>\$ 230,371</u>	<u>\$ 5,385,668</u>

To A-1

A. Bonds Payable

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

Payments on the general obligation bonds are made in the debt service fund from property taxes and state aid. The other long-term debts are paid in the current expenditures budget of the District's general fund.

The Refunding Bonds Series of 2009 was paid off during the 2022 school year.

On April 28, 2022, the Board of Education issued Serial Bonds in the amount of \$3,060,000 for the purpose of financing various renovations, alterations, improvements, and upgrades at the Commercial Township Elementary School. Principal payments are due beginning in the 2023-24 fiscal year.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

A. Bonds Payable (Continued)

Principal and interest due on bonds outstanding at June 30, 2023 are as follows:

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 220,000	\$ 119,413	\$ 339,413
2025	120,000	111,713	231,713
2026	125,000	107,512	232,512
2027	125,000	102,825	227,825
2028	130,000	98,138	228,138
2029	135,000	93,262	228,262
2030	140,000	88,200	228,200
2031	145,000	82,600	227,600
2032	150,000	76,800	226,800
2033	155,000	70,800	225,800
2034	160,000	64,600	224,600
2035	165,000	58,200	223,200
2036	170,000	51,600	221,600
2037	170,000	44,800	214,800
2038	175,000	38,000	213,000
2039	185,000	31,000	216,000
2040	190,000	23,600	213,600
2041	200,000	16,000	216,000
2042	200,000	8,000	208,000
	<u>\$ 3,060,000</u>	<u>\$ 1,287,063</u>	<u>\$ 4,347,063</u>

B. Bonds Authorized But Not Issued - As of June 30, 2023 - None

C. Capital Leases

The District had no capital leases as of June 30, 2023.

NOTE 7. OPERATING LEASES

The School is a lessee for various copiers. The District recognizes a lease liability – finance purchase and a capital asset or recognizes a lease liability – right to use and an intangible right-to use lease asset in the district-wide financial statements based on the criteria dictated in GASB Statement No. 87 – Leases.

At the commencement of a lease, the School determines based on the criteria dictated in GASB Statement No. 87 – Leases, if the lease is a finance purchase or a right to use lease liability. Then the School initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease liabilities are reported with the long-term obligations on the statement of net position.

A finance purchased asset is initially measured as the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. The asset is depreciated on a straight-line basis over the life of the lease which is considered the asset's useful life. The asset is reported with the School capital assets as land, land improvements, buildings and improvements or furniture and equipment.

Key estimates and judgements related to leases include how the School determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 7. OPERATING LEASES (CONT'D)

An intangible right-to use lease asset is initially measured as the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date. The intangible right-to use lease asset is amortized on a straight-line basis over the life of the lease. The intangible right-to use lease asset is reported with the School's capital assets in its own category called Right-to-Use Lease Assets.

The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District is utilizing the treasury bill rate (corresponding to length of lease) in place at the date of implementation along with other risk factors to determine the discount interest rate for leases.

The School has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position.

The District has determined all of their copier lease agreements qualify as right-to-use assets. As of June 30, 2023, total future minimum lease payments under right-to-use lease agreements are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ 12,370
2025	12,138
2026	11,675
2027	11,675
2028	5,837
	<u>\$ 53,695</u>

NOTE 8. PENSION PLANS

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

Public Employees' Retirement System

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 with 30 years or more of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier.

Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 8. PENSION PLANS (CONT'D)

Public Employees' Retirement System (Continued)

The following represents the membership tiers for PERS:

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

Contributions - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The PERS member total contribution rate as of July 1, 2021 was 7.5% of base salary. The District employees' contributions for the year ended June 30, 2023 were 60,619. Employers in PERS are required to contribute at an actuarially determined rate which includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. The PERS employer rate due in 2023 is 15.98% of covered payroll. The District is billed annually for its normal contribution plus any accrued liability. These contributions were paid by the District and equal to the required contributions for each year. The District's contributions to PERS for the years ended June 30, 2023, and 2022, were \$146,010 and \$160,834 respectively.

The total payroll for the year ended June 30, 2023 was \$4,938,824. Payroll covered by PERS was \$808,246 for fiscal year 2023.

Components of Net Pension Liability - At June 30, 2023, the District's proportionate share of the PERS net pension liability was \$1,747,350. The net pension liability was measured as of June 30, 2022. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2022. The District's proportion measured as of June 30, 2022 was 0.011578% which was a decrease of 0.00215% from its proportion measured as of June 30, 2021.

Pension Expense and Deferred Outflows/Inflows of Resources - The District's 2023 PERS pension expense, with respect to GASB 68, was \$(85,851). The District's 2023 deferred outflows of resources and deferred inflows of resources were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 12,612	\$ 11,122
Changes of assumptions	5,414	261,647
Net difference between projected and actual earnings on pension plan investments	72,321	
Changes in proportion	182,967	394,438
Contributions subsequent to the measurement date	146,010	
Total	\$ 419,324	\$ 667,207

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 8. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

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

Year	PERS
2023	\$ (107,656)
2024	(173,212)
2025	(135,911)
2026	25,644
2027	(2,758)
Thereafter	-
Total	\$ (393,893)

Additional Information - Collective Balances at June 30, 2023 and 2022 are as follows:

Year	2023	2022
Collective deferred outflows of resources	\$ 419,324	\$ 542,120
Collective deferred inflows of resources	\$ 667,207	\$ 1,127,463
Collective Net Pension Liability	\$ 1,747,350	\$ 1,626,926
District's Proportion	0.011578%	0.013733%

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:

	PERS
Investment Rate of Return	7.00%
Salary Increases: (Based on Years of Service):	2.75 – 6.55%
Inflation Rate – Price	2.75%
Inflation Rate – Wage	3.25%

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

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

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 8. PENSION PLANS (CONT'D)

Public Employees' Retirement System (Continued)

Long-Term Expected Rate of Return – In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 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 asset class included in PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

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

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 to determine the total pension liability.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 8. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate - The following presents the collective net pension liability of the participating employers as of June 30, 2022, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u> <u>(6.00%)</u>	<u>Current</u> <u>Discount</u> <u>(7.00%)</u>	<u>1% Increase</u> <u>(8.00%)</u>
District's Proportionate Share of the Net Pension Liability	\$ <u>2,263,844</u>	\$ <u>1,747,350</u>	\$ <u>1,335,184</u>

Teachers' Pension and Annuity Fund

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

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

The following represents the membership tiers for TPAF:

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

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

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 8. PENSION PLANS (CONTINUED)

Teachers' Pension and Annuity Fund (Continued)

Contributions - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. The member contribution rate was 7.5% in as of July 1, 2021. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2022, the State's pension contribution was less than the actuarial determined amount. Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the District and all other related non-contributing employers. No normal or accrued liability contribution by the District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, Accounting and Financial Reporting for Pensions. The District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2023 because of the 100% special funding situation with the State of New Jersey.

During the fiscal year ended June 30, 2023, the State of New Jersey contributed \$1,245,035 to the TPAF for pension contributions, \$327,068 for post-retirement benefits on behalf of the School, and \$361 for long-term disability. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$274,059 during the year ended June 30, 2023 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

Components of Net Pension Liability - At June 30, 2023, the District was not required to report a liability for its proportionate share of the net pension liability because of a 100% reduction for State of New Jersey pension support provided to the District.

Pension Expense - For the year ended June 30, 2023, the District recognized pension expense of \$465,238 and revenue of \$465,238 for support provided by the State.

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:

	<u>TPAF</u>
Investment Rate of Return	7.00%
Salary Increases	
(Based on Years of Service):	2.75 – 5.65%
Inflation Rate – Price	2.75%
Inflation Rate – Wage	3.25%

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 8. PENSION PLANS (CONTINUED)

Teachers' Pension and Annuity Fund (Continued)

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

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

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.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate - The following presents the collective net pension liability of the participating employers as of June 30, 2022, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
State's Share of the Net Pension Liability associated with the District	\$ 20,301,525	\$ 17,286,888	\$ 14,798,159
State's Share of the Net Pension Liability	\$ 60,591,896,759	\$ 51,676,587,303	\$ 44,166,559,329

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 8. PENSION PLANS (CONT'D)

Defined Contribution Retirement Program (DCRP)

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

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

Eligibility

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

Contributions – The contribution policy is set by N.J.S.A 43:15C-3 and requires contributions by active members and contributing employers. Plan members are required to contribute 5.5% of their base salary and the District's employer match is an additional 3% contribution. For the year ended June 30, 2023, employee contributions totaled \$1,638 and the District's employer contribution, recognized in pension expense, was \$1,206. There were no forfeitures during the fiscal year.

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

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit State Retired Employees Plan:

State Health Benefit State Retired Employees Plan Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2022 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability. The State's share of the net pension liability, based on a measurement date of June 30, 2021, which is required to be recorded on the financial statements, is \$75.1 billion. The

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)

State Health Benefit State Retired Employees Plan: (Continued)

Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contribution. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds post-retirement medical benefits on a “pay-as-you-go” basis, which means that the State does not prefund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for “pay-as-you-go” PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State’s contribution to fund increases in prescription drugs and medical claims costs. In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

General Information about the OPEB Plan

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

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

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

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)

Special Funding Situation

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

Total OPEB Liability

The State of New Jersey’s total OPEB liability, as of the measurement date of June 30, 2022, was \$50,646,462,966. Of this amount, the total OPEB liability attributable to the School District was \$17,603,736. The State of New Jersey’s proportionate share of the total OPEB liability is 100%, including the proportion attributable to the School District of 0.03476%. The total OPEB liability for the School District measured as of June 30, 2022 is zero as a result of the Special Funding Situation with the State of New Jersey. The School District’s proportionate share of the total OPEB liability measured as of June 30, 2022 is 0.00%. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position.

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 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:

	TPAF/ABP	PERS	PFRS
Salary Increases:	2.75% to 4.25% based on years of service	2.75% to 6.55% based on years of service	3.25% to 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 disables 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.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)

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 OPEB Liability

	Total OPEB Liability
State of New Jersey	
Balance as of June 30, 2021 Measurement Date	\$ 60,007,650,971
Changes for the year:	
Service Cost	2,770,618,025
Interest	1,342,187,139
Changes of Benefit Terms	0
Differences between Expected and Actual	1,399,200,736
Changes of Assumptions	(13,586,368,097)
Benefit Payments	(1,329,476,059)
Contributions from Members	42,650,252
Net Changes	(9,361,188,004)
Balance as of June 30, 2022 Measurement Date	\$ 50,646,462,967

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

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

June 30, 2022		
At 1.00% Decrease	At Discount Rate	At 1.00% Increase
2.54%	3.54%	4.54%
\$ 59,529,589,697	50,646,462,966	43,527,080,995

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)

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

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

June 30, 2022			
	1.00% Decrease	Healthcare Cost Trend Rate	1.00% Increase
\$	41,862,397,291	50,646,462,966	62,184,866,635

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

For the year ended June 30, 2023, the School District recognized OPEB expense of \$577,776. The School District reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 3,142,965	\$ (5,374,624)
Changes of Assumptions	3,046,761	(5,991,350)
Net difference Between Projected and Actual Earnings on OPEB Plan Investments		
Changes in Proportion	142,421	(1,081,429)
Contributions Subsequent to the Measurement Date		
Total	\$ 6,332,147	\$ (12,447,403)

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

Measurement Period Ending June 30,		OPEB
2023	\$	2,028,622
2024		2,028,622
2025		2,028,622
2026		2,166,280
2027		2,497,734
Thereafter		8,029,670
Total	\$	18,779,550

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 10. COMPENSATED ABSENCES

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

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

In the District-wide Statement of Net Position, the liabilities whose average maturities are greater than one year should be reported in two components-the amount due within one year and the amount due in more than one year.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. As of June 30, 2023, a liability existed for compensated absences in the governmental activities in the amount of \$760,302.

NOTE 11. DEFERRED COMPENSATION

The Board offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). 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:

Travelers
Franklin

Aflac
Midland National

Lincoln Investment Planning, Inc.
American Express Financial

NOTE 12. 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. The District has chosen to purchase insurance to transfer risk to outside parties.

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

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 12. RISK MANAGEMENT (CONT'D)

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

The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's trust fund for the current and prior two years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022-2023	\$ 325	\$	\$	\$ 126,627
2021-2022	89		41,882	126,302
2020-2021	75	21,953	13,999	167,973

NOTE 13. INTERFUND RECEIVABLES AND PAYABLES

<u>Fiscal Year</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 84,179	\$
Special Revenue fund		
Capital Projects		84,179
Food Service Fund		
Total	\$ 84,179	\$ 84,179

NOTE 14. FUND BALANCE APPROPRIATED

General Fund - Of the \$3,424,706 General Fund balance at June 30, 2023, \$655,129 has been restricted in the Capital Reserve Account, of which none has been withdrawn and appropriated and included as anticipated revenue for the year ended June 30, 2024; \$674,299 has been restricted in a Maintenance Account, of which \$0 has been appropriated and included as anticipated revenue for the year ending June 30, 2024; \$41,399 has been restricted in an Emergency Reserve; \$126,627 has been restricted for Unemployment Compensation \$2,066,992 is restricted as excess surplus in accordance with N.J.S.A. 18A:7F-7; \$832,133 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2024; \$6,828 has been assigned for encumbrances; \$224,787 of unassigned fund balance has been assigned and appropriated and included as anticipated revenue for the year ending June 30, 2024; and there is a deficit in unassigned fund balance of \$(371,355).

Debt Service Fund -The fund balance in the Debt Service Fund at June 30, 2023 is \$0.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 15. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2005, c.73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey School Funding Reform Act of 2008 (SFRA). New Jersey School Districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2023 is \$2,066,992 of which \$832,133 was budgeted in the 2023-2024 budget and \$1,234,859 must be budgeted in the 2024-2025 budget.

NOTE 16. LITIGATION

The District is sometimes involved in claims and lawsuits incidental to operations. Per the District's legal counsel, there are no pending litigations, claims, assessments of contingent liability against the District.

NOTE 17. MAINTENANCE RESERVE

The District has a maintenance reserve with a balance of \$674,299 at June 30, 2023, none of which was anticipated as revenue in the 2023-2024 budget. There were interest earnings.

