

CRANFORD PUBLIC

SCHOOL DISTRICT

COUNTY OF UNION, NEW JERSEY



**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2023**



**CRANFORD PUBLIC SCHOOL DISTRICT
COUNTY OF UNION, NEW JERSEY**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
JUNE 30, 2023**

TABLE OF CONTENTS

	<u>PAGE</u>
INTRODUCTORY SECTION	
Letter of Transmittal	1
Organizational Chart	5
Roster of Officials	6
Consultants and Advisors	7
FINANCIAL SECTION	
Independent Auditors' Report	8
Required Supplementary Information – Part I	
Management's Discussion and Analysis	12
Basic Financial Statements	
A. Government-wide Financial Statements	
A- 1 Statement of Net Position	26
A- 2 Statement of Activities	27
B. Fund Financial Statements	
Governmental Funds:	
B- 1 Balance Sheet	28
B- 2 Statement of Revenues, Expenditures, and Changes in Fund Balances	29
B- 3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities – Governmental Funds	30
Proprietary Funds:	
B- 4 Statement of Net Position	31
B- 5 Statement of Revenues, Expenses, and Changes in Net Position	32
B- 6 Statement of Cash Flows	33

**CRANFORD PUBLIC SCHOOL DISTRICT
COUNTY OF UNION, NEW JERSEY**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
JUNE 30, 2023**

TABLE OF CONTENTS (continued)

	<u>PAGE</u>
Notes to the Basic Financial Statements	34
Required Supplementary Information – Part II	
L Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L- 1 Schedule of the District’s Proportionate Share of the Net Pension Liability – Public Employees’ Retirement System (PERS)	70
L- 2 Schedule of District Contributions – Public Employees’ Retirement System (PERS)	71
L- 3 Schedule of the State’s Proportionate Share of the Net Pension Liability Associated with the District – Teacher’s Pension and Annuity Fund (TPAF)	72
Notes to Required Supplementary Pension Information	73
M Schedule Related to Accounting and Reporting for OPEB (GASB 75)	
M- 1 Schedule of the State’s Proportionate Share of the OPEB Liability Associated With the District State Health Local Education Retired Employees Plan	74
Notes to Required Supplementary OPEB Information	75
Required Supplementary Information – Part III	
C- 1 Budgetary Comparison Schedule - General Fund – Budgetary Basis	76
C- 1a Combining Budgetary Comparison Schedule – General Fund – Budgetary Basis	N/A
C- 2 Budgetary Comparison Schedule - Special Revenue Fund – Budgetary Basis	90
C- 3 Budgetary Comparison Schedule - Note to RSI	91

**CRANFORD PUBLIC SCHOOL DISTRICT
COUNTY OF UNION, NEW JERSEY**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
JUNE 30, 2023**

TABLE OF CONTENTS (continued)

	<u>PAGE</u>
Supplementary Information	
E. Special Revenue Fund:	
E- 1 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis	92
E- 2 Schedule of Preschool Education Aid Expenditures – Budgetary Basis	N/A
F. Capital Projects Fund:	
F- 1 Summary Schedule of Project Expenditures	N/A
F- 2 Summary Schedule of Revenues, Expenditures, and Change in Fund Balance - Budgetary Basis	N/A
G. Proprietary Funds:	
Enterprise Fund:	
G- 1 Combining Statement of Net Position	N/A
G- 2 Combining Statement of Revenues, Expenses and Changes in Net Position	N/A
G- 3 Combining Statement of Cash Flows	N/A
Internal Service Fund:	
G- 4 Combining Statement of Net Position	N/A
G- 5 Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	N/A
G- 6 Combining Statement of Cash Flows	N/A
I. Long-Term Debt:	
I- 1 Schedule of Serial Bonds Payable	98
I- 2 Schedule of Obligations Under Financed Purchases Payable	99
I- 3 Budgetary Comparison Schedule – Debt Service Fund	100

**CRANFORD PUBLIC SCHOOL DISTRICT
COUNTY OF UNION, NEW JERSEY**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
JUNE 30, 2023**

TABLE OF CONTENTS (continued)

	<u>PAGE</u>
STATISTICAL SECTION (Unaudited)	
Financial Trends	
J- 1 Net Position by Component	101
J- 2 Changes in Net Position	102
J- 3 Fund Balances - Governmental Funds	104
J- 4 Change in Fund Balances, Governmental Funds	105
J- 5 General Fund – Other Local Revenue by Source	106
Revenue Capacity	
J- 6 Assessed Value and Actual Value of Taxable Property	107
J- 7 Property Tax Rates - Direct and Overlapping Governments	108
J- 8 Principal Property Taxpayers	109
J- 9 Property Tax Levies and Collections	110
Debt Capacity	
J-10 Ratios of Outstanding Debt by Type	111
J-11 Ratios of Net General Bonded Debt Outstanding	112
J-12 Direct and Overlapping Governmental Activities Debt	113
J-13 Legal Debt Margin Information	114
Demographic and Economic Information	
J-14 Demographic and Economic Statistics	115
J-15 Principal Employers	116
Operating Information	
J-16 Full-time Equivalent District Employees by Function/Program	117
J-17 Operating Statistics	118
J-18 School Building Information	119
J-19 Schedule of Required Maintenance for School Facilities	120
J-20 Insurance Schedule	121

**CRANFORD PUBLIC SCHOOL DISTRICT
COUNTY OF UNION, NEW JERSEY**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
JUNE 30, 2023**

TABLE OF CONTENTS (continued)

	<u>PAGE</u>
SINGLE AUDIT SECTION	
K- 1 Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	122
K- 2 Report on Compliance for Each Major Federal Program and State Financial Assistance and Report on Internal Control Over Compliance Required by OMB Uniform Guidance and New Jersey OMB 15-08	124
K - 3 Schedule A - Schedule of Expenditures of Federal Awards – Supplementary Information	127
K - 4 Schedule B - Schedule of Expenditures of State Financial Assistance – Supplementary Information	129
K - 5 Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	130
K - 6 Schedule of Findings and Questioned Costs	132
K - 7 Summary Schedule of Prior Audit Findings	N/A

Note: The schedules denoted with N/A are not applicable in the current year. However, the New Jersey Department of Education requires the District to reference all schedules included in its sample Annual Comprehensive Financial Report.

Cranford Public School District

Cranford, New Jersey

County of Union

New Jersey

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

Prepared by

Business Office

Introductory Section



Cranford Public School District

Robert J. Carfagno, CPA, RMA, PSA
Business Administrator/Board Secretary

*132 Thomas Street
Cranford, NJ 07016*

*Tele: 908-709-6210
Fax: 908-272-8813
E-mail: carfagno@cranfordschools.org*

December 5, 2023

Honorable President and
Members of the Board of Education
Cranford Township Public School District
Cranford, NJ 07016

Dear Board Members:

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

This annual comprehensive financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this letter of transmittal, the District's organization chart and a list of principal officials. The financial section includes the Independent Auditors' Report, Management's Discussion and Analysis (MD&A), the basic financial statements and notes, required supplemental information, supplemental information and the combining individual fund schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis and is unaudited. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' report on internal control 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 Cranford Township Public School District is an independent reporting entity within the criteria adopted by the Government Accounting Standards Board (GASB) in codification section 2100. All funds and government-wide financial statements of the District are included in this report. The Cranford Township Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular education as well as special education for handicapped youngsters. The District completed the 2022-2023 fiscal year with an enrollment of 3,736 students, which is 2 students above the previous year's ending enrollment. The following details the changes in the student enrollment of the District over the last five years:

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2022-2023	3,736	0.05%
2021-2022	3,734	1.14%
2020-2021	3,692	(2.38%)
2019-2020	3,782	(2.10%)
2018-2019	3,863	0.08%

2. ECONOMIC CONDITION AND OUTLOOK The Cranford Township School District and the community have enjoyed a relatively stable economic condition and financial outlook over the past decade, however with the two variables of state aid and revenue generation declining, the financial impact over time has begun to negatively impact the local school tax levy pushing it to a higher proportion of the total tax levy. Even though the 2022-2023 year saw an increase of state formula aid (\$587,739), these factors have created a heavy dependence on local tax revenue to support the school district.

Property taxes provided 85% of the District's General Fund budgeted revenues for the 2022-2023 school year. This percentage is consistent with prior years. Fluctuations in the percentage of the budget supported by property taxes is largely due to fluctuations in state aid received and other revenues generated.

What is quickly becoming a reality is that more and more of the District budget is dominated by fixed costs, many being mandated and contractual obligations. Trends indicate that spending in the area of contractual and mandated categories are increasing while spending in discretionary and non-contractual items of spending are decreasing. Trends have seen increases in contractual and mandated expenses well above the 2% annual tax cap increase.

3. 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 controls are in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management. Since grant periods differ in their prescribed fiscal years, representations are made prior to the end of the fiscal year for those grants having fiscal years other than July 1 through June 30.

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.

4. BUDGETARY CONTROLS: In addition to internal 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 capital

improvements and are accounted for in the capital projects fund. The original and final budget amount, as amended for the fiscal year, is reflected in the financial section.

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

5. ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the GASB, as explained in the "Notes to the Financial Statements," Note 1.

6. FINANCIAL INFORMATION AT FISCAL YEAR END: 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 schedule presents a summary of the general fund, special revenue fund, and debt service fund revenues for the fiscal year ended June 30, 2023 and the amount and percentage of increases in relation to prior year revenues.

Revenues	FY 2022-2023 Amount	Percentage of Total	Total Dollar Increase From 2021-2022	Percentage Increase	FY 2021-2022 Amount
Local Sources	\$ 67,243,938.58	73.27%	\$ 1,090,008.74	1.65%	\$ 66,153,929.84
State Sources	22,399,333.69	24.41%	1,181,420.38	5.57%	21,217,913.31
Federal Sources	2,129,191.34	2.32%	9,091.34	0.43%	2,120,100.00
Totals	<u>\$ 91,772,463.61</u>	<u>100.00%</u>	<u>\$ 2,280,520.46</u>	<u>2.55%</u>	<u>\$ 89,491,943.15</u>

The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2023 and the percentage of increases/decreases in relation to prior year amounts.

Expenditures	FY 2022-2023 Amount	Percentage of Total	Total Dollar Increase (Decrease) From 2021-2022	Percentage Increase (Decrease)	FY 2021-2022 Amount
Current Expense:					
Instruction	\$ 31,811,775.12	34.0%	\$ 663,650.81	2.13%	\$ 31,148,124.31
Undistributed	57,174,202.05	61.0%	3,441,103.93	6.40%	53,733,098.12
Capital Outlay	754,538.80	0.8%	(486,835.24)	(39.22%)	1,241,374.04
Special Revenue	3,282,002.06	3.5%	253,669.09	8.38%	3,028,332.97
Charter Schools	36,969.00	0.0%	15,457.00	71.85%	21,512.00
Debt Service					
Principal	546,000.00	0.6%	(64,000.00)	(10.49%)	610,000.00
Interest	74,431.50	0.1%	8,705.93	13.25%	65,725.57
Costs of Issuance		0.0%	(59,673.00)	(100.00%)	59,673.00
Totals	<u>\$ 93,679,918.53</u>	<u>100.0%</u>	<u>\$ 3,772,078.52</u>	<u>4.20%</u>	<u>\$ 89,907,840.01</u>

7. DEBT ADMINISTRATION: At June 30, 2023, the District reported outstanding debt of \$4,932,000 of general obligation bonds. The District issued Refunding School Bonds, Series 2021 on August 11, 2021 in the amount of \$5,478,000 to refund \$6,878,000 of School Bonds issued in the amount of \$11,988,000, dated November 1, 2010. The Refunding School Bonds, Series 2021 mature in 2030 with principal maturity amounts of \$574,000-\$658,000, with an interest rate of 1.430%.

8. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 2. The District has adopted a cash management plan 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.

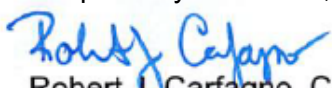
9. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability, and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. Management and the Board of Education continue to explore innovative ways to contain insurance costs while still minimizing risks. A schedule of insurance coverage is found on Exhibit J-20.

The District along with other school districts, is a member of the Diploma Joint Insurance Fund for Workers' Compensation Insurance Coverage. The Fund is organized and operated pursuant to the regulatory authority of the Department of Banking and Insurance, State of New Jersey and provides for a pooling of risks, subject to established limits and deductibles. In addition, the Fund has obtained excess liability coverages for participants. Additional information is included in Note 7 to the Basic Financial Statements.

10. OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of PKF O'Connor Davies, LLP was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the New Jersey OMB's Circular 15-08, *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 is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

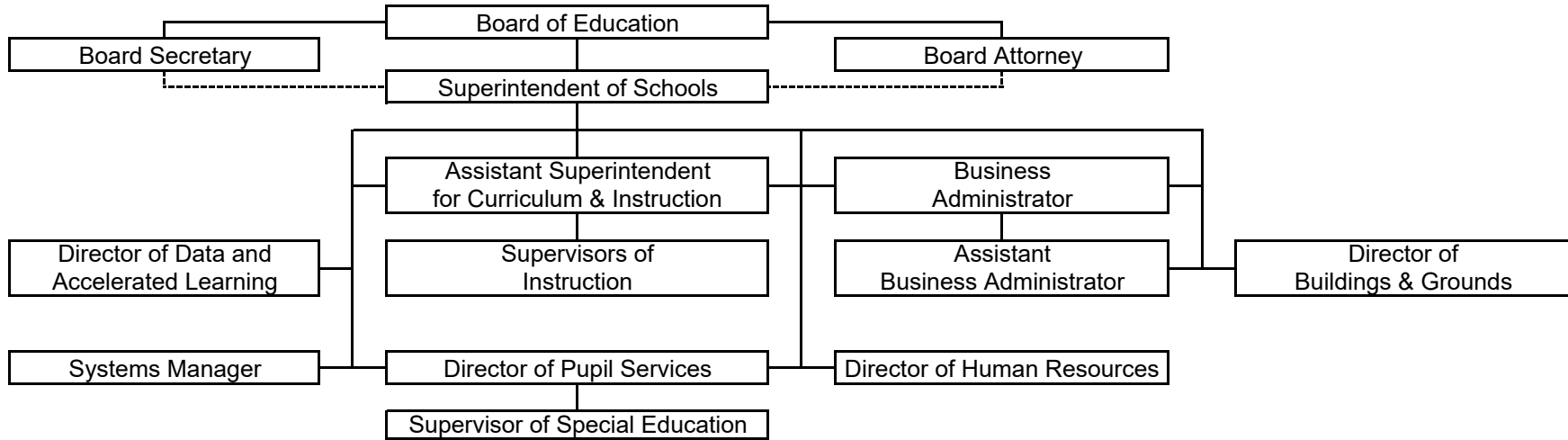
11. ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Cranford Township Board of Education for their diligence and concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development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

Respectfully submitted,



Robert J. Carfagno, CPA, RMA, PSA
Business Administrator/Board Secretary

CRANFORD PUBLIC SCHOOL DISTRICT
 ORGANIZATIONAL CHART
 DISTRICT ADMINISTRATION



**CRANFORD PUBLIC SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2023**

Members of the Board of Education

Term Expires*

Kurt Petschow, Jr.	President	2023
Lisa A. Carbone	Vice President	2023
Terry Darling	Member	2024
Brett Dreyer	Member	2025
William Hulse	Member	2024
Patrick A. Lynch	Member	2025
Kristen Mallon	Member	2023
Susan Shaw	Member	2025
Jessica Soltys	Member	2024

Other Officials

Scott Rubin, Ed.D., Superintendent of Schools

Robert J. Carfagno, CPA, Business Administrator/Board Secretary

*** The Board of Education passed a Resolution on January 23, 2012 changing the annual election date for its members from the third Tuesday in April to the first Tuesday after the first Monday in November (the General Election), beginning in 2012. Terms expire in the following January after the year in which the term expires.**

**CRANFORD PUBLIC SCHOOL DISTRICT
INDEPENDENT AUDITOR, CONSULTANTS AND ADVISORS**

Audit Firm

**PKF O'Connor Davies LLP
20 Commerce Drive
Suite 301
Cranford, New Jersey 07016**

Architects

**LAN Associates
445 Godwin Avenue
Suite 9
Midland Park, New Jersey 07432**

Attorney

**Cornell, Merlino, McKeever & Osborne, L.L.C
238 St. Paul Street
Westfield, New Jersey 07090**

Official Depository

**Investors Bank
105 North Avenue West
Cranford, New Jersey 07016**

Bond Counsel

**Wilentz, Goldman & Spitzer P.A.
90 Woodbridge Center Drive
Suite 900 Box 10
Woodbridge, New Jersey 07095-0958**

Financial Advisors

**Phoenix Advisors, LLC
625 Farnsworth Avenue
Bordentown, New Jersey 08505**

Financial Section



Independent Auditors' Report

**Honorable President and Members
of the Board of Education
Cranford Public School District
County of Union
Cranford, New Jersey**

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

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.

PKF O'CONNOR DAVIES, LLP
20 Commerce Drive, Suite 301, Cranford, NJ 07016 | Tel: 908.272.6200 | Fax: 908.272.2416 | www.pkfod.com

PKF O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

**Honorable President and Members
of the Board of Education
Cranford Public School District**

Page 2

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

Auditors' 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 auditors' 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 GAAS, audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and *Government Auditing Standards*, we:

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

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

**Honorable President and Members
of the Board of Education
Cranford Public School District**

Page 3

Required Supplementary Information

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

Supplementary Information

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

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report for the year ended June 30, 2023. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' 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.

**Honorable President and Members
of the Board of Education
Cranford Public School District**

Page 4

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Cranford, New Jersey
December 5, 2023

Anthony Branco

Anthony Branco, CPA
Licensed Public School Accountant, No. 2515

Required Supplementary Information – Part I

Management's Discussion and Analysis

**Cranford Public School District
Cranford, New Jersey
Union County**

**MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
June 30, 2023**

The Cranford Township Public School District (the "District") discussion and analysis is designed to provide an overview of the District's financial activities for the year ended June 30, 2023, identify changes in the District's financial position, identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

The focus of the Management Discussion and Analysis (MD&A) is on current year activities, resulting changes and currently known facts. The MD&A should be read in conjunction with the Transmittal Letter and the District's Financial Statements.

FINANCIAL HIGHLIGHTS

The key financial highlights for the 2022-2023 fiscal year include the following:

Total net position for governmental activities are reported at \$35,755,373.22 at June 30, 2023. This represents an increase of \$318,169.71 or 0.90% over the prior year reported net position, as reflected in Table 4, Changes in Net Position. This increase is primarily attributable to the excess of debt retirement over depreciation. The District's business-type activities expenses exceeded revenues by \$37,126.17. This operating loss was a result of the revenues generated from the sales of meals not reaching the level to cover all of the food service operations fixed expenses and the District funding the meals served to low income students, as the District is not in the National School Lunch Program and cannot have these meals reimbursed by the federal government. The District was required to transfer \$45,499.49 from the General Fund in order to maintain a positive Net Position in the Food Service Fund. The breakdown of these amounts is reflected in Schedule A-2 of the Government-wide Financial Statements. Governmental funds reported a total of fund balance of \$4,659,435.96, which is a \$1,595,639.29 decrease from last year's total governmental fund balance. The majority of the decrease was due to the overall increase in expenditures related to salaries, benefits, and transportation. The revenues, expenditures, and changes in fund balances for the Governmental Funds are reflected in Exhibit B-2 of the financial statements.

The General or operating fund balance was reported for GAAP purposes at \$4,175,985.94, which represents a decrease of \$1,608,829.73 from the prior year's fund balance of \$5,784,815.67. Of this total, \$2,203,667.00 represents Fund Balance that has been assigned in support of the 2023-2024 budget. The amount restricted for Unemployment Compensation was \$181,156.97, the amount restricted for Capital Reserve remains at \$1.00, and \$1,244,252.54 of General Fund Balance was assigned to cover open purchase orders at year-end. The Unassigned General Fund Balance is reported at \$546,908.43. The District's General Fund Balance is below the maximum permitted under the Department of Education regulations based upon 2% of General Fund expenditures, with specified modifications. As a result, no unassigned fund balance is required to be included in the 2024-2025 budget.

The ending fund balance was impacted by the non-recognition, on a GAAP basis, of net State Aid payments deferred to July 2023 in the amount of \$387,833.00 in the General Fund that were due at June 30, 2023 but not yet funded by the State of New Jersey as of that date. Total expenditures for all governmental funds during 2022-2023 were

\$93,679,918.53. Total revenues for all governmental funds were \$91,772,463.61, resulting in an excess of expenditures over revenues of \$1,907,454.92 for the year. The District's total financing sources (uses) for all governmental funds were \$311,815.63. This consisted of (\$45,499.49) in transfers to the Food Service Fund to maintain a positive net position in the Food Service Fund, \$217,009.80 proceeds from Capital Leases entered into, and a \$140,305.32 increase in Unemployment Fund Balance. Excess expenditures over revenues of \$1,907,454.92 netted by \$311,815.63 total financing sources led to a net change in fund balance of \$1,595,639.29 for all governmental funds for the year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the District-wide statements.
- The governmental funds statements tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.
- Proprietary fund statements offer short- and long-term financial information about the activities the District operated like businesses, such as food services.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1

Organization of the School District Annual Financial Report

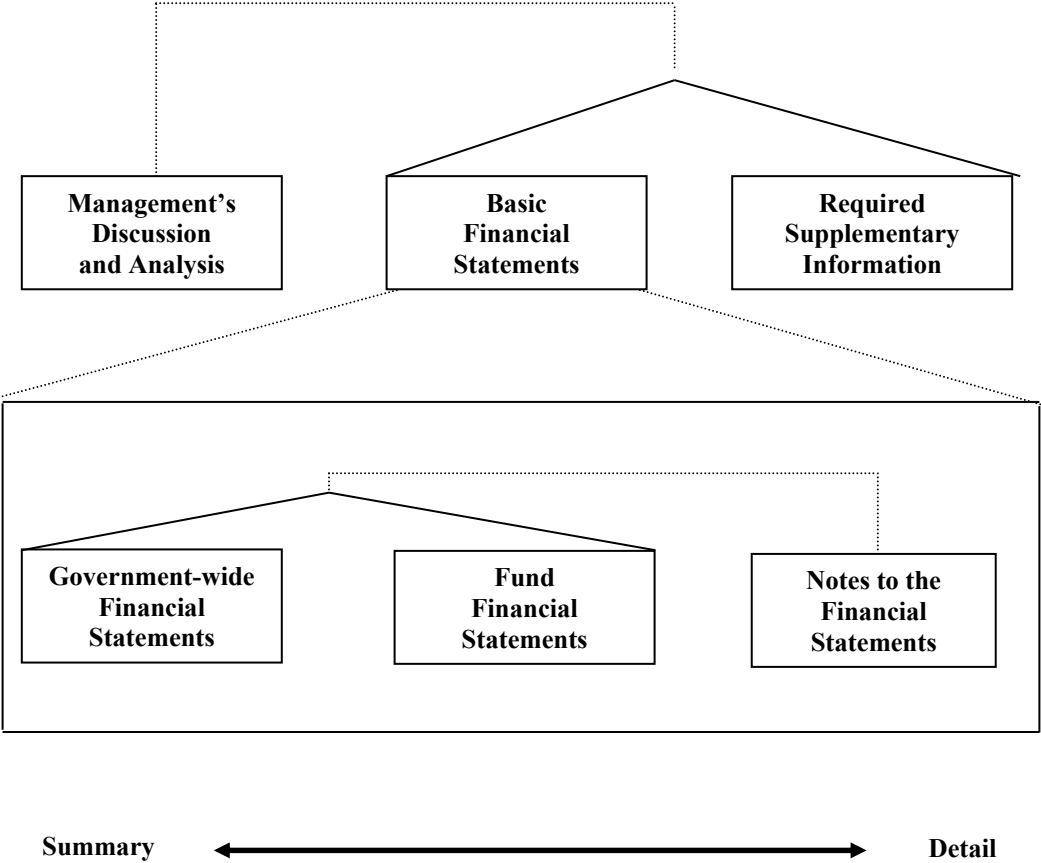


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents of each of the statements.

Figure A-2 Major Features of the Government-Wide and Fund Financial Statements			
	Government-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire District	The activities of the District that are not proprietary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services
Required financial Statements	<ul style="list-style-type: none"> Statement of net position Statement of activities 	<ul style="list-style-type: none"> Balance Sheet Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> Statement of net position Statement of revenues, expenses and changes in net position Statement of cash flows
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset / liability information	All assets, liabilities, deferred inflows/outflows of resources, financial and capital, short-term and long term.	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/out-flow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid

Government-wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, deferred outflows of resources, deferred inflows of resources, and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how they have changed. Net position - the difference between the District's assets and deferred outflows and its liabilities and deferred inflows - is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider that the School District's goal is to provide services to students, not to generate profit as commercial entities do. One must consider many other non-financial factors, such as the quality of the education provided and the safety of the schools to assess the overall health of the District.

In the government-wide financial statements, the District's activities are divided into two categories:

- **Governmental activities:** Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state formula aid finance most of these activities.
- **Business-type activities:** The District charges fees to help it cover the costs of certain services it provides. The District's food services is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as federal grants).

The District has two kinds of funds:

- Governmental funds: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.
- Proprietary funds: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements. The District's enterprise fund (one type of proprietary fund) is the same as its business-type activities but provide more detail and additional information, such as cash flows. The District may use internal service funds (the other kind of proprietary fund) to report activities that provide supplies and services for its other programs and activities. The District currently does not utilize internal service funds for financial reporting.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The School District's Governmental Activities net position was \$35,755,373.22 at June 30, 2023. Of this amount, a deficit amount of \$12,491,328.77 was reported as Unrestricted Net Position, primarily due to GASB Statement No. 68 accounting and reporting requirements for the PERS and TPAF defined benefit pension systems. Restricted net positions are reported separately to show legal constraints from debt covenants and enabling legislation that limit the School District's ability to use those net assets for day-to-day operations. The District's Business-Type Activities net position was \$12,128.42 at June 30, 2023, all of which was reported as unrestricted net position. Our analysis below focuses on the net position (Table - 3) and change in net position (Table - 4) of the District's government-wide activities.