New Jersey Statute 18A:7G-9 permits school districts to accumulate funds for the required maintenance of a facility in accordance with EFCFA. The balance may only be increased through an appropriation in the annual general fund budget certified for taxes. Upon completion of a school facilities projects, districts are required to submit a plan for maintenance of that facility. The activity of the maintenance reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance July 1, 2022	\$ 674,299
Withdrawn	
Added by Interest Earnings	<u> </u>
Ending Balance June 30, 2023	<u><u>\$ 674,299</u></u>

Districts are also permitted, as per N.J.S.A. 18A:7F-41(a) and 41(b) to deposit into the legal reserves by Board Resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this state statute, the District did not deposit any additional funds into their Maintenance Reserve Account by Board Resolution in June 2023.

NOTE 18. EMERGENCY RESERVE

The District also has an emergency reserve in the amount of \$41,399 at June 30, 2023, of which none was anticipated as revenue in the 2023-2024 budget.

NOTE 19. CAPITAL PROJECT

On June 5, 2001, the voters of the School District approved by referendum acquisitions, improvements and additions in the amount of \$4,450,000, of which \$3,395,000 represented bonds issued on August 1, 2001, \$5,000 was realized in bond premium, \$1,000,742 was funded by the Early Childhood Program Capital Reserve Fund in fiscal year 2000-2001 and the remaining \$49,258 was funded in the 2001-2002 budget out of Fund Balance. Future interest and principal payments on this bond issue had been included in Note 5 to the financial statements (Long-Term Debt). On July 9, 2002, the Commissioner of the New Jersey State Dept. of Education approved a transfer out in the amount of \$405,000 from Unrestricted General Fund Surplus to the Capital Projects Fund in accordance with N.J.S.A. 18A:22-8.2 and N.J.A.C. 6A:26-4.4 to supplement the proceeds from the District's bond authorization of \$4,450,000 which was approved by the voters on June 5, 2001.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 19. CAPITAL PROJECT – (CONT'D)

As of June 30, 2021, there was an unspent balance of \$5,504 which relates to a 2001 project for additions to the two elementary schools. This amount was cancelled in the 2021/22 school year.

In addition, there were two new capital projects initiated in the 2014-15 School Year, for installation of a telecommunications system at the Haleyville-Mauricetown and Port Norris Elementary Schools. Both projects were completed during the 2014-15 School Year and had a combined \$3,496 of unspent funds remaining, as of June 30, 2021. This amount was cancelled in the 2021/22 school year.

On 4/28/22 the District issued \$3,060,040 in Serial Bonds for the purpose of construction renovations, alterations, improvements and upgrades at Commercial Township Elementary School. The unspent balance as of June 30, 2023 is \$1,214,861, of which \$1,036,351 is encumbered.

NOTE 20. DEFICIT FUND BALANCES

The District has a deficit in Unassigned Fund Balance of (\$371,355) in the General Fund and (\$86,242) of unassigned in the Special Revenue Fund. P.L. 2004, c.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budgeted purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry i.e., if one government recognizes as asset, the other government recognizes a liability. Since the state is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the state records the payable. Due to the timing difference of recording the last state aid payment, the General and Special Revenue Fund balances do not alone indicate that the district is facing financial difficulties.

Pursuant to *N.J.S.A. 18A:22-44.2*, any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District's general fund deficit is less than the last state aid payments of \$843,003. The special revenue fund deficit of (\$86,242) is equal to the last state aid payments.

NOTE 21. RECEIVABLES

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

<u>Receivables:</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Proprietary Funds</u>	<u>Total</u>
Intergovernmental	\$ 233,588	\$ 2,382,730	\$ 115,746	\$ 2,732,064
Other			25	25
Totals	<u>\$ 233,588</u>	<u>\$ 2,382,730</u>	<u>\$ 115,771</u>	<u>\$ 2,732,089</u>

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 22. TAX ABATEMENT

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

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

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

NOTE 24. SUBSEQUENT EVENTS

There were no events between year-end and November 27, 2023, the date of the audit that require additional disclosure.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 2,219,470	\$	\$ 2,219,470	\$ 2,219,470	\$
Tuition from Other LEA's Within the State				200	200
Interest on Investments				9,989	9,989
Interest on Investments - Emergency Reserve	15		15		(15)
Interest on Investments - Maintenance Reserve	25		25		(25)
Interest on Investments - Capital Reserve	25		25		(25)
Miscellaneous	70,627		70,627	92,957	22,330
Total - Local Sources	2,290,162		2,290,162	2,322,616	32,454
State Sources:					
Equalization Aid	8,720,070		8,720,070	8,720,070	
Categorical Special Education	189,620		189,620	189,620	
Extraordinary Aid				94,744	94,744
Non-Public Transportation Aid				1,560	1,560
Supplemental Stabilization Aid				42,020	42,020
Maintenance of Equity Aid				83,324	83,324
On-behalf TPAF Pension Contribution				1,245,035	1,245,035
On-behalf TPAF Post Retirement Medical Contribution				327,068	327,068
On-behalf TPAF Long-term Disability Contribution				361	361
Reimbursement TPAF Social Security				274,059	274,059
Total - State Sources	8,909,690		8,909,690	10,977,861	2,068,171
Federal Sources:					
Medicaid Assistance (SEMI)	16,473		16,473	17,002	529
Total - Federal Sources	16,473		16,473	17,002	529
TOTAL REVENUES	\$ 11,216,325	\$	\$ 11,216,325	\$ 13,317,479	\$ 2,101,154
EXPENDITURES:					
Current Expense:					
Instruction - Regular Programs:					
Salaries of Teachers:					
Kindergarten	\$ 216,608	\$ 2,522	\$ 219,130	\$ 218,776	\$ 354
Grades 1-5	995,518	27,172	1,022,690	1,008,923	13,767
Grades 6-8	590,690	(98,816)	491,874	450,128	41,746
Home Instruction:					
Salaries of Teachers	3,000	527	3,527	3,526	1
Purchased Professional Educational Services	2,000	613	2,613	2,430	183
Regular Programs - Undistributed					
Instruction:					
Other Salaries for Instruction	86,643	(54,663)	31,980	11,621	20,359
Purchased Technical Services	12,000	(285)	11,715	8,310	3,405
Other Purchased Services	61,187	(3,800)	57,387	37,633	19,754
General Supplies	108,797	(26,415)	82,382	44,035	38,347
Textbooks	50,000	(13,849)	36,151	1,325	34,826
Other Objects	5,000		5,000	1,061	3,939
Total Regular Programs	\$ 2,131,443	\$ (166,994)	\$ 1,964,449	\$ 1,787,768	\$ 176,681

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Amendments/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
EXPENDITURES: (Continued)					
CURRENT EXPENSES: (Continued)					
Special Education					
Learning/Language Disabled:					
Instruction					
Salaries of Teachers	\$ 89,746	\$ 62,898	\$ 152,644	\$ 151,034	\$ 1,610
Other Salaries for Instructions	57,762	(57,034)	728	728	
General Supplies	500		500		500
Total Learning/Language Disabled	148,008	5,864	153,872	151,762	2,110
Multiple Disabilities:					
Salaries of Teachers	222,973	(132,608)	90,365	88,557	1,808
Other Salaries for Instruction	70,486	(64,860)	5,626		5,626
General Supplies	500	662	1,162	1,162	
Total Multiple Disabilities	293,959	(196,806)	97,153	89,719	7,434
Resource Room:					
Salaries of Teachers	266,772	59,743	326,515	325,018	1,497
Total Resource Room	266,772	59,743	326,515	325,018	1,497
Autism:					
Salaries of Teachers					
General Supplies					
Total Autism					
TOTAL SPECIAL EDUCATION	708,739	(131,199)	577,540	566,499	11,041
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	157,957	(8,200)	149,757	24,476	125,281
General Supplies	2,500	(1,164)	1,336	665	671
Total Basic Skills/Remedial Instruction	160,457	(9,364)	151,093	25,141	125,952
Bilingual Education - Instruction:					
Salaries of Teachers	56,215		56,215		56,215
General Supplies	500		500		500
Total Bilingual Instruction	56,715		56,715		56,715
School Sponsored Co-curricular Activities:					
Salaries	4,400		4,400	1,049	3,351
Total School Sponsored Co-curricular Activities	4,400		4,400	1,049	3,351
School Sponsored Athletics:					
Salaries	7,500	580	8,080	7,112	968
Purchased Services	500		500	50	450
Supplies and Materials	500	3,649	4,149	4,148	1
Total School Sponsored Athletics	8,500	4,229	12,729	11,310	1,419
Total Instruction	3,070,254	(303,328)	2,766,926	2,391,767	375,159
Undistributed Expenditures:					
Instruction:					
Tuition - Other LEAs Within the State - Regular	2,137,612	33,120	2,170,732	2,170,732	
Tuition - Other LEAs Within the State - Special	456,008	41,544	497,552	475,673	21,879
Tuition - County Voc Sch Dist Regular	141,861	(44,948)	96,913	76,765	20,148
Tuition - County Voc Sch Dist Special	14,000	(1,692)	12,308		12,308
Tuition - Co Spec Serv and Regional Day Schools	365,821	10,206	376,027	355,225	20,802
Tuition to Private Schools for the Disabled Within State	214,052	(35,560)	178,492	164,045	14,447
Total Undistributed Expenditures - Instruction	\$ 3,329,354	\$ 2,670	\$ 3,332,024	\$ 3,242,440	\$ 89,584

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Amendments/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
EXPENDITURES: (Continued)					
CURRENT EXPENDITURES: (Continued)					
Attendance and Social Work Services:					
Salaries	\$ 25,897		\$ 25,897	\$ 22,834	\$ 3,063
Total Attendance and Social Work Services	25,897		25,897	22,834	3,063
Health Services:					
Salaries	90,731	11,426	102,157	101,952	205
Purch Prof/ Tech Services	50,000	(45,026)	4,974	4,885	89
Other Purchased Services	200	16,479	16,679	16,679	
Supplies and Materials	5,000	(1,200)	3,800	2,929	871
Total Health Services	145,931	(18,321)	127,610	126,445	1,165
Speech, OT, PT & Related Services:					
Salaries	97,131	19,420	116,551	116,549	2
Purchased Prof - Education Services	15,000	6,875	21,875	20,773	1,102
Supplies and Materials	10,000	(7,420)	2,580	2,033	547
Total Speech, OT, PT & Related Services	122,131	18,875	141,006	139,355	1,651
Other Support Services - Extraordinary Services:					
Salaries	72,762	182,505	255,267	246,210	9,057
Purchased Prof - Education Services	50,000	(22,155)	27,845	27,844	1
Total Other Support Services - Extraordinary Services	122,762	160,350	283,112	274,054	9,058
Other Support Services - Students-Regular Guidance:					
Salaries Other Professionals	119,158	9,673	128,831	110,496	18,335
Salaries of Secretarial and Clerical Assistants	9,495		9,495	6,734	2,761
Supplies and Materials		600	600	434	166
Total Other Support Services - Students-Regular Guidance	128,653	10,273	138,926	117,664	21,262
Other Support Services - Students- Child Study Teams:					
Salaries of Other Professional Staff	205,436	96,378	301,814	297,603	4,211
Purchased Professional - Educational Services	14,000	88,060	102,060	102,060	
Supplies and Materials	30,155	(30,155)			
Total Other Support Services - Students- Child Study Teams	249,591	154,283	403,874	399,663	4,211
Improvement of Instructional Services:					
Salaries of Other Professional Staff	2,000		2,000		2,000
Other Purchased Services	5,000		5,000		5,000
Supplies and Materials	1,000		1,000		1,000
Total Improvement of Instructional Services	8,000		8,000		8,000
Educational Media Services/School Library:					
Other Purchased Services					
Total Educational Media Services/School Library	\$	\$	\$	\$	\$

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES: (Continued)					
CURRENT EXPENSES: (Continued)					
Undistributed Expenditures:					
Instructional Staff Training Services:					
Purchased Professional and Educational Services	\$ 3,500		\$ 3,500	\$ 3,500	\$ 3,500
Other Purchased Services	6,200		6,200	6,200	6,200
Supplies and Materials	500		500	500	500
Other Objects	500		500	500	500
Total Inst. Staff Training Services	10,700		10,700		10,700
Support Services General Administration:					
Salaries	174,433	15,945	190,378	189,323	1,055
Legal Services	30,000	7,995	37,995	37,994	1
Audit Fees	25,000	332	25,332	25,332	
Architectural/Engineering Services	30,000		30,000	18,434	11,566
Other Purchased Professional Services	23,000	(18,233)	4,767	2,645	2,122
Purchased Technical Services	1,400		1,400	1,374	26
Communication/Telephone	70,000		70,000	50,806	19,194
BOE Other Purchased Services	9,500	(6,009)	3,491	1,443	2,048
Miscellaneous Purchased Services	23,693	(30)	23,663	22,441	1,222
General Supplies	2,000		2,000	985	1,015
Miscellaneous Expenditures	200		200		200
BOE Membership Dues and Fees	8,500		8,500	5,906	2,594
Total Support Services General Administration	397,726		397,726	356,683	41,043
Support Services School Administration:					
Salaries of Principals/Assistant Principals	104,428	(3,039)	101,389	93,947	7,442
Salaries of Secretarial and Clerical Assistants	68,084	3,039	71,123	68,459	2,664
Other Salaries	4,000	(200)	3,800	1,254	2,546
Purchased Professional and Technical Services	2,500	(850)	1,650	1,325	325
Other Purchased Services	6,000	(2,185)	3,815	2,791	1,024
Supplies and Materials	2,500	4,500	7,000	6,391	609
Other Objects	5,820	(1,265)	4,555	4,555	
Total Support Services School Administration	193,332		193,332	178,722	14,610
Central Services:					
Salaries	46,304	5,615	51,919	50,406	1,513
Purchased Professional Services	87,000	2,539	89,539	89,408	131
Purchased Technical Services	6,000	1,703	7,703	7,703	
Miscellaneous Purchased Services	2,000	(348)	1,652	1,620	32
Supplies and Materials	6,250	(4,729)	1,521	1,183	338
Miscellaneous Expenditures	1,600	(1,600)			
Total Central Services	149,154	3,180	152,334	150,320	2,014
Admin. Info. Technology:					
Purchased Technical Services	98,000	2,435	100,435	100,434	1
Total Admin. Info. Technology	98,000	2,435	100,435	100,434	1
Required Maintenance for School Facilities:					
Salaries	91,455	7,747	99,202	99,201	1
Cleaning, Repair and Maintenance Services	258,771	7,736	266,507	197,721	68,786
General Supplies	20,000	(633)	19,367	11,458	7,909
Required Maintenance for School Facilities:	\$ 370,226	\$ 14,850	\$ 385,076	\$ 308,380	\$ 76,696

**COMMERCIAL TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES: (Continued)					
CURRENT EXPENSES: (Continued)					
Custodial Services:					
Purchased Professional and Technical Services	\$ 325,000	\$ (4,450)	\$ 320,550	\$ 313,386	\$ 7,164
Cleaning, Repair, and Maintenance Services	50,000	4,450	54,450	52,759	1,691
Insurance	61,984		61,984	55,455	6,529
Miscellaneous Purchased Services	4,000	6,470	10,470	6,080	4,390
General Supplies	60,000	(31,474)	28,526	6,472	22,054
Energy (Natural Gas)	15,000	6,000	21,000	15,991	5,009
Energy (Electricity)	200,000		200,000	196,636	3,364
Total Custodial Services	715,984	(19,004)	696,980	646,779	50,201
Security:					
Purchased Professional and Technical Services	55,000		55,000	50,188	4,812
General Supplies	6,200		6,200	1,670	4,530
Total Security	61,200		61,200	51,858	9,342
Care and Upkeep of Grounds:					
Cleaning, Repair and Maintenance Services	20,000		20,000		20,000
Total Care and Upkeep of Grounds	20,000		20,000		20,000
Total Operation and Maintenance of Plant Services	1,167,410	(4,154)	1,163,256	1,007,017	156,239
Undistributed Expenditures - Student Transportation Services:					
Salaries - Between Home & School - Regular	314,297	(100,762)	213,535	176,906	36,629
Management Fee - ESC & CTSA Trans. Program	16,997	(15,820)	1,177	1,177	1,177
Other Purchased Prof. and Technical Serv		15,920	15,920	3,779	12,141
Cleaning, Repair and Maintenance Services	2,500	(2,500)			
Lease Purchase Payments	170,000		170,000	157,132	12,868
Contracted Services - Aid in Lieu of Payments - Nonpublic	40,000	3,594	43,594	37,304	6,290
Contracted Services (Home/School) - Vendor	14,000	(2,750)	11,250	11,242	8
Contracted Services (Other Than Bet Home & Sch)	10,000		10,000	8,240	1,760
Contracted Services (Reg. Students) - ESCs	65,000	148,902	213,902	209,354	4,548
Contracted Services (Special Ed. Students) - ECS	418,337	16,135	434,472	452,628	(18,156)
General Supplies	2,725		2,725	763	1,962
Transportation Supplies	70,000	(9,012)	60,988	53,786	7,202
Other Objects		163	163	163	
Total Student Transportation Services	1,123,856	53,870	1,177,726	1,111,297	66,429
Allocated Benefits:					
Student Transportation Services					
Social Security Contributions	23,202		23,202	14,384	8,818
Unallocated Benefits:					
Social Security Contributions	49,445		49,445	39,469	9,976
Other Retirement Contributions - PERS	155,555		155,555	146,010	9,545
Unemployment Compensation	60,000		60,000	48,008	11,992
Workers Compensation	71,880		71,880	50,707	21,173
Health Benefits	1,003,091		1,003,089	789,347	213,742
Tuition Reimbursement	10,000		10,000	6,763	3,237
Other Employee Benefits	108,000		108,000	69,773	38,227
Total Unallocated Benefits	1,457,971		1,457,969	1,150,077	307,892
On-behalf TPAF Pension Contributions					
				1,245,035	(1,245,035)
On-behalf TPAF Post Retirement Medical Contribution					
				327,068	(327,068)
On-behalf TPAF Long-term Disability Contribution					
				361	(361)
Reimbursement TPAF Social Security					
				274,059	(274,059)
Total Personal Services - Employee Benefits	1,481,173	(2)	1,481,171	3,010,984	(1,529,813)
Total Undistributed Expenditures	8,753,670	383,459	9,137,129	10,237,912	(1,100,783)
Interest Earned on Maintenance Reserve	25		25		25
Interest Earned on Emergency Reserve	15		15		15
TOTAL EXPENDITURES - CURRENT EXPENSE	\$ 11,823,964	\$ 80,131	\$ 11,904,095	\$ 12,629,679	\$ (725,584)

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Amendments/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
EXPENDITURES: (Continued)					
CAPITAL OUTLAY:					
Interest Deposit to Capital Reserve	\$ 25	\$	\$ 25	\$	\$ 25
Equipment:					
Undistributed Expenditures Instruction	5,000		5,000	3,799	1,201
Total Equipment	5,000		5,000	3,799	1,201
Facilities Acquisition and Construction Services:					
Construction Services	114,347		114,347	103,302	11,045
Assessment for Debt Service on SDA Funding	9,270		9,270	9,270	
Total Facilities Acquisition and Construction Services	123,617		123,617	112,572	11,045
TOTAL CAPITAL OUTLAY	128,642		128,642	116,371	12,271
TOTAL EXPENDITURES	\$ 11,952,606	\$ 80,131	\$ 12,032,737	12,746,050	\$ (713,313)
Excess (Deficiency) of Revenues and Other Over (Under) Expenditures	\$ (736,281)	\$ (80,131)	\$ (816,412)	\$ 571,429	\$ 1,387,841
Other financing sources (uses):					
Operating Transfer Out - Charter Schools	(61,799)		(61,799)	(61,799)	
Interest in Capital Projects Fund				5,594	5,594
Capital Reserve - Transfer to Capital Projects	(345,183)		(345,183)	(345,183)	
Transfer to Preschool Program	(132,680)		(132,680)	(132,680)	
Total Other Financing Sources	(539,662)		(539,662)	(534,068)	5,594
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,275,943)	(80,131)	(1,356,074)	37,361	1,393,435
Fund Balances, July 1	4,230,348		4,230,348	4,230,348	
Fund Balances, June 30	<u>\$ 2,954,405</u>	<u>\$ (80,131)</u>	<u>\$ 2,874,274</u>	<u>\$ 4,267,709</u>	<u>\$ 1,393,435</u>
RECAPITULATION :					
Reserved:					
Restricted Fund Balance:					
Excess Surplus				\$ 1,234,859	
Excess Surplus - Designated for Subsequent Year's Expenditures				832,133	
Unemployment Compensation				126,627	
Capital Reserve				655,129	
Maintenance Reserve				674,299	
Emergency Reserve				41,399	
Assigned:					
Encumbrances				6,828	
Designated for Subsequent Year's Expenditures				224,787	
Unassigned Fund Balance				471,648	
				<u>4,267,709</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP Basis				(843,003)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 3,424,706</u>	

**COMMERCIAL TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal Sources	\$ 494,116	\$ 5,170,133	\$ 5,664,249	\$ 3,320,441	\$ 2,343,808
State Sources	1,173,265	95,160	1,268,425	589,561	678,864
Local Sources		46,600	46,600	12,142	34,458
Total Revenues	1,667,381	5,311,893	6,979,274	3,922,144	3,057,130
EXPENDITURES:					
Instruction					
Salaries of Teachers	676,649	(152,767)	523,882	510,482	13,400
Salaries - Other Instruction	158,229	354,302	512,531	337,766	174,765
Purchased Professional Tech. Services		8,825	8,825	8,125	700
Purchased Professional Ed Services	20,000	29,999	49,999	24,423	25,576
Other Purchased Services	12,000	690,430	702,430	395,151	307,279
Tuition	138,724	62,927	201,651	199,440	2,211
Supplies and Materials		680,033	680,033	305,999	374,034
General Supplies	70,000	356	70,356	73,018	(2,662)
Total Instruction	1,075,602	1,674,105	2,749,707	1,854,404	895,303
Support Services					
Salaries		236,111	236,111	75,505	160,606
Salaries - Supervisor Inst	12,310		12,310		12,310
Salaries - Other Prof	43,004		43,004		43,004
Clerical Salaries	3,079		3,079		3,079
Other Salaries for Instruction		66,245	66,245	54,076	12,169
Purchased Professional Technical Services		67,138	67,138	850	66,288
Purchased Professional Ed Services	50,000		50,000		50,000
Other Purchased Professional Services	60,000		60,000		60,000
Personal Services-Employee Benefits	162,733	328,480	491,213	353,812	137,401
Purchased Property Services		114,595	114,595	29,595	85,000
Cleaning, Repair & Maint	63,217		63,217		63,217
Other Purchased Services		135,730	135,730	72,820	62,910
Transportation - Field Trips	15,000		15,000		15,000
Scholarships Awarded				441	
Student Activity					
Supplies and Materials	23,950	228,319	252,269	59,561	192,708
Other Objects	2,146		2,146		2,146
Total Support Services	435,439	1,176,618	1,612,057	646,660	965,397
Facilities Acquisition and Construction Services:					
Construction Services					
Buildings		438,100	438,100	1,550,600	
Instructional Equipment	141,340	264,606	405,946	27,844	378,102
Non-Instructional Equipment	15,000	1,758,464	1,773,464	10,350	1,763,114
Total Facilities Acquisition and Construction Services	156,340	2,461,170	2,617,510	1,588,794	1,028,716
Total Expenditures	1,667,381	5,311,893	6,979,274	4,089,858	2,889,416
Other Financing Sources (Uses)					
Total Outflows	1,667,381	5,311,893	6,979,274	4,089,858	2,889,416
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)	\$	\$	\$	\$ (167,714)	\$ (167,714)
Transfer from General Fund				132,680	132,680
Fund Balance, July 1				75,165	75,165
Fund Balance, June 30				\$ 40,131	\$ 40,131

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

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGET-TO-GAAP RECONCILIATION
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 13,317,479	[C-2] \$ 3,922,144
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	Prior Year	264,965
	Current Year	(1,532,181)
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	902,430	70,303
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(843,003)	(86,242)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ 13,376,906	[B-2] \$ 2,638,989
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 12,746,050	[C-2] \$ 4,089,858
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		(1,267,216)
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.		
Net transfers (outflows) to general fund		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2] \$ 12,746,050	[B-2] \$ 2,822,642

REQUIRED SUPPLEMENTARY INFORMATION - PART III

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employees' Retirement System (PERS)
Last Ten Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability	0.011578%	0.013733%	0.013670%	0.014369%	0.011482%	0.010584%	0.011195%	0.009752%	0.008918%	0.010221%
District's Proportionate Share of the Net Pension Liability	\$ 1,747,350	\$ 1,626,926	\$ 2,229,266	\$ 2,589,130	\$ 2,260,673	\$ 2,463,800	\$ 3,315,645	\$ 2,189,127	\$ 1,669,768	\$ 1,953,483
District's Covered-Employee Payroll	\$ 808,246	\$ 849,111	\$ 882,970	\$ 928,493	\$ 963,278	\$ 898,346	\$ 688,588	\$ 726,259	\$ 730,038	\$ 585,437
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	216.19%	191.60%	252.47%	278.85%	234.69%	274.26%	481.51%	301.43%	228.72%	333.68%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

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

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
Schedule of District Contributions
Public Employees' Retirement System (PERS)
Last Ten Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 146,010	\$ 160,834	\$ 149,546	\$ 141,244	\$ 115,521	\$ 100,051	\$ 99,993	\$ 83,841	\$ 73,522	\$ 77,015
Contributions in relation to the Contractually Required Contribution	(146,010)	(160,834)	(149,546)	(141,244)	(115,521)	(100,051)	(99,993)	(83,841)	(73,522)	(77,015)
Contribution Deficiency (Excess)	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>
District's Covered-Employee Payroll	\$ 808,246	\$ 849,111	\$ 882,970	\$ 928,493	\$ 963,278	\$ 898,346	\$ 688,588	\$ 726,259	\$ 730,038	\$ 585,437
Contributions as a Percentage of Covered-Employee Payroll	18.07%	18.94%	16.94%	15.21%	11.99%	11.14%	14.52%	11.54%	10.07%	13.16%

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

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers' Pension and Annuity Fund (TPAF)
Last Ten Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability	0.033505%	0.033995%	0.039535%	0.036567%	0.034568%	0.036384%	0.033106%	0.033840%	0.038948%	0.041561%
District's Proportionate Share of the Net Pension Liability	\$ 17,286,888	\$ 16,343,151	\$ 26,033,233	\$ 22,441,303	\$ 21,991,636	\$ 24,531,414	\$ 26,043,054	\$ 21,388,041	\$ 20,816,478	\$ 21,004,378
District's Covered-Employee Payroll	\$ 3,549,382	\$ 3,478,287	\$ 3,450,001	\$ 3,562,595	\$ 3,618,513	\$ 4,153,556	\$ 3,751,844	\$ 3,436,632	\$ 3,392,779	\$ 3,147,850
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	487.04%	469.86%	754.59%	629.91%	607.75%	590.61%	694.14%	622.35%	613.55%	667.26%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