Table - 3
Net Position

A. Governmental Activities

	June 30		Amount Difference	% Increase (Decrease)
	2023	2022		
Assets				
Current and other assets	\$ 7,493,936.17	\$ 9,764,931.17	\$ (2,270,995.00)	-23.26%
Capital assets	<u>53,680,666.35</u>	<u>54,596,784.26</u>	<u>(916,117.91)</u>	-1.68%
Total assets	<u>61,174,602.52</u>	<u>64,361,715.43</u>	<u>(3,187,112.91)</u>	-4.95%
Accounting loss on advanced refunding	107,346.87	121,659.79	(14,312.92)	-11.76%
Pension deferrals	<u>1,649,108.00</u>	<u>1,360,794.00</u>	<u>288,314.00</u>	21.19%
Total deferred outflows of resources	<u>1,756,454.87</u>	<u>1,482,453.79</u>	<u>274,001.08</u>	18.48%
Current and other liabilities	4,887,332.19	5,649,194.68	(761,862.49)	-13.49%
Long-term liabilities	<u>19,143,348.98</u>	<u>18,360,802.03</u>	<u>782,546.95</u>	4.26%
Total liabilities	<u>24,030,681.17</u>	<u>24,009,996.71</u>	<u>20,684.46</u>	0.09%
Pension deferrals	<u>3,145,003.00</u>	<u>6,396,969.00</u>	<u>(3,251,966.00)</u>	-50.84%
Total deferred inflows of resources	<u>3,145,003.00</u>	<u>6,396,969.00</u>	<u>(3,251,966.00)</u>	-50.84%
Net Position:				
Net investment in capital assets	47,601,924.82	47,602,145.84	(221.02)	0.00%
Restricted	644,777.17	2,109,070.30	(1,464,293.13)	-69.43%
Unrestricted (deficit)	<u>(12,491,328.77)</u>	<u>(14,274,012.63)</u>	<u>1,782,683.86</u>	12.49%
Total net position	<u>\$ 35,755,373.22</u>	<u>\$ 35,437,203.51</u>	<u>\$ 318,169.71</u>	0.90%

B. Business-Type Activities

	June 30		Amount Difference	% Increase (Decrease)
	2023	2022		
Assets				
Current and other assets	\$ <u>45,983.89</u>	\$ <u>54,488.67</u>	\$ <u>(8,504.78)</u>	-15.61%
Total Assets	<u>45,983.89</u>	<u>54,488.67</u>	<u>(8,504.78)</u>	-15.61%
Liabilities				
Current and other liabilities	<u>33,855.47</u>	<u>51,761.64</u>	<u>(17,906.17)</u>	-34.59%
Total Liabilities	<u>33,855.47</u>	<u>51,761.64</u>	<u>(17,906.17)</u>	-34.59%
Net Position				
Unrestricted	<u>12,128.42</u>	<u>2,727.03</u>	<u>9,401.39</u>	344.75%
Total Net Position	<u>\$ 12,128.42</u>	<u>\$ 2,727.03</u>	<u>\$ 9,401.39</u>	344.75%

Table - 4
Change in Net Position

	Governmental Activities		Amount Difference	% Increase Decrease
	2023	2022		
Revenues:				
Program revenue:				
Operating grants & entitlements	\$ 2,617,457.55	\$ 2,550,113.89	\$ 67,343.66	2.64%
Charges for services	3,565,866.22	3,393,930.97	171,935.25	5.07%
General revenue:				
Local tax levy	62,601,835.00	62,098,457.00	503,378.00	0.81%
Federal and state aid	15,645,691.31	18,969,767.75	(3,324,076.44)	-17.52%
Miscellaneous revenues	1,104,383.61	624,590.81	479,792.80	76.82%
Total revenues	\$ 85,535,233.69	\$ 87,636,860.42	\$ (2,101,626.73)	-2.40%
Functions/Program Expenses:				
Instruction:				
Regular programs	\$ 31,711,731.60	\$ 32,579,277.51	\$ (867,545.91)	-2.66%
Special programs	13,385,303.33	13,696,556.58	(311,253.25)	-2.27%
Other instructional programs	2,344,317.06	2,097,373.12	246,943.94	11.77%
Support Services:				
Student services	13,475,635.71	13,693,352.44	(217,716.73)	-1.59%
Tuition	5,059,556.17	4,870,382.22	189,173.95	3.88%
Instructional staff support:				
General administration and business services	3,116,189.34	3,328,765.51	(212,576.17)	-6.39%
School administration	4,797,617.98	4,884,921.27	(87,303.29)	-1.79%
Plant services	7,591,183.12	6,850,897.62	740,285.50	10.81%
Student transportation services	3,571,902.41	2,847,898.55	724,003.86	25.42%
Charter schools	36,969.00	21,512.00	15,457.00	71.85%
Interest on long-term debt	81,158.77	113,982.75	(32,823.98)	-28.80%
Total expenses	\$ 85,171,564.49	\$ 84,984,919.57	\$ 186,644.92	0.22%
Transfers (To)	(45,499.49)	(210,000.00)	164,500.51	-78.33%
Increase in net position	\$ 318,169.71	\$ 2,441,940.85	\$ (2,123,771.14)	-86.97%

Table - 4
Change in Net Position

	Business-Type Activities		Amount Difference	% Increase Decrease
	2023	2022		
Revenues:				
Program revenue				
Charges for Services	\$ 1,054,155.77	\$ 508,251.23	\$ 545,904.54	107.41%
Miscellaneous revenues	1,028.07	34.32	993.75	2895.54%
Total revenues	\$ 1,055,183.84	\$ 508,285.55	\$ 546,898.29	107.60%
Business-Type Activities :				
Food Service	1,091,281.94	716,236.41	375,045.53	52.36%
Total expenses	\$ 1,091,281.94	\$ 716,236.41	\$ 375,045.53	52.36%
Transfers From	45,499.49	210,000.00	(164,500.51)	-78.33%
Increase/(Decrease) in net position	\$ 9,401.39	\$ 2,049.14	\$ 7,352.25	358.80%

As we noted earlier, the School District uses funds to help it control and manage money for particular purposes. Looking at funds helps you consider whether the School District is being accountable for the resources provided to it, and also, gives more insight into the School District's overall financial health.

As the School District completed this year, our governmental funds reported a combined fund balance of \$4,659,435.96, which is a decrease of \$1,595,639.29 from last year. This amount includes the General Fund (decrease of \$1,608,829.73), Special Revenue Fund (increase of \$13,192.94), and Debt Service Fund (decrease of \$2.50). The primary reasons for the decreases/increases are:

1. Unfavorable budget variance of the General Fund Balance, primarily from increase in expenditures related to salaries, benefits, and transportation of students without proportional increases in tax levy and state aid revenues
2. Revenues in the Student Activities Funds greater than the expenditures incurred during the year causing the Special Revenue Fund Balance to increase.

General Fund Budgetary Highlights

Over the course of the year, the School District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. Budget changes/transfers are approved by the Board of Education throughout the year. Although the District's projected budget for the General Fund anticipated that revenues and expenditures would be roughly equal, the actual results for the year show a deficit. Actual revenues reflect a positive variance of \$17.199 million. This is primarily due to the non-budgeted employer on-behalf TPAF pension, post-retirement medical and social security contributions of \$16.723 million made by the State of New Jersey. Excluding these on-behalf TPAF contributions, revenues had a positive variance of \$489,725.06. This is primarily due to actual revenues for Extraordinary Aid, Non-Public Transportation Aid, PILOT Payments made to the District, and miscellaneous revenues being more than originally budgeted netted by actual Tuition revenues and Medicaid Reimbursements being less than the budgeted amount.

Actual expenditures reflect a negative variance of \$14.846 million even though all budget lines show a positive variance. This is primarily due to the non-budgeted employer on-behalf TPAF pension, post-retirement medical and social security contributions of \$16.723 million made by the State of New Jersey. Excluding these on-behalf TPAF contributions from the State, there is a positive variance of \$1.877 million. There were also non-budgeted financed purchase acquisitions made for District-wide copiers totaling \$217,009.80, additions to the unemployment fund balance of \$140,305.32, as well as transfers of \$45,499.49 made to the Food Service Fund to cover the deficit in that fund.

Exhibit C-1 provides a breakdown of the budget line items included in the District's approved 2022-23 budget and the variances in actual revenues and expenditures. Revenue realization for the 2022-23 school year was negative for governmental funds when compared to the 2021-22 school year. A conversion schedule from the budgetary basis to the GAAP basis follows. As shown in Table 4 (GAAP Basis) above, the Tax needed to support the District's budget increased by 0.81% for the 2022-23 school year. The largest non-tax revenue of the District during the year was from Federal and State Aid, which amounted to \$15.656 million or 17.52 % less than the preceding year. The main reason for the decrease in the Federal and State Aid was a decrease in on-behalf pension

and other post-employment benefits related revenues compared to the prior year. Table-5 compares governmental fund type revenues and expenditures for the current and prior year.

Table - 5
Governmental Fund Type Revenues and Expenditures

	<u>Year Ended June 30</u>		<u>Increase</u>	<u>Increase</u>
	<u>2023</u>	<u>2022</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
			<u>\$</u>	<u>%</u>
Revenue by Source:				
Local Tax Levy	\$ 62,601,835.00	\$ 62,098,457.00	\$ 503,378.00	0.8%
Tuition Charges	2,888,128.77	2,892,479.77	(4,351.00)	-0.2%
Miscellaneous	365,002.73	131,808.39	233,194.34	176.9%
PILOT Payments to School District	599,075.56	424,454.93	174,620.63	41.1%
Local Sources	789,896.52	606,729.75	183,166.77	30.2%
State Sources	22,399,333.69	21,217,913.31	1,181,420.38	5.6%
Federal Sources	2,129,191.34	2,120,100.00	9,091.34	0.4%
Total Revenues	<u>\$ 91,772,463.61</u>	<u>\$ 89,491,943.15</u>	<u>\$ 2,280,520.46</u>	2.5%
Function/Program Expenditures:				
Instruction				
Regular Instruction	\$ 21,733,565.73	\$ 21,471,869.05	\$ 261,696.68	1.2%
Special Education Instruction	8,191,707.28	7,966,028.08	225,679.20	2.8%
Other Special Instruction	745,788.76	795,748.07	(49,959.31)	-6.3%
Other Instruction	1,717,704.86	1,460,663.41	257,041.45	17.6%
Support Services				
Tuition	4,930,779.17	4,742,045.22	188,733.95	4.0%
Student & Instruction Related Services	9,704,404.57	9,555,417.38	148,987.19	1.6%
School Administrative Services	3,212,313.37	3,133,063.83	79,249.54	2.5%
Other Administrative Services	2,400,159.63	2,546,775.59	(146,615.96)	-5.8%
Plant Operations and Maintenance	6,595,516.02	5,707,518.20	887,997.82	15.6%
Pupil Transportation	3,431,434.65	2,720,208.87	711,225.78	26.1%
Unallocated Benefits	29,599,698.23	27,806,627.70	1,793,070.53	6.4%
Charter Schools	36,969.00	21,512.00	15,457.00	71.9%
Debt Service:				
Principal	546,000.00	610,000.00	(64,000.00)	-10.5%
Interest and Other Charges	74,431.50	65,725.57	8,705.93	13.2%
Closing Costs/Costs of Issuance		59,673.00	(59,673.00)	-100.0%
Capital Outlay	759,445.76	1,244,964.04	(485,518.28)	-39.0%
Total	<u>\$ 93,679,918.53</u>	<u>\$ 89,907,840.01</u>	<u>\$ 3,772,078.52</u>	4.2%

The Cost of Governmental Funds Activities (see Table 5, above) this year was \$93.680 million or a 4.2% increase from the preceding year. The primary drivers for this increase were costs for Regular Instruction, which increased by \$261,696.68, Other Instruction,

which increased by \$257,041.45, Plant Operations and Maintenance, which increased by \$887,997.82, Pupil Transportation, which increased by \$711,225.78 and Unallocated Employee Benefits, which increased by \$1,793,070.53. The reported increase in unallocated employee benefits is mostly attributable to an increase in the contributions made by the State of New Jersey into the Teachers' Pension and Annuity Fund and the State Health Benefits Fund for Post Retirement Medical Contributions on-behalf of the District as required by the state constitution. That increase is also reflected in the year-to-year increase in state aid revenues.

Increased costs were funded by increases in property tax and state aid revenues. As shown on the Statement of Activities (financial statement A-2) our taxpayers ultimately financed \$62.602 million of those activities through property taxes, which reflect only a 0.81% increase over the prior year. As shown above, \$22.399 million of the revenues, which support governmental activities, were received from the State of New Jersey. Of that amount, \$16.723 million represents on-behalf contributions for the District's (employer) share of TPAF (Teachers' Pension & Annuity Fund) pension, retiree health benefits and employer social security and Medicare contributions as prescribed by state statute.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2023, the School District reported \$137,828,038.72 invested in a broad range of capital assets, including land, buildings, building improvements, other improvements, machinery, furniture and equipment. This amount represents a net increase (including additions and retirements) of \$522,597.16, or approximately 0.38% percent, from the prior year. These amounts do not include depreciation. Table 6 details the composition of capital assets at June 30th of the current and prior year and the net changes for the current year.

Table - 6
Governmental Activity Capital Assets at Year-End

	FY 2023	FY 2022	Increase
Land	\$ 41,252,566.00	\$ 41,197,641.00	
Buildings and Building Improvements	87,412,288.25	87,398,604.25	\$ 13,684.00
Improvements Other than Buildings	518,661.00	518,661.00	
Machinery & Vehicles	8,644,523.47	8,135,610.31	508,913.16
Total	\$ 137,828,038.72	\$ 137,250,516.56	\$ 522,597.16

See Note 3 to the Financial Statements for additional information.

Long-Term Debt

At the end of this year, the School District had \$4,932,000.00 in bonds outstanding versus \$5,478,000.00 last year – a decrease of 9.97%. The District had \$1,254,088.40 in financed purchases payable outstanding versus \$1,638,298.21 the previous year – a decrease of 23.45%. The District entered into \$217,009.80 in financed purchases for copiers during the current year. The summary of year-end long-term debt and changes for the 2022-2023 school year is as follows:

Table - 7
Outstanding Long-Term Debt at Year-End

	Governmental Activities		(Decrease)
	2023	2022	Increase
School Serial Bonds Payable	\$ 4,932,000.00	\$ 5,478,000.00	\$ (546,000.00)
Other Long Term Debt:			
Net Pension Liability	10,975,800.00	9,492,444.00	1,483,356.00
Compensated Absences Payable	3,054,603.74	2,946,835.11	107,768.63
Obligations Under Financed Purchases	1,254,088.40	1,638,298.21	(384,209.81)
Total	\$ 20,216,492.14	\$ 19,555,577.32	\$ 660,914.82

The School District's general obligation bond rating continues to be above investment grade. The state limits the amount of general obligation debt that Districts can issue to 4% (for K through 12 districts) of the most recent three-year average state equalized assessed value of the taxable property within the School District's corporate limits. The School District's outstanding and authorized but not issued general obligation debt of \$4,932,000.00 at June 30, 2023 is significantly below the \$191,208,750.57 statutorily-imposed limit. See the Note 4 to the Financial Statements and Schedule J-13 for additional information.

Other obligations include accrued vacation pay and sick leave and the School District's proportionate share of the Net Pension Liability of the New Jersey Public Employees' Retirement System. We present more detailed information about our long-term liabilities in Note 4 to the financial statements.

FACTORS AFFECTING THE DISTRICT'S FUTURE

- The financial position of the District remains in a good and stable condition despite the difficult economic times. However, maintaining existing programs with enrollment needs, provisions of the multitude of programs/services legally required for special needs pupils, unfunded federal and state mandates and the cost of employee benefits place a great demand on the District's resources. As a result, careful management of expenses remains essential for the District to sustain its financial health.
- Even though unrestricted state aid has been increased through the 2022-2023 budget cycle, and even with an additional \$587,739 in state aid in the 2022-2023 budget, there is no guarantee, based upon the current economic conditions that state aid levels will continue in the future. Also, the state currently only funds approximately 6% of the overall District budget. The incremental effect of the continued under funding of education, including unfunded federal and state mandates, continues to increase the reliance on local tax revenues to sustain the existing educational programs.
- Budget cap law, P.L. 2010, c. 44, effective July 13, 2010 (the "New Cap Law"), further provides limitations on a school district spending by limiting the amount a school district can raise for school district purposes through the property tax levy by two percent (2%) over the prior year's tax levy. The New Cap Law provides for certain adjustments to the tax levy cap for specific circumstances relating to enrollment increases, health care cost increases and increases in amounts for certain normal and accrued liability pension contributions. However, any utilization of these adjustments will result in an increased local tax burden upon the property owners of Cranford.
- The passage of S-1701 required all districts to reduce surplus to the greater of 2% or \$100,000 in 2005-2006 and maintained a reduced surplus of 2% starting in the 2006-2007 fiscal year. The law's surplus restriction runs contrary to sound financial principles, which have served as the basis for previous, long-standing state Department of Education policy. This restriction also undermines needed flexibility for long-term District planning. Until the enactment of S-1701, state statute permitted school districts, such as Cranford, to establish surplus accounts that ranged between 3% and 6%. Further, the state Department of Education's previous policy and administrative code required school districts to obtain state permission to budget surplus below the 3% maximum. Inadequate reserves place school districts in a precarious financial position as they could find themselves ill prepared to deal with unanticipated expenditures that may lead to a budgetary crisis. Furthermore, the drawing down of District surplus through forced utilization of budgeted fund balance generates automatic revenue shortfalls in subsequent budgets and drives the need to offset such shortfalls through increases in the tax levy or cut other areas such as instructional programming or maintenance.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, taxpayers, parents, students, 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 received. If you have questions about this report or wish to request additional financial information, contact Robert J. Carfagno, CPA, Business Administrator/Board Secretary, at 132 Thomas Street, Cranford, New Jersey, 07016.

Basic Financial Statements

Government-wide Financial Statements

The government-wide financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all governmental activities and business-type activities as of and for the year ended June 30, 2023.

CRANFORD PUBLIC SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 4,960,603.62	\$ 16,160.69	\$ 4,976,764.31
Receivables, net	2,533,332.55	14,180.32	2,547,512.87
Inventory		15,642.88	15,642.88
Capital assets, non-depreciable	41,252,566.00		41,252,566.00
Capital assets, depreciable, net	12,428,100.35		12,428,100.35
 Total Assets	 <u>61,174,602.52</u>	 <u>45,983.89</u>	 <u>61,220,586.41</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Accounting loss on advanced refunding	107,346.87		107,346.87
Pension deferrals	1,649,108.00		1,649,108.00
 Total deferred outflows of resources	 <u>1,756,454.87</u>	 <u>-</u>	 <u>1,756,454.87</u>
<u>LIABILITIES</u>			
Accounts payable	1,479,610.87	13,394.00	1,493,004.87
Accrued interest payable	19,830.82		19,830.82
Accrued salaries	1,724,908.65		1,724,908.65
Due to grantor	11,039.80		11,039.80
Unearned revenue	162,176.83	20,461.47	182,638.30
Payroll deductions & withholdings payable	416,622.06		416,622.06
Noncurrent liabilities:			
Due within one year	1,073,143.16		1,073,143.16
Due beyond one year	8,167,548.98		8,167,548.98
Net pension liability	10,975,800.00		10,975,800.00
 Total liabilities	 <u>24,030,681.17</u>	 <u>33,855.47</u>	 <u>24,064,536.64</u>
<u>DEFERRED INFLOW OF RESOURCES</u>			
Pension deferrals	3,145,003.00		3,145,003.00
<u>NET POSITION</u>			
Net Investment in capital assets	47,601,924.82		47,601,924.82
Restricted for:			
Capital reserve	1.00		1.00
Debt service	186,790.69		186,790.69
Unemployment Compensation	181,156.97		181,156.97
Student activities	276,828.51		276,828.51
Unrestricted (deficit)	(12,491,328.77)	12,128.42	(12,479,200.35)
 Total net position	 <u>\$ 35,755,373.22</u>	 <u>\$ 12,128.42</u>	 <u>\$ 35,767,501.64</u>

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

CRANFORD PUBLIC SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:						
Instruction:						
Regular	\$ 31,711,731.60	\$ 2,888,128.77	\$ 576,991.51	\$ (28,246,611.32)		\$ (28,246,611.32)
Special education	12,264,714.88			(12,264,714.88)		(12,264,714.88)
Other special instruction	1,120,588.45			(1,120,588.45)		(1,120,588.45)
Other instruction	2,344,317.06			(2,344,317.06)		(2,344,317.06)
Support services:						
Tuition	5,059,556.17			(5,059,556.17)		(5,059,556.17)
Student & instruction related services	13,475,635.71	677,737.45	2,035,559.08	(10,762,339.18)		(10,762,339.18)
School administrative services	4,797,617.98			(4,797,617.98)		(4,797,617.98)
General and business administrative services	3,116,189.34			(3,116,189.34)		(3,116,189.34)
Plant operations and maintenance	7,591,183.12		4,906.96	(7,586,276.16)		(7,586,276.16)
Pupil transportation	3,571,902.41			(3,571,902.41)		(3,571,902.41)
Charter schools	36,969.00			(36,969.00)		(36,969.00)
Interest on long-term debt	81,158.77			(81,158.77)		(81,158.77)
Total governmental activities	<u>85,171,564.49</u>	<u>3,565,866.22</u>	<u>2,617,457.55</u>	<u>(78,988,240.72)</u>		<u>(78,988,240.72)</u>
Business-type activities:						
Food Service	1,091,281.94	1,054,155.77			\$ (37,126.17)	(37,126.17)
Total business-type activities	<u>1,091,281.94</u>	<u>1,054,155.77</u>	<u>-</u>		<u>(37,126.17)</u>	<u>(37,126.17)</u>
Total primary government	<u>\$ 86,262,846.43</u>	<u>\$ 4,620,021.99</u>	<u>\$ 2,617,457.55</u>	<u>\$ (78,988,240.72)</u>	<u>\$ (37,126.17)</u>	<u>\$ (79,025,366.89)</u>
General revenues and transfers:						
Taxes:						
Property Taxes, levied for general purposes, net				\$ 61,981,406.00		\$ 61,981,406.00
Property Taxes, levied for debt service				620,429.00		620,429.00
State and federal sources - unrestricted				15,645,691.31		15,645,691.31
Miscellaneous income				1,104,383.61	\$ 1,028.07	1,105,411.68
Transfers				(45,499.49)	45,499.49	-
Total general revenues and transfers				<u>79,306,410.43</u>	<u>46,527.56</u>	<u>79,352,937.99</u>
Change in net position				318,169.71	9,401.39	327,571.10
Net Position—beginning				35,437,203.51	2,727.03	35,439,930.54
Net Position—ending				<u>\$ 35,755,373.22</u>	<u>\$ 12,128.42</u>	<u>\$ 35,767,501.64</u>

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

Fund Financial Statements

Governmental Funds

CRANFORD PUBLIC SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 4,397,832.68	\$ 356,149.43	\$ 206,621.51	\$ 4,960,603.62
Accounts Receivable:				
State	1,115,876.00			1,115,876.00
Federal		832,658.29		832,658.29
Other Intergovernmental	551,991.51			551,991.51
Other	32,806.75			32,806.75
Interfund	647,940.55			647,940.55
Total Assets	\$ 6,746,447.49	\$ 1,188,807.72	\$ 206,621.51	\$ 8,141,876.72
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	\$ 292,679.44	\$ 227,073.43	\$	\$ 519,752.87
Intergovernmental Payable		11,039.80		11,039.80
Accrued Salaries and Benefits	1,724,908.65			1,724,908.65
Payroll Deductions & Withholdings Payable	416,622.06			416,622.06
Interfund Payable		647,940.55		647,940.55
Deferred Revenue	136,251.40	25,925.43		162,176.83
Total Liabilities	2,570,461.55	911,979.21		3,482,440.76
Fund Balances:				
Restricted For:				
Debt Service			0.51	0.51
Capital Reserve	1.00			1.00
Unemployment Compensation	181,156.97			181,156.97
Student Activities		276,828.51		276,828.51
Assigned:				
Year End Encumbrances	1,244,252.54			1,244,252.54
Designated for Subsequent Year's Expenditures	2,203,667.00		206,621.00	2,410,288.00
Unassigned	546,908.43			546,908.43
Total Fund Balances	4,175,985.94	276,828.51	206,621.51	4,659,435.96
Total Liabilities and Fund Balances	\$ 6,746,447.49	\$ 1,188,807.72	\$ 206,621.51	\$ 8,141,876.72

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 \$137,828,038.72 and the accumulated depreciation is \$84,147,372.37	\$	53,680,666.35
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.		(19,830.82)
Losses from the issuance of refunding bonds are deferred and amortized over the life of the bond		107,346.87
Long-term liabilities, including bonds payable, financed purchases and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.		(9,240,692.14)
Deferred pension costs in governmental activities are not financial resources and are therefore not reported in the funds.		(1,495,895.00)
Accrued pension contributions for the June 30, 2023 plan year end are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in the accounts payable in the government-wide statement of net position.		(959,858.00)
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds.		(10,975,800.00)
Net position of governmental activities	\$	35,755,373.22

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

CRANFORD PUBLIC SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
Revenues:				
Local Tax Levy	\$ 61,981,406.00	\$	\$ 620,429.00	\$ 62,601,835.00
Tuition Charges	2,888,128.77			2,888,128.77
Miscellaneous	365,002.73			365,002.73
PILOT Payments to School District	599,075.56			599,075.56
Local Sources		789,896.52		789,896.52
State Sources	22,009,796.49	389,537.20		22,399,333.69
Federal Sources	13,430.06	2,115,761.28		2,129,191.34
Total Revenues	87,856,839.61	3,295,195.00	620,429.00	91,772,463.61
Expenditures:				
Current:				
Regular Instruction	21,156,574.22	576,991.51		21,733,565.73
Special Education Instruction	8,191,707.28			8,191,707.28
Other Special Instruction	745,788.76			745,788.76
Other Instruction	1,717,704.86			1,717,704.86
Support Services and Undistributed Costs:				
Tuition	3,689,944.59	1,240,834.58		4,930,779.17
Student and Instruction Related Services	8,465,392.68	1,239,011.89		9,704,404.57
School Administrative Services	3,212,313.37			3,212,313.37
Other Administrative Services	2,400,159.63			2,400,159.63
Plant Operations and Maintenance	6,595,516.02			6,595,516.02
Pupil Transportation	3,431,434.65			3,431,434.65
Unallocated Benefits	29,379,441.11	220,257.12		29,599,698.23
Charter Schools	36,969.00			36,969.00
Debt Service:				
Principal			546,000.00	546,000.00
Interest and Other Charges			74,431.50	74,431.50
Capital Outlay	754,538.80	4,906.96		759,445.76
Total Expenditures	89,777,484.97	3,282,002.06	620,431.50	93,679,918.53
Excess (Deficiency) of Revenues over Expenditures	(1,920,645.36)	13,192.94	(2.50)	(1,907,454.92)
Other Financing Sources (Uses):				
Transfers Out - Food Service Fund	(45,499.49)			(45,499.49)
Capital Leases	217,009.80			217,009.80
Unemployment Fund Balance	140,305.32			140,305.32
Total Other Financing Sources and Uses	311,815.63	0.00	0.00	311,815.63
Net Change in Fund Balances	(1,608,829.73)	13,192.94	(2.50)	(1,595,639.29)
Fund Balance - July 1	5,784,815.67	263,635.57	206,624.01	6,255,075.25
Fund Balance - June 30	\$ 4,175,985.94	\$ 276,828.51	\$ 206,621.51	\$ 4,659,435.96

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

CRANFORD PUBLIC SCHOOL DISTRICT
 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) \$ (1,595,639.29)

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 depreciation exceeded capital outlays in the period.