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

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
Required Supplementary Information - Part III
Schedule of Changes in the Total OPEB Liability and Related Ratios
State Health Benefit Local Education Retired Employees Plan
Last Ten Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability						
Service Cost	\$ 1,129,522	\$ 1,398,161	\$ 871,681	\$ 789,988	\$ 739,005	\$ 893,343
Interest Cost	466,518	550,125	561,000	677,692	725,198	628,014
Changes of Benefit Terms		(22,572)				
Differences Between Expected and Actual Experiences	(29,397)	(4,109,873)	3,056,720	(2,831,237)	(1,868,613)	
Changes of Assumptions	(4,722,360)	20,922	4,345,478	228,959	(1,944,865)	(2,707,163)
Member Contributions	14,824	14,064	12,553	13,973	15,663	16,832
Gross Benefit Payments	(462,100)	(433,344)	(414,151)	(471,382)	(453,183)	(457,099)
Net Change in Total OPEB Liability	(3,602,993)	(2,582,517)	8,433,281	(1,592,007)	(2,786,795)	(1,626,073)
Total OPEB Liability - Beginning	21,206,729	23,789,246	15,355,965	16,947,972	19,734,767	21,360,840
Total OPEB Liability - Ending	\$ 17,603,736	\$ 21,206,729	\$ 23,789,246	\$ 15,355,965	\$ 16,947,972	\$ 19,734,767
Covered-Employee Payroll	\$ 4,357,628	\$ 4,327,398	\$ 4,332,971	\$ 4,491,088	\$ 4,581,791	\$ 5,051,902
Total OPEB Liability as a Percentage of Covered-Employee Payroll	403.98%	490.06%	549.03%	341.92%	369.90%	390.64%

Notes to Schedule:

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

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

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

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

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

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

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

	ESEA				Equalization Stabilization Fund								Sub-Total Per E-1 (2)	Totals	
	Title I Part A		Title II Part A		IDEA		ARP Consolidated			CRRSA Consolidated		2023		2022	
	Title I 2022-2023	SIA		2022-2023	I.D.E.A. Part B Basic	I.D.E.A. Pre- School	ARP ESSER III	Homeless	CRRSA ESSER II	Accel. Learning	CR Mental Health				Cares Act
		2021-2022	2022-2023		2022-2023										
REVENUES:															
Federal Sources	\$ 450,405	\$ 56,078	\$ 23,302	\$ 61,913	\$199,440	\$ 6,096	\$1,534,374	\$ 9,831	\$ 701,763	\$ 68,599	\$ 37,551	\$132,672	\$ 38,417	\$ 3,320,441	\$ 1,791,944
State Sources													589,561	589,561	495,263
Local Sources													12,142	12,142	14,760
Total Revenues	450,405	56,078	23,302	61,913	199,440	6,096	1,534,374	9,831	701,763	68,599	37,551	132,672	640,120	3,922,144	2,301,967
EXPENDITURES:															
Instruction:															
Salaries of Teachers	260,070			8,893									241,519	510,482	466,847
Salaries - Other Instruction							114,321			11,190			212,255	337,766	91,778
Purchased Professional Techd Services										8,125				8,125	
Purchased Professional Ed Services							234,848		166,471				24,423	24,423	24,299
Other Purchased Services													3,832	395,151	108,192
Tuition					199,440									199,440	187,954
Supplies and Materials	2,028	27,301	14,122				1,078		67,061	9,100		132,393	52,916	305,999	211,920
General Supplies							2,727				2,727		67,564	73,018	
Total Instruction	262,098	27,301	14,122	8,893	199,440		352,974		223,532	28,415	2,727	132,393	602,509	1,854,404	1,090,990
Support Services:															
Salaries				25,940		4,037	510		5,944	6,840	19,847		12,387	75,505	35,487
Clerical Salaries															680
Other Salaries for Instruction	50,221									1,911			1,944	54,076	77,659
Personal Services-Employee Benefits	138,086			5,719		2,059	60,510			1,425	10,505		135,508	353,812	195,813
Purchased Professional Technical Services				850										850	6,055
Cleaning/Repair & Maint															13,653
Purchased Property Services									18,550				11,045	29,595	151,304
Other Purchased Services			8,862	19,647				9,831		30,008	4,472			72,820	82,542
Scholarships Awarded													441	441	1,019
Student Activity															6,189
Supplies and Materials		28,777	318	864			7,880		15,637			279	5,806	59,561	103,091
Total Support Services	188,307	28,777	9,180	53,020		6,096	68,900	9,831	40,131	40,184	34,824	279	167,131	646,660	673,492
Facilities Acquisition/Construction:															
Buildings							1,112,500		438,100					1,550,600	270,740
Instructional Equipment													27,844	27,844	273,015
Non-Instructional Equipment													10,350	10,350	
Total Facilities Acquisition/Construction							1,112,500		438,100				38,194	1,588,794	543,755
Total Expenditures	\$ 450,405	\$ 56,078	\$ 23,302	\$ 61,913	\$199,440	\$ 6,096	\$1,534,374	\$ 9,831	\$701,763	\$ 68,599	\$ 37,551	\$132,672	\$ 807,834	\$ 4,089,858	\$ 2,308,237
Excess (Deficiency) of Revenues Over (Under) Expenditures													(167,714)	(167,714)	(6,270)
Transfer from General Fund													132,680	132,680	7,628
Fund Balance, July 1													75,165	75,165	73,807
Fund Balance, June 30													\$ 40,131	\$ 40,131	\$ 75,165

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

	<u>21ST CENTURY</u>		Scholarship Fund	SDA Emergent Needs	Student Activity Fund	SJ Industries Art Grant	Preschool Education 2022-23	Totals 2023
	PN	HMS						
	2022-23							
REVENUES:								
Federal Sources	\$ 32,019	\$ 6,398						\$ 38,417
State Sources				\$ 11,045			\$ 578,516	589,561
Local Sources					\$ 11,925	\$ 217		12,142
Total Revenues	32,019	6,398		11,045	11,925	217	578,516	640,120
EXPENDITURES:								
Instruction:								
Salaries of Teachers							241,519	241,519
Salaries - Other Instructional	17,688						194,567	212,255
Purchased Prof/ Educ Services							24,423	24,423
Other Purchased Services							3,832	3,832
Supplies & Materials		6,398			46,518			52,916
General Supplies							67,564	67,564
Total Instruction	17,688	6,398			46,518		531,905	602,509
Support Services:								
Salaries	12,387							12,387
Other Salaries	1,944							1,944
Personal Services-Employee Benefits							135,508	135,508
Purchased Property Services				11,045				11,045
Other Purchased Services								
Scholarships Awarded			441					441
Student Activity								
Materials and Supplies						217	5,589	5,806
Total Support Services	14,331		441	11,045		217	141,097	167,131
Facilities Acquisition/Construction:								
Instructional Equipment							27,844	27,844
Non-Instructional Equipment							10,350	10,350
Total Facilities Acquisition/Construction							38,194	38,194
Total Expenditures	\$ 32,019	\$ 6,398	\$ 441	\$ 11,045	\$ 46,518	\$ 217	\$ 711,196	\$ 807,834
Excess (Deficiency) of Revenues Over (Under) Expenditures							(132,680)	(167,714)
Transfer from General Fund							132,680	132,680
Fund Balance, July 1			26,717		48,448			75,165
Fund Balance, June 30			\$ 26,276		\$ 13,855			\$ 40,131

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 254,919	\$ 241,519	\$ 13,400
Other Salaries for Instruction	194,567	194,567	
Purchased Prof/ Educ Services	50,000	24,423	25,577
Other Purchased Services	12,000	3,832	8,168
Supplies & Materials	70,356	67,564	2,792
Total Instruction	581,842	531,905	49,937
Support Services:			
Salaries	12,310		12,310
Salaries - Other Professional	43,004		43,004
Secretary/ Clerical Salaries	3,079		3,079
Personal Services - Employee Benefits	162,733	135,508	27,225
Other Purchased Professional ED. Services	50,000		50,000
Purchased Professional Services	60,000		60,000
Cleaning, Repairs and Maintenance	63,217		63,217
Transportation - Field Trips	15,000		15,000
Supplies & Materials	23,950	5,589	18,361
Other Objects	2,146		2,146
Total Support Services	435,439	141,097	294,342
Facilities Acquisition and Const. Services:			
Instructional Equipment	225,099	27,844	197,255
Non Instructional Equipment	15,000	10,350	4,650
Total Facilities Acquisition and Const. Services	240,099	38,194	201,905
Contribution to Charter Schools			
Total Expenditures	\$ 1,257,380	\$ 711,196	\$ 546,184

CALCULATION OF BUDGET AND CARRYOVER

Total Revised 2022-2023 Preschool Education Aid Allocation	\$ 862,420	(1)
Add: Actual ECPA/PEA Carryover (June 30, 2022)	397,392	(2)
Add: Budgeted Transfer from the General Fund 2022-2023	132,680	(3)
Total Preschool Education Aid Funds Available for 2022-2023 Budget	1,392,492	(4)
Less: 2021-2022 Budgeted Preschool Education Aid (including prior year budget carryover)	(1,257,380)	(5)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2023	135,112	(6)
Add: June 30, 2023 Unexpended Preschool Education Aid	546,184	(7)
Less: 2022-2023 Commissioner-approved Transfer to the General Fund		(8)
2022-2023 Carryover - Preschool Education Aid Programs	\$ 681,296	(9)
2022-2023 Preschool Education Aid Carryover Budgeted for Preschool Programs 2023-2024	\$	(10)

The Board should consider appropriating this additional carry-over into the 2023-2024 budget \$ 681,296

CAPITAL PROJECTS FUND DETAIL STATEMENTS

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

COMMERCIAL TOWNSHIP BOARD OF EDUCATIONS
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

<u>Project Title/Issue</u>	<u>DOE Project No.</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Cancelled</u>	<u>Unexpended Balances</u>	
				<u>Prior Years</u>	<u>Current Year</u>		<u>June 30, 2023</u>	<u>June 30, 2022</u>
Various Renovations, Alterations, Improvements and Upgrades at Commercial Township Elementary School	N/A	4/28/22	\$ 3,060,040	\$ 403,233	\$ 1,441,946	\$	\$ 1,214,861	\$ 2,656,807
Geothermal Project	N/A	8/2/22	345,183		345,183			
			<u>\$ 3,405,223</u>	<u>\$ 403,233</u>	<u>\$ 1,787,129</u>	<u>\$</u>	<u>\$ 1,214,861</u>	<u>\$ 2,656,807</u>
				Unencumbered Balance			\$ 1,214,861	
				Encumbrances			1,036,351	
				Fund Balance			<u>\$ 178,510</u>	

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

Revenues and Other Financing

Sources

State Sources - SDA Grant	\$	
Transfer From Capital Reserve		345,183
Bond Proceeds		
Interest		5,594
		<hr/>
Total Revenues		350,777
		<hr/>

Expenditures and Other Financing

Uses

Construction Services		1,787,129
		<hr/>
Total Expenditures		1,787,129
		<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures		(1,436,352)
Transfer of Interest Earned to General Fund		(5,594)
Fund Balance - Beginning		2,656,807
		<hr/>
Fund Balance - Ending	\$	1,214,861
		<hr/> <hr/>

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
PROJECT STATUS - BUDGETARY BASIS
VARIOUS RENOVATIONS, ALTERATIONS, IMPROVEMENTS AND UPGRADES AT
COMMERCIAL TOWNSHIP ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	Prior Year	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$	\$	\$	\$
Bond Proceeds	3,060,000		3,060,000	3,060,000
Miscellaneous	40		40	40
Transfer from Capital Outlay				
Total Revenues	3,060,040		3,060,040	3,060,040
Expenditures and Other Financing Uses				
Purchased Professional/Tech. Services		254,677	254,677	
Construction Services	847,679	1,779,174	2,626,853	3,060,040
Total Expenditures	847,679	2,033,851	2,881,530	3,060,040
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 2,212,361	\$ (2,033,851)	\$ 178,510	\$

Additional Project Information:

Project Number	0950-050-14-GINP
Grant Date/ Letter of Notification	April 28, 2022
Original Authorization Cost	\$3,060,040
Additional Authorized Cost	\$0.00
Revised Authorized Cost	
Percentage Increase Over Original Authorized Cost	N/A
Percentage Completion	94.0%
Original Target Completion Date	June 30, 2024
Revised Target Completion Date	June 30, 2024

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
PROJECT STATUS - BUDGETARY BASIS
GEOHERMAL PROJECT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	Prior Year	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
Transfer from Capital Outlay	\$	\$ 345,183	\$ 345,183	\$
Total Revenues		345,183	345,183	
Expenditures and Other Financing Uses				
Construction Services		345,183	345,183	
Total Expenditures		345,183	345,183	
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$	\$	\$	\$

Additional Project Information:

Project Number	22.028
Grant Date/ Letter of Notification	August 2, 2022
Original Authorization Cost	\$345,183
Additional Authorized Cost	\$0.00
Revised Authorized Cost	
Percentage Increase Over Original Authorized Cost	N/A
Percentage Completion	100.0%
Original Target Completion Date	June 30, 2023
Revised Target Completion Date	June 30, 2023

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 in all schools within the school district.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2023 AND 2022

	Food Service Enterprise Fund	Extended Day Enterprise Fund	Totals	
			2023	2022
ASSETS:				
Current Assets:				
Cash and Cash Equivalents	\$ 39,147	\$ 66,022	\$ 105,169	\$ 95,429
Accounts Receivable:				
State	2,891		2,891	1,602
Federal	112,855		112,855	118,737
Other	25		25	25
Inventories	9,559		9,559	11,592
Total Current Assets	<u>164,477</u>	<u>66,022</u>	<u>230,499</u>	<u>227,385</u>
Fixed Assets:				
Equipment	193,795		193,795	193,795
Accumulated Depreciation	(176,388)		(176,388)	(173,503)
Total Fixed Assets	<u>17,407</u>		<u>17,407</u>	<u>20,292</u>
Total Assets	<u>181,884</u>	<u>66,022</u>	<u>247,906</u>	<u>247,677</u>
LIABILITIES:				
Current Liabilities:				
Due to General Fund				52,211
Accounts Payable	5,549		5,549	
Unearned Revenue	4,009		4,009	4,009
Total Current Liabilities	<u>9,558</u>		<u>9,558</u>	<u>56,220</u>
NET POSITION:				
Invested in Capital Assets Net of Related Debt	17,407		17,407	20,292
Unrestricted	154,919	66,022	220,941	171,165
Total Net Position	<u>\$ 172,326</u>	<u>\$ 66,022</u>	<u>\$ 238,348</u>	<u>\$ 191,457</u>

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

	Food Service Enterprise Fund	Extended Day Enterprise Fund	Totals	
			2023	2022
OPERATING REVENUES:				
Local Sources:				
Daily Sales - Reimbursable Programs:				
School Lunch Program	\$ 26,706	\$	\$ 26,706	\$
Total Daily Sales - Reimbursable Programs				
Daily Sales Non-Reimbursable Programs	514		514	30,406
Total Operating Revenue	27,220		27,220	30,406
OPERATING EXPENSES:				
Salaries	4,157		4,157	131,499
Employee Benefits				41,054
Supplies and Materials	29,448		29,448	32,605
Depreciation	2,885		2,885	2,885
Cost of Sales - Reimbursable Programs	420,457		420,457	154,974
Management Fee				23,618
Repairs and Other Expenses	30,666		30,666	14,453
Total Operating Expenses	487,613		487,613	401,088
Operating Income (Loss)	(460,393)		(460,393)	(370,682)
Non-Operating Revenues:				
State Sources:				
State School Breakfast Program	5,963		5,963	
State School Lunch Program	4,307		4,307	5,716
Federal Sources:				
School Breakfast Program	146,103		146,103	119,991
National School Lunch Program	254,095		254,095	243,134
Supply Chain Assistance Funding	21,681		21,681	13,884
Emergency Operational Cost Program - Schools				10,812
P-EBT Administrative Cost Reimbursement	653		653	628
Food Distribution Program	48,369		48,369	35,895
Fruit and Vegetable Grant	25,945		25,945	18,136
Interest		168	168	47
Total Non-Operating Revenues	507,116	168	507,284	448,243
Net Income before Operating Transfers	46,723	168	46,891	78,175
Net Income	46,723	168	46,891	78,175
Net Position - July 1	125,603	65,854	191,457	113,282
Net Position - June 30	\$ 172,326	\$ 66,022	\$ 238,348	\$ 191,457

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

	Food Service Enterprise Fund	Extended Day Enterprise Fund	Totals	
			2023	2022
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 27,220	\$	\$ 27,220	\$ 30,406
Payments to Employees and Employee Benefits	(4,157)		(4,157)	(172,553)
Payments to Suppliers	(520,607)		(520,607)	(317,964)
Net Cash Provided by Noncapital Financing Activities	<u>(497,544)</u>		<u>(497,544)</u>	<u>(460,111)</u>
Cash Flows from Noncapital Financing Activities:				
Cash Received from State and Federal Reimbursements	507,116		507,116	448,810
Operating Transfer from General Fund				
Net Cash Provided by Noncapital Financing Activities	<u>507,116</u>		<u>507,116</u>	<u>448,810</u>
Cash Flows from Capital & Related Financing Activities				
Purchase of Capital Assets				
Net Cash Provided by Capital and Related Financing Activities				
Cash Flows From Investing Activities				
Interest and Dividends		168	168	47
Net Cash Provided by Investing Activities		<u>168</u>	<u>168</u>	<u>47</u>
Net Decrease in Cash and Cash Equivalents	9,572	168	9,740	(11,254)
Cash and Cash Equivalents, July 1	29,575	65,854	95,429	106,683
Cash and Cash Equivalents, June 30	<u>\$ 39,147</u>	<u>\$ 66,022</u>	<u>\$ 105,169</u>	<u>\$ 95,429</u>
Operating Income (Loss)	\$ (460,393)	\$	\$ (460,393)	\$ (370,682)
Adjustments to Reconcile Operating Income (Loss) to Cash Used by Operating Activities:				
Depreciation	2,885		2,885	2,885
Change in Assets and Liabilities:				
(Increase)/Decrease in Accounts Receivable	4,593		4,593	(96,068)
(Increase)/Decrease in Inventory	2,033		2,033	8,129
Increase/(Decrease) in Accounts Payable	5,549		5,549	
Increase/(Decrease) in Due to General	(52,211)			
Increase/(Decrease) in Unearned Revenue				(4,375)
Net Cash Used by Operating Activities	<u>\$ (497,544)</u>	<u>\$</u>	<u>\$ (497,544)</u>	<u>\$ (460,111)</u>

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
SHARED SERVICE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2023 AND 2022

	<u>June 30, 2023</u>
ASSETS:	
Cash	\$ <u>60,594</u>
Total Assets	\$ <u><u>60,594</u></u>
 LIABILITIES AND NET POSITION:	
Liabilities:	
Accounts Payable	\$
Unearned Revenue	<u>60,594</u>
Total Liabilities	<u><u>60,594</u></u>
Net Position:	
Unreserved	
Total Net Position	<u> </u>
Total Liabilities and Net Position	\$ <u><u> </u></u>

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
SHARED SERVICE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED 2023 AND 2022

	<u>June 30, 2023</u>
OPERATING REVENUES:	
Child Study Team Fees	\$ 35,479
Total Operating Revenue	<u>35,479</u>
OPERATING EXPENSES:	
Salaries	12,782
Employee Benefits	
Purchased Professional Services	
Total Expenses	<u>12,782</u>
Increase in Net Position Before Transfers	22,697
Transfer to Unearned Revenue	<u>(22,697)</u>
Change in Net Position	
Net Position - July 1	
Net Position - June 30	<u>\$</u>

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
SHARED SERVICE FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023 AND 2022

	<u>June 30, 2023</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 58,176
Payments to Employees	(12,782)
Payments for Employee Benefits	
Payments to Suppliers	
Net Cash Provided by (used for) Operating Activities	<u>45,394</u>
Cash Flows from Non-capital Financing Activities:	
Operating subsidies and transfers to other funds	(22,697)
Net Cash Provided by Non-capital Financing Activities	<u>(22,697)</u>
Cash Flows from Capital and Related Financing Activities	
Net Cash Provided by Capital and Related Financing Activities	
Cash Flows from Investing Activities	
Net Cash Provided by Investing Activities	
Net Increase in Cash	22,697
Cash and Cash Equivalents, July 1	<u>37,897</u>
Cash and Cash Equivalents, June 30	<u>\$ 60,594</u>
Operating Income (Loss)	\$ 22,697
Adjustments to Reconcile Operating Income (Loss) to Cash Used by Operating Activities:	
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	
(Increase) Decrease in Interfund Receivable	
Increase (Decrease) in Unearned Revenue	22,697
Increase (Decrease) in Accounts Payable	
Total Adjustments	<u>22,697</u>
Net Cash Used by Operating Activities	<u>\$ 45,394</u>

LONG-TERM DEBT SCHEDULES

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases. .

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
GENERAL LONG-TERM DEBT ACCOUNT GROUP
STATEMENT OF SERIAL BONDS
LOANS PAYABLE
JUNE 30, 2023

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2022</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2023</u>
			<u>Date</u>	<u>Amount</u>					
Serial Bonds for Various renovations, alterations, improvements, and upgrades	4/28/2022	\$ 3,060,000	2/15/24	220,000	3.500%	3,060,000			3,060,000
			2/15/25	120,000	3.500%				
			2/15/26-27	125,000	3.750%				
			2/15/28	130,000	3.750%				
			2/15/29	135,000	3.750%				
			2/15/30	140,000	4.000%				
			2/15/31	145,000	4.000%				
			2/15/32	150,000	4.000%				
			2/15/33	155,000	4.000%				
			2/15/34	160,000	4.000%				
			2/15/35	165,000	4.000%				
			2/15/36-37	170,000	4.000%				
			2/15/38	175,000	4.000%				
			2/15/39	185,000	4.000%				
			2/15/40	190,000	4.000%				
2/15/41-42	200,000	4.000%							
Totals						\$ 3,060,000	\$ 0	\$ 0	\$ 3,060,000

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 88,564	\$	\$ 88,564	\$ 88,564	\$
State Sources:					
Debt Service Aid Type II					
TOTAL REVENUES	<u>88,564</u>		<u>88,564</u>	<u>88,564</u>	
EXPENDITURES:					
Regular Debt Service					
Interest	88,564		88,564	88,564	
Redemption of Principal					
Total Regular Debt Service	<u>88,564</u>		<u>88,564</u>	<u>88,564</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures					
Other Financing Sources (Uses) Operating Transfers In					
Excess (Deficiency) of Revenues and Other Financing Sources Over/ (Under) Expenditures and Other Financing Sources					
Fund Balance, July 1					
Fund Balance, June 30	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

STATISTICAL SECTION

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(UNAUDITED)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$ 3,179,843	\$ 3,135,878	\$ 3,033,507	\$ 2,971,526	\$ 2,952,525	\$ 2,962,291	\$ 3,342,655	\$ 4,277,076	\$ 3,528,139	\$ 4,913,697
Restricted	823,240	458,314	684,041	426,409	857,006	1,260,603	1,908,376	2,542,330	5,335,582	4,164,309
Unrestricted (Deficit)	(1,451,087)	(3,364,659)	(3,264,548)	(3,547,631)	(3,760,715)	(3,559,303)	(3,751,698)	(3,529,110)	(3,372,111)	(2,996,444)
Total Governmental Activities Net Position	\$ 2,551,996	\$ 229,533	\$ 453,000	\$ (149,696)	\$ 48,816	\$ 663,591	\$ 1,499,333	\$ 3,290,296	\$ 5,491,610	\$ 6,081,562
Business-Type Activities										
Invested in Capital Assets, Net of Related Debt	\$ 3,140	\$ 6,316	\$ 5,579	\$ 4,842	\$ 32,142	\$ 28,947	\$ 26,062	\$ 23,177	\$ 20,292	\$ 17,407
Restricted										
Unrestricted	35,396	34,198	54,931	71,701	63,868	79,369	92,881	90,105	171,165	220,941
Total Business-Type Activities Net Position	\$ 38,536	\$ 40,514	\$ 60,510	\$ 76,543	\$ 96,010	\$ 108,316	\$ 118,943	\$ 113,282	\$ 191,457	\$ 238,348
District-Wide										
Invested in Capital Assets, Net of Related Debt	\$ 3,182,983	\$ 3,142,194	\$ 3,039,086	\$ 2,976,368	\$ 2,984,667	\$ 2,991,238	\$ 3,368,717	\$ 4,300,253	\$ 3,548,431	\$ 4,931,104
Restricted	823,240	458,314	684,041	426,409	857,006	1,260,603	1,908,376	2,542,330	5,335,582	4,164,309
Unrestricted (Deficit)	(1,415,691)	(3,330,461)	(3,209,617)	(3,475,930)	(3,696,847)	(3,479,934)	(3,658,817)	(3,439,005)	(3,200,946)	(2,775,503)
Total District-Wide Net Position (Deficit)	\$ 2,590,532	\$ 270,047	\$ 513,510	\$ (73,153)	\$ 144,826	\$ 771,907	\$ 1,618,276	\$ 3,403,578	\$ 5,683,067	\$ 6,319,910

Source: ACFR Schedule A-1

**COMMERCIAL TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(UNAUDITED)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses:										
Governmental Activities										
Instruction										
Regular	\$ 2,792,967	2,992,460	3,022,514	2,926,584	3,169,459	3,330,579	2,888,015	2,927,998	3,111,367	3,629,615
Special Education	729,384	783,996	748,881	753,564	784,927	486,594	797,622	682,440	705,805	566,499
Other Special Education	63,849	47,560	38,498	62,650	68,317	94,024	93,444	173,553	162,583	25,141
Other Instruction	5,711	4,629	3,659	4,110	12,234	4,865	6,085	4,012	6,980	12,359
Support Services										
Tuition	4,679,584	4,520,147	4,415,211	4,868,287	3,942,053	4,463,869	3,616,766	3,186,067	3,202,622	3,242,440
Student and Instruction Related Services	975,156	935,886	914,259	1,134,241	1,216,846	1,101,070	1,293,201	1,022,609	1,242,715	1,342,906
General and Business Administrative Services	280,692	242,672	284,983	330,818	338,703	280,206	301,126	356,692	353,533	356,683
School Administrative Services	305,762	367,393	207,643	319,895	300,793	271,668	284,213	251,992	189,683	178,722
Central Services	130,654	122,355	142,631	152,448	141,143	150,042	139,147	137,385	142,918	150,320
Administrative Information Technology	66,484	64,856	68,157	52,373	75,766	61,613	45,248	92,860	100,175	100,434
Plant Operations and Maintenance	738,506	729,946	722,482	749,379	743,947	824,073	993,991	885,630	(132,889)	1,007,017
Pupil Transportation	671,346	992,679	955,269	869,962	755,234	765,550	644,136	481,413	956,821	1,111,297
Business and Other Support Services	2,273,253	3,548,718	3,409,017	4,481,458	5,395,286	4,123,027	3,850,292	4,660,179	3,203,766	2,581,929
Summer School										
Amortization of Debt Issue Costs										
Interest on Long-Term Debt	63,895	68,680	60,983	54,664	45,639	38,282	30,818	20,503	26,622	96,231
Unallocated Depreciation	330,253	323,103	307,727	293,333	292,097	265,991	273,021	247,525	377,952	540,695
Total Governmental Activities Expenses	14,107,496	15,745,080	15,301,914	17,053,766	17,282,444	16,261,453	15,257,125	15,130,858	13,650,653	14,942,288
Business-Type Activities										
Food Service	409,116	424,230	453,151	427,617	472,920	443,391	410,077	309,291	401,088	487,613
Extended Day	32,136	17,975	14,824	15,177	17,108					
Safe Schools										
Total Business-Type Activities Expense	441,252	442,205	467,975	442,794	490,028	443,391	410,077	309,291	401,088	487,613
Total District Expenses	\$ 14,548,748	16,187,285	15,769,889	17,496,560	17,772,472	16,704,844	15,667,202	15,440,149	14,051,741	15,429,901
Program Revenues										
Governmental Activities										
Charges for Services								52,418	13,069	12,782
Operating Grants and Contributions	\$ 1,708,949	1,845,138	1,791,626	1,740,000	1,804,785	1,917,893	1,764,724	1,886,880	2,352,960	3,084,724
Total Governmental Activities Program Revenues	1,708,949	1,845,138	1,791,626	1,740,000	1,804,785	1,917,893	1,764,724	1,939,298	2,366,029	3,097,506
Business-Type Activities										
Charges for Services										
Food Service	43,603	45,351	18,089	14,660	20,214	24,463	16,873	5,214	30,406	27,220
Extended Day	9,721	16,641	31,769	26,293	18,758	1,187				
Shared Services							48,792			
Operating Grants and Contributions	363,163	346,831	438,093	417,848	429,626	429,970	403,192	298,380	448,810	507,116
Total Business-Type Activities Program Revenues	416,487	408,823	487,951	458,801	468,598	455,620	468,857	303,594	479,216	534,336
Total District Program Revenues	\$ 2,125,436	2,253,961	2,279,577	2,198,801	2,273,383	2,373,513	2,233,581	2,242,892	2,845,245	3,631,842
Net (Expense)/Revenue										
Governmental Activities	\$ (12,398,547)	(13,899,942)	(13,510,288)	(15,313,766)	(15,477,659)	(14,343,560)	(13,492,401)	(13,191,560)	(11,284,624)	(11,844,782)
Business-Type Activities	(24,765)	(33,382)	19,976	16,007	(21,430)	12,229	58,780	(5,697)	78,128	46,723
Total District-Wide Net Expense	\$ (12,423,312)	(13,933,324)	(13,490,312)	(15,297,759)	(15,499,089)	(14,331,331)	(13,433,621)	(13,197,257)	(11,206,496)	(11,798,059)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property Taxes Levied for General Purposes, net	\$ 1,732,787	1,767,443	1,802,791	1,838,847	1,875,624	1,961,219	2,020,978	2,133,285	2,175,951	2,219,470
Taxes Levied for Debt Service	105,778	104,954	111,343	106,324	103,163	110,108	104,992	103,332	96,957	88,564
Unrestricted Grants and Contributions	10,481,926	11,568,496	11,598,553	12,297,191	13,042,311	12,269,625	11,826,648	12,247,167	11,179,832	10,067,324
Investment Earnings	1,195	843	750	848	972	817	16,482	1,529	3,313	15,583
Miscellaneous Income	119,269	131,628	220,318	467,860	718,393	694,123	350,520	315,551	33,666	105,299
Other Adjustments	(1,521,219)				22,090			(39,554)	(9,000)	293
Transfers	(1,310)	(119,417)			(86,382)	(77,557)	(40,269)	(13,820)		(61,799)
Right-to-Use Lease Adjustment									5,219	
Total Governmental Activities	10,918,426	13,453,947	13,733,755	14,711,070	15,676,171	14,958,335	14,279,351	14,747,490	13,485,938	12,434,734
Business-Type Activities										
Investment Earnings	30	18	20	26	31	77	639	36	47	168
Other Adjustments	(13,512)				30,305					
Transfers	1,310	35,342			10,561					
Total Business-Type Activities	(12,172)	35,360	20	26	40,897	77	639	36	47	168
Total District-Wide	\$ 10,906,254	13,489,307	13,733,775	14,711,096	15,717,068	14,958,412	14,279,990	14,747,526	13,485,985	12,434,902
Change in Net Position										
Governmental Activities	\$ (1,480,121)	(445,995)	223,467	(602,696)	198,512	614,775	786,950	1,555,930	2,201,314	589,952
Business-Type Activities	(36,937)	1,978	19,996	16,033	19,467	12,306	59,419	(5,661)	78,175	46,891
Total District-Wide	\$ (1,517,058)	(444,017)	243,463	(586,663)	217,979	627,081	846,369	1,550,269	2,279,489	636,843