	Depreciation expense \$	(1,636,579.38)	
	Capital Outlays	759,445.76	
	Deletions, Net of Depreciation	<u>(38,984.29)</u>	(916,117.91)

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

	Payment of bond principal	546,000.00	
	Financed purchase payment	<u>601,219.61</u>	1,147,219.61

Proceeds from debt issues and financed purchases are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt and financed purchases increases long-term liabilities in the statement of net position.

	Financed purchase proceeds		(217,009.80)
--	----------------------------	--	--------------

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. (+)

7,585.65

Pension expenditures in the governmental funds are recognized when paid or payable from expendable available financial resources. In the statement of activities, pension costs are recognized on a full accrual basis utilizing actuarial valuations. The amount by which actuarially calculated pension expense exceeds the expenditure reported in the funds is a deduction.

2,014,213.00

The difference between the face amount of Refunded Bonds and the escrow deposit required to legally defease the Bonds is recorded as a decrease to fund balance in the governmental funds in the year of issuance, but is carried on the statement of net position and amortized over the life of the Bonds.

	Amortization of Deferred Amount from Refunding		(14,312.92)
--	--	--	-------------

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

(107,768.63)

Change in net position of governmental activities (A-2) \$ 318,169.71

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

Proprietary Fund

CRANFORD PUBLIC SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	<u>Major Fund Enterprise Fund Food Service</u>
Assets:	
Current Assets:	
Cash and Cash Equivalents	\$ 16,160.69
Accounts Receivable:	
Other	14,180.32
Inventories	<u>15,642.88</u>
Total Current Assets	<u>45,983.89</u>
Noncurrent Assets:	
Furniture, Machinery & Equipment	241,803.35
Less Accumulated Depreciation	<u>(241,803.35)</u>
Total Noncurrent Assets	<u>-</u>
Total Assets	<u>45,983.89</u>
Liabilities:	
Current Liabilities:	
Accounts Payable	13,394.00
Unearned Revenue	<u>20,461.47</u>
Total Current Liabilities	<u>33,855.47</u>
Total Liabilities	<u>33,855.47</u>
Net Position:	
Unrestricted	<u>12,128.42</u>
Total Net Position	<u>\$ 12,128.42</u>

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

CRANFORD PUBLIC SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Major Fund Enterprise Fund Food Service
Operating Revenues:	
Charges for Services	\$ 1,054,155.77
Total Operating Revenues	1,054,155.77
Operating Expenses:	
Purchased Property Services	77,826.08
Other Purchased Services	1,013,455.86
Total Operating Expenses	1,091,281.94
Operating Income (Loss)	(37,126.17)
Nonoperating Revenues (Expenses):	
Interest and Investment Revenue	1,028.07
Total Nonoperating Revenues (Expenses)	1,028.07
Income (Loss) before Transfers	(36,098.10)
Other Financing Sources:	
Transfers In	45,499.49
Total Oher Financing Sources	45,499.49
Change in Net Position After Other Financing Sources	9,401.39
Total Net Position - Beginning	2,727.03
Total Net Position - Ending	\$ 12,128.42

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

CRANFORD PUBLIC SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Major Fund Enterprise Fund Food Service</u>
Cash Flows from Operating Activities:	
Cash Receipts from Customers	\$ 1,052,782.00
Payments to Suppliers for Goods and Services	<u>(1,115,366.02)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(62,584.02)</u>
Cash Flows from Non-Capital Financing Activities:	
Cash Receipts from Other Funds	<u>45,499.49</u>
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>45,499.49</u>
Cash Flows from Investing Activities:	
Interest	<u>1,028.07</u>
Net Cash Provided by (Used for) Investing Activities	<u>1,028.07</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(16,056.46)
Cash and Cash Equivalents at Beginning of Year	<u>32,217.15</u>
Cash and Cash Equivalents at End of Year	<u>\$ 16,160.69</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (37,126.17)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Income:	
Changes in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	(6,711.61)
(Increase) Decrease in Inventories	(840.07)
Increase (Decrease) in Accounts Payable	(23,244.01)
Increase (Decrease) in Deferred Revenue	<u>5,337.84</u>
Total Adjustments	<u>(25,457.85)</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (62,584.02)</u>

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

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) of the Board of Education (Board) of the Township of Cranford School District (District) report information on the primary government. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. The District is not financially accountable for any legally separate component units, and no component units have been included in the government-wide financial statements.

B. Reporting Entity

The Township of Cranford School District is a Type II district located in the County of Union, 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-12. The Township of Cranford School District had an enrollment at June 30, 2023 of 3,736 students.

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. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

C. Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise fund. Separate financial statements are provided for governmental funds and proprietary funds. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the District's funds. Separate statements for each category – governmental and proprietary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, with each displayed in a separate column. Any remaining governmental and enterprise funds are aggregated and reports as nonmajor funds.

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 noninstructional 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. Resources for instructional and noninstructional equipment can be transferred from and to Current Expense by board resolution.

Since the District's unemployment and payroll agency funds do not meet the criteria defined by the GASB Statement No. 84, the unemployment compensation fund which is used to account for contributions from the District and employees and interest earned on the balance as well as payments to the State for reimbursement of unemployment claims and the payroll agency fund which is used to account for the assets that the District holds on behalf of others as their agent are reported in the general fund as governmental activities.

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 Fund) and local appropriations that are legally restricted to expenditures for specified purposes.

Since the District's student activity funds do not meet the criteria defined by the GASB Statement No.84, the student activities which is used to account for funds derived from athletic events or other activities of pupil organizations and to account for the accumulation of money to pay for student group activities are reported in the special revenue fund as governmental activities.

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Presentation – Fund Financial Statements (continued)

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.

The District reports the following major enterprise fund:

Food Service Fund – the Food Service Fund is used to account for the activities of the cafeteria operations of the District.

During the course of its normal operations, the District will have activity between funds (interfund activity) for various purposes. Any residual interfund balances at year-end are reported as interfund accounts receivable/payable. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of government-wide financial statements. Balances between funds included within governmental activities (the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, any interfund balances between business-type (enterprise) funds are eliminated so that only the net amount is included as internal balances in the business-type activities column.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied is determined by its measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured, such as current financial resources or economic resources. The basis of accounting refers to the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the fiscal period that the taxes are levied by the municipality(s) within which the District is domiciled. Ad Valorem (Property) Taxes are susceptible to accrual and under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District recognizes the entire approved tax levy as revenue in the fiscal period for which they were levied. The District is entitled to receive moneys under an established payment schedule and any unpaid amount is considered to be an “accounts receivable”. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. State categorical aid revenues are recognized as District revenue during the fiscal period in which they are appropriated.

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Measurement Focus and Basis of Accounting (continued)

The governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized when it becomes measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual basis accounting. Exceptions to this general rule include debt service, for which interest and principal expenditures in the Debt Service Fund are recognized on their due dates, and expenditures relating to compensated absences, claims and judgments, which are recorded in the period when payment becomes due. General capital assets acquisitions are recorded as expenditures in the governmental funds and are not capitalized. The issuance of long-term debt for capital purposes and financed purchase obligations incurred to acquire general capital assets are reported as "other financing sources."

The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. Entitlements are recorded as revenue when all eligibility requirements, including timing of funding appropriations, are met, subject to the 60-day availability requirement for collection. Interest and tuition revenues are considered susceptible to accrual and have been recognized as revenues of the current fiscal period, subject to availability. Expenditure driven grant revenues are recorded as qualifying expenditures are incurred and all other eligibility requirements have been met, subject to availability requirements. All other revenue items are considered measurable and available only when cash is received by the District.

The District's proprietary fund is reported using the economic resources measurement focus and the accrual basis of accounting.

F. Budgets/Budgetary Control

Annual budgets are adopted for the general, special revenue and debt service funds using a regulatory basis of accounting, which differs from generally accepted accounting principles in one material respect. Budgetary revenues for certain nonexchange state aid transactions are recognized for budgetary purposes in the fiscal period prior to the period in which the state recognizes expenditures/expenses. The amounts of the adjustments needed to reconcile the budgetary basis to the GAAP basis fund financial statements are set forth in the explanation of differences schedules, which follow.

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval. Pursuant to changes in the Local District School Budget Law, statutorily conforming base budgets of Districts with annual school elections held in November are no longer required to be presented to the voters for approval on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Budgets/Budgetary Control (continued)

are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. New Jersey statutes place limitations on the Board's ability to increase budgeted expenditures through the appropriation of previously undesignated fund balance and requires the District to obtain additional approvals when budgetary transfers, measured using the advertised budgetary account totals rather than line-item totals, exceed certain thresholds. The Board of Education did not make any supplemental budgetary appropriations during the fiscal year that required additional approvals from oversight agencies.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only and special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

Appropriations in the general and debt service funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executor) contracts for goods and services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year-end, valid outstanding encumbrances, for which the contracted performance is expected during the subsequent budget cycle, are assigned at year-end and are automatically re-appropriated and become part of the subsequent years' budget pursuant to state regulations.

Except for student activity funds, 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 statements

The following presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the 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.

Explanation of differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Budgets/Budgetary Control (continued)

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedule	\$ 87,915,767.61	\$ 3,295,195.00
Difference- budget to GAAP:		
The last State Aid payments are recognized as revenue for budgetary purposes, and differs from GAAP, which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	(387,833.00)	
State Aid payments recognized for GAAP statements in the current year, previously recognized for budgetary purposes	<u>328,905.00</u>	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	<u>\$ 87,856,839.61</u>	<u>\$ 3,295,195.00</u>
Uses/Outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	<u>\$ 89,777,484.97</u>	<u>\$ 3,282,002.06</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 89,777,484.97</u>	<u>\$ 3,282,002.06</u>

G. Cash, 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 districts.

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Cash, Cash Equivalents and Investments (continued)

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.

N.J.S.A. 17:9-41 ET. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

H. Tuition

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

I. Inventories

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

Inventories in the Proprietary Fund are valued at cost, which approximates market, using the first-in-first-out (FIFO) method.

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

Food	\$ 9,966.28
Supplies	<u>5,676.60</u>
Total	<u>\$15,642.88</u>

J. Interfund Receivables/Payables

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.

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Capital Assets

Capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated capital assets are valued at their acquisition value on the date of acquisition. The District maintains a threshold level of \$2,000.00 or more for capitalizing capital assets. The system for accumulation of fixed assets cost data does not provide the means for determining the percentage of assets valued at actual and those valued at estimated costs.

Capital assets are recorded in the Government-wide financial statements, but are not reported in the Fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purpose by the District, no salvage value is taken into consideration for depreciation purpose. Useful lives vary from 20 to 50 years for land improvements and buildings, and 5 to 15 years for equipment.

Capital assets not being depreciated include land and construction in progress.

The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

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

Food Service Fund:	
Equipment	10 Years

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 related 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. The School District reports compensated absences in accordance with the provisions of GASB No. 16, "Accounting for Compensated Absences".

The entire compensated absences liability is reported on the government-wide financial statements. For governmental funds, the current portion of unpaid compensated absences in the amount expected to be paid using expendable available resources. The non-current portion of the liability is not reported.

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. Pensions

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

N. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position may report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and will not be recorded as an outflow of resources (expenditure/expense) until that time. The District has two items that qualify for reporting in this category, deferred amounts related to pensions and losses on refunding/refinancing. Losses on refunding/refinancing are deferred and amortized over the term of the bonds/leases using the straight-line method which approximates the effective interest method. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. Deferred pension amounts represent an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

O. Other Post-Employment Benefits

Pursuant to State Statute, the State Health Benefits Local Education Retirees Employees Plan was established to oversee the funding and payment of post-employment medical benefits for eligible LEA employees. This plan is a multi-employer defined benefit OPEB Plan that is administered on a pay-as-you-go basis. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

The Plan is a "Special Funding Situation" as defined in GASB Statement No. 75 as the State of New Jersey is solely responsible for funding the Plan's obligations (net of employee contributions). Accordingly, no net OPEB liability is reported on the District's Statement of Net Position. In the Statement of Activities, the District reports an annual OPEB expense and a corresponding revenue, equal to the allocated expense of the District as reported by the State.

P. Unearned Revenue/Advances from Grantors

Unearned revenue represents cash advances received relating to services (expenditures/expenses) that will be provided in a subsequent fiscal period. Similarly, for expenditure-driven grants, amounts advanced to the District in excess of the amounts expended and earned are recorded as advances from grantors.

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. Fund Balances

GASB Statement No. 54, *Fund Balance Reporting and Governmental Type Definitions* (“GASB 54”) established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Under GASB 54, fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five categories:

- 1) Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, long-term receivables, and corpus of any permanent funds.
- 2) Restricted – includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- 3) Committed – includes amounts that can be used only for the specific purposes imposed by a formal action of the government’s highest level of decision-making authority. The District’s highest level of decision-making authority is the Board of Education (the “Board”) and formal action is taken by resolution of the Board at publicly held meetings. Once committed, amounts cannot be used for other purposes unless the Board revises or changes the specified use by taking the same action (resolution) taken to originally commit these funds.
- 4) Assigned – amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Intent is expressed by either the Board or Business Administrator, to whom the Board has delegated the authority to assign amounts to be used for specific purposes, including the encumbering of funds.
- 5) Unassigned – includes all spendable amounts not contained in the other classifications in the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In the other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, then unrestricted resources as they are needed. For the unrestricted fund balance, the District first spends committed funds, then assigned funds, and finally, unassigned funds. Of the \$4,175,985.94 of fund balance in the General Fund, \$1.00 has been restricted for capital reserve, \$181,156.97 has been restricted for unemployment compensation, \$1,244,252.54 has been assigned for other purposes, \$2,203,667.00 has been designated for subsequent year’s expenditures, and \$546,908.43 is classified as unassigned.

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

R. Net Position and Fund Balance/Restricted Assets

GASB Statement Number 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* became effective for financial statements for periods beginning after December 15, 2011 and established standards for reporting deferred outflows of resources, deferred inflows of resources and net position. The adoption of this statement resulted in a change in the presentation of the statement of net position to what is now referred to as the statement of net position and the term “net assets” is changed to “net position” throughout the financial statements. Net Position represents the difference between assets, deferred outflows, deferred inflows, and liabilities in the government-wide financial statements. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted in the government-wide financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

S. Government-Wide Financial Statement Classifications

1. Program Revenues – Amounts reported as program revenues include a) charges to customers or applicants who purchase, use or benefit from goods services or privileges provided by a given function or segment and b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.
2. General Revenues – all taxes, including those designated for specific purposes such as debt service, are reported as general revenues. All other resources, including internally dedicated resources, unrestricted entitlements, and investment income are reported as general revenues.
3. Capital Assets – In the statement of net position, capital assets are reported, net of accumulated depreciation as assets of the governmental activities and business-type activities.
4. Long-term Debt - In the statement of net position, long-term debt is reported as a component of long-term liabilities of the governmental activities and business-type activities.
5. Net Investment in Capital Assets – In the statement of Net Position, the net undepreciated value of capital assets, less the value of outstanding debt issued to purchase acquire or build those capital assets, is reported as Net Investment in Capital Assets as a component of net position for the governmental activities and business-type activities.

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

T. Proprietary Fund Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and products in connection with the primary purpose or function for which the fund was established. The District's Food Service proprietary fund reports operating revenues from the sale of lunches and a la carte items, and operating expenses include the costs of sales (food, supplies and labor), administrative costs and depreciation on capital assets. Revenues earned from interest and investment income are classified as nonoperating revenues.

U. Management Estimates

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

V. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated are authorized to enter into tax abatement agreements. Furthermore, if the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district. For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth. There have been no tax abatement agreements entered into by the Township that will materially affect the District.

W. Recently Issued Accounting Pronouncements

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* in May 2020. This Statement provides guidance on accounting and financial reporting for subscription-based information technology arrangements. The requirements of this Statement are effective for periods beginning after June 15, 2022. Management has reviewed the requirements of GASB Statement No. 96 and deemed the impact immaterial to the financial statements.

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

W. Recently Issued Accounting Pronouncements (continued)

The GASB issued Statement No. 99, *Omnibus 2022* in April 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. The requirements of this Statement are effective for periods beginning after June 15, 2022. . Management has reviewed the requirements of GASB Statement No. 96 and deemed the impact immaterial to the financial statements.

The GASB issued Statement No. 101, *Compensated Absences* in June 2022. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for periods beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. Management has not determined the impact of the Statement on the financial statements.

X. Subsequent Events

Management has reviewed and evaluated all events and transactions from June 30, 2023 through December 5, 2023, the date that the financial statements were available for issuance and the effects of those that provide additional pertinent information about conditions that existed at the balance sheet date, have been recognized in the accompanying financial statements.

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey that are insured by the Federal Deposit Insurance Corporation (FDIC), New Jersey's Governmental Unit Deposit Protection Act, by any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund. The New Jersey Governmental Deposit Protection Act requires all banks doing business in the State of New Jersey to maintain collateral in the amount of 5% of the average public deposits and deposit these amounts with the Federal Reserve Bank for all deposits not covered by the FDIC.

Cash on deposit is partially insured by federal deposit insurance in the amount of \$250,000.00 in each depository. Balances above the federal deposit insurance amount are insured by the Government Unit Deposit Protection Act (GUDPA), N.J.S.A. 17:941, et seq., which insures all New Jersey governmental units' deposits in excess of the federal deposit insurance maximums.

Based upon GASB criteria, the District considers cash and cash equivalents to include petty cash, change funds, demand deposits, money market accounts and short-term investments and are either any direct and general obligation of the United States of America or certificates of deposit issued by any bank, savings and bank or national banking association if qualified to serve as a depository for public funds under the provisions of the Governmental Unit Depository Protection Act.

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2023

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)

The Cranford Board of Education had the following depository accounts. All deposits are carried at cost plus accrued interest. The government does not have a deposit policy.

Depository Account	
Insured - FDIC	\$ 250,000.00
Insured - NJGUDPA (N.J.S.A. 17:9-41)	6,912,370.38
Uninsured	<u>53,148.28</u>
Total Deposits	<u>\$ 7,215,518.66</u>

Custodial Credit Risk – Deposits- Custodial credit risk is the risk that in the event of a bank failure, the board's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2023, \$53,148.28 of the Board's bank balance of \$7,215,518.66 was exposed to custodial risk. (See Note 1-G. relating to statutory mitigation of custodial risk in the event of a bank failure).

Concentration of Credit Risk – This is the risk associated with the amount of investments that the Board has with any one issuer that exceeds 5 percent or more of its total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement.

Credit Risk – GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government. This is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. In general, the Board does not have an investment policy regarding Credit Risk except to the extent outlined under the Board's investment policy.

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

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 the possibility always exists, and for this reason a reserve is being accumulated as additional on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, 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.

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2023

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)

As of June 30, 2023, the District had \$53,148.28 on deposit with the New Jersey Cash Management Fund.

At June 30, 2023, the cash and cash equivalents and investments of the District consisted of the following:

	<u>2023</u>
Cash (Demand Accts.)	\$ 4,923,616.03
State of N.J. Cash Mgmt. Fund	<u>53,148.28</u>
Total	<u>\$ 4,976,764.31</u>

NOTE 3. CAPITAL ASSETS

The governmental fund balance sheet includes a reconciliation between fund balance – total funds and net position – governmental activities as reported in the Government-Wide statement of net position. One item of that reconciliation explains that capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. An addition to the fund balance – total governmental funds is made to reflect the carrying value of the District’s capital assets at year-end in the government-wide financial statements, which consist of:

Total capital assets at cost	\$ 137,828,038.72
Less: accumulated depreciation	<u>(84,147,372.37)</u>
Governmental Activities Capital Assets, Net	<u>\$ 53,680,666.35</u>

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2023

NOTE 3. CAPITAL ASSETS (continued)

Capital assets by classification and activity for the year ended June 30, 2023 were as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u> <u>Balance</u>
Governmental Activities:				
Capital Assets That Are Not Being Depreciated:				
Land	\$ 41,197,641.00	\$	\$	\$ 41,197,641.00
Construction in Progress		<u>54,925.00</u>		<u>54,925.00</u>
Total Capital Assets Not Being Depreciated	<u>41,197,641.00</u>	<u>54,925.00</u>		<u>41,252,566.00</u>
Building and Building Improvements	87,398,604.25	13,684.00		87,412,288.25
Improvements other than Buildings	518,661.00			518,661.00
Machinery, Equipment, Furniture & Vehicles	<u>8,135,610.31</u>	<u>690,836.76</u>	<u>181,923.60</u>	<u>8,644,523.47</u>
Totals at Historical Cost	<u>96,052,875.56</u>	<u>704,520.76</u>	<u>181,923.60</u>	<u>96,575,472.72</u>
Less Accumulated Depreciation For:				
Building and Building Improvements	(76,507,698.51)	(931,661.91)		(77,439,360.42)
Improvements other than Buildings	(480,939.28)	(6,294.03)		(487,233.31)
Equipment, Furniture, and Vehicles	<u>(5,665,094.51)</u>	<u>(698,623.44)</u>	<u>(142,939.31)</u>	<u>(6,220,778.64)</u>
Total Accumulated Depreciation	<u>(82,653,732.30)</u>	<u>(1,636,579.38)</u>	<u>(142,939.31)</u>	<u>(84,147,372.37)</u>
Total Capital Assets Being Depreciated (Net of Accumulated Depreciation)	<u>13,399,143.26</u>	<u>(932,058.62)</u>	<u>38,984.29</u>	<u>12,428,100.35</u>
Governmental Activities Capital Assets, Net	<u>\$ 54,596,784.26</u>	<u>\$ (877,133.62)</u>	<u>\$ 38,984.29</u>	<u>\$ 53,680,666.35</u>
Business-type Activities				
Equipment	\$ 241,803.35			\$ 241,803.35
Less Accumulated Depreciation for:				
Equipment	<u>(241,803.35)</u>			<u>(241,803.35)</u>
Business-type Activities Capital Assets, Net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 845,897.38
Tuition	128,777.00
Student & instruction related services	253,450.00
School Administrative services	83,896.00
General and business administrative services	62,685.00
Plant operations and maintenance	172,255.00
Pupil transportation	<u>89,619.00</u>
Total	<u>\$ 1,636,579.38</u>

Cranford Public School District

Notes to the Basic Financial Statements

Year ended June 30, 2023

NOTE 4. LONG-TERM LIABILITIES

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the Government-wide statement of net position. One item of that reconciliation explains that Long-term liabilities, including bonds and judgments payable are not due and payable in the current period and therefore are not reported liabilities in the governmental funds. A deduction to the fund balance – total governmental funds is made to reflect the carrying value of the District’s long-term liabilities at year-end in the governmental activities of the Government-wide financial statements.