Source: ACFR Schedule A-2

**COMMERCIAL TOWNSHIP SCHOOL DISTRICT
FUND BALANCES-GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(UNAUDITED)**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Fund										
Restricted	\$ 14,587	\$ 231,373	\$ 635,742	\$ 406,954	\$ 808,719	\$ 1,212,331	\$ 2,118,751	\$ 3,520,651	\$ 3,258,739	\$ 3,564,446
Assigned								76,075	426,597	231,615
Unassigned (Deficit)	106,259	(478,360)	(694,608)	(773,028)	(751,851)	(595,073)	(608,024)	(430,491)	(357,418)	(371,355)
Total General Fund	\$ 120,846	\$ (246,987)	\$ (58,866)	\$ (366,074)	\$ 56,868	\$ 617,258	\$ 1,510,727	\$ 3,166,235	\$ 3,327,918	\$ 3,424,706
All Other Governmental Funds										
Restricted	\$	\$	\$	\$	\$	\$	\$	73,807	75,165	40,131
Committed to Capital Projects Fund	59,392	48,554	48,554	48,554	48,554	48,554	48,554	9,000	2,656,807	1,214,861
Unassigned, Reported in:										
Special Revenue Fund (Deficit)	(27,009)	(36,495)	(32,116)	(35,035)	(27,006)	(30,377)	(30,816)	(29,812)	(70,303)	(86,242)
Debt Service Fund	687		6,191	6,191						
Total All Other Governmental Funds	\$ 33,070	\$ 12,059	\$ 22,629	\$ 19,710	\$ 21,548	\$ 18,177	\$ 17,738	\$ 52,995	\$ 2,661,669	\$ 1,168,750

Source: ACFR Schedule B-1

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
 (UNAUDITED)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax Levy	\$ 1,838,565	\$ 1,872,397	\$ 1,914,134	\$ 1,945,171	\$ 1,978,787	\$ 2,071,327	\$ 2,125,970	\$ 2,236,617	\$ 2,272,908	\$ 2,308,034
Tuition				58,151	268,264	323,539	163,531	80,401	925	200
Child Study Team				249,410	305,501	283,005	28,300			
Interest Earnings	1,195	843	750	848	972	139	16,482	1,529	3,313	15,583
Miscellaneous	97,502	131,628	220,318	160,299	144,628	88,257	158,689	235,150	32,741	105,099
State Sources	11,420,492	11,559,713	11,536,340	11,707,490	11,822,303	12,212,408	12,122,038	11,510,577	11,889,933	11,654,262
Federal Sources	770,383	916,748	812,964	782,197	946,052	978,097	837,486	1,032,176	1,623,803	2,026,875
Total Revenues	14,128,137	14,481,329	14,484,506	14,903,566	15,466,507	15,956,772	15,452,496	15,096,450	15,823,623	16,110,053
Expenditures										
Instruction										
Regular Instruction	2,792,967	2,992,460	3,022,514	2,926,584	3,169,459	3,330,579	2,888,015	2,927,998	3,111,367	3,629,615
Special Education Instruction	729,384	783,996	748,881	753,564	784,927	486,594	797,622	682,440	705,805	566,499
Other Special Instruction	63,849	47,560	38,498	62,650	68,317	94,024	93,444	173,553	162,583	25,141
Other Instruction	5,711	4,629	3,659	4,110	12,234	4,865	6,085	4,012	6,980	12,359
Support Services										
Tuition	4,679,584	4,520,147	4,415,211	4,868,287	3,942,053	4,463,869	3,616,766	3,186,067	3,202,622	3,242,440
Student and Instruction Related Services	975,156	935,886	914,259	1,134,241	1,216,846	1,101,070	1,244,409	970,191	1,229,646	1,367,953
School Administrative Services	305,762	367,393	207,643	319,895	300,793	271,668	284,213	251,992	189,683	178,722
General Administrative Services	280,692	242,672	284,983	330,818	338,703	280,206	301,126	356,692	353,533	356,683
Central Services & Info. Techn.	197,138	187,211	210,788	204,821	216,909	211,655	184,395	230,245	243,093	250,754
Plant Operations and Maintenance	738,506	729,946	722,482	749,379	743,947	824,073	993,991	885,630	855,616	1,007,017
Pupil Transportation	892,170	992,679	955,269	869,962	755,234	765,550	644,136	481,413	956,821	1,111,297
Employee Benefits	2,263,983	2,596,531	2,491,955	2,700,866	3,105,415	3,170,959	3,027,692	2,980,272	3,386,051	3,364,796
Capital Outlay	43,680	93,408	14,626	30,622	35,264	50,012	182,640	206,201	1,465,331	2,242,545
Debt Service										
Principal	282,748	195,000	200,000	210,000	225,000	235,000	230,000	235,000	230,000	
Interest and Other Charges	67,014	61,238	55,047	47,894	40,244	32,072	24,663	15,638	5,175	88,564
Total Expenditures	14,318,344	14,750,756	14,285,815	15,213,693	14,955,345	15,322,196	14,519,197	13,587,344	16,104,306	17,444,385
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(190,207)	(269,427)	198,691	(310,127)	511,162	634,576	933,299	1,509,106	(280,683)	(1,334,332)
Other Financing Sources (Uses)										
Transfers, Net	20,457	(119,417)			(86,382)	(77,557)	(40,269)	(53,374)	3,051,040	(61,799)
Total Other Financing Sources (Uses)	20,457	(119,417)			(86,382)	(77,557)	(40,269)	(53,374)	3,051,040	(61,799)
Net Change in Fund Balances	\$ (169,750)	\$ (388,844)	\$ 198,691	\$ (310,127)	\$ 424,780	\$ 557,019	\$ 893,030	\$ 1,455,732	\$ 2,770,357	\$ (1,396,131)
Debt Service as a Percentage of Noncapital Expenditures	2.5%	1.7%	1.8%	1.7%	1.8%	1.7%	1.8%	1.9%	1.6%	0.6%

Source: ACFR Schedule B-2

**COMMERCIAL TOWNSHIP SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(UNAUDITED)**

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>CST</u> <u>Agreement</u>	<u>Transportation</u> <u>and Tuition</u> <u>Revenue</u>	<u>Prior Years</u> <u>Tuition</u>	<u>Prior Year</u> <u>Order</u> <u>Adjustments</u>	<u>E-Rate</u>	<u>Misc.</u>	<u>Total</u>
2023	\$ 9,989	\$	\$	\$	\$ 425	\$ 75,659	\$ 17,073	\$ 103,146
2022	2,481		925		16,872		1,109	21,387
2021	9,280		80,401		20,012	71,996	126,709	308,398
2020	1,765	28,300	163,531	32,463	20,012	32,596	46,340	325,007
2019	743	283,005	323,539	365		41,508	5,746	654,906
2018	946	305,501	268,264	2,006	22,469	43,292	35,066	677,544
2017	822		58,151	23,919	6,124	57,448	20,801	167,265
2016	723			33,078	1,136	85,795		120,732
2015	815			27,412	8,188	88,761	4,593	129,769
2014	1,183		9,471		20,162	55,388	7,701	93,905

Source: District Records

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
 (UNAUDITED)

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual County Equalized Value
2023	\$ 17,584,700	\$ 227,867,800	\$ 2,304,500	\$ 465,000	\$ 10,589,100	\$ 12,281,100		\$ 271,092,200		\$ 271,092,200	\$ 0.866	\$ 279,303,730
2022	17,628,800	227,884,600	2,307,300	434,400	10,589,100	12,281,100		271,125,300		271,125,300	0.849	253,564,472
2021	17,858,200	229,484,000	2,308,100	470,700	10,598,700	12,240,200		272,959,900		272,959,900	0.000	244,215,711
2020	17,838,900	231,755,700	2,375,400	488,800	11,291,500	12,417,400		276,167,700		276,167,700	0.808	242,061,267
2019	17,908,000	234,565,500	2,385,300	464,300	11,758,000	12,417,400		279,498,500		279,498,500	0.759	222,530,653
2018	17,764,100	237,641,200	2,090,000	401,000	11,897,500	12,628,700		282,422,500		283,114,700	0.732	240,564,310
2017	17,469,800	237,857,000	2,480,100	444,300	12,052,600	12,810,900		283,114,700		283,114,700	0.697	232,619,624
2016	17,806,100	238,291,700	2,529,300	463,500	12,289,700	12,810,900		284,191,200		284,191,200	0.683	224,015,848
2015	17,931,300	240,208,800	3,001,700	478,100	12,306,300	12,810,900		286,737,100	1,246,229	287,983,329	0.700	231,090,506
2014	17,700,300	241,473,000	3,001,700	478,100	11,201,600	12,810,900	1,169,000	287,834,600	1,210,992	289,045,592	0.610	248,726,867

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

* Estimate

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate Per \$100 of Assessed Value)
(UNAUDITED)

Year Ended June 30,	Commercial Township Board of Education			Overlapping Rates		
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Commercial Township	Cumberland County	Total
2023	\$ 0.833	\$ 0.033	\$ 0.866	\$ 0.639	\$ 1.071	\$ 2.576
2022	0.813	0.036	0.849	0.617	1.092	2.558
2021	0.793	0.038	0.831	0.587	1.101	2.519
2020	0.768	0.040	0.808	0.567	1.085	2.460
2019	0.719	0.040	0.759	0.568	0.953	2.280
2018	0.692	0.040	0.732	0.567	1.003	2.302
2017	0.656	0.041	0.697	0.567	0.951	2.215
2016	0.630	0.068	0.683	0.568	0.882	2.133
2015	0.660	0.040	0.700	0.567	0.897	2.164
2014	0.561	0.049	0.610	0.567	0.899	2.076

* First Year of Revaluation.

Source: District Records and Municipal Tax Collector

Note:

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

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

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

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

Taxpayer	2023		2014	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Whibco Inc.	\$ 8,025,300	2.96%	\$ 4,992,300	1.71%
U.S. Silica Co.	3,344,700	1.23%	2,690,700	0.92%
Exelon Generation Co. LLC	2,682,900	0.99%	2,575,400	0.88%
Silvi Concrete of Chester County	1,443,300	0.53%		
Taxpayer # 1	1,280,700	0.47%	986,000	0.34%
Taxpayer # 2	1,190,900	0.44%	606,200	0.21%
Mourvedre LLC	1,169,800	0.43%		
Bryan & Cobourne LLC	1,140,900	0.42%		
Doris Levari INC	1,109,600	0.41%		
Levari Family LLC	1,109,200	0.41%		
Ricci Bros Sand Co.			1,187,000	0.41%
Wilbco Inc. (Ackley)			1,388,400	0.48%
Verizon Dist. 3			886,882	0.30%
Surfside Products LLC			733,600	0.25%
Port Norris Marina Inc.			646,200	0.22%
Total	\$ 22,497,300	8.30%	\$ 16,692,682	5.71%

Source: District ACFR & Municipal Tax Assessor

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	% of Levy	
2023	\$ 2,308,034	\$ 2,308,034	100.00%	\$
2022	2,272,908	2,272,908	100.00%	
2021	2,236,617	2,236,617	100.00%	
2020	2,125,970	2,125,970	100.00%	
2019	2,071,327	2,071,327	100.00%	
2018	1,978,787	1,978,787	100.00%	
2017	1,945,171	1,945,171	100.00%	
2016	1,914,134	1,914,134	100.00%	
2015	1,872,397	1,872,397	100.00%	
2014	1,838,565	1,838,565	100.00%	

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, the amount voted upon or certified prior to the end of the school year.