Long-term debt liability activity for the year ended June 30, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Debt	\$ 5,478,000.00	\$	\$ 546,000.00	\$ 4,932,000.00	\$ 574,000.00
Total Bonds Payable	<u>5,478,000.00</u>	<u>-</u>	<u>546,000.00</u>	<u>4,932,000.00</u>	<u>574,000.00</u>
Other Liabilities:					
Obligations Under Financed Purchases	1,638,298.21	217,009.80	601,219.61	1,254,088.40	455,316.22
Compensated Absences Payable	<u>2,946,835.11</u>	<u>312,235.99</u>	<u>204,467.36</u>	<u>3,054,603.74</u>	<u>43,826.94</u>
Total Other Liabilities	<u>4,585,133.32</u>	<u>529,245.79</u>	<u>805,686.97</u>	<u>4,308,692.14</u>	<u>499,143.16</u>
Net Pension Liability (PERS)	<u>9,492,444.00</u>	<u>1,483,356.00</u>	<u></u>	<u>10,975,800.00</u>	<u></u>
Total Liabilities	<u>\$ 19,555,577.32</u>	<u>\$ 2,012,601.79</u>	<u>\$ 1,351,686.97</u>	<u>\$ 20,216,492.14</u>	<u>\$ 1,073,143.16</u>

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. Bonds payable at June 30, 2023 consist of the following issues and amounts:

On August 11, 2021 the District issued \$5,478,000.00 in Refunding School Bonds with an interest rate of 1.430%. The District issued the bonds to advance refund all or a portion of the District’s \$6,878,000.00 aggregate principal amount of the outstanding Refunding School Bond, Series 2010, dated October 26, 2010, maturing on or after November 1, 2022, with interest rates ranging from 3.000% to 4.000% at a redemption price of 100% of the principal amount thereof. As a result, \$6,878,000.00 of the refunded bonds is considered defeased and the liability was removed from the basic financial statements. This advance refunding was undertaken to reduce total debt service payments over the following ten years by \$2,522,490.58 and resulted in a net present value savings of \$2,326,937.34. The 2021 Refunding School Bonds are due to mature annually through the 2031 fiscal year at the remaining principal payments ranging from \$574,000.00 to \$658,000.00 at an annual fixed interest rate of 1.430%.

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2023

NOTE 4. LONG-TERM LIABILITIES (continued)

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

Year Ending June 30,	Principal	Interest	Total
2024	\$ 574,000.00	\$ 66,423.50	\$ 640,423.50
2025	600,000.00	58,029.40	658,029.40
2026	613,000.00	49,356.45	662,356.45
2027	631,000.00	40,461.85	671,461.85
2028	658,000.00	31,245.50	689,245.50
2029-2031	1,856,000.00	39,081.90	1,895,081.90
	<u>\$ 4,932,000.00</u>	<u>\$ 284,598.60</u>	<u>\$ 5,216,598.60</u>

The above general obligation bonds are direct borrowings of the District for which its full and faith and credit are pledged and are payable from taxes levied on all taxable real property within the District.

B. Bonds Authorized But Not Issued (ABNI)

At June 30, 2023, the District had no unissued bond authorizations.

C. Financed Purchases - The District is purchasing copier equipment, security systems, and technology under financed purchases. Principal and interest due on financed purchase obligations outstanding as of June 30, 2023 is as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 455,316.22	\$ 11,601.08	\$ 466,917.30
2025	428,346.21	6,586.43	434,932.64
2026	302,811.37	2,360.20	305,171.57
2027	43,401.96	-	43,401.96
2028	24,212.64	-	24,212.64
	<u>\$ 1,254,088.40</u>	<u>\$ 20,547.71</u>	<u>\$ 1,274,636.11</u>
Total	<u>\$ 1,254,088.40</u>	<u>\$ 20,547.71</u>	<u>\$ 1,274,636.11</u>

D. Compensated Absences

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

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2023

NOTE 4. LONG-TERM LIABILITIES (continued)

D. Compensated Absences (continued)

District employees are granted varying amounts of vacation and sick leave in accordance with the district's personnel policy. Upon termination, employees are paid for accrued vacation in accordance with the District's agreements with the various employee unions or individual employment contracts. The District's policy permits employees to accumulate 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 agreements with the various employee unions or individual employment contracts.

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 of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2023, a liability existed for compensated absences in the government-wide financial statements in the amount of \$3,054,603.74 and no liability existed for compensated absences in the District Enterprise funds.

NOTE 5. PENSION PLANS

Description of Systems

Substantially all of the District's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Teachers' Pension and Annuity Fund Retirement System is considered a cost-sharing multiple-employer plan, with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. The Public Employees' Retirement System is considered a cost-sharing multiple-employer plan. District employees employed by the Enterprise Funds are not eligible for pension benefits. Employees in the Food Service Enterprise Fund are employees of the Food Service Management Company and therefore not eligible for pension benefits. Employees of the remaining Enterprise Funds are either part-time or stipend employees and are therefore not eligible for pension benefits.

Teachers' Pension and Annuity Fund

The Teachers' Pension and Annuity Fund was established in January 1955 under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2023

NOTE 5. PENSION PLANS (continued)

for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively, with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

Public Employees' Retirement System

The Public Employees' Retirement System was established in January 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school Board or public agency provided the employee is not a member of another State-administered retirement system. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issued publicly available financial reports that include the financial statements and required supplementary information for TPAF and PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing members. Plan member and employer contributions may be amended by State of New Jersey legislation. Employee contribution rates for TPAF and PERS are 7.5% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate in both the TPAF and PERS. The actuarially determined contribution includes funding for noncontributory death benefits and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

During the year ended June 30, 2023, the State of New Jersey contributed \$14,339,555.00 to the TPAF for on-behalf pension and post-retirement medical benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$2,383,878.49 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.

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2023

NOTE 5. PENSION PLANS (continued)

The District's actuarially determined contributions to PERS for each of the years ended June 30, 2023, 2022 and 2021 were \$917,147.00, \$938,400.00, and \$896,762.00, respectively.

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Public Employees' Retirement System (PERS)

At June 30, 2023, the District reported a liability of \$10,975,800.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2021, which was rolled forward to June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2022, the District's proportion was 0.0727289512 percent, which was a decrease of .0073997312 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized full accrual pension benefit of \$(1,090,738.00) in the government-wide financial statements. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 79,218.00	\$ 69,859.00
Changes of assumptions	34,006.00	1,643,512.00
Net Difference between projected and actual investment earnings on pension plan investments	454,278.00	
Changes in proportion	121,748.00	1,431,632.00
District contributions subsequent to the measurement date	<u>959,858.00</u>	
Total	<u>\$ 1,649,108.00</u>	<u>\$ 3,145,003.00</u>

\$959,858.00 is reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date.

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2023

NOTE 5. PENSION PLANS (continued)

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

Year ending <u>June 30,</u>	
2024	\$(1,402,492.00)
2025	(881,993.00)
2026	(476,988.00)
2027	316,668.00
2028	<u>(10,948.00)</u>
Total	<u>\$ (2,455,753.00)</u>

Actuarial Assumptions

The collective 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:

Inflation	
Price	2.75%
Wage	3.25%
Salary increases:	2.75- 6.55%
	based on years of service
Investment rate of return	7.00%

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. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Mortality Rates

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.

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2023

NOTE 5. PENSION PLANS (continued)

Long-Term Rate of Return

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

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

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2023

NOTE 5. PENSION PLANS (continued)

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate

The following presents the District's proportionate share of the net pension liability as of June 30, 2022, calculated using the discount rate as disclosed above as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	At 1% decrease (6.00%)	At current discount rate (7.00%)	At 1% increase (8.00%)
District's proportionate share of the net pension liability	\$ 14,220,106.00	\$ 10,975,800.00	\$ 8,386,826.00

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for the State of New Jersey Public Employees Retirement System.

Additional Information

Collective balances of the Local Group at June 30, 2022 are as follows:

Deferred outflows of resources	\$ 1,660,772,008.00
Deferred inflows of resources	\$ 3,236,303,935.00
Net pension liability	\$ 15,219,184,920.00
District's proportion	0.0727289512%

Collective pension benefit for the Local Group for the measurement period ended June 30, 2022 is \$1,032,778,934.00.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2022, 2021, 2020, 2019, 2018, 2017, and 2016 is 5.04, 5.13, 5.16, 5.21, 5.63, 5.48 and 5.57 years, respectively.

Special Funding Situation

A special funding situation exists for certain Local employers of the PERS. The State of New Jersey, a nonemployer, is required to pay the additional costs incurred by local employers under Chapter 366, P.L. 2011 and Chapter 122, P.L. 2001. The June 30, 2022 State special funding situation net pension liability amount of \$127.8 million is the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The special funding situation for Chapter 133, P.L. 2011 is due to the State paying the additional normal cost related to benefit improvements from

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2023

NOTE 5. PENSION PLANS (continued)

Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). AS of June 30, 2022, there was no net pension liability associated with this special funding situation there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation pension expense of \$50.2 million, for the fiscal year ending June 30, 2022, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2022. The pension expense is deemed to be a State administrative expense due to the special funding situation.

The District's expense related to the special funding situation is \$23,094.00

Teachers Pensions and Annuity Fund (TPAF) – 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. The State's proportionate share of the TPAF net pension liability associated with the District as of June 30, 2022 was \$139,318,299.00 The District's proportionate share was \$0.00.

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The State's proportionate share of the net pension liability associated with the District was based on a projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2022, the State's proportionate share of the TPAF net pension liability associated with the District was 0.2700259250 percent, which was a decrease of 0.0049943798 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the District recognized on-behalf pension benefit and revenue in the government-wide financial statements of \$3,749,445.00 for contributions incurred by the State.

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2023

NOTE 5. PENSION PLANS (continued)

Actuarial assumptions

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

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75%-5.65%
	based on years of service
Investment rate of return	7.00%

Mortality Rates

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

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

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2023

NOTE 5. PENSION PLANS (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 real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Assets	3.00%	7.60%
Real Estate	8.00%	11.19%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<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 will be made based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments determining the total pension liability.

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2023

NOTE 5. PENSION PLANS (continued)

Sensitivity of the State's proportionate share of the net pension liability associated with the District to changes in the discount rate

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2022 calculated using the discount rate as disclosed above as well as what the State's proportionate share of the net pension liability associated with the District would be if it were calculated using a discount rate that is 1-percentage point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	At 1% decrease (6.00%)	At current discount rate (7.00%)	At 1% increase (8.00%)
State's proportionate share of the net pension liability associated with the District	\$ 163,353,666	\$ 139,318,299	\$ 119,071,522

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued TPAF financial report.

Additional Information

Collective balances of the Local Group at June 30, 2022 are as follows:

Deferred outflows of resources	\$ 4,996,491,160.00
Deferred inflows of resources	\$ 19,532,696,776.00
Net Pension Liability	\$ 51,594,415,806.00
District's Proportion	0.2700259250%

Collective pension expense of the Local Group for the plan for the measurement period ended June 30, 2022 is \$1,424,884,581.00.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2022, 2021, 2020, 2019, 2018, 2017, 2016, and 2015 is 7.83, 7.93, 8.04, 8.29, 8.30, 8.30 and 8.30, years, respectively.

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2023

NOTE 6. POST-RETIREMENT BENEFITS

General Information about the OPEB 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 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 the post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, 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>.

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2023

NOTE 6. POST-RETIREMENT BENEFITS (continued)

Total OPEB Liability

The Nonemployer OPEB liability from the State of New Jersey's plan is \$50,646,462,966.00.

Changes in Total Non-employer OPEB Liability

Below represents the changes in the District's total OPEB liability for the year ended June 30, 2022:

Balance at June 30, 2021	\$ 148,476,383.00
Increased by:	
Service cost	6,999,401.00
Interest cost	3,309,406.00
Difference between expected and actual experience	2,765,438.00
Member contributions	105,162.00
	161,655,790.00
Decreased by:	
Changes of assumptions	33,499,661.00
Changes of benefit terms	
Benefit payments	3,278,065.00
	36,777,726.00
Balance at June 30, 2022	\$ 124,878,064.00

Employees covered by benefit terms

The following employees were covered by the benefit terms:

Local Education Group	June 30, 2022
Active Plan Members	213,148
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	151,669
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	-
Total Plan Members	364,817

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective total OPEB liability on the Statement of Net Position. The State's proportionate share of the total OPEB liability associated with the District as of June 30, 2022 was \$124,878,064.00. Additional information can be obtained from the State of New Jersey's annual comprehensive financial report.

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2023

NOTE 6. POST-RETIREMENT BENEFITS (continued)

Actuarial assumptions and other inputs

The total non-employer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	TPAF	PERS
Inflation rate	2.50%	2.50%
Salary increases:		
Through 2026	2.75 - 4.25%	2.75 - 6.55%
	based on years of service	based on years of service

Mortality Rates

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of the actual experience studies for the periods July 1, 2018 to June 30, 2021.

Discount Rate

The discount rate for June 30, 2022 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.

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

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2023

NOTE 6. POST-RETIREMENT BENEFITS (continued)

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%.

The following represents sensitivity of total non-employer OPEB liability to changes in the discount rate and health care cost rate

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2022 calculated using a discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1-percentage-point lower (2.54%) or 1-percentage-point higher (4.54%) than the current rate:

	<u>At 1% Decrease (2.54%)</u>	<u>At Current Discount Rate (3.54%)</u>	<u>At 1% Increase (4.54%)</u>
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 146,781,028.00	\$ 124,878,064.00	\$ 107,323,933.00

The following represents sensitivity of the Total Non-employer OPEB liability associated with the District to changes in the discount rate and healthcare cost trend rate

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

	<u>At 1% Decrease</u>	<u>Current Healthcare Cost Trend Rates</u>	<u>At 1% Increase</u>
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 103,219,353.00	\$ 124,878,064.00	\$ 153,328,096.00

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

For the year ended June 30, 2023, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$1,225,634 for OPEB expenses incurred by the State.

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2023

NOTE 6. POST-RETIREMENT BENEFITS (continued)

Collective balances of the Education Group at June 30, 2022 are as follows:

Deferred outflows of resources	\$ 20,104,625,333.00
Deferred inflows of resources	\$ 34,996,842,046.00
Collective OPEB expense	\$ 1,595,653,562.00
 District's Proportion	 0.25%

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State, therefore, the District records an expense and corresponding revenue for its respective share of total OPEB expense and revenue attributable to the State of New Jersey.

NOTE 7. RISK MANAGEMENT

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

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive Financial Report. There have been no significant reductions in insurance coverage from the prior year and no settlements have exceeded insurance coverages over the past three years.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of employee contributions and interest earnings, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and prior two years:

<u>Fiscal Year</u>	<u>Contributions/ Interest</u>	<u>CARES Act Federal Contribution</u>	<u>Amount Due at Due at June 30</u>	<u>Ending Balance</u>
2022-2023	\$ 78,681.02	\$ 67,532.10	\$ 49,705.17	\$ 181,156.97
2021-2022	74,532.31	38,844.59	188,604.02	40,851.65
2020-2021	65,426.32	-	156,236.15	-

The Board, along with other school districts, is a member of the Diploma Joint Insurance Fund for Workers' Compensation Insurance Coverage. The Fund is organized and operated pursuant to the regulatory authority of the Department of Banking and Insurance, State of New Jersey and provides for a pooling of risks, subject to established limits and deductibles. In addition, the Fund has obtained excess liability coverages for participants.

At June 30, 2023, the last available audit report, the Fund reported case revenue and losses incurred but not reported (IBNR) in excess of fund balance for all years of \$3,935,625.

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2023

NOTE 8. INTERFUND RECEIVABLES AND PAYABLES

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

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 647,940.55	
Special Revenue Fund		647,940.55
	<hr/>	<hr/>
Total	<u>\$ 647,940.55</u>	<u>\$ 647,940.55</u>

The interfund payable in the Special Revenue Fund consists of \$647,940.55 of deficit cash balances related to grant expenditures that have yet to be reimbursed to the District from the federal and state government as of June 30, 2023. All interfunds are expected to be liquidated during the next fiscal year.

NOTE 9. CALCULATION OF EXCESS SURPLUS

In accordance with *N.J.S.A. 18A:7F-7*, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance – Excess Surplus as set forth above is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance the fiscal year end of June 30 for future tax relief to the extent that unrestricted/unassigned fund balance exceeds 2% of the prior year net adjusted expenditures. The District is not required to appropriate any fund balance as part of the 2023-2024 and 2024-2025 school budgets.

NOTE 10. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Cranford Township Board of Education by inclusion of \$1.00 on September 25, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget. Funds placed in the capital reserve account are restricted to capital projects in the district’s approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). 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 June 1 to June 30 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 four special elections authorized pursuant to *N.J.S.A 19:60 – 2*. Pursuant to *N.J.A.C. 6:23A-5.1 (d) 7*, the balance in the account cannot at any time exceed the local support costs of uncompleted projects in its approved LRFP.

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2023

NOTE 11. UNEMPLOYMENT RESERVE ACCOUNT

An unemployment reserve account was established by the District in 2021 to fund future unemployment claims billed by the state. This reserve was established in the general fund resulting from the implementation of Governmental Accounting Standards Board Statement No. 84, which required the District to record these funds as governmental activities. At June 30, 2023, the balance of the unemployment reserve was \$181,156.97.

NOTE 12. CONTINGENT LIABILITIES

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required. As a result of the impact of COVID-19, the District has received funding under the Elementary and Secondary School Emergency Relief (ESSER) Fund, Coronavirus Relief Fund (CRF), American Rescue Plan Elementary and Secondary School Emergency Relief Funds (ARP ESSER), and American Rescue Plan IDEA Funds (ARP IDEA). To the extent that the District has not complied with the rules and regulations governing these funds, money may be required to be returned.

In the opinion of the District, there are no other significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying basic financial statements for such contingencies.

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2023 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

The District received a complaint in November of 2021 that dates back to the period from 1968 through 1972 alleging improprieties alleged between a student and a teacher. Under newly passed legislation in New Jersey, the statute of limitations are no longer considered expired. The request for damages is for \$50,000,000. The matter was reported to the District's insurance carrier and coverage was denied. It is too early to assess the probability of success regarding defending this claim and it is too early in the process to quantify potential damages the District may incur, if any.

A complaint was filed against the District on November 12, 2021. The plaintiff served as Head Custodian from January 22, 2018 through June 30, 2020. The plaintiff claims they were subject to discriminatory insults and behavior on the basis of sex and race, and that both fellow employees and the members of the Cranford Board of Education and Cranford Education Association are liable for damages. Damages claimed are in the amount of \$2,500,000. The matter has been assigned to defense counsel by the District's insurance carrier. It is too early to assess the probability of success regarding defending this claim and it is too early in the process to quantify potential damages the District may incur, if any.

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2023

NOTE 13. TRANSFERS

The following presents a reconciliation of transfers during the 2023 fiscal year:

Fund	2023	
	In	Out
General Fund		\$ 45,499.49
Enterprise Fund	\$ 45,499.49	
	<u>\$ 45,499.49</u>	<u>\$ 45,499.49</u>

During the 2022-2023 fiscal year, the transfer from the general fund to the food service fund of \$45,499.49 was to fund the costs of serving meals to students who qualified for free and reduced lunches, as the District does not participate in the National School Lunch Program and is not reimbursed for the costs of these meals. There was additional funding from the general fund to the enterprise fund to subsidize of the operating deficit from the food service operations.

Required Supplementary Information – Part II

Pension and OPEB Schedules

CRANFORD PUBLIC SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE DISTRICT'S SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Last Ten Fiscal Years*

	Year Ended June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
District's Proportion of the Net Pension Liability - Local Group	0.082595%	0.079195%	0.081089%	0.080068%	0.082407%	0.081309%	0.081974%	0.080129%	0.072729%
District's Proportionate Share of the Net Pension Liability	\$ 15,463,969	\$ 17,777,779	\$ 24,015,633	\$ 18,638,513	\$ 16,225,599	\$ 14,650,703	\$ 13,367,917	\$ 9,492,444	\$ 10,975,800
District's Covered-Employee Payroll	\$ 5,483,006	\$ 5,548,124	\$ 5,520,410	\$ 5,720,682	\$ 5,776,277	\$ 5,875,918	\$ 5,862,304	\$ 5,382,070	\$ 5,399,772
District's Proportionate Share of the Net Pension Liability as a percentage of the Covered-Employee Payroll	282.03%	320.43%	435.03%	325.81%	280.90%	249.33%	228.03%	176.37%	203.26%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	48.62%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	62.91%

The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

* This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, governments should present information for those years for which information is available.

CRANFORD PUBLIC SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Last Ten Fiscal Years*

	Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Contractually Required Contribution	\$ 680,898	\$ 724,669	\$ 750,899	\$ 822,646	\$ 793,471	\$ 896,762	\$ 938,400	\$ 917,147	\$ 959,858	
Contribution in Relation to Contractually Required Contribution	\$ (680,898)	\$ (724,669)	\$ (750,899)	\$ (822,646)	\$ (793,471)	\$ (896,762)	\$ (938,400)	\$ (917,147)	\$ (959,858)	
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
District's Proportionate Share of the Payroll	\$ 5,548,124	\$ 5,520,410	\$ 5,720,682	\$ 5,776,277	\$ 5,875,918	\$ 5,862,304	\$ 5,382,070	\$ 5,399,772	\$ 5,507,489	
Contributions as a percentage of Covered Employee Payroll	12.27%	13.13%	13.13%	14.24%	13.50%	15.30%	17.44%	16.98%	17.43%	

* This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, governments should present information for those years for which information is available.

CRANFORD PUBLIC SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S SHARE OF THE NET PENSION LIABILITY
TEACHERS PENSION AND ANNUITY FUND

Last 10 Fiscal Years*

	Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Proportion of the Non-State Employer Group Net Pension Liability attributable to the District	0.2665140%	0.2753520%	0.2684440%	0.2636890%	0.2764865%	0.2740879%	0.2715085%	0.2750203%	0.2700259%	
Share of the Liability of the State of New Jersey for the Net Pension Liability of the Non-State Employer Group	\$142,443,280	\$174,034,492	\$211,174,753	\$177,788,658	\$175,894,783	\$168,210,356	\$178,785,088	\$132,216,530	\$139,318,299	
District's Covered-Employee Payroll	\$27,065,917	\$27,043,401	\$27,617,810	\$28,735,328	\$29,848,525	\$29,821,425	\$30,912,062	\$32,880,409	\$33,868,262	
Share of the Liability of the State of New Jersey for the Net Pension Liability of the Non-State Employer Group as a percentage of the District's Covered-Employee Payroll	526.28%	643.54%	764.63%	618.71%	589.29%	564.06%	578.37%	402.11%	411.35%	
Plan Fiduciary Net Position as a percentage of the Total Pension Liability (See Note Below)	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%	

The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

* This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, governments should present information for those years for which information is available.

Covered payroll information is not presented since the Teachers' Pension and Annuity Fund is a special funding situation in which the District does not make contributions to this plan.

CRANFORD PUBLIC SCHOOL DISTRICT
COUNTY OF UNION, NEW JERSEY

NOTES TO REQUIRED SUPPLEMENTARY PENSION INFORMATION
June 30, 2023

NOTE 1. CHANGES IN BENEFITS AND ASSUMPTIONS

The following information is as abstracted from the State of New Jersey, Division of Pension and Benefits, Financial Statements and Supplementary Schedules report as of June 30, 2022, dated May 18, 2023. This information pertains to the RSI schedules of changes in net pension liability contained in that report.

PERS

Changes in benefit terms:

There were none

Changes in assumptions:

The discount rate has not changed from 7.00% as of June 30, 2021 and remains at 7.00% as of June 30, 2022.

TPAF

Changes in benefit terms:

There were none

Changes in assumptions:

The discount rate has not changed from 7.00% as of June 30, 2021 and remains at 7.00% as of June 30, 2022.

CRANFORD PUBLIC SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE STATE'S PROPORTIONATE SHARE OF THE OPEB LIABILITY ASSOCIATED WITH THE DISTRICT
 AND CHANGES IN THE OPEB LIABILITY AND RELATED RATIOS
 STATE HEALTH BENEFITS LOCAL EDUCATION RETIRED EMPLOYEES PLAN

Last Ten Fiscal Years*

	Year Ended June 30, 2018	Year Ended June 30, 2019	Year Ended June 30, 2020	Year Ended June 30, 2021	Year Ended June 30, 2022	Year Ended June 30, 2023
State's proportion of the OPEB liability associated with the District	0.2451500%	0.2405984%	0.2443027%	0.2473827%	0.2474291%	0.2465682%
District's proportionate share of the OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the OPEB liability associated with the District	\$ 131,498,084	\$ 110,941,949	\$ 101,945,267	\$ 167,750,111	\$ 148,476,383	\$ 124,878,064
Total proportionate share of the OPEB liability associated with the District	<u>\$ 131,498,084</u>	<u>\$ 110,941,949</u>	<u>\$ 101,945,267</u>	<u>\$ 167,750,111</u>	<u>\$ 148,476,383</u>	<u>\$ 124,878,064</u>
Beginning Balance	\$ 141,699,912.00	\$ 131,498,084.00	\$ 110,941,949.00	\$ 101,945,267.00	\$ 167,750,111.00	\$ 148,476,383.00
Increased by:						
Service cost	5,937,830.00	4,921,250.00	4,228,836.00	4,592,735.00	8,263,770.00	6,999,401.00
Interest cost	4,166,165.00	4,832,997.00	4,398,908.00	3,679,698.00	3,851,634.00	3,309,406.00
Difference between expected and actual experience				29,722,104.00		2,765,438.00
Changes of assumptions			1,520,012.00	30,642,181.00	146,483.00	
Member contributions	112,153.00	102,529.00	92,765.00	88,517.00	98,467.00	105,162.00
	<u>151,916,060.00</u>	<u>141,354,860.00</u>	<u>121,182,470.00</u>	<u>170,670,502.00</u>	<u>180,110,465.00</u>	<u>161,655,790.00</u>
Decreased by:						
Difference between expected and actual experience		14,715,219.00	16,107,787.00		28,442,038.00	
Changes of assumptions	17,372,201.00	12,731,144.00				33,499,661.00
Changes of benefit terms					158,035.00	
Gross benefit payments	<u>3,045,775.00</u>	<u>2,966,548.00</u>	<u>3,129,416.00</u>	<u>2,920,391.00</u>	<u>3,034,009.00</u>	<u>3,278,065.00</u>
Ending Balance	<u>\$ 131,498,084.00</u>	<u>\$ 110,941,949.00</u>	<u>\$ 101,945,267.00</u>	<u>\$ 167,750,111.00</u>	<u>\$ 148,476,383.00</u>	<u>\$ 124,878,064.00</u>
Covered by employee payroll	\$ 35,345,896	\$ 36,752,108	\$ 35,683,729	\$ 36,284,132	\$ 38,280,181	\$ 39,375,751
Total OPEB liability as a percentage of covered employee payroll	372.03%	301.87%	285.69%	462.32%	387.87%	317.14%

* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, governments should present information for those years for which information is available.

CRANFORD PUBLIC SCHOOL DISTRICT
COUNTY OF UNION, NEW JERSEY

NOTES TO REQUIRED SUPPLEMENTARY OPEB INFORMATION
JUNE 30, 2023

NOTE 1. SPECIAL FUNDING SITUATION

The State of New Jersey, a non-employer contributing entity, is the only entity that has a legal obligation to make contributions to OPEB for qualified retired SHBLEREP participants. Accordingly, proportionate share information of the Net OPEB Liability is not reflected in the District's financial statements.

NOTE 2. CHANGES IN ASSUMPTIONS

For 2022, the discount rate changed to 3.54% from 2.16% in 2021. For pre-Medicare PPO and HMO medical benefits, the initial trend rate changed to 6.25% from 5.65%. For prescription drug benefits, the initial trend rate changed to 8.00% from 6.75%. Demographic assumptions remained unchanged and are consistent with the assumptions used in the pension plan valuations.

Required Supplementary Information – Part III

Budgetary Comparison Schedules

CRANFORD PUBLIC SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Exhibit - C-1
Page 1 of 14

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual (GAAP Basis)</u>	<u>Variance Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 61,981,406.00		\$ 61,981,406.00	\$ 61,981,406.00	
Tuition	3,309,531.00	187,439.00	3,496,970.00	2,888,128.77	(608,841.23)
Miscellaneous	117,500.00		117,500.00	365,002.73	247,502.73
Total - Local Sources	65,408,437.00	187,439.00	65,595,876.00	65,234,537.50	(361,338.50)
Intermediate Sources:					
PILOT Payments to School District	424,455.00		424,455.00	599,075.56	174,620.56
Total - Intermediate Sources	424,455.00		424,455.00	599,075.56	174,620.56
State Sources:					
Categorical Transportation Aid	354,868.00		354,868.00	354,868.00	
Extraordinary Aid	439,433.00		439,433.00	1,090,916.00	651,483.00
Categorical Special Education Aid	3,474,224.00		3,474,224.00	3,474,224.00	
Equalization Aid	88,682.00		88,682.00	88,682.00	
Categorical Security Aid	92,830.00		92,830.00	92,830.00	
Other State Aid				24,960.00	24,960.00
State Reimbursement from					
Securing Our Childrens Future Bond Act		218,811.00	218,811.00	218,811.00	
On Behalf T.P.A.F. Pension					
Contributions (non-budgeted)				11,197,265.00	11,197,265.00
On Behalf Post Retirement Medical					
Contributions (non-budgeted)				2,982,305.00	2,982,305.00
On Behalf T.P.A.F. Non-Contributory Group Insurance					
Contributions (non-budgeted)				155,349.00	155,349.00
On Behalf T.P.A.F. Long Term Disability Insurance					
Contributions (non-budgeted)				4,636.00	4,636.00
Reimbursed TPAF Social Security					
Contributions (non-budgeted)				2,383,878.49	2,383,878.49
Total - State Sources	4,450,037.00	218,811.00	4,668,848.00	22,068,724.49	17,399,876.49
Federal Sources:					
Medicaid Reimbursement	27,543.00		27,543.00	13,430.06	(14,112.94)
Total - Federal Sources	27,543.00		27,543.00	13,430.06	(14,112.94)
Total Revenues	70,310,472.00	406,250.00	70,716,722.00	87,915,767.61	17,199,045.61

CRANFORD PUBLIC SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual (GAAP Basis)</u>	<u>Variance Final to Actual</u>
Expenditures:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool/Kindergarten	\$ 490,629.00	\$ 5,706.00	\$ 496,335.00	\$ 482,574.32	\$ 13,760.68
Grades 1- 5	7,922,034.00	(358,764.00)	7,563,270.00	7,559,796.76	3,473.24
Grades 6- 8	4,396,215.00	74,124.68	4,470,339.68	4,470,339.68	
Grades 9-12	7,151,413.00	(196,909.23)	6,954,503.77	6,951,503.77	3,000.00
Regular Programs - Home Instruction:					
Salaries of Teachers	27,958.00		27,958.00	26,900.55	1,057.45
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	152,537.00	14,911.90	167,448.90	167,448.90	
Purchased Professional - Educational Services	2,250.00		2,250.00	399.00	1,851.00
Other Purchased Services	727,148.00	48,499.99	775,647.99	723,033.37	52,614.62
General Supplies	774,438.00	(101,397.41)	673,040.59	638,381.68	34,658.91
Textbooks	166,600.00	(20,238.00)	146,362.00	133,828.42	12,533.58
Other Objects	1,300.00	1,068.00	2,368.00	2,367.77	0.23
Total Regular Programs - Instruction	<u>21,812,522.00</u>	<u>(532,998.07)</u>	<u>21,279,523.93</u>	<u>21,156,574.22</u>	<u>122,949.71</u>
Learning and/or Language Disabilities:					
Salaries of Teachers	312,699.00	4,400.00	317,099.00	309,346.25	7,752.75
Other Salaries for Instruction	152,517.00	15,433.53	167,950.53	167,950.53	
General Supplies	2,600.00	799.07	3,399.07	3,251.62	147.45
Total Learning and/or Language Disabilities	<u>467,816.00</u>	<u>20,632.60</u>	<u>488,448.60</u>	<u>480,548.40</u>	<u>7,900.20</u>

CRANFORD PUBLIC SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual (GAAP Basis)</u>	<u>Variance Final to Actual</u>
Expenditures (Cont'd.):					
Current Expense (Cont'd.):					
Special Education (Cont'd.):					
Emotional Regulation Impairment:					
Salaries of Teachers	\$ 1,562,872.00	\$	\$ 1,562,872.00	\$ 1,562,166.80	\$ 705.20
Other Salaries for Instruction	373,294.00	106,186.00	479,480.00	476,182.98	3,297.02
Purchased Professional - Educational Services	600.00		600.00		600.00
Other Purchased Services	4,800.00	600.00	5,400.00	4,341.11	1,058.89
General Supplies	37,977.00	(974.44)	37,002.56	34,185.21	2,817.35
Textbooks	850.00		850.00	81.89	768.11
Other Objects	9,500.00	5,131.00	14,631.00	14,102.97	528.03
	<u>1,989,893.00</u>	<u>110,942.56</u>	<u>2,100,835.56</u>	<u>2,091,060.96</u>	<u>9,774.60</u>
Total Emotional Regulation Impairment					
Multiple Disabilities:					
Salaries of Teachers	72,093.00	(7,391.00)	64,702.00	64,702.00	
Other Salaries for Instruction	82,590.00	4,713.93	87,303.93	87,303.93	
	<u>154,683.00</u>	<u>(2,677.07)</u>	<u>152,005.93</u>	<u>152,005.93</u>	
Total Multiple Disabilities					
Resource Room/Resource Center:					
Salaries of Teachers	4,361,073.00	(132,466.00)	4,228,607.00	4,228,607.00	
General Supplies	32,550.00	(13,853.29)	18,696.71	17,460.12	1,236.59
	<u>4,393,623.00</u>	<u>(146,319.29)</u>	<u>4,247,303.71</u>	<u>4,246,067.12</u>	<u>1,236.59</u>
Total Resource Room/Resource Center					
Autism:					
Salaries of Teachers	139,615.00	71,400.00	211,015.00	192,740.72	18,274.28
Other Salaries for Instruction	146,452.00	27,147.74	173,599.74	166,354.87	7,244.87
General Supplies	13,500.00	(3,621.39)	9,878.61	9,725.61	153.00
	<u>299,567.00</u>	<u>94,926.35</u>	<u>394,493.35</u>	<u>368,821.20</u>	<u>25,672.15</u>
Total Autism					

CRANFORD PUBLIC SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual (GAAP Basis)</u>	<u>Variance Final to Actual</u>
Expenditures (Cont'd.):					
Current Expense (Cont'd.):					
Special Education (Cont'd.):					
Preschool Disabilities - Part-Time:					
Salaries of Teachers	\$ 243,181.00	\$ 4,235.50	\$ 247,416.50	\$ 247,416.50	\$
Other Salaries for Instruction	137,837.00	59,464.42	197,301.42	180,590.81	16,710.61
General Supplies	<u>2,500.00</u>	<u>(2,219.67)</u>	<u>280.33</u>	<u>280.33</u>	
Total Preschool Disabilities - Part-Time	<u>383,518.00</u>	<u>61,480.25</u>	<u>444,998.25</u>	<u>428,287.64</u>	<u>16,710.61</u>
Preschool Disabilities - Full-Time:					
Salaries of Teachers	149,098.00	4,850.00	153,948.00	153,849.42	98.58
Other Salaries for Instruction	176,820.00	17,027.91	193,847.91	193,847.91	
General Supplies	<u>2,000.00</u>	<u>(2,000.00)</u>			
Total Preschool Disabilities - Full-Time	<u>327,918.00</u>	<u>19,877.91</u>	<u>347,795.91</u>	<u>347,697.33</u>	<u>98.58</u>
Special Education - Home Instruction:					
Salaries of Teachers	48,889.00		48,889.00	30,494.70	18,394.30
Purchased Professional - Educational Services	<u>39,691.00</u>	<u>13,840.00</u>	<u>53,531.00</u>	<u>46,724.00</u>	<u>6,807.00</u>
Total Special Education - Home Instruction	<u>88,580.00</u>	<u>13,840.00</u>	<u>102,420.00</u>	<u>77,218.70</u>	<u>25,201.30</u>
Total Special Education	<u>8,105,598.00</u>	<u>172,703.31</u>	<u>8,278,301.31</u>	<u>8,191,707.28</u>	<u>86,594.03</u>
Basic Skills/Remedial:					
Salaries of Teachers	739,117.00	(65,700.00)	673,417.00	670,315.00	3,102.00
General Supplies	<u>4,000.00</u>	<u>(849.62)</u>	<u>3,150.38</u>	<u>3,055.92</u>	<u>94.46</u>
Total Basic Skills/Remedial	<u>743,117.00</u>	<u>(66,549.62)</u>	<u>676,567.38</u>	<u>673,370.92</u>	<u>3,196.46</u>

CRANFORD PUBLIC SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual (GAAP Basis)</u>	<u>Variance Final to Actual</u>
Expenditures (Cont'd.):					
Current Expense (Cont'd.):					
Bilingual Education:					
Salaries of Teachers	\$ 72,117.00	\$	\$ 72,117.00	\$ 71,950.00	\$ 167.00
General Supplies	500.00		500.00	467.84	32.16
Total Bilingual Education	<u>72,617.00</u>		<u>72,617.00</u>	<u>72,417.84</u>	<u>199.16</u>
School - Sponsored Cocurricular Activities:					
Salaries	377,955.00	22,612.42	400,567.42	400,567.40	0.02
Purchased Services	13,435.00	21,364.00	34,799.00	32,492.79	2,306.21
Supplies and Materials	15,877.00	29,577.95	45,454.95	27,125.36	18,329.59
Other Objects	33,220.00	(8,310.00)	24,910.00	17,495.10	7,414.90
Total School - Sponsored Cocurricular Activities	<u>440,487.00</u>	<u>65,244.37</u>	<u>505,731.37</u>	<u>477,680.65</u>	<u>28,050.72</u>
School - Sponsored Athletics:					
Salaries	629,895.00	40,862.00	670,757.00	658,465.23	12,291.77
Purchased Services	243,200.00	8,558.45	251,758.45	249,274.85	2,483.60
Supplies and Materials	89,474.00	39,573.49	129,047.49	123,072.56	5,974.93
Other Objects	26,035.00	8,425.00	34,460.00	34,000.25	459.75
Total School - Sponsored Athletics	<u>988,604.00</u>	<u>97,418.94</u>	<u>1,086,022.94</u>	<u>1,064,812.89</u>	<u>21,210.05</u>
Summer School - Instruction:					
Salaries of Teachers	87,728.00	(12,726.00)	75,002.00	75,001.15	0.85
Other Salaries for Instruction	51,648.00	3,955.00	55,603.00	55,602.50	0.50
Purchased Professional and Technical Services	25,847.00	(7,052.00)	18,795.00	18,794.48	0.52
General Supplies	250.00		250.00	174.10	75.90
Total Summer School - Instruction	<u>165,473.00</u>	<u>(15,823.00)</u>	<u>149,650.00</u>	<u>149,572.23</u>	<u>77.77</u>
Summer School - Support Services:					
Salaries	2,190.00		2,190.00	2,035.00	155.00
Total Summer School - Support Services	<u>2,190.00</u>		<u>2,190.00</u>	<u>2,035.00</u>	<u>155.00</u>
Total Summer School	<u>167,663.00</u>	<u>(15,823.00)</u>	<u>151,840.00</u>	<u>151,607.23</u>	<u>232.77</u>

CRANFORD PUBLIC SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual (GAAP Basis)</u>	<u>Variance Final to Actual</u>
Expenditures (Cont'd.):					
Current Expense (Cont'd.):					
Community Services Programs/Operations:					
Salaries	\$ 29,175.00	\$	\$ 29,175.00	\$ 23,604.09	\$ 5,570.91
Purchased Services	550.00		550.00		550.00
Total Community Services Programs/Operations	<u>29,725.00</u>		<u>29,725.00</u>	<u>23,604.09</u>	<u>6,120.91</u>
Total Instruction	<u>32,360,333.00</u>	<u>(280,004.07)</u>	<u>32,080,328.93</u>	<u>31,811,775.12</u>	<u>268,553.81</u>
Undistributed Expenditures - Instruction:					
Tuition to Other LEAS Within the State - Special	693,094.00	71,242.00	764,336.00	762,493.69	1,842.31
Tuition to County Vocational School Districts - Regular	584,500.00	(53,500.00)	531,000.00	526,250.00	4,750.00
Tuition to County Vocational School Districts - Special	16,000.00	(12,000.00)	4,000.00	4,000.00	
Tuition to County Special Services School Districts and Regional Day Schools		106,289.00	106,289.00	106,289.00	
Tuition to Private Schools for the Disabled within State	1,944,078.00	183,652.28	2,127,730.28	2,066,359.66	61,370.62
Tuition - Other	238,460.00	(13,378.00)	225,082.00	224,552.24	529.76
Total Undistributed Expenditures - Instruction	<u>3,476,132.00</u>	<u>282,305.28</u>	<u>3,758,437.28</u>	<u>3,689,944.59</u>	<u>68,492.69</u>
Attendance and Social Work Services:					
Purchased Professional and Technical Services	5,600.00	3,000.00	8,600.00	6,265.00	2,335.00
Total Attendance and Social Work Services	<u>5,600.00</u>	<u>3,000.00</u>	<u>8,600.00</u>	<u>6,265.00</u>	<u>2,335.00</u>

CRANFORD PUBLIC SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual (GAAP Basis)</u>	<u>Variance Final to Actual</u>
Expenditures (Cont'd.):					
Current Expense (Cont'd.):					
Health Services:					
Salaries	\$ 738,448.00	\$ (44,200.00)	\$ 694,248.00	\$ 693,563.77	\$ 684.23
Purchased Professional and Technical Services	36,023.00	64,035.25	100,058.25	91,613.50	8,444.75
Other Purchased Services	5,925.00	2,074.00	7,999.00	7,573.95	425.05
Supplies and Materials	11,900.00	8,195.51	20,095.51	13,100.07	6,995.44
Total Health Services	<u>792,296.00</u>	<u>30,104.76</u>	<u>822,400.76</u>	<u>805,851.29</u>	<u>16,549.47</u>
Speech, OT, PT and Related Services:					
Salaries	1,065,243.00	(18,131.82)	1,047,111.18	1,047,111.18	
Purchased Professional - Educational Services	88,895.00	39,854.00	128,749.00	101,915.65	26,833.35
Supplies and Materials	6,500.00	8,488.06	14,988.06	14,618.68	369.38
Total Speech, OT, PT and Related Services	<u>1,160,638.00</u>	<u>30,210.24</u>	<u>1,190,848.24</u>	<u>1,163,645.51</u>	<u>27,202.73</u>
Other Support Services - Students - Extraordinary Services:					
Salaries	1,178,502.00	(40,619.22)	1,137,882.78	1,137,882.78	
Purchased Professional - Educational Services	611,928.00	(44,141.57)	567,786.43	508,048.34	59,738.09
Supplies and Materials	11,500.00	(4,309.05)	7,190.95	4,735.27	2,455.68
Total Other Support Services - Students - Extraordinary Services	<u>1,801,930.00</u>	<u>(89,069.84)</u>	<u>1,712,860.16</u>	<u>1,650,666.39</u>	<u>62,193.77</u>
Guidance:					
Salaries of Other Professional Staff	960,331.00	(100,500.00)	859,831.00	859,626.54	204.46
Salaries of Secretarial and Clerical Assistants	173,964.00	600.00	174,564.00	173,329.96	1,234.04
Unused Vacation Payment to Terminated/Retired Staff					
Other Purchased Professional and Technical Services	72,382.00	17,890.00	90,272.00	78,236.30	12,035.70
Other Purchased Services	2,400.00	290.00	2,690.00	540.00	2,150.00
Supplies and Materials	7,585.00	800.00	8,385.00	6,165.12	2,219.88
Other Objects	1,675.00		1,675.00	980.00	695.00
Total Guidance	<u>1,218,337.00</u>	<u>(80,920.00)</u>	<u>1,137,417.00</u>	<u>1,118,877.92</u>	<u>18,539.08</u>

CRANFORD PUBLIC SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual (GAAP Basis)</u>	<u>Variance Final to Actual</u>
Expenditures (Cont'd.):					
Current Expense (Cont'd.):					
Child Study Teams:					
Salaries of Other Professional Staff	\$ 1,400,776.00	\$ 74,037.40	\$ 1,474,813.40	\$ 1,474,813.40	\$
Salaries of Secretarial and Clerical Assistants	161,933.00	1,250.00	163,183.00	163,135.04	47.96
Purchased Professional - Educational Services	309,060.00	(194,060.00)	115,000.00	115,000.00	
Other Purchased Professional and Technical Services	24,873.00		24,873.00	20,184.43	4,688.57
Miscellaneous Purchased Services	46,707.00	(12,911.17)	33,795.83	32,699.57	1,096.26
Supplies and Materials	13,500.00	1,745.75	15,245.75	15,245.34	0.41
Total Child Study Teams	1,956,849.00	(129,938.02)	1,826,910.98	1,821,077.78	5,833.20
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	1,102,089.00	(33,234.20)	1,068,854.80	1,055,370.36	13,484.44
Salaries of Other Professional Staff	53,535.00	6,234.20	59,769.20	58,694.20	1,075.00
Salaries of Secretarial and Clerical Assistants	121,832.00	(1,150.00)	120,682.00	120,673.20	8.80
Salaries of Facilitators, Math and Literacy Coaches	188,994.00	(44,000.00)	144,994.00	120,146.88	24,847.12
Purchased Professional - Educational Services	1,000.00	(630.00)	370.00	370.00	
Other Purchased Services	7,365.00	3,858.17	11,223.17	5,901.46	5,321.71
Supplies and Materials	4,550.00	973.58	5,523.58	4,250.96	1,272.62
Other Objects	743.00	(75.00)	668.00	508.00	160.00
Total Improvement of Instructional Services	1,480,108.00	(68,023.25)	1,412,084.75	1,365,915.06	46,169.69
Educational Media Services/School Library:					
Salaries	426,342.00	13,600.00	439,942.00	438,236.80	1,705.20
Purchased Professional and Technical Services	15,738.00		15,738.00	15,458.81	279.19
Supplies and Materials	42,604.00	3,218.85	45,822.85	44,236.66	1,586.19
Total Educational Media Services/School Library	484,684.00	16,818.85	501,502.85	497,932.27	3,570.58

CRANFORD PUBLIC SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual (GAAP Basis)</u>	<u>Variance Final to Actual</u>
Expenditures (Cont'd.):					
Current Expense (Cont'd.):					
Instructional Staff Training Services:					
Other Salaries	\$ 5,000.00	\$ 4,460.00	\$ 9,460.00	\$ 6,032.65	\$ 3,427.35
Purchased Professional - Educational Services	50,325.00	(32,696.00)	17,629.00	16,684.00	945.00
Other Purchased Services	24,440.00	(8,880.00)	15,560.00	8,751.69	6,808.31
Supplies and Materials	3,000.00		3,000.00	2,782.12	217.88
Other Objects	3,984.00	(50.00)	3,934.00	911.00	3,023.00
Total Instructional Staff Training Services	86,749.00	(37,166.00)	49,583.00	35,161.46	14,421.54
Support Services - General Administration:					
Salaries	380,611.00	(1,680.33)	378,930.67	378,929.99	0.68
Legal Services	192,550.00		192,550.00	184,615.27	7,934.73
Audit Fees	34,958.00		34,958.00	34,784.00	174.00
Architectural/Engineering Services	4,500.00	158,408.92	162,908.92	110,621.82	52,287.10
Other Purchased Professional Services		65,000.00	65,000.00		65,000.00
Purchased Technical Services	13,880.00	300.00	14,180.00	14,134.00	46.00
Communications/Telephone	171,657.00	(1,642.40)	170,014.60	155,261.06	14,753.54
BOE Other Purchased Services	5,850.00	(600.00)	5,250.00	3,056.84	2,193.16
Miscellaneous Purchased Services	166,025.00	(86,688.20)	79,336.80	64,266.03	15,070.77
General Supplies	9,029.00	(2,644.42)	6,384.58	5,639.94	744.64
BOE In-House Training/Meeting Supplies	3,000.00		3,000.00	95.50	2,904.50
Miscellaneous Expenditures	8,607.00		8,607.00	8,006.32	600.68
BOE Membership Dues and Fees	26,915.00		26,915.00	26,915.00	
Total Support Services - General Administration	1,017,582.00	130,453.57	1,148,035.57	986,325.77	161,709.80
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	1,717,935.00	(7,200.22)	1,710,734.78	1,686,736.83	23,997.95
Salaries of Other Professional Staff	451,753.00		451,753.00	451,751.76	1.24
Salaries of Secretarial and Clerical Assistants	995,148.00	5,750.00	1,000,898.00	997,942.57	2,955.43
Unused Vacation Payment to Terminated/Retired Staff		20,862.40	20,862.40	20,862.40	
Other Purchased Services	15,777.00	6,011.48	21,788.48	14,536.33	7,252.15
Supplies and Materials	32,775.00	3,674.02	36,449.02	33,886.61	2,562.41
Other Objects	11,334.00	981.51	12,315.51	6,596.87	5,718.64
Total Support Services - School Administration	3,224,722.00	30,079.19	3,254,801.19	3,212,313.37	42,487.82

CRANFORD PUBLIC SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual (GAAP Basis)	Variance Final to Actual
Expenditures (Cont'd.):					
Current Expense (Cont'd.):					
Central Services:					
Salaries	\$ 790,617.00	\$ 17,750.76	\$ 808,367.76	\$ 807,925.68	\$ 442.08
Unused Vacation Payment to Terminated/Retired Staff		72,324.10	72,324.10	72,323.39	0.71
Purchased Technical Services	117,990.00	1,979.28	119,969.28	115,018.12	4,951.16
Miscellaneous Purchased Services	34,414.00	(4,929.82)	29,484.18	24,765.82	4,718.36
Supplies and Materials	20,509.00	2,314.59	22,823.59	20,490.77	2,332.82
Miscellaneous Expenditures	5,170.00	3,099.00	8,269.00	7,771.00	498.00
Total Central Services	<u>968,700.00</u>	<u>92,537.91</u>	<u>1,061,237.91</u>	<u>1,048,294.78</u>	<u>12,943.13</u>
Administrative Information Technology:					
Salaries	178,691.00	(700.00)	177,991.00	177,976.08	14.92
Purchased Technical Services	191,249.00		191,249.00	186,998.00	4,251.00
Other Purchased Services	1,150.00		1,150.00	565.00	585.00
Supplies and Materials	1,150.00		1,150.00		1,150.00
Total Administrative Information Technology	<u>372,240.00</u>	<u>(700.00)</u>	<u>371,540.00</u>	<u>365,539.08</u>	<u>6,000.92</u>
Required Maintenance for School Facilities:					
Salaries	253,826.00	(4,550.00)	249,276.00	223,656.84	25,619.16
Cleaning, Repair, and Maintenance Services	230,674.00	601,432.26	832,106.26	763,972.98	68,133.28
General Supplies	74,500.00	28,588.91	103,088.91	81,521.43	21,567.48
Other Objects	10,800.00	(6,515.00)	4,285.00	2,028.00	2,257.00
Total Required Maintenance for School Facilities	<u>569,800.00</u>	<u>618,956.17</u>	<u>1,188,756.17</u>	<u>1,071,179.25</u>	<u>117,576.92</u>
Custodial Services:					
Salaries	2,135,620.00	10,579.57	2,146,199.57	2,134,125.96	12,073.61
Salaries of Non-Instructional Aides	462,748.00	(113,499.49)	349,248.51	348,983.94	264.57
Unused Vacation Payment to Terminated/Retired Staff		14,995.71	14,995.71	14,995.71	
Purchased Professional & Technical Services	11,000.00	7,552.00	18,552.00	5,613.00	12,939.00
Cleaning, Repair, and Maintenance Services	152,231.00	12,363.46	164,594.46	159,008.90	5,585.56
Other Purchased Property Services	103,699.00	18,080.00	121,779.00	121,505.60	273.40
Insurance	749,982.00	(9,933.00)	740,049.00	718,363.08	21,685.92
Miscellaneous Purchased Services	1,250.00		1,250.00	270.00	980.00
General Supplies	173,627.00	75,410.47	249,037.47	242,433.60	6,603.87
Energy (Natural Gas)	359,394.00	194,137.45	553,531.45	450,333.90	103,197.55
Energy (Electricity)	441,872.00	5,862.55	447,734.55	447,734.55	
Energy (Gasoline)	9,450.00	3,747.36	13,197.36	13,197.36	
Other Objects	3,292.00	1,620.00	4,912.00	4,912.00	
Total Custodial Services	<u>4,604,165.00</u>	<u>220,916.08</u>	<u>4,825,081.08</u>	<u>4,661,477.60</u>	<u>163,603.48</u>