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2023	\$ 3,060,000	\$	\$	\$	\$ 3,060,000	1.45%	\$ 662	
2022	3,060,000				3,060,000	1.43%	651	
2021	230,000				230,000	0.11%	52	
2020	465,000				465,000	0.24%	110	
2019	695,000				695,000	0.36%	149	
2018	930,000				930,000	0.48%	189	
2017	1,155,000				1,155,000	0.60%	229	
2016	1,365,000				1,365,000	0.73%	270	
2015	1,565,000				1,565,000	0.84%	305	
2014	1,760,000				1,760,000	0.98%	342	

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

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2023	\$ 3,060,000		\$ 3,060,000	0.41%	662
2022	3,060,000		3,060,000	0.41%	651
2021	230,000		230,000	0.41%	49
2020	465,000		465,000	0.41%	96
2019	695,000		695,000	0.41%	142
2018	930,000		930,000	0.41%	188
2017	1,155,000		1,155,000	0.41%	232
2016	1,365,000		1,365,000	0.48%	272
2015	1,565,000		1,565,000	0.54%	309
2014	1,760,000		1,760,000	0.61%	346

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

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

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

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

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2023
(UNAUDITED)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
Commercial Township	\$ 2,048,600	100%	\$ 2,048,600
Other Debt			
County of Cumberland - Township share	93,661,798	2.62%	2,457,364
Subtotal, Overlapping Debt			<u>4,505,964</u>
Commercial Township School District Direct Debt			<u>3,060,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 7,565,964</u></u>

Sources: Commercial Township Chief Financial Officer and Cumberland County Finance Office

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

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

**COMMERCIAL TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

Legal Debt Margin Calculation for Fiscal Year 2022

	Equalized Valuation Basis	
	2022	\$ 279,337,832
	2021	253,868,955
	2020	247,085,712
		<u>[A] \$ 780,292,499</u>
Average Equalized Valuation of Taxable Property		<u>[A/3] \$ 260,097,500</u>
Debt Limit (3% of Average Equalization Value)		<u>[B] \$ 7,802,925 a</u>
Net Bonded School Debt		<u>[C] 3,060,000</u>
Legal Debt Margin		<u>[B-C] \$ 4,742,925</u>

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Debt Limit	\$ 7,558,298	\$ 7,301,999	\$ 7,049,170	\$ 6,885,642	\$ 6,977,432	\$ 6,980,622	\$ 7,231,324	\$ 7,169,251	\$ 7,459,354	\$ 7,802,925
Total Net Debt Applicable to Limit	<u>2,042,748</u>	<u>1,565,000</u>	<u>1,365,000</u>	<u>1,155,000</u>	<u>930,000</u>	<u>695,000</u>	<u>465,000</u>	<u>230,000</u>	<u>3,060,000</u>	<u>3,060,000</u>
Legal Debt Margin	<u>\$ 5,515,550</u>	<u>\$ 5,736,999</u>	<u>\$ 5,684,170</u>	<u>\$ 5,730,642</u>	<u>\$ 6,047,432</u>	<u>\$ 6,285,622</u>	<u>\$ 6,766,324</u>	<u>\$ 6,939,251</u>	<u>\$ 4,399,354</u>	<u>\$ 4,742,925</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	27%	21%	19%	17%	13%	10%	6%	3%	41%	39%

Source: Abstract of Ratables and District Records

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

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Year</u>	<u>Population</u> ^a	<u>Personal Income (thousands of dollars)</u> ^b	<u>Per Capita Personal Income</u> ^{c (1)}	<u>Unemployment Rate</u> ^d	
2023	*	4,625	\$ 210,849,317	\$ 45,589	6.70%
2022		4,633	214,222,906	45,589	6.80%
2021		4,701	200,110,412	45,543	10.00%
2020		4,857	191,575,786	45,498	13.50%
2019		4,905	192,346,132	41,327	7.20%
2018		4,953	193,795,651	39,448	9.10%
2017		4,974	193,570,461	38,353	10.60%
2016		5,013	187,601,120	37,100	12.40%
2015		5,057	186,168,398	36,322	13.80%
2014		5,091	180,048,306	34,972	15.20%

* Estimate

(1) Information for Cumberland County

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal income

^c Per Capita

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

N/A - Not Available at time of Audit

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

<u>Employer</u>	<u>2023</u>		<u>2014</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Inspira Health Network	3,723	5.37%	2,837	4.18%
F & S Produce/Pipcp Transportation	1,272	1.84%	525	0.77%
Wal-Mart	850	1.23%	806	1.19%
Wawa	780	1.13%	562	0.83%
Durand Glass Manufacturing Co./ARC Interr	895	1.29%	970	1.43%
ShopRite	755	1.09%	737	1.09%
Sheppard Bus Service	550	0.79%	520	0.77%
Elwyn New Jersey			518	0.76%
AJM Packaging	489	0.71%		
Americold formerly AGRO Merchants	375	0.54%		
Northeast Precast	439	0.63%		
Seabrook Brothers & Sons, Inc	261	0.38%	550	0.81%
Ardagh Group	372	0.54%		
Complete Care	312	0.45%		
South State, Inc	345	0.50%		
Corning Glass	281	0.41%		
Nipro PharmaPackaging Americas Corp	307	0.44%		
Gerresheimer Glass			876	1.29%
	<u>12,006</u>	<u>17.33%</u>	<u>8,901</u>	<u>13.11%</u>

Source:

This information is for the County of Cumberland.

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Instruction										
Regular	47	46	49	49	51	55	51	34	37	37
Special Education	14	16	15	18	16	9	21	18	22	22
Support Services:										
Tuition										
Student & Instruction Related Services	7	6	6	13	12	10	5	5	5	5
General Administrative Services	1	1	1	4	4	2	2	2	2	2
School Administrative Services	4	3	3	3	3	3	3	3	3	3
Business Administrative Services	2	2	2	2	2	1	1	1	1	1
Plant Operations and Maintenance	1	1	1	1	1	1	1	1	1	1
Food Service										
Transportation					7	9	6	6	7	5
Nursing					2	2	2	1	1	1
Total	<u>74.5</u>	<u>75</u>	<u>77</u>	<u>90</u>	<u>98</u>	<u>92</u>	<u>92</u>	<u>71</u>	<u>79</u>	<u>77</u>

Source: District Personnel Records

**COMMERCIAL TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year	Enrollment	Operating Expenditures^a	Cost Per Pupil	Percentage Change	Teaching Staff^b	Pupil/Teacher Ratio Elementary	Average Daily Enrollment (ADE)^c	Average Daily Attendance (ADA)^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2023	462	\$ 17,444,385	\$ 37,758	31.8%	37	12.5: 1	489.7	441.74	-9.54%	90.21%
2022	468	16,104,306	34,411	20.2%	37	12.7: 1	453.9	411.3	-16.15%	90.61%
2021	456	13,587,344	29,797	4.0%	34	13.4: 1	441.2	387.7	-18.49%	87.87%
2020	507	14,519,197	28,637	1.5%	51	9.9: 1	493.2	459.9	-8.89%	93.25%
2019	541	15,322,196	28,322	3.9%	55	9.8: 1	540.7	532.9	-0.11%	98.56%
2018	530	14,955,345	28,218	15.2%	51	10.4: 1	541.3	504.7	-2.63%	93.24%
2017	558	15,213,693	27,265	7.3%	49	11.4: 1	555.9	519.0	-2.73%	93.36%
2016	572	14,016,142	24,504	1.9%	47	12.2: 1	571.5	537.5	0.88%	94.05%
2015	567	14,401,110	25,399	5.6%	59	10.1: 1	566.5	530.1	-5.85%	93.58%
2014	579	13,924,902	24,050	-1.1%	59	10.1: 1	601.7	562.5	0.00%	93.49%

Sources: District records, ASSA

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4
- 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).

**COMMERCIAL TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
District Building										
Elementary										
Haleyville-Mauricetown (1968)										
Square Feet	65,975	65,975	65,975	65,975	65,975	65,975	65,975	65,975	65,975	65,975
Capacity (students)	430	430	430	430	430	430	430	430	430	430
Enrollment	397	396	404	399	374	373	357	456	468	490
Middle School										
Port Norris School (1916)										
Square Feet	49,875	49,875	49,875	49,875	49,875	49,875	49,875	49,875	49,875	49,875
Capacity (students)	248	248	248	248	248	248	248	248	248	248
Enrollment	183	171	168	159	155	168	150	0	0	0
Other										
Central Administration (1998)										
Square Feet	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900

Number of Schools at June 30, 2022

- Elementary = 1
- Middle = 1
- High School = 0
- Other = 1

Source: District records, ASSA

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

*** Pory Norris Middle School Closed as of 7/1/2020

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES BY SCHOOL FACILITIES
LAST TEN FISCAL YEARS
 (UNAUDITED)

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

School Facilities	Gross Square Footage	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Haleyville-Mauricetown		\$	\$	\$ 267,883	\$ 177,288	\$ 154,419	\$ 97,833	\$ 92,422	\$ 71,017	\$ 79,210	\$ 39,628
Port Norris Middle				15,350	128,497	120,103	98,578	83,522	63,163	60,909	27,078
Commercial Township Sch	65,975	308,380	244,168								
Total School Facilities		308,380	244,168	283,233	305,785	274,522	196,411	175,944	134,180	140,119	66,706
Other Facilities	1,900			8,285	3,493	11,438	5,120	11,418	12,553	4,115	3,683
Grand Total		\$ 308,380	\$ 244,168	\$ 291,518	\$ 309,278	\$ 285,960	\$ 201,531	\$ 187,362	\$ 146,733	\$ 144,234	\$ 70,389

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(UNAUDITED)

Company	Type of Coverage	Coverage	Deductible
New Jersey Schools Insurance Group	Real and Personal Property	\$ 450,000,000	\$ 5,000
	Extra Expense	50,000,000	5,000
	Valuable Papers and Records	10,000,000	5,000
	Demolition and Increased Cost of Construction	25,000,000	
	Limited Builders Risk	5,000,000	
	Fire Department Service Charge	10,000	
	Arson Reward	10,000	
	Pollutant Cleanup and Removal	250,000	
	Sublimits: Spec Flood Haz. Area Flood Zones	25,000,000	500,000
	Accounts Receivable	250,000	
	All Flood Zones	75,000,000	10,000
	Earthquake	50,000,000	
	Terrorism	1,000,000	
	Hardware/Software	1,000,000	
	Combined Single Limit per Accident for Property Damage and Business Income	100,000,000	5,000 per accident
	Public Employee Dishonesty with Faithful Performance	500,000	1,000
	Theft, Disappearance and Destruction - Loss of Money & Securities On or Off Premises	50,000	500
	Theft, Disappearance and Destruction - Money Orders & Counterfeit Paper Currency	50,000	500
	Forgery or Alteration	50,000	500
	Computer Fraud	50,000	500
	Bodily Injury and Property Damage	16,000,000	
	Products and Completed Operations	16,000,000	
	Sexual Abuse	16,000,000	
Personal Injury and Advertising Injury	16,000,000		
Employee Benefits Liability	16,000,000	1,000	
Premises Medical Payments	10,000	5,000	
The Hartford	Public Official Bond - Business Administrator/Board Secretary	100,000	
N.J. School Boards Insurance Group	Workers' Compensation	2,000,000	
American International	Student Accident	1,000,000	

* Blanket Bond Positions are excluded

SINGLE AUDIT SECTION

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

The Honorable President and
Members of the Board of Education
Commercial Township School District
County of Cumberland, New Jersey 08349

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Commercial Township School District, in the County of Cumberland, State of New Jersey, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Board of Education of the Commercial Township School District's basic financial statements, and have issued our report thereon dated November 27, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915
November 27, 2023

NIGHTLINGER, COLAVITA & VOLPA

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

The Honorable President and
Members of the Board of Education
Commercial Township School District
County of Cumberland, New Jersey 08349

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited The Board of Education of the Commercial Township School District, in the County of Cumberland, State of New Jersey's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of The Board of Education of the Commercial Township School District, in the County of Cumberland, State of New Jersey's major federal and state programs for the year ended June 30, 2023. The Board of Education of the Commercial Township School District, in the County of Cumberland, State of New Jersey'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 Board of Education of the Commercial Township School District, in the County of Cumberland, State of New Jersey complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major 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; and 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 as prescribed by the Office of School Finance, *Department of Education, State of New Jersey*, and New Jersey OMB 15-08. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to The Board of Education of the Commercial Township School District, in the County of Cumberland, State of New Jersey'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 Board of Education of the Commercial Township School District, in the County of Cumberland, State of New Jersey's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, Uniform Guidance and New Jersey OMB 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about The Board of Education of the Commercial Township School District, in the County of Cumberland, State of New Jersey's compliance with the requirements of each major federal and state program as a whole.