CRANFORD PUBLIC SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual (GAAP Basis)</u>	<u>Variance Final to Actual</u>
Expenditures (Cont'd.):					
Current Expense (Cont'd.):					
Care and Upkeep of Grounds:					
Salaries	\$ 194,443.00	\$ (9,140.73)	\$ 185,302.27	\$ 170,239.04	\$ 15,063.23
Cleaning, Repair, and Maintenance Services	358,235.00	(3,529.00)	354,706.00	343,044.54	11,661.46
General Supplies	25,000.00	1,040.35	26,040.35	18,733.56	7,306.79
Total Care and Upkeep of Grounds	577,678.00	(11,629.38)	566,048.62	532,017.14	34,031.48
Security:					
Salaries	16,550.00	3,660.00	20,210.00	17,600.00	2,610.00
Purchased Professional & Technical Services	93,425.00	80,115.39	173,540.39	172,315.05	1,225.34
Cleaning, Repair, and Maintenance Services	149,218.00	(7,951.13)	141,266.87	139,841.98	1,424.89
General Supplies	8,700.00	(4,778.00)	3,922.00	1,085.00	2,837.00
Total Security	267,893.00	71,046.26	338,939.26	330,842.03	8,097.23
Student Transportation Services:					
Salaries for Pupil Transportation (Other Than Between Home & School)	115,246.00	(1,643.25)	113,602.75	106,222.91	7,379.84
Cleaning, Repair, and Maintenance Services	10,000.00	418.00	10,418.00	10,417.99	0.01
Rental Payments - School Buses		26,640.00	26,640.00	24,457.00	2,183.00
Contracted Services (Between Home and School) - Vendors	197,567.00		197,567.00	197,394.80	172.20
Contracted Services (Other Than Between Home & School) - Vendors	190,336.00	(27,046.75)	163,289.25	152,767.16	10,522.09
Contracted Services (Special Education Students) - Vendors	35,204.00	(13,992.70)	21,211.30	20,629.50	581.80
Contracted Services (Special Education Students) - Joint Agreements	653,171.00	125,319.92	778,490.92	778,490.92	
Contracted Services (Regular Students) - ESCs	137,148.00	41,467.00	178,615.00	178,614.74	0.26
Contracted Services (Special Ed. Students) - ESCs	1,339,712.00	544,292.00	1,884,004.00	1,884,003.85	0.15
Contracted Services - Aid in Lieu of Payments	98,000.00	(20,240.70)	77,759.30	70,485.00	7,274.30
Transportation Supplies	6,500.00	1,952.64	8,452.64	7,950.78	501.86
Total Student Transportation Services	2,782,884.00	677,166.16	3,460,050.16	3,431,434.65	28,615.51

CRANFORD PUBLIC SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual (GAAP Basis)</u>	<u>Variance Final to Actual</u>
Expenditures (Cont'd.):					
Current Expense (Cont'd.):					
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	\$ 843,999.00	\$ 105,769.70	\$ 949,768.70	\$ 949,709.32	\$ 59.38
Other Retirement Contributions - PERS	1,009,358.00	(92,115.30)	917,242.70	917,147.00	95.70
Other Retirement Contributions - Regular	56,283.00	5,499.56	61,782.56	61,782.56	
Workers' Compensation	475,508.00	(63,553.00)	411,955.00	411,447.00	508.00
Health Benefits	9,878,137.00	(79,663.56)	9,798,473.44	9,797,512.20	961.24
Tuition Reimbursement	100,500.00		100,500.00	89,609.50	10,890.50
Other Employee Benefits	363,627.00	(8,198.00)	355,429.00	353,472.44	1,956.56
Unused Sick Payment to Terminated/Retired Staff		75,327.60	75,327.60	75,327.60	
Total Unallocated Benefits - Employee Benefits	<u>12,727,412.00</u>	<u>(56,933.00)</u>	<u>12,670,479.00</u>	<u>12,656,007.62</u>	<u>14,471.38</u>
Total Personal Services - Employee Benefits	<u>12,727,412.00</u>	<u>(56,933.00)</u>	<u>12,670,479.00</u>	<u>12,656,007.62</u>	<u>14,471.38</u>
On Behalf T.P.A.F. Pension					
Contributions (non-budgeted)				11,197,265.00	(11,197,265.00)
On Behalf Post Retirement Medical					
Contributions (non-budgeted)				2,982,305.00	(2,982,305.00)
On Behalf T.P.A.F. Non-Contributory Group Insurance					
Contributions (non-budgeted)				155,349.00	(155,349.00)
On Behalf T.P.A.F. Long Term Disability Insurance					
Contributions (non-budgeted)				4,636.00	(4,636.00)
Reimbursed TPAF Social Security					
Contributions (non-budgeted)				2,383,878.49	(2,383,878.49)
Total Undistributed Expenditures	<u>39,576,399.00</u>	<u>1,729,214.98</u>	<u>41,305,613.98</u>	<u>57,174,202.05</u>	<u>(15,868,588.07)</u>
Total Expenditures - Current Expense	<u>71,936,732.00</u>	<u>1,449,210.91</u>	<u>73,385,942.91</u>	<u>88,985,977.17</u>	<u>(15,600,034.26)</u>

CRANFORD PUBLIC SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual (GAAP Basis)</u>	<u>Variance Final to Actual</u>
Capital Outlay:					
Equipment:					
Regular Programs - Instruction:					
Grades 1-5	\$	\$ 8,304.00	\$ 8,304.00	\$ 8,304.00	\$
Grades 6-8		3,999.00	3,999.00	3,999.00	
Grades 9-12		25,828.72	25,828.72	25,828.72	
Special Education - Instruction:					
Emotional Regulation Impairment		5,359.20	5,359.20	5,359.20	
School Sponsored and Other					
Instructional Programs	113,500.00	58,013.00	171,513.00	141,361.10	30,151.90
Undistributed Expenditures:					
Administrative Information Technology		2,678.56	2,678.56	2,678.56	
Care and Upkeep of Grounds	79,005.00	6,662.00	85,667.00	60,543.42	25,123.58
School Buses - Regular	150,000.00	12,000.00	162,000.00	162,000.00	162,000.00
Total Equipment	<u>342,505.00</u>	<u>122,844.48</u>	<u>465,349.48</u>	<u>248,074.00</u>	<u>217,275.48</u>
Facilities Acquisition & Construction Services:					
Architectural/Engineering Services	73,675.00		73,675.00	54,925.00	18,750.00
Construction Services	736,750.00	218,811.00	955,561.00	220,846.00	734,715.00
Other Objects	13,684.00		13,684.00	13,684.00	
Total Facilities. Acquisition & Construction Services	<u>824,109.00</u>	<u>218,811.00</u>	<u>1,042,920.00</u>	<u>289,455.00</u>	<u>753,465.00</u>
Assets Acquired Under Capital Leases:					
Equipment:					
Copiers (non-budgeted)				217,009.80	(217,009.80)
Total Assets Acquired Under Capital Leases				<u>217,009.80</u>	<u>(217,009.80)</u>
Total Capital Outlay	<u>1,166,614.00</u>	<u>341,655.48</u>	<u>1,508,269.48</u>	<u>754,538.80</u>	<u>753,730.68</u>
Transfer of Funds to Charter Schools	<u>21,748.00</u>	<u>15,221.00</u>	<u>36,969.00</u>	<u>36,969.00</u>	
Total Expenditures	<u>73,125,094.00</u>	<u>1,806,087.39</u>	<u>74,931,181.39</u>	<u>89,777,484.97</u>	<u>(14,846,303.58)</u>

CRANFORD PUBLIC SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Exhibit - C-1
 Page 14 of 14

	Original Budget	Budget Transfers	Final Budget	Actual (GAAP Basis)	Variance Final to Actual
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (2,814,622.00)	\$ (1,399,837.39)	\$ (4,214,459.39)	\$ (1,861,717.36)	\$ 2,352,742.03
Other Financing Sources/(Uses):					
Transfers to Cover Deficit (Enterprise Fund)		(45,499.49)	(45,499.49)	(45,499.49)	
Additions to Unemployment Fund Balance				140,305.32	140,305.32
Capital Leases (non-budgeted)				217,009.80	217,009.80
Total Other Financing Sources/(Uses)		(45,499.49)	(45,499.49)	311,815.63	357,315.12
Excess (Deficiency) of Revenues and Other Financing Sources/(Uses) Over (Under) Expenditures and Other Financing Uses	(2,814,622.00)	(1,445,336.88)	(4,259,958.88)	(1,549,901.73)	2,710,057.15
Fund Balances, July 1	6,113,720.67		6,113,720.67	6,113,720.67	
Fund Balances, June 30	\$ 3,299,098.67	\$ (1,445,336.88)	\$ 1,853,761.79	\$ 4,563,818.94	\$ 2,710,057.15
Recapitulation of Excess (Deficiency) of Revenues Under Expenditures:					
Adjustment for Pr. Year Encumbrances Budgeted Fund Balance	\$ (2,814,622.00)	\$ (626,061.88) (819,275.00)	\$ (626,061.88) (3,633,897.00)	\$ (626,061.88) (923,839.85)	\$ 2,710,057.15
Total	\$ (2,814,622.00)	\$ (1,445,336.88)	\$ (4,259,958.88)	\$ (1,549,901.73)	\$ 2,710,057.15
Recapitulation of Fund Balance:					
Restricted for:					
Capital Reserve				\$ 1.00	
Unemployment Compensation				181,156.97	
Assigned to:					
Year - End Encumbrances				1,244,252.54	
Designated for Subsequent Year's Expenditures				2,203,667.00	
Unassigned Fund Balance				934,741.43	
				\$ 4,563,818.94	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payment not recognized on GAAP basis				(387,833.00)	
Fund Balance per Governmental Funds (GAAP)				\$ 4,175,985.94	

CRANFORD PUBLIC SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Revenues:					
Local Sources:					
Revenue from Local Sources	\$	\$ 136,495.91	\$ 136,495.91	\$ 789,896.52	\$ 653,400.61
Total - Local Sources		136,495.91	136,495.91	789,896.52	653,400.61
State Sources:					
Nonpublic Aid	214,469.00	86,891.00	301,360.00	290,320.20	(11,039.80)
NJSDA - Capital Maintenance Grant		92,557.00	92,557.00	92,557.00	
Climate Awareness Education Grant		6,660.00	6,660.00	6,660.00	
Total - State Sources	214,469.00	186,108.00	400,577.00	389,537.20	(11,039.80)
Federal Sources:					
I.D.E.A., Part B (Handicapped)	909,302.00	20,049.41	929,351.41	918,222.41	(11,129.00)
ESEA - Title I, Part A	75,882.00	2,152.00	78,034.00	77,994.30	(39.70)
ESEA - Title II, Part A	46,416.00	14,322.00	60,738.00	56,768.85	(3,969.15)
ESEA - Title III, Immigrant		2,567.00	2,567.00		(2,567.00)
ARP - IDEA Part B (Handicapped)		14,165.37	14,165.37	14,165.37	
CRRSA - ESSER II		41,612.76	41,612.76	41,612.59	(0.17)
ACSERS Program	652,350.00	(101,200.19)	551,149.81	551,149.81	
ARP - ESSER III	478,129.00	473,973.92	952,102.92	455,847.95	(496,254.97)
Total - Federal Sources	2,162,079.00	467,642.27	2,629,721.27	2,115,761.28	(513,959.99)
Total Revenues	2,376,548.00	790,246.18	3,166,794.18	3,295,195.00	128,400.82
Expenditures					
Instruction					
Salaries of Teachers	114,500.00	44,952.12	159,452.12	126,511.95	32,940.17
Other Salaries for Instruction	65,858.00	69,922.00	135,780.00	63,901.00	71,879.00
Purchase Professional and Technical Services		7,125.00	7,125.00	7,125.00	
Other Purchased Services	199,980.00	83,890.00	283,870.00	273,038.22	10,831.78
Tuition	1,510,088.00	(269,253.42)	1,240,834.58	1,240,834.58	
General Supplies	5,870.00	97,420.85	103,290.85	89,133.36	14,157.49
Textbooks	14,489.00	3,001.00	17,490.00	17,281.98	208.02
Total Instruction	1,910,785.00	37,057.55	1,947,842.55	1,817,826.09	130,016.46
Support Services					
Salaries of Project Directors	135,972.00	146,690.00	282,662.00	135,972.00	146,690.00
Salaries of Other Professional Staff	61,969.00	58,005.60	119,974.60	60,627.00	59,347.60
Other Salaries		550.00	550.00	425.00	125.00
Personal Services - Employee Benefits	213,155.00	177,423.29	390,578.29	220,257.12	170,321.17
Purchased Professional - Educational Services	51,564.00	103,574.03	155,138.03	136,702.03	18,436.00
Purchased Technical Services		8,442.60	8,442.60	8,442.60	
Other Purchased Services (400-500 series)		206,072.98	206,072.98	199,072.98	7,000.00
Supplies and Materials	3,103.00	45,505.17	48,608.17	33,225.77	15,382.40
Student Activities				664,544.51	(664,544.51)
Total Support Services	465,763.00	746,263.67	1,212,026.67	1,459,269.01	(247,242.34)
Facilities Acquisition and Construction Services:					
Instructional Equipment		6,924.96	6,924.96	4,906.96	2,018.00
Total Facilities Acquisition and Construction Services	-	6,924.96	6,924.96	4,906.96	2,018.00
Total Expenditures	2,376,548.00	790,246.18	3,166,794.18	3,282,002.06	(115,207.88)
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ 13,192.94	\$ 13,192.94
Fund Balance, July 1				263,635.57	
Fund Balance, June 30				\$ 276,828.51	
Recapitulation:					
Restricted:					
Student Activities				\$ 276,828.51	

CRANFORD PUBLIC SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE
 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, C-2)	\$ 87,915,767.61	\$ 3,295,195.00
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		
Current year		
State aid payments recognized for budgetary purposes, not recognized for GAAP statements.		
Prior year	328,905.00	
Current year	(387,833.00)	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds. (B-2)	\$ 87,856,839.61	\$ 3,295,195.00
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule (C-1, C-2)	\$ 89,777,484.97	\$ 3,282,002.06
Differences - budget to GAAP		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	\$ 89,777,484.97	\$ 3,282,002.06

Supplementary Information

Special Revenue Fund

CRANFORD PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Total Brought Forward (Ex. E-1a)	IDEA Part B Basic Reg. FY 2023	IDEA Part B Preschool FY 2022	IDEA Part B Preschool FY 2023	ARP IDEA Part B Preschool FY 2022	ESEA - Title I, Part A FY 2023	ESEA - Title II, Part A FY 2022	ESEA - Title II, Part A FY 2023	Totals 2023
Revenues:									
State Sources	\$ 389,537.20								\$ 389,537.20
Federal Sources	1,048,610.35	882,004.00	2,389.41	33,829.00	14,165.37	77,994.30	120.00	56,648.85	2,115,761.28
Local Sources	789,896.52								789,896.52
Total Revenues	2,228,044.07	882,004.00	2,389.41	33,829.00	14,165.37	77,994.30	120.00	56,648.85	3,295,195.00
Expenditures:									
Instruction:									
Salaries of Teachers	41,011.95					51,000.00		34,500.00	126,511.95
Other Salaries for Instruction	63,901.00								63,901.00
Purchased Professional and Technical Services	7,125.00								7,125.00
Other Purchased Services	273,038.22								273,038.22
Tuition	374,102.58	866,732.00							1,240,834.58
General Supplies	85,245.36							3,888.00	89,133.36
Textbooks	17,281.98								17,281.98
Total Instruction	861,706.09	866,732.00				51,000.00		38,388.00	1,817,826.09
Support Services:									
Salaries of Project Directors	135,972.00								135,972.00
Salaries of Other Professional Staff	60,627.00								60,627.00
Other Salaries	425.00								425.00
Personal Services - Employee Benefits	175,001.97					26,994.30		18,260.85	220,257.12
Purchased Professional - Educational Services	71,046.25	15,272.00	2,389.41	33,829.00	14,165.37				136,702.03
Purchased Technical Services	8,442.60								8,442.60
Other Purchased Services (400-500 series)	199,072.98								199,072.98
Supplies and Materials	33,105.77						120.00		33,225.77
Student Activities	664,544.51								664,544.51
Total Support Services	1,348,238.08	15,272.00	2,389.41	33,829.00	14,165.37	26,994.30	120.00	18,260.85	1,459,269.01
Facilities Acquisition & Construction Services:									
Instructional Equipment	4,906.96								4,906.96
Total Facilities Acquisition & Construction Services	4,906.96								4,906.96
Total Expenditures	2,214,851.13	882,004.00	2,389.41	33,829.00	14,165.37	77,994.30	120.00	56,648.85	3,282,002.06
Excess (Deficiency) of Revenues Over (Under) Expenditures	13,192.94	-	-	-	-	-	-	-	13,192.94
Fund Balance, July 1	263,635.57								263,635.57
Fund Balance, June 30	\$ 276,828.51	\$	\$	\$	\$	\$	\$	\$	\$ 276,828.51

CRANFORD PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Total Brought Forward (Ex. E-1b)	CRRSA Act ESSER II	CRRSA Act ESSER II Mental Health	ARP Act ESSER III	ARP Act ESSER III Learning Acceleration	ARP Act ESSER III Summer Learning	ARP Act ESSER III BSD	ARP Act ESSER III Mental Health	Total Carried Forward
Revenues:									
State Sources	\$ 389,537.20								\$ 389,537.20
Federal Sources	551,149.81	35,481.62	6,130.97	177,317.35	207,941.98	18,316.11	10,186.33	42,086.18	1,048,610.35
Local Sources	789,896.52								789,896.52
Total Revenues	1,730,583.53	35,481.62	6,130.97	177,317.35	207,941.98	18,316.11	10,186.33	42,086.18	2,228,044.07
Expenditures:									
Instruction:									
Salaries of Teachers	14,535.00					17,014.50	9,462.45		41,011.95
Other Salaries for Instruction			4,009.00	32,372.10				27,519.90	63,901.00
Purchased Professional and Technical Services	7,125.00								7,125.00
Other Purchased Services	273,038.22								273,038.22
Tuition	374,102.58								374,102.58
General Supplies	85,245.36								85,245.36
Textbooks	17,281.98								17,281.98
Total Instruction	771,328.14		4,009.00	32,372.10		17,014.50	9,462.45	27,519.90	861,706.09
Support Services:									
Salaries of Project Directors					135,972.00				135,972.00
Salaries of Other Professional Staff				60,627.00					60,627.00
Other Salaries	425.00								425.00
Personal Services - Employee Benefits			2,121.97	84,318.25	71,969.98	1,301.61	723.88	14,566.28	175,001.97
Purchased Professional - Educational Services	71,046.25								71,046.25
Purchased Technical Services		8,442.60							8,442.60
Other Purchased Services (400-500 series)	199,072.98								199,072.98
Supplies and Materials	6,066.75	27,039.02							33,105.77
Student Activities	664,544.51								664,544.51
Total Support Services	941,155.49	35,481.62	2,121.97	144,945.25	207,941.98	1,301.61	723.88	14,566.28	1,348,238.08
Facilities Acquisition & Construction Services:									
Instructional Equipment	4,906.96								4,906.96
Total Facilities Acquisition & Construction Services	4,906.96								4,906.96
Total Expenditures	1,717,390.59	35,481.62	6,130.97	177,317.35	207,941.98	18,316.11	10,186.33	42,086.18	2,214,851.13
Excess (Deficiency) of Revenues Over (Under) Expenditures	13,192.94								13,192.94
Fund Balance, July 1	263,635.57								263,635.57
Fund Balance, June 30	\$ 276,828.51	\$	\$	\$	\$	\$	\$	\$	\$ 276,828.51

CRANFORD PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Total Brought Forward (Ex. E-1c)	ACSERS Program	NJSDA - Capital Maint. Grant	NJ Climate Awareness Education Grant	Nonpublic Textbooks	Nonpublic Nursing	Nonpublic Technology	Nonpublic Security	Total Carried Forward
Revenues:									
State Sources	\$ 177,951.07		\$ 92,557.00	\$ 6,660.00	\$ 17,281.98	\$ 29,680.00	\$ 11,082.15	\$ 54,325.00	\$ 389,537.20
Federal Sources		551,149.81							551,149.81
Local Sources	789,896.52								789,896.52
Total Revenues	967,847.59	551,149.81	92,557.00	6,660.00	17,281.98	29,680.00	11,082.15	54,325.00	1,730,583.53
Expenditures:									
Instruction:									
Salaries of Teachers	14,535.00								14,535.00
Other Salaries for Instruction									
Purchased Professional and Technical Services	1,125.00			6,000.00					7,125.00
Other Purchased Services	177,951.07					29,680.00	11,082.15	54,325.00	273,038.22
Tuition		374,102.58							374,102.58
General Supplies	84,585.36			660.00					85,245.36
Textbooks					17,281.98				17,281.98
Total Instruction	278,196.43	374,102.58		6,660.00	17,281.98	29,680.00	11,082.15	54,325.00	771,328.14
Support Services:									
Salaries of Project Directors									
Salaries of Other Professional Staff									
Other Salaries	425.00								425.00
Personal Services - Employee Benefits									
Purchased Professional - Educational Services	3,950.00	67,096.25							71,046.25
Purchased Technical Services									
Other Purchased Services (400-500 series)	2,500.00	109,950.98	86,622.00						199,072.98
Supplies and Materials	131.75		5,935.00						6,066.75
Student Activities	664,544.51								664,544.51
Total Support Services	671,551.26	177,047.23	92,557.00						941,155.49
Facilities Acquisition & Construction Services:									
Instructional Equipment	4,906.96								4,906.96
Total Facilities Acquisition & Construction Services	4,906.96								4,906.96
Total Expenditures	954,654.65	551,149.81	92,557.00	6,660.00	17,281.98	29,680.00	11,082.15	54,325.00	1,717,390.59
Excess (Deficiency) of Revenues Over (Under) Expenditures	13,192.94								13,192.94
Fund Balance, July 1	263,635.57								263,635.57
Fund Balance, June 30	\$ 276,828.51	\$	\$	\$	\$	\$	\$	\$	\$ 276,828.51

CRANFORD PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Total Brought Forward (Ex. E-1d)	N.J. Nonpublic Auxiliary Services Ch. 192		N.J. Nonpublic Handicapped Services Ch. 193			Total Carried Forward
		Compensatory Education	ESL	Supplemental Instruction	Examination & Classification	Corrective Speech	
Revenues:							
State Sources	\$	\$ 130,554.43	\$ 1,403.05	\$ 16,850.40	\$ 16,123.19	\$ 13,020.00	\$ 177,951.07
Federal Sources							
Local Sources	789,896.52						789,896.52
Total Revenues	789,896.52	130,554.43	1,403.05	16,850.40	16,123.19	13,020.00	967,847.59
Expenditures:							
Instruction:							
Salaries of Teachers	14,535.00						14,535.00
Other Salaries for Instruction							
Purchased Professional and Technical Services	1,125.00						1,125.00
Other Purchased Services		130,554.43	1,403.05	16,850.40	16,123.19	13,020.00	177,951.07
Tuition							
General Supplies	84,585.36						84,585.36
Textbooks							
Total Instruction	100,245.36	130,554.43	1,403.05	16,850.40	16,123.19	13,020.00	278,196.43
Support Services:							
Salaries of Project Directors							
Salaries of Other Professional Staff							
Other Salaries	425.00						425.00
Personal Services - Employee Benefits							
Purchased Professional - Educational Services	3,950.00						3,950.00
Purchased Technical Services							
Other Purchased Services (400-500 series)	2,500.00						2,500.00
Supplies and Materials	131.75						131.75
Student Activities	664,544.51						664,544.51
Total Support Services	671,551.26						671,551.26
Facilities Acquisition & Construction Services:							
Instructional Equipment	4,906.96						4,906.96
Total Facilities Acquisition & Construction Services	4,906.96						4,906.96
Total Expenditures	776,703.58	130,554.43	1,403.05	16,850.40	16,123.19	13,020.00	954,654.65
Excess (Deficiency) of Revenues Over (Under) Expenditures							
	13,192.94						13,192.94
Fund Balance, July 1	263,635.57						263,635.57
Fund Balance, June 30	\$ 276,828.51	\$	\$	\$	\$	\$	\$ 276,828.51