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

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

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

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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 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 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 New Jersey OMB 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915
November 27, 2023

**TOWNSHIP OF COMMERCIAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - Schedule A
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2022	Cash Received	Budgetary Expenditures Pass Through Funds	Budgetary Expenditures Direct	Total Budgetary Expenditures (A)	Balance at June 30, 2023			
					From	To						Accounts Receivable	Unearned Revenue	Due to Grantor	
U.S. Department of Health and Human Services:															
General Fund															
Medical Assistance Program (SEMI)	93.778	23005NJMAP	N/A	\$ 17,002	7/1/22	6/30/23	\$	\$ 17,002	\$ (17,002)	\$	\$ (17,002)	\$	\$	\$	
								17,002	(17,002)		(17,002)				
U.S. Department of Agriculture															
Passed-through State Department of Education:															
Enterprise Fund:															
Non-Cash Assistance:															
U.S.D.A. Food Distribution Program	10.565	Unknown	N/A	\$45,446	7/1/22	6/30/23		45,446	(45,446)		(45,446)				
U.S.D.A. Food Distribution Program	10.565	Unknown	N/A	30,570	7/1/21	6/30/22	2,923		(2,923)		(2,923)				
Cash Assistance:															
Fresh Fruits and Vegetable Program	10.582	231NJ304L1603	N/A		7/1/22	6/30/23									
Child Nutrition Cluster:															
School Breakfast Program	10.553	231NJ304N1099	N/A	146,103	7/1/22	6/30/23		104,619	(146,103)		(146,103)		(41,484)		
School Breakfast Program	10.553	221NJ304N1099	N/A	119,991	7/1/21	6/30/22	(35,248)	35,248							
National School Lunch Program	10.555	231NJ304N1099	N/A	254,095	7/1/22	6/30/23		183,377	(254,095)		(254,095)		(70,718)		
National School Lunch Program	10.555	221NJ304N1099	N/A	243,134	7/1/21	6/30/22	(69,605)	69,605							
Fresh Fruits and Vegetables	10.582	231NJ304L1603	N/A	25,945	7/1/22	6/30/23		25,945	(25,945)		(25,945)				
Supply Chain Assistance Funding	10.555	231NJ344N8903	N/A	21,681	7/1/22	6/30/23		21,681	(21,681)		(21,681)				
Supply Chain Assistance Funding	10.555	221NJ344N8903	N/A	13,884	7/1/21	6/30/22	(13,884)	13,884							
P-EBT Administrative Cost Reimbursement	10.649	2023225900941	N/A	653	7/1/22	6/30/23			(653)		(653)		(653)		
P-EBT Administrative Cost Reimbursement	10.649	2022225900941	N/A	628	7/1/21	6/30/22		628	(628)		(628)				
Total U.S. Department of Agriculture							(115,814)	500,433	(497,474)		(497,474)		(112,855)		
U.S. Department of Education															
Passed-through State Department of Education:															
Special Revenue Fund:															
IDEA Cluster:															
I.D.E.A. Part B Basic	84.027A	H027A220100	IDEA0950-23	163,721	7/1/22	9/30/23		139,608	(199,440)		(199,440)		(59,832)		
I.D.E.A. Part B Basic	84.027A	H027A210100	IDEA0950-22	197,576	7/1/21	9/30/22	(65,778)	65,778							
I.D.E.A. Part B, Pre-school	84.173	H173A220114	IDEA0950-23	6,098	7/1/22	9/30/23			(6,096)		(6,096)		(6,096)		
I.D.E.A. Part B, Pre-school	84.173	H173A210114	IDEA0950-22	9,008	7/1/21	9/30/22	(3,059)	3,059							
ARP I.D.E.A. Part B, Pre-school	84.173X	H173X210114	IDEA0950-22		7/1/22	9/30/23									
E.S.E.A.:															
Title I	84.010	S010A220030	ESEA0950-23	424,409	7/1/22	9/30/23		267,738	(450,405)		(450,405)		(182,667)		
Title I	84.010	S010A210030	ESEA0950-22	535,183	7/1/21	9/30/22	(218,649)	218,649							
Title I - SIA Part A	84.010	S010A220030	ESEA0950-23	40,600	7/1/22	9/30/23		12,917	(23,302)		(23,302)		(10,385)		
Title I - SIA Part A	84.010	S010A210030	ESEA0950-22	137,594	7/1/21	9/30/22	(6,538)	62,616	(56,078)		(56,078)				
Title II A	84.367A	S367A220029	ESEA0950-23	41,845	7/1/22	9/30/23		55,596	(61,913)		(61,913)		(6,317)		
Title II A	84.367A	S367A210029	ESEA0950-22	59,052	7/1/21	9/30/22	(14,282)	14,282							
Title V RLIS	84.358B	S358B220030	ESEA0950-23	34,551	7/1/22	9/30/23									
Education Stabilization Fund:															
CARES ACT 2020/ESSER	84.425D	S425D200027	CARES 0950-20	365,159	3/13/20	9/30/22	(96,675)	229,347	(132,672)		(132,672)				
CRRSA Consolidated:															
CRRSA-ESSER II (Emergency Relief)	84.425D	S425D210027	CRRSA 0950-23	1,493,347	3/13/20	9/30/23	(281,924)	331,757	(701,763)		(701,763)		(651,930)		
CR Learning Acceleration	84.425D	S425D210027	CRRSA 0950-23	95,835	3/13/20	9/30/23		29,176	(68,599)		(68,599)		(39,423)		
CR Mental Health	84.425D	S425D210027	CRRSA 0950-23	45,000	3/13/20	9/30/23	(3,057)	11,626	(37,551)		(37,551)		(28,982)		
ARP Consolidated:															
ARP ESSER	84.425U	S425U210027	ARP 0950-24	3,356,200	3/13/20	9/30/24	(12,104)	172,926	(1,534,374)		(1,534,374)		(1,373,552)		
Accelerated Learning (Instruction)	84.425U	S425U210027	ARP 0950-24	67,638	3/13/20	9/30/24	(1,350)	1,350							
Summer Learning	84.425U	S425U210027	ARP 0950-24	40,000	3/13/20	9/30/24									
Homeless	84.425U	S425U210027	ARP 0950-24	9,831	3/13/20	9/30/24			(9,831)		(9,831)		(9,831)		
Beyond the School Day	84.425U	S425U210027	ARP 0950-24	40,000	3/13/20	9/30/24									
NUTSS Mental Health Staffing	84.425U	S425U210027	ARP 0950-24	45,000	3/13/20	9/30/24									
21st Century Prog - PN	84.287C	S287C210030	CENT0950-23	27,909	9/1/22	8/31/23		27,909	(32,019)		(32,019)		(4,110)		
21st Century Prog - HMS	84.287C	S287C200030	CENT0950-21	67,121	9/1/20	8/31/21	(8,624)	8,624							
21st Century Prog - HMS	84.287C	S287C210030	CENT0950-22	32,097	9/1/21	8/31/22	(14,577)	11,370					(3,207)		
21st Century Prog - HMS	84.287C	S287C210030	CENT0950-23	24,004	9/1/22	8/31/23			(6,398)		(6,398)				
Total U.S. Department of Education							(726,617)	1,664,328	(3,320,441)		(3,320,441)		(2,382,730)		
Total Federal Financial Awards							\$ (842,431)	\$ 2,181,763	\$ (3,834,917)		\$ (3,834,917)		\$ (2,495,585)	\$	

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

See accompanying notes to schedules of financial assistance
These funds were audited in accordance with the Uniform Guidance since the total of all grant expenditures exceeded \$750,000.

TOWNSHIP OF COMMERCIAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE - Schedule B
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2022		Carry-over	Cash Received	Budgetary Expenditures	Balance at June 30, 2023		MEMO		
			From	To	(Accounts Receivable)	Unearned Revenue				(Accounts Receivable)	Unearned Revenue/ Interfund Payable	Budgetary Receivable	Cumulative Total Expenditures	
State Department of Education:														
General Fund:														
Equalization Aid	23-495-034-5120-078	\$8,720,070	7/1/22	6/30/23	\$	\$	\$	\$ 7,895,008	\$ (8,720,070)	\$ (825,062)	\$ *	\$ (825,062)	\$ (8,720,070)	
Special Education Categorical Aid	23-495-034-5120-089	189,620	7/1/22	6/30/23				171,679	(189,620)	(17,941)	*	(17,941)	(189,620)	
Supplemental Stabilization Aid	23-100-034-5120-494	42,020	7/1/22	7/1/23				42,020	(42,020)		*		(42,020)	
Extraordinary Aid	23-495-034-5120-044	94,744	7/1/22	6/30/23					(94,744)	(94,744)	*		(94,744)	
Maintenance of Equity Aid	23-495-034-5120-128	83,324	7/1/22	7/1/23					(83,324)	(83,324)	*		(83,324)	
Nonpublic Transportation	23-495-034-5120-014	1,560	7/1/22	7/1/23					(1,560)	(1,560)	*		(1,560)	
Reimbursed TPAF Social Security Contrib	23-495-034-5094-003	274,059	7/1/22	6/30/23				220,099	(274,059)	(53,960)	*		(274,059)	
Reimbursed TPAF Social Security Contrib	22-495-034-5094-003	262,027	7/1/21	6/30/22	(13,159)			13,159			*			
On-Behalf TPAF Pension Contribution	23-495-034-5094-002	1,245,035	7/1/22	6/30/23				1,245,035	(1,245,035)		*		(1,245,035)	
On-Behalf TPAF Post Retirement Medical	23-495-034-5094-001	327,068	7/1/22	6/30/23				327,068	(327,068)		*		(327,068)	
On-behalf TPAF Long-term Disability Contrib.	23-495-034-5094-004	361	7/1/22	6/30/23				361	(361)		*		(361)	
Total General Fund					(13,159)			9,914,429	(10,977,861)	(1,076,591)		(843,003)	(10,977,861)	
Special Revenue Fund:														
Preschool Education Aid	22-495-034-5120-086	710,654	7/1/21	6/30/22	(70,303)	397,392	(397,392)	70,303						
Preschool Education Aid	23-495-034-5120-086	995,100	7/1/22	6/30/23			397,392	908,858	(711,196)	(86,242)	681,296 *	(86,242)	(711,196)	
SDA Emergent Needs & Capital Maintenance	23-100-034-5120-086	11,045	7/1/22	6/30/23				11,045	(11,045)		*		(11,045)	
SDA Emergent Needs & Capital Maintenance	22-100-034-5120-086	11,464	7/1/21	6/30/22	(11,464)			11,464						
Total Special Revenue Fund					(81,767)	397,392		1,001,670	(722,241)	(86,242)	681,296	(86,242)	(722,241)	
Debt Service Fund:														
Debt Service Aid-Type II														
	23-495-034-5120-017		7/1/22	6/30/23							*			
State Department of Agriculture:														
Enterprise Fund:														
State Breakfast Prog.		5,963	7/1/22	6/30/23				4,270	(5,963)	(1,693)	*		(5,963)	
State School Lunch Prog.	23-100-010-3350-023	4,307	7/1/22	6/30/23				3,109	(4,307)	(1,198)	*		(4,307)	
State School Lunch Prog.	22-100-010-3350-023	5,716	7/1/21	6/30/22	(1,602)			1,602						
Total Enterprise Fund					(1,602)			8,981	(10,270)	(2,891)			(10,270)	
Total State Financial Assistance					\$ (96,528)	\$ 397,392	\$	\$ 10,925,080	\$ (11,710,372)	\$ (1,165,724)	\$ 681,296	\$	\$ (929,245)	\$ (11,710,372)
Less: On-Behalf TPAF Pension System Contributions														
On-Behalf TPAF Pension Contribution	23-495-034-5094-002	1,245,035	7/1/22	6/30/23				\$ 1,245,035	\$ (1,245,035)					
On-Behalf TPAF Post Retirement Medical	23-495-034-5094-001	327,068	7/1/22	6/30/23				327,068	(327,068)					
On-behalf TPAF Long-term Disability Contrib.	23-495-034-5094-004	361	7/1/22	6/30/23				361	(361)					
Total State Financial Assistance - Major Program Determination								\$ 9,352,616	\$ (10,137,908)					

See accompanying notes to schedules of financial assistance

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2023

NOTE 1: GENERAL

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

NOTE 2: BASIS OF ACCOUNTING

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

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$59,427 for the general fund and (\$1,283,155) for the special revenue fund. See Note 2 (Notes to Required Supplemental Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE

JUNE 30, 2023

(Continued)

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

	Federal	State	Total
General Fund	\$ 17,002	\$ 11,037,288	\$ 11,054,290
Special Revenue Fund	2,009,873	616,974	2,626,847
Debt Service			
Food Service Fund	496,846	10,270	507,116
Total Awards & Financial Assistance	\$ 2,523,721	\$ 11,664,532	\$ 14,188,253

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING

The Township of Commercial had no outstanding loans as of June 30, 2023.

NOTE 6: OTHER

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

NOTE 7: SCHOOLWIDE PROGRAM FUNDS

As the District's Federal Programs are on a targeted student group basis, there are no schoolwide programs in the District.

NOTE 8: ADJUSTMENTS

There were no adjustments noted on Schedule A, Exhibit K-3, Schedule of Federal Awards and no adjustments noted on Schedule K-4, Schedule of State Financial Assistance.

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

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- 1) Material weakness (es) identified? _____ yes X no
none reported
- 2) Significant deficiencies identified? _____ yes X reported

Noncompliance material to basic financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

- 1) Material weakness (es) identified? _____ yes X no
none reported
- 2) Significant deficiencies identified? _____ yes X reported

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

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

Identification of major programs:

CFDA Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
84.425D	S425D210027	Education Stabilization Fund: CARES & CRRSA Consolidated ARP Consolidated
84.425U	S425U210027	
84.010A	S010A210030	Title I

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(continued)

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

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

Auditee qualified as low-risk auditee? X yes no

State Awards

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

Auditee qualified as low-risk auditee? X yes no

Internal control over major programs:

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

2) Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 15-08 as applicable? yes X no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
23-495-034-5120-078	Equalization Aid
23-495-034-5120-089	Special Education Categorical Aid
23-495-034-5120-086	Preschool Education Aid

**COMMERCIAL TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(continued)**

Section II - Financial Statement Findings

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

Finding: N/A

Criteria or specific requirement:

Condition:

Context:

Effect:

Cause:

Recommendation:

Views of responsible officials and planned corrective actions:

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(continued)

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

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

FEDERAL AWARDS

Finding: None

Information on the federal program:

Criteria or specific requirement:

Condition:

Questioned Costs: None

Context:

Effect:

Cause:

Recommendation:

Management's response:

STATE AWARDS

Finding: None

Information on the state program:

Criteria or specific requirement:

Condition:

Questioned Costs: None

Context:

Effect:

Cause:

Recommendation:

Management's response:

**COMMERCIAL TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

There were no prior year findings.