CRANFORD PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Total Brought Forward (Ex. E-1e)	LAS PTA Donations	BASF Corporation Grant	HAS PTA Donations	School Program Donations	Memorial Field Donations	BAS PTA Donations	Friends of the PA Donations	Total Carried Forward
<u>Revenues:</u>									
State Sources									
Federal Sources									
Local Sources	\$ 722,943.54	\$ 1,938.00	\$ 913.56	\$ 7,752.00	\$ 26,359.97	\$ 2,500.00	\$ 969.00	\$ 26,520.45	\$ 789,896.52
Total Revenues	722,943.54	1,938.00	913.56	7,752.00	26,359.97	2,500.00	969.00	26,520.45	789,896.52
<u>Expenditures:</u>									
Instruction:									
Salaries of Teachers	3,876.00	1,938.00		7,752.00			969.00		14,535.00
Other Salaries for Instruction									
Purch. Professional and Technical Services	1,125.00								1,125.00
Other Purchased Services									
Tuition									
General Supplies	35,798.34		913.56		21,353.01			26,520.45	84,585.36
Textbooks									
Total Instruction	40,799.34	1,938.00	913.56	7,752.00	21,353.01		969.00	26,520.45	100,245.36
Support Services:									
Salaries of Project Directors									
Salaries of Other Professional Staff									
Other Salaries	425.00								425.00
Personal Services - Employee Benefits									
Purch. Professional - Educational Services	3,950.00								3,950.00
Purchased Technical Services									
Other Purchased Services (400-500 series)						2,500.00			2,500.00
Supplies and Materials	31.75				100.00				131.75
Student Activities	664,544.51								664,544.51
Total Support Services	668,951.26				100.00	2,500.00			671,551.26
Facilities Acquisition & Construction Services:									
Instructional Equipment					4,906.96				4,906.96
Total Facilities Acq. & Constr. Services					4,906.96				4,906.96
Total Expenditures	709,750.60	1,938.00	913.56	7,752.00	26,359.97	2,500.00	969.00	26,520.45	776,703.58
Excess (Deficiency) of Revenues Over (Under) Expenditures	13,192.94								13,192.94
Fund Balance, July 1	263,635.57								263,635.57
Fund Balance, June 30	\$ 276,828.51	\$	\$	\$	\$	\$	\$	\$	\$ 276,828.51

CRANFORD PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	CHS PTA Donations	Culture and Climate Donations	OAS PTA Donations	Union County Arts Grant	NJCIC Grant	Monmouth University Grant	Student Activity Fund	Total Carried Forward
<u>Revenues:</u>								
State Sources								
Federal Sources								
Local Sources	\$ 798.34	\$ 2,000.00	\$ 3,876.00	\$ 2,331.75	\$ 35,000.00	\$ 1,200.00	\$ 677,737.45	\$ 722,943.54
Total Revenues	<u>798.34</u>	<u>2,000.00</u>	<u>3,876.00</u>	<u>2,331.75</u>	<u>35,000.00</u>	<u>1,200.00</u>	<u>677,737.45</u>	<u>722,943.54</u>
<u>Expenditures:</u>								
Instruction:								
Salaries of Teachers			3,876.00					3,876.00
Other Salaries for Instruction								
Purchased Professional and Technical Services		1,125.00						1,125.00
Other Purchased Services								
Tuition								
General Supplies	798.34				35,000.00			35,798.34
Textbooks								
Total Instruction	<u>798.34</u>	<u>1,125.00</u>	<u>3,876.00</u>		<u>35,000.00</u>			<u>40,799.34</u>
Support Services:								
Salaries of Project Directors								
Salaries of Other Professional Staff								
Other Salaries				425.00				425.00
Personal Services - Employee Benefits								
Purchased Professional - Educational Services		875.00		1,875.00		1,200.00		3,950.00
Purchased Technical Services								
Other Purchased Services (400-500 series)								
Supplies and Materials				31.75				31.75
Student Activities							664,544.51	664,544.51
Total Support Services		<u>875.00</u>		<u>2,331.75</u>		<u>1,200.00</u>	<u>664,544.51</u>	<u>668,951.26</u>
Facilities Acquisition & Construction Services:								
Instructional Equipment								
Total Facilities Acquisition & Construction Services								
Total Expenditures	<u>798.34</u>	<u>2,000.00</u>	<u>3,876.00</u>	<u>2,331.75</u>	<u>35,000.00</u>	<u>1,200.00</u>	<u>664,544.51</u>	<u>709,750.60</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures							13,192.94	13,192.94
Fund Balance, July 1							263,635.57	263,635.57
Fund Balance, June 30	\$	\$	\$	\$	\$	\$	\$ 276,828.51	\$ 276,828.51

Capital Projects Fund – Not Applicable

Long-Term Debt

CRANFORD PUBLIC SCHOOL DISTRICT
 SCHEDULE OF SERIAL BONDS
 LONG-TERM DEBT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance June 30, 2022</u>	<u>Retired</u>	<u>Balance June 30, 2023</u>
			<u>Date</u>	<u>Amount</u>				
2021 Refunding School Bonds	8/11/2021	\$ 5,478,000.00	11/1/2023	\$ 574,000.00	1.430%	\$ 5,478,000.00	\$ 546,000.00	\$ 4,932,000.00
			11/1/2024	600,000.00	1.430%			
			11/1/2025	613,000.00	1.430%			
			11/1/2026	631,000.00	1.430%			
			11/1/2027	658,000.00	1.430%			
			11/1/2028	644,000.00	1.430%			
			11/1/2029	619,000.00	1.430%			
			11/1/2030	593,000.00	1.430%			
Totals						\$ 5,478,000.00	\$ 546,000.00	\$ 4,932,000.00

CRANFORD PUBLIC SCHOOL DISTRICT
 SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES PAYABLE
 LONG-TERM DEBT
JUNE 30, 2023

<u>Series</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Amount Outstanding June 30, 2022</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2023</u>
Equipment - Copiers (District Wide)	Various	\$ Various	\$ 165,747.11	\$ 217,009.80	\$ 102,726.16	280,030.75 *
Equipment - District Wide Security Systems	3.1000%	413,200.00	85,393.69		85,393.69	-
Equipment - District Wide Security Systems	3.5000%	190,000.00	39,398.07		39,398.07	-
Equipment - Maintenance Equipment	2.9700%	137,322.00	55,843.83		27,513.33	28,330.50
Equipment - Chromebooks	1.6300%	569,300.00	342,108.09		112,197.28	229,910.81
Equipment - Smartboards/Chromebooks	0.9796%	1,192,000.00	949,807.42		233,991.08	715,816.34
			<u>\$ 1,638,298.21</u>	<u>\$ 217,009.80</u>	<u>\$ 601,219.61</u>	<u>\$ 1,254,088.40</u>

* Includes principal and interest requirements on monthly lease payments.

CRANFORD PUBLIC SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual (GAAP Basis)	Variance Positive (Negative) Final to Actual
<u>Revenues:</u>					
Local Sources:					
Local Tax Levy	\$ 620,429.00	\$	\$ 620,429.00	\$ 620,429.00	\$
Total Revenues	620,429.00		620,429.00	620,429.00	
<u>Expenditures:</u>					
Regular Debt Service:					
Interest	74,432.00		74,432.00	74,431.50	0.50
Redemption of Principal	546,000.00		546,000.00	546,000.00	
Total Regular Debt Service	620,432.00		620,432.00	620,431.50	0.50
Total Expenditures	620,432.00		620,432.00	620,431.50	0.50
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3.00)		(3.00)	(2.50)	0.50
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(3.00)		(3.00)	(2.50)	0.50
Fund Balance - July 1	206,624.01		206,624.01	206,624.01	
Fund Balance - June 30	\$ 206,621.01	\$	\$ 206,621.01	\$ 206,621.51	\$ 0.50

Statistical Section

Financial Trends

Cranford Public School District
 Net Position by Component
 Last Ten Fiscal Years

Unaudited

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020 (Restated)	2021	2022	2023
Governmental activities										
Net Investment in capital assets	\$ 48,363,766.97	\$ 48,323,433.92	\$ 47,740,561.97	\$ 47,684,306.96	\$ 47,719,096.13	\$ 47,285,630.44	\$ 46,832,587.63	\$ 46,465,732.80	\$ 47,602,145.84	\$ 47,601,924.82
Restricted	4,033,464.70	4,057,374.66	3,717,548.84	2,995,874.17	2,429,708.22	2,060,209.72	2,316,992.13	3,743,225.13	2,109,070.30	644,777.17
Unrestricted (deficit)	(17,719,846.34)	(17,933,121.17)	(17,778,712.46)	(19,339,205.50)	(20,610,149.72)	(20,639,917.70)	(18,844,246.82)	(17,213,695.27)	(14,274,012.63)	(12,491,328.77)
Total governmental activities net position	\$ 34,677,385.33	\$ 34,447,687.41	\$ 33,679,398.35	\$ 31,340,975.63	\$ 29,538,654.63	\$ 28,705,922.46	\$ 30,305,332.94	\$ 32,995,262.66	\$ 35,437,203.51	\$ 35,755,373.22
Business-type activities										
Investment in capital assets	\$ 33,177.53	\$ 21,561.11	\$ 13,030.89	\$ 9,362.86	\$ 6,055.53	\$ 3,386.20	\$ 1,274.46			
Unrestricted (deficit)	(3,442.38)	(9,417.37)	(16,881.01)	(9,236.28)	(7,921.78)	(13,578.67)	1,061.56	\$ 677.89	\$ 2,727.03	\$ 12,128.42
Total business-type activities net position	\$ 29,735.15	\$ 12,143.74	\$ (3,850.12)	\$ 126.58	\$ (1,866.25)	\$ (10,192.47)	\$ 2,336.02	\$ 677.89	\$ 2,727.03	\$ 12,128.42
District-wide										
Net Investment in capital assets	\$ 48,396,944.50	\$ 48,344,995.03	\$ 47,753,592.86	\$ 47,693,669.82	\$ 47,725,151.66	\$ 47,289,016.64	\$ 46,833,862.09	\$ 46,465,732.80	\$ 47,602,145.84	\$ 47,601,924.82
Restricted	4,033,464.70	4,057,374.66	3,717,548.84	2,995,874.17	2,429,708.22	2,060,209.72	2,316,992.13	3,743,225.13	2,109,070.30	644,777.17
Unrestricted (deficit)	(17,723,288.72)	(17,942,538.54)	(17,795,593.47)	(19,348,441.78)	(20,618,071.50)	(20,653,496.37)	(18,843,185.26)	(17,213,017.38)	(14,271,285.60)	(12,479,200.35)
Total district-wide net position	\$ 34,707,120.48	\$ 34,459,831.15	\$ 33,675,548.23	\$ 31,341,102.21	\$ 29,536,788.38	\$ 28,695,729.99	\$ 30,307,668.96	\$ 32,995,940.55	\$ 35,439,930.54	\$ 35,767,501.64

Source: ACFR Exhibit (A-1)

Note: Reflects implementation of GASB 68 for 2014 and subsequent years

Note: GASB 84 was implemented during the 2021 fiscal year, which required the restatement of beginning net position in the amount of \$439,544.77.

Cranford Public School District
Changes in Net Position
Last Ten Fiscal Years

Unaudited

	Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities										
Instruction										
Regular	\$ 18,098,670.81	\$ 18,090,667.80	\$ 18,543,400.80	\$ 18,565,855.80	\$ 18,814,158.13	\$ 32,387,554.88	\$ 32,208,119.75	\$ 36,688,575.90	\$ 32,579,277.51	\$ 31,711,731.60
Special education	6,826,194.51	7,066,476.29	7,276,759.81	7,506,295.84	7,292,599.73	13,020,106.04	12,518,016.14	13,588,714.49	12,448,256.85	12,264,714.88
Other special instruction	649,676.04	550,785.70	613,849.23	602,629.53	658,954.22	1,182,398.92	1,155,522.36	347,072.22	1,248,299.73	1,120,588.45
Other instruction	1,288,014.35	1,251,106.96	1,307,969.30	1,284,118.38	1,318,967.29	2,007,170.69	1,899,371.52	2,049,829.97	2,097,373.12	2,344,317.06
Support Services:										
Tuition	2,367,775.92	2,496,327.70	2,500,476.95	3,110,579.22	4,079,169.11	4,811,936.46	4,793,730.96	4,565,767.00	4,870,382.22	5,059,556.17
Student & instruction related services	6,729,074.88	6,707,037.37	6,849,663.73	7,122,028.49	7,247,410.74	12,280,765.57	11,912,167.54	14,357,634.65	13,693,352.44	13,475,635.71
General administration	807,249.52	834,483.57	794,006.63	771,353.93	835,517.48	2,363,773.68	1,151,102.54	2,503,597.22	3,328,765.51	3,116,189.34
School administrative services	2,793,847.00	2,718,688.49	2,769,743.60	2,878,915.32	2,898,156.49	5,131,190.78	5,142,062.76	5,603,820.00	4,884,921.27	4,797,617.98
Central Services	734,881.85	750,114.01	758,988.75	856,191.78	902,248.59					
Administrative information technology	269,263.87	283,069.98	289,703.58	308,088.53	311,382.89					
Plant operations and maintenance	5,730,929.57	5,514,704.81	5,550,161.59	5,687,367.86	5,733,119.69	8,405,681.63	8,965,251.89	7,855,980.83	6,850,897.62	7,591,183.12
Pupil transportation	1,330,059.43	1,286,174.57	1,337,024.11	1,485,522.75	1,542,601.66	1,994,141.82	1,959,233.32	2,055,307.44	2,847,898.55	3,571,902.41
Unallocated benefits	15,730,745.24	17,432,392.44	19,000,752.54	34,443,135.15	36,584,783.80					
Charter schools									21,512.00	36,969.00
Interest on long-term debt	419,078.33	397,982.92	375,593.75	351,437.50	325,599.16	310,632.50	296,782.50	281,249.17	113,982.75	81,158.77
Unallocated depreciation and amortization	23,818.43	38,663.37	40,561.61	59,042.26	31,920.19					
Total governmental activities expenses	63,799,279.75	65,418,675.98	68,008,655.98	85,032,562.34	88,576,589.17	83,895,352.97	82,001,361.28	89,897,548.89	84,984,919.57	85,171,564.49
Business-type activities:										
Food service	668,532.58	699,127.20	776,270.26	863,681.75	905,142.73	925,004.60	673,800.97	110,812.28	716,236.41	1,091,281.94
Total business-type activities expense	668,532.58	699,127.20	776,270.26	863,681.75	905,142.73	925,004.60	673,800.97	110,812.28	716,236.41	1,091,281.94
Total district expenses	\$ 64,467,812.33	\$ 66,117,803.18	\$ 68,784,926.24	\$ 85,896,244.09	\$ 89,481,731.90	\$ 84,820,357.57	\$ 82,675,162.25	\$ 90,008,361.17	\$ 85,701,155.98	\$ 86,262,846.43
Program Revenues										
Governmental activities:										
Charges for services						\$ 3,595,061.26	\$ 3,646,805.28	\$ 3,750,805.84	\$ 3,393,930.97	\$ 3,565,866.22
Operating grants and contributions	\$ 9,053,578.20	\$ 10,246,099.69	\$ 10,807,575.05	\$ 24,544,381.26	\$ 26,890,249.08	1,219,457.44	1,284,523.24	1,793,719.16	2,550,113.89	2,617,457.55
Total governmental activities program revenues	9,053,578.20	10,246,099.69	10,807,575.05	24,544,381.26	26,890,249.08	4,814,518.70	4,931,328.52	5,544,525.00	5,944,044.86	6,183,323.77
Business-type activities:										
Charges for services										
Food service	533,885.21	681,423.36	760,043.35	867,311.93	902,410.15	915,680.94	647,137.16	9,520.76	508,251.23	1,054,155.77
Operating grants and contributions	124,339.82									
Total business type activities program revenues	658,225.03	681,423.36	760,043.35	867,311.93	902,410.15	915,680.94	647,137.16	9,520.76	508,251.23	1,054,155.77
Total district program revenues	\$ 9,711,803.23	\$ 10,927,523.05	\$ 11,567,618.40	\$ 25,411,693.19	\$ 27,792,659.23	\$ 5,730,199.64	\$ 5,578,465.68	\$ 5,554,045.76	\$ 6,452,296.09	\$ 7,237,479.54
Net (Expense)/Revenue										
Governmental activities	\$ (54,745,701.55)	\$ (55,172,576.29)	\$ (57,201,080.93)	\$ (60,488,181.08)	\$ (61,686,340.09)	\$ (79,080,834.27)	\$ (77,070,032.76)	\$ (84,353,023.89)	\$ (79,040,874.71)	\$ (78,988,240.72)
Business-type activities	(10,307.55)	(17,703.84)	(16,226.91)	3,630.18	(2,732.58)	(9,323.66)	(26,663.81)	(101,291.52)	(207,985.18)	(37,126.17)
Total district-wide net expense	\$ (54,756,009.10)	\$ (55,190,280.13)	\$ (57,217,307.84)	\$ (60,484,550.90)	\$ (61,689,072.67)	\$ (79,090,157.93)	\$ (77,096,696.57)	\$ (84,454,315.41)	\$ (79,248,859.89)	\$ (79,025,366.89)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 48,459,822.00	\$ 49,976,507.00	\$ 51,962,474.00	\$ 53,971,870.00	\$ 55,279,312.00	\$ 57,690,562.00	\$ 58,844,363.00	\$ 60,021,250.00	\$ 61,221,675.00	\$ 61,981,406.00
Taxes levied for debt service	1,178,852.00	1,193,078.00	462,703.00	132,770.00	840,545.00	852,647.00	859,233.00	863,908.00	876,782.00	620,429.00
Federal and State aid not restricted	36,696.00	111.82		10,157.51	6,922.69	18,633,284.53	18,210,652.23	25,991,671.32	18,969,767.75	15,645,691.31
Federal and State aid restricted	127,560.15									
Tuition Received	3,318,725.17	3,626,219.24	3,860,792.91	3,876,090.78	3,564,901.64					

Cranford Public School District
Changes in Net Position
Last Ten Fiscal Years

Unaudited

	Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Investment earnings	\$ 70.25	\$ 30.91	\$ 21,803.70	\$ 31,420.52	\$ 29,827.75					
Miscellaneous income	163,571.57	219,834.97	152,825.11	134,350.18	282,728.21	\$ 1,071,608.57	\$ 216,767.48	\$ 265,619.99	\$ 624,590.81	\$ 1,104,383.61
Other Restricted Miscellaneous Income								128.25		
Transfers							98,882.76	(99,623.95)	(210,000.00)	(45,499.49)
Special Item(s)- Closeout of SDA Grants					(110,500.42)					
Special Item(s)-Disposal of assets		(72,903.57)	(27,806.85)	(6,900.63)	(9,717.78)					
Total governmental activities	53,285,297.14	54,942,878.37	56,432,791.87	58,149,758.36	59,884,019.09	78,248,102.10	78,229,898.47	87,042,953.61	81,482,815.56	79,306,410.43
Business-type activities:										
Transfers							38,439.24	99,623.95	210,000.00	45,499.49
Investment earnings	229.94	112.43	233.05	346.52	739.75	997.44	753.06	9.44	34.32	1,028.07
Total business-type activities	229.94	112.43	233.05	346.52	739.75	997.44	39,192.30	99,633.39	210,034.32	46,527.56
Total district-wide	\$ 53,285,527.08	\$ 54,942,990.80	\$ 56,433,024.92	\$ 58,150,104.88	\$ 59,884,758.84	\$ 78,249,099.54	\$ 78,269,090.77	\$ 87,142,587.00	\$ 81,692,849.88	\$ 79,352,937.99
Change in Net Position/Assets										
Governmental activities	\$ (1,460,404.41)	\$ (229,697.92)	\$ (768,289.06)	\$ (2,338,422.72)	\$ (1,802,321.00)	\$ (832,732.17)	\$ 1,159,865.71	\$ 2,689,929.72	\$ 2,441,940.85	\$ 318,169.71
Business-type activities	(10,077.61)	(17,591.41)	(15,993.86)	3,976.70	(1,992.83)	(8,326.22)	12,528.49	(1,658.13)	2,049.14	9,401.39
Total district	\$ (1,470,482.02)	\$ (247,289.33)	\$ (784,282.92)	\$ (2,334,446.02)	\$ (1,804,313.83)	\$ (841,058.39)	\$ 1,172,394.20	\$ 2,688,271.59	\$ 2,443,989.99	\$ 327,571.10

Source: ACFR Schedule (A-2)

GASB 84 was implemented during the 2021 fiscal year, which required the recognition of student activity revenue reported as charges for services. This amount is not reflected in the June 30th prior revenue balances above.

Cranford Public School District
Fund Balances - Governmental Funds
Last Ten Fiscal Years

(modified accrual basis of accounting)
Unaudited

	June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Funds:							(Restated)			
Restricted For:										
Excess Surplus - Current Year	\$ -	\$ -	\$ 50,454.96	\$ 20,863.58	\$ -	\$ -	\$ 283,395.46	\$ 1,625,374.54	\$ -	\$ -
Excess Surplus - Prior Year - Designated				50,454.96	20,863.58			283,395.46	1,625,374.54	
For Subsequent Year Expenditures								1.00	1.00	1.00
Capital Reserve Account	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Capital Projects Fund	4,003,615.63	2,142,058.57	1,740,069.32	1,740,069.32	1,594,050.90	1,594,050.90	1,594,050.90	1,594,050.90		
Debt Service Fund	4.65	1,089,595.21	393,355.43	2.93	2.43	2.93	3.43	2.93	206,621.01	0.51
Unemployment Compensation							90,809.83		40,851.65	181,156.97
Student Activities							248,734.94	240,403.23	263,635.57	276,828.51
Assigned To:										
Year-End Encumbrances										
General Fund	29,843.42	82,402.88	112,308.13	179,573.34	173,483.89	133,532.89	498,584.41	266,176.08	626,061.88	1,244,252.54
Capital Projects Fund										
General Fund -Designated										
For Subsequent Year Expenditures	736,000.00	743,317.00	1,421,360.00	1,004,909.04	641,306.42	332,622.00	166,556.00	217,442.54	1,189,247.46	2,203,667.00
Debt Service Fund -Designated										
For Subsequent Year Expenditures							2.00	3.00	3.00	206,621.00
Unassigned:										
General Fund	(493,406.29)	296,979.22	520,959.39	563,413.36	55,263.94	321,939.40	1,442,685.65	2,922,611.19	2,303,279.14	546,908.43
Total Fund Balances	<u>\$4,276,058.41</u>	<u>\$4,354,353.88</u>	<u>\$4,238,508.23</u>	<u>\$3,559,287.53</u>	<u>\$2,484,972.16</u>	<u>\$2,382,149.12</u>	<u>\$4,324,823.62</u>	<u>\$7,149,460.87</u>	<u>\$6,255,075.25</u>	<u>\$4,659,435.96</u>

Source: ACFR Schedule B-1 and District records

GASB 84 was implemented during the 2021 fiscal year, which required the establishment of new restricted fund balances for Unemployment Compensation and Student Activity accounts.

Cranford Public School District
 Changes in Fund Balances - Governmental Funds
 Last Ten Fiscal Years

(modified accrual basis of accounting)
 Unaudited

	Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax levy	\$ 49,638,674.00	\$ 51,169,585.00	\$ 52,425,177.00	\$ 54,104,640.00	\$ 56,119,857.00	\$ 58,543,209.00	\$ 59,703,596.00	\$ 60,885,158.00	\$ 62,098,457.00	\$ 62,601,835.00
Tuition charges	3,318,725.17	3,626,219.24	3,860,792.91	3,876,090.78	3,564,901.64	3,595,061.26	3,646,805.28	3,464,051.69	2,892,479.77	2,888,128.77
Miscellaneous	163,641.49	219,865.88	174,628.81	165,770.70	312,555.96	249,408.57	216,767.48	265,748.24	131,808.39	365,002.73
PILOT Payments to School District									424,454.93	599,075.56
Local sources	13,133.71	12,054.30	52,943.78	106,732.26	60,924.38	51,626.34	114,990.00	345,487.16	606,729.75	789,896.52
State sources	8,205,259.79	8,836,416.53	9,685,201.59	10,488,255.78	12,067,782.64	14,025,716.50	14,282,058.81	17,151,475.87	21,217,913.31	22,399,333.69
Federal sources	999,441.18	1,041,207.68	1,069,429.68	1,058,689.73	1,026,393.75	1,034,635.13	1,051,758.66	1,574,016.60	2,120,100.00	2,129,191.34
Total revenue	62,338,875.34	64,905,348.63	67,268,173.77	69,800,179.25	73,152,415.37	77,499,656.80	79,015,976.23	83,685,937.56	89,491,943.15	91,772,463.61
Expenditures										
Instruction										
Regular Instruction	17,999,945.34	18,133,809.04	18,510,143.80	18,693,429.72	18,851,218.11	19,218,925.24	19,508,253.61	20,698,428.93	21,471,869.05	21,733,565.73
Special education instruction	6,835,188.61	7,020,006.64	7,323,228.16	7,430,588.10	7,264,012.82	7,550,311.82	7,417,524.40	7,394,188.69	7,966,028.08	8,191,707.28
Other special instruction	649,676.04	550,785.70	613,849.23	602,629.53	658,954.22	681,451.01	680,762.04	188,450.23	795,748.07	745,788.76
Other instruction	1,247,316.48	1,214,319.47	1,273,233.86	1,266,312.32	1,278,676.47	1,293,833.38	1,231,092.15	1,244,768.78	1,460,663.41	1,717,704.86
Support Services:										
Tuition	2,367,775.92	2,496,327.70	2,500,476.95	3,110,579.22	4,079,169.11	4,689,921.46	4,675,253.96	4,450,927.00	4,742,045.22	4,930,779.17
Student & inst. related services	6,731,910.88	6,716,773.29	6,851,377.10	7,182,971.18	7,228,084.77	7,571,640.60	7,460,085.10	8,627,156.75	9,555,417.38	9,704,404.57
General administration	730,190.44	805,105.40	818,167.60	756,809.82	785,880.54	859,175.17	894,729.04	847,123.82	2,546,775.59	2,400,159.63
School administrative services	2,777,090.23	2,765,974.13	2,779,113.76	2,899,575.56	2,902,947.53	2,975,677.02	3,052,701.04	3,066,191.66	3,133,063.83	3,212,313.37
Central services	734,881.85	750,114.01	758,988.75	856,191.78	902,248.59	890,266.24	893,507.29	921,153.80		
Admin. information technology	269,263.87	283,069.98	289,703.58	308,088.53	311,382.89	317,376.36	359,505.87	383,113.32		
Plant operations and maintenance	4,757,216.89	4,563,850.42	4,597,663.19	4,682,211.37	4,751,826.64	5,047,367.36	5,189,192.46	5,161,956.88	5,707,518.20	6,595,516.02
Pupil transportation	1,328,330.44	1,275,632.94	1,328,477.07	1,474,315.48	1,538,903.90	1,872,278.55	1,849,244.26	1,927,744.68	2,720,208.87	3,431,434.65
Employee benefits	15,730,745.24	16,815,371.44	18,483,078.54	19,870,026.15	22,180,886.80	23,650,395.14	23,254,390.58	25,006,580.11	27,806,627.70	29,599,698.23
Charter Schools									21,512.00	36,969.00
Capital outlay	877,381.78	487,225.50	143,056.33	485,332.29	195,964.03	953,402.99	186,254.96	801,592.41	1,244,964.04	759,445.76
Debt service:										
Principal	755,000.00	790,000.00	825,000.00	865,000.00	902,000.00	540,000.00	560,000.00	580,000.00	610,000.00	546,000.00
Interest and other charges	423,852.50	403,077.50	381,017.50	357,362.50	331,897.50	312,657.50	299,232.50	283,907.50	65,725.57	74,431.50
Closing Costs/Cost of Issuance									59,673.00	
Total expenditures	64,215,766.51	65,071,443.16	67,476,575.42	70,841,423.55	74,164,053.92	78,424,679.84	77,511,729.26	81,583,284.56	89,907,840.01	93,679,918.53
Excess (Deficiency) of revenues over (under) expenditures	(1,876,891.17)	(166,094.53)	(208,401.65)	(1,041,244.30)	(1,011,638.55)	(925,023.04)	1,504,246.97	2,102,653.00	(415,896.86)	(1,907,454.92)
Other Financing sources (uses)										
Insurance Recovery Related to Other Costs:										
Super Storm Sandy Hurricane Irene										
Financed purchases (non-budgeted)	124,631.51	244,390.00	92,556.00	362,023.60	47,823.60	822,200.00	137,322.00	721,608.20	1,192,000.00	217,009.80
Transfer Out - Food Service Fund							(38,439.24)	(99,623.95)	(210,000.00)	(45,499.49)
Unemployment Fund Balance									68,327.49	140,305.32
Refunding Bonds Issued									5,478,000.00	
Refunding Bonds Premium/Discount									(7,006,816.25)	
Closeout of 2009 SDA Grants					(110,500.42)					
Total other financing sources (uses)	124,631.51	244,390.00	92,556.00	362,023.60	(62,676.82)	822,200.00	98,882.76	621,984.25	(478,488.76)	311,815.63
Net change in fund balances	\$ (1,752,259.66)	\$ 78,295.47	\$ (115,845.65)	\$ (679,220.70)	\$ (1,074,315.37)	\$ (102,823.04)	\$ 1,603,129.73	\$ 2,724,637.25	\$ (894,385.62)	\$ (1,595,639.29)
Debt service as a percentage of noncapital expenditures	1.19%	1.22%	1.23%	1.23%	1.22%	0.70%	0.72%	0.72%	0.76%	0.59%

Source: ACFR Schedule B-2

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

Fiscal Year Ending June 30,	Tuition	Interest on Investments	Admissions	Rentals	Misc.	Annual Totals
2014	\$ 3,318,725.17	\$ 70.25	\$ 16,410.00	\$ 63,935.88	\$ 83,225.36	\$ 3,482,366.66
2015	3,626,129.24	30.91	18,457.00	31,940.12	169,437.85	3,845,995.12
2016	3,860,792.91	21,803.70	17,526.00	36,559.75	98,739.36	4,035,421.72
2017	3,876,090.78	31,420.52	21,287.00	38,416.50	74,646.68	4,041,861.48
2018	3,564,901.64	79,165.87	15,997.00	42,587.75	174,805.34	3,877,457.60
2019	3,595,061.26	109,573.74	19,094.00	27,777.00	92,963.83	3,844,469.83
2020	3,646,805.28	87,984.84	18,643.00	24,687.50	85,452.14	3,863,572.76
2021	3,464,051.69	11,708.10	3,939.00	10,000.00	240,101.14	3,729,799.93
2022	2,892,479.77	6,142.86	20,767.00	13,397.50	91,501.03	3,024,288.16
2023	2,888,128.77	104,377.48	28,181.00	17,885.00	214,559.25	3,253,131.50

Source: District records

Revenue Capacity

Cranford Public School District
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Business Personal Property ^a	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b
2014	\$6,158,700	\$1,366,160,400	\$4,600	\$208,837,900	\$45,506,700	\$6,140,700	\$1,632,809,000	\$2,775,905	\$1,635,584,905	\$3,781,700,160	\$3.083
2015	6,710,000	1,358,821,400	202,100	221,903,700	45,728,000	6,140,700	1,639,505,900	2,570,536	1,642,076,436	3,855,098,315	3.132
2016	3,982,700	1,363,423,500	202,100	220,678,000	46,192,400	21,732,500	1,656,211,200	2,613,267	1,658,824,467	4,058,688,905	3.202
2017	7,050,000	1,367,533,800	207,100	210,576,300	44,730,700	22,383,700	1,652,481,600	2,540,191	1,655,021,791	4,240,302,912	3.352
2018	6,920,200	1,373,673,600	207,100	205,640,500	44,224,400	22,383,700	1,653,049,500	2,367,905	1,655,417,405	4,559,643,354	3.464
2019	11,464,100	1,378,740,900	207,100	205,914,200	43,224,400	21,183,700	1,660,734,400	2,372,411	1,663,106,811	4,690,459,030	3.556
2020	11,974,400	1,380,494,800	207,100	204,978,100	43,136,100	22,404,700	1,663,195,200	2,364,517	1,665,559,717	4,760,144,059	3.621
2021	4,027,100	1,386,146,700	207,100	209,724,700	44,736,100	22,437,200	1,667,278,900	2,183,718	1,669,462,618	4,718,136,552	3.684
2022	3,117,900	1,395,163,200	207,100	202,143,800	45,784,500	23,916,600	1,670,333,100	2,134,364	1,672,467,464	4,874,257,353	3.721
2023	13,391,100	1,405,628,900	207,100	189,963,800	45,784,500	23,916,600	1,678,892,000	2,093,916	1,680,985,916	5,221,681,127	3.767

Source: Municipal Tax Assessor and Union County Abstract of Ratables

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 the County Board of Taxation requests Treasury to order a reassessment

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

b Tax rates are per \$100

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

Calendar Year	Cranford School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	(From J-6) Total Direct School Tax Rate	Township of Cranford	Union County	
2014	\$3.010	\$0.073	\$3.083	\$1.394	\$1.205	\$5.682
2015	\$3.104	\$0.028	\$3.132	\$1.413	\$1.256	\$5.801
2016	\$3.193	\$0.009	\$3.202	\$1.435	\$1.320	\$5.957
2017	\$3.301	\$0.051	\$3.352	\$1.459	\$1.371	\$6.182
2018	\$3.413	\$0.051	\$3.464	\$1.484	\$1.454	\$6.402
2019	\$3.505	\$0.051	\$3.556	\$1.501	\$1.463	\$6.520
2020	\$3.570	\$0.051	\$3.621	\$1.503	\$1.438	\$6.562
2021	\$3.633	\$0.051	\$3.684	\$1.521	\$1.378	\$6.583
2022	\$3.684	\$0.037	\$3.721	\$1.570	\$1.321	\$6.612
2023	\$3.741	\$0.026	\$3.767	\$1.631	\$1.269	\$6.667

Source: Municipal Tax Collector and Union County Abstract of Ratables

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 prebudget 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.

Cranford Public School District
Principal Property Taxpayers,
Current Year and Ten Years Ago

Exhibit J-8

Taxpayer	2023			2013		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Riverfront Developers LLC	\$16,155,600	1	0.96%			
WP Cranford LLC	14,630,000	2	0.87%			
750 Walnut Development LLC	11,000,000	3	0.65%			
Commerce Drive LLC	9,000,000	4	0.54%	10,242,800	1	0.63%
Cranford Development LLC	7,200,000	5	0.43%	7,818,500	2	0.59%
US Real Estate Holdings LLC	6,393,100	6	0.38%			
East Coast Cranford Crossing LLC	6,000,000	7	0.36%	6,967,900	5	0.43%
Cranford Business Park	5,872,300	8	0.35%	6,994,000	4	0.43%
Jackson LLC	5,800,000	9	0.35%			
The Cranford Property LLC	4,500,000	10	0.27%			
H-Cranford Credit Ltd. Partnership				7,000,000	3	0.43%
Apple Seven Hospitality Ownership				5,053,600	9	0.31%
Long Island Holding				6,393,100	6	0.39%
Central Cranford Assoc.				5,850,000	7	0.36%
Excel-Care, Inc.				5,700,000	8	0.35%
11 Commerce Drive Associates				4,270,500	10	0.26%
Total	\$86,551,000		5.15%	\$ 66,290,400		4.06%

Source: Municipal Tax Assessor

Cranford Public 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 ^a		Collections in Subsequent Years
		Amount	Percentag e of Levy	
2014	\$49,638,674.00	\$49,638,674.00	100.00%	-
2015	\$51,169,585.00	\$51,169,585.00	100.00%	-
2016	\$52,425,177.00	\$52,425,177.00	100.00%	-
2017	\$54,104,640.00	\$54,104,640.00	100.00%	-
2018	\$56,119,857.00	\$56,119,857.00	100.00%	-
2019	\$58,543,209.00	\$58,543,209.00	100.00%	-
2020	\$59,703,596.00	\$59,703,596.00	100.00%	-
2021	\$60,885,158.00	\$60,885,158.00	100.00%	-
2022	\$62,098,457.00	\$62,098,457.00	100.00%	-
2023	\$62,601,835.00	\$62,601,835.00	100.00%	-

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

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

Debt Capacity

Cranford Public School District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June	Governmental Activities			Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Capital Leases	Total District		
2014	\$12,550,000.00	\$338,204.30	\$12,888,204.30	0.45%	\$269.30
2015	11,760,000.00	375,517.17	12,135,517.17	0.50%	306.31
2016	10,935,000.00	323,742.85	11,258,742.85	0.55%	345.14
2017	10,070,000.00	501,631.10	10,571,631.10	0.61%	396.40
2018	9,168,000.00	375,634.42	9,543,634.42	0.71%	482.06
2019	8,628,000.00	879,099.94	9,507,099.94	0.72%	513.33
2020	8,068,000.00	729,936.39	8,797,936.39	0.82%	606.11
2021	7,488,000.00	1,024,597.61	8,512,597.61	0.90%	664.97
2022	5,478,000.00	1,638,298.21	7,116,298.21	1.13%	831.80
2023	4,932,000.00	1,254,088.40	6,186,088.40	N/A	N/A

Notes: 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.

N/A At the time of ACFR completion, this data was not yet available

Cranford Public School District
 Ratios of Net General Bonded Debt Outstanding
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2014	\$12,550,000.00		\$12,550,000.00	0.77%	\$449.41
2015	11,760,000.00	\$1,832,912.21	9,927,087.79	0.60%	366.33
2016	10,935,000.00	1,482,950.43	9,452,049.57	0.57%	353.15
2017	10,070,000.00	393,357.93	9,676,642.07	0.58%	376.20
2018	9,168,000.00	5.43	9,167,994.57	0.55%	372.97
2019	8,628,000.00	4.93	8,627,995.07	0.52%	357.27
2020	8,068,000.00	5.43	8,067,994.57	0.48%	351.40
2021	7,488,000.00	5.93	7,487,994.07	0.45%	345.40
2022	5,478,000.00	206,624.01	5,271,375.99	0.32%	253.81
2023	4,932,000.00	206,621.51	4,725,378.49	0.28%	N/A

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

a See Exhibit J-6 for property tax data.

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

N/A At the time of ACFR completion, this data was not yet available

Cranford Public School District
 Direct and 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			
Township of Cranford	\$53,220,650.42	100.00%	\$53,220,650.42
County of Union	535,795,259.00	5.59%	<u>29,950,954.98</u>
Subtotal, overlapping debt			83,171,605.40
Cranford School District Direct Debt			<u>4,932,000.00</u>
Total direct and overlapping debt			<u><u>\$88,103,605.40</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Union County Board of Taxation
 Debt outstanding data provided by each governmental unit.

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 Cranford. 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

Cranford Public School District
 Legal Debt Margin Information,
 Last Ten Fiscal Years
 Unaudited

Exhibit J-13

Legal Debt Margin Calculation for Fiscal Year 2023:

Equalized valuation basis		
2022	\$5,176,117,447.00	
2021	4,846,740,988.00	
2020	4,687,697,858.00	
	<u>\$14,710,556,293.00</u>	[A]
Average equalized valuation of taxable property		[A/3]
	\$4,903,518,764.33	
Debt limit (4% of average equalized value)		[B]
	196,140,750.57	a
Total Debt Applicable to Limit		[C]
	<u>4,932,000.00</u>	
Legal Debt Margin		[B-C]
	<u>\$191,208,750.57</u>	

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$157,261,608.63	\$153,847,615.49	\$154,363,971.36	\$160,699,996.81	\$170,280,805.49	\$178,949,576.67	\$185,651,299.13	\$187,623,475.71	\$191,367,172.85	\$191,208,750.57
Total net debt applicable to limit	<u>12,550,763.00</u>	<u>11,760,000.00</u>	<u>10,935,000.00</u>	<u>10,070,000.00</u>	<u>9,168,000.00</u>	<u>8,628,000.00</u>	<u>8,068,000.00</u>	<u>7,488,000.00</u>	<u>5,478,000.00</u>	<u>4,932,000.00</u>
Legal debt margin	<u>\$144,710,845.63</u>	<u>\$142,087,615.49</u>	<u>\$143,428,971.36</u>	<u>\$150,629,996.81</u>	<u>\$161,112,805.49</u>	<u>\$170,321,576.67</u>	<u>\$177,583,299.13</u>	<u>\$180,135,475.71</u>	<u>\$185,889,172.85</u>	<u>\$186,276,750.57</u>
Total net debt applicable to the limit as a percentage of debt limit	7.98%	7.64%	7.08%	6.27%	5.38%	4.82%	4.35%	3.99%	2.86%	2.58%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey
 Department of Treasury, Division of Taxation

a Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types

Demographic and Economic Information

Cranford Public School District
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

Year	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2013	23,136	\$1,284,302,496	\$55,511	4.60%
2014	23,332	\$1,366,531,908	\$58,569	4.70%
2015	23,900	\$1,448,244,400	\$60,596	3.80%
2016	23,984	\$1,486,480,352	\$61,978	3.50%
2017	24,047	\$1,547,232,074	\$64,342	3.20%
2018	24,101	\$1,623,105,946	\$67,346	2.90%
2019	24,065	\$1,657,284,355	\$68,867	2.40%
2020	24,028	\$1,743,063,204	\$72,543	6.60%
2021	23,983	\$1,846,858,881	\$77,007	4.40%
2022	23,801	\$1,916,604,560	\$80,526	2.70%
2023	N/A	N/A	N/A	N/A

Source: ^a Population information provided by the US Bureau of the Census,
Population Division - Estimates.

^b Personal income has been estimated based upon the municipal population and
per capita personal income presented.

^c Per capita personal income represents County of Union provided by the Regional
Economic Information System, Bureau of Economic Analysis through 2020
and estimated for 2021.

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

N/A At the time of ACFR completion, this data was not yet available

Cranford Public School District
Principal Employers,
Current Year and Ten Years Ago
Unaudited

Employer	2023			2013		
	Employees *	Rank [Optional]	Percentage of Total Municipal Employment	Employees *	Rank [Optional]	Percentage of Total Municipal Employment
Cranford Public School District	855 **	1	6.65%	594	2	4.74%
Union County College	750	2	5.83%	750	1	5.98%
Township of Cranford	450	3	3.50%	350	3	2.79%
Kopper's Chocolate	450	4	3.50%			
All-State Legal Supply	350	5	2.72%	250	4	1.99%
Cranford Health & Extended Care	250	6	1.94%	250	5	1.99%
EII Inc.	250	7	1.94%	250	6	1.99%
Weeks Marine Inc.	250	8	1.94%			
All State International, Inc	150	9	1.17%			
Atria Cranford	150	10	1.17%	150	8	1.20%
Centennial Avenue Pool	150	11	1.17%	150	10	1.20%
Excel Operating	150	12	1.17%			
Jersey Mortgage Co.	150	13	1.17%			
Lerner David	150	14	1.17%			
M P Howlett Inc.	150	15	1.17%			
Proaccess Insurance	150	16	1.17%			
Partners Healthcare Inc.				250	7	1.99%
Birdsall Services Group				150	9	1.20%
Damon G. Douglass Co.				150	11	1.20%
Graber-Rogg Inc.				150	12	1.20%
Madan Plastics. Inc.				150	13	1.20%
Paragon Computer Professionals				150	14	1.20%
Registrar & Transfer Company				150	15	1.20%
	<u>4,805</u>		<u>37.37%</u>	<u>3,894</u>		<u>31.07%</u>

* Number of employees are estimated.

** Number of Active Employees who received a W-2

Source: Union County Economic Development Corporation and other sources.

Operating Information

Cranford Public 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	248	243	247	245	246	248	247	250	247	246
Special education	130	134	137	130	125	127	125	126	127	124
Other instruction	11	9	10	10	10	10	10	2	10	10
Support Services:										
Student & instruction related services	91	91	93	94	103	104	107	105	111	109
General administration	3	3	3	3	3	3	3	3	3	3
School administrative services	38	38	38	38	38	38	38	38	38	39
Central services	8	8	8	8	8	8	8	8	8	8
Administrative Information Technology	4	4	4	4	4	4	4	2	2	2
Plant operations and maintenance	66	66	65	63	64	64	65	58	58	65
Pupil transportation	1	1	1	1	1	1	1	1	1	1
Total	<u>600</u>	<u>597</u>	<u>606</u>	<u>596</u>	<u>602</u>	<u>607</u>	<u>608</u>	<u>593</u>	<u>605</u>	<u>607</u>

Source: District Personnel Records

Cranford Public 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			Daily Enrollment (ADE) ^c	Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2014	3,875.30	\$ 61,037,842.65	\$ 15,750.48	0.82%	332.00	15.5	11.5	11	3,875.30	3,725.41	-0.58%	96.13%
2015	3,793.20	62,210,417.11	16,400.51	4.13%	330.00	14.5	11.0	11.0	3,793.20	3,655.60	-2.12%	96.37%
2016	3,851.80	64,866,848.48	16,840.66	2.68%	340.00	14.0	11.5	11.0	3,851.80	3,676.41	1.54%	95.45%
2017	3,825.06	67,901,980.31	17,751.87	5.41%	332.00	11.9	10.1	10.1	3,825.06	3,644.93	-0.69%	95.29%
2018	3,806.80	71,536,764.17	18,791.84	5.86%	333.00	11.9	10.1	12.1	3,806.80	3,664.00	-0.48%	96.25%
2019	3,868.00	75,401,226.91	19,493.60	3.73%	336.00	11.6	10.1	12.1	3,868.00	3,700.20	1.61%	95.66%
2020	3,799.93	75,192,388.56	19,787.84	1.51%	335.00	12.6	9.6	11.1	3,799.93	3,689.41	-1.76%	97.09%
2021	3,692.23	77,733,779.63	21,053.34	6.40%	337.00	13.1	8.6	12.1	3,692.23	3,590.82	-2.83%	97.25%
2022	3,707.02	84,881,222.43	22,897.43	8.76%	343.00	11.9	8.6	11.1	3,707.02	3,521.85	0.40%	95.00%
2023	3,763.00	88,985,977.17	23,647.62	3.28%	342.00	12.1	9.1	11.1	3,763.00	3,550.21	1.51%	94.35%

Sources: District records

Note: Enrollment based on Average Daily Enrollment.

- a Operating expenditures equal total expenditures less debt service and capital outlay (includes "on-behalf" payments by State of New Jersey for T.P.A.F. pension and social security).
- 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).

Cranford Public School District
 School Building Information
 Last Ten Fiscal Years
 Unaudited

District Buildings	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>Elementary</u>										
Bloomingdale Avenue (1957)										
Square Feet	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000
Capacity (students)	225	225	225	225	225	225	225	225	225	225
Enrollment	225	224	222	253	250	253	253	229	241	238
Brookside Place School (1953)										
Square Feet	39,080	39,080	39,080	39,080	39,080	39,080	39,080	39,080	39,080	39,080
Capacity (students)	377	377	377	377	377	377	377	377	377	377
Enrollment	397	363	363	348	340	365	358	372	353	355
Livingston Avenue School (1957)										
Square Feet	29,915	29,915	29,915	29,915	29,915	29,915	29,915	29,915	29,915	29,915
Capacity (students)	274	274	274	274	274	274	274	274	274	274
Enrollment	263	239	238	250	258	250	259	258	259	256
Walnut Avenue School (1954)										
Square Feet	36,595	36,595	36,595	36,595	36,595	36,595	36,595	36,595	36,595	36,595
Capacity (students)	304	304	304	304	304	304	304	304	304	304
Enrollment	300	340	332	325	315	326	318	296	319	304
<u>Middle Schools</u>										
Hillside Avenue School (1960)										
Square Feet	99,070	99,070	99,070	99,070	99,070	99,070	99,070	99,070	99,070	99,070
Capacity (students)	863	863	863	863	863	863	863	863	863	863
Enrollment	682	729	738	718	678	663	665	662	668	712
Orange Avenue School (1963)										
Square Feet	99,070	99,070	99,070	99,070	99,070	99,070	99,070	99,070	99,070	99,070
Capacity (students)	859	859	859	859	859	859	859	859	859	859
Enrollment	795	800	766	766	760	743	704	724	761	772
<u>High School</u>										
Cranford Senior High School (1937)										
Square Feet	247,000	247,000	247,000	247,000	247,000	247,000	247,000	247,000	247,000	247,000
Capacity (students)	1,751	1,751	1,751	1,751	1,751	1,751	1,751	1,751	1,751	1,751
Enrollment	1,139	1,127	1,159	1,170	1,178	1,189	1,162	1,129	1,065	1,036
<u>Other</u>										
Lincoln School (1913)										
Square Feet	59,185	59,185	59,185	59,185	59,185	59,185	59,185	59,185	59,185	59,185
Capacity (students)	120	120	120	120	120	120	120	120	120	120
Enrollment	88	81	83	75	81	74	63	73	68	63

Number of Schools at June 30, 2022:

- Elementary = 4
- Middle School = 2
- Senior High School = 1
- Other = 1

Source: District records

Notes: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions.
 Enrollment is based on year end district count and includes half-day students.

Cranford Public School District
 Schedule of Required Maintenance Expenditures by School Facility
 Last Ten Fiscal Years
 Unaudited

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

*School Facilities Project # (s)	Cranford Senior High School	Hillside Avenue School	Orange Avenue School	Bloomington Avenue School	Brookside Place School	Lincoln School	Livingston Avenue School	Walnut Avenue School	Total
2014	\$ 340,676	\$ 65,037	\$ 73,422	\$ 30,156	\$ 20,074	\$ 62,391	\$ 17,438	\$ 85,067	\$ 694,261
2015	169,428	65,138	57,666	16,041	38,661	65,836	35,807	33,757	482,334
2016	256,631	80,632	69,924	43,787	24,392	41,174	46,705	27,864	591,109
2017	208,835	58,100	56,880	44,329	21,588	38,355	49,785	58,490	536,362
2018	170,678	68,784	85,019	20,899	20,706	56,984	140,288	33,217	596,575
2019	189,608	70,875	122,678	20,427	23,032	41,920	21,128	30,959	520,627
2020	376,386	112,468	77,910	25,964	28,624	85,539	29,410	36,556	772,857
2021	315,922	77,053	89,134	20,499	28,501	118,322	71,222	27,729	748,382
2022	309,029	81,802	80,129	24,772	55,735	108,966	22,081	35,201	717,715
2023	752,395	61,644	62,875	29,519	25,451	72,638	18,306	48,351	1,071,179
Total School Facilities	\$ 3,089,588	\$ 741,533	\$ 775,637	\$ 276,393	\$ 286,764	\$ 692,125	\$ 452,170	\$ 417,191	\$ 6,731,401

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

Source: District records

Cranford Public School District
Insurance Schedule
June 30, 2023
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Blanket Building & Contents including		
Personal Property of Others	\$141,419,578.00	\$5,000.00
Program Blanket Limit	500,000,000.00	
Excess Liability Policy CAP (shared)	25,000,000.00	
Excess Liability Policy CAP (unshared)	30,000,000.00	
Food Spoilage (within Blanket Limit)		
Electronic Data Processing (within Blanket Limit)		
Automobile and General Liability Each Occurrenc	10,000,000.00	
Employee Benefits Liability*	10,000,000.00	1,000.00
Automobile Liability*	10,000,000.00	
Uninsured Motorist Liability	15,000.00/30,000.00/5,000.00	
Boiler and Machinery (within Blanket Limit)	100,000,000 per occurrence	5,000.00
Crime:		
Blanket Employee Dishonesty - Per Loss	500,000.00	1,000.00
Forgery and Alteration	50,000.00	1,000.00
Theft, Disappearance & Destruction	2,500,000.00	1,000.00
Workers Compensation:		
Limit per Accident	5,000,000.00	
Disease per Policy Limit	5,000,000.00	
Disease Each Employee Limit	5,000,000.00	
School Professional Legal Liability*	10,000,000.00	10,000.00
Public Officials Bond:		
Treasurer of School Monies/ Business Administrator/Board Secretary	350,000.00	

* \$5,000,000.00 primary insurance plus \$5,000,000.00 excess coverage.

Source: District Records

Single Audit Section

**Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

Independent Auditors' Report

**Honorable President and Members
of the Board of Education
Cranford Public School District
County of Union
Cranford, New Jersey**

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

Report on Internal Control Over Financial Reporting

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

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

PKF O'CONNOR DAVIES, LLP
20 Commerce Drive, Suite 301, Cranford, NJ 07016 | Tel: 908.272.6200 | Fax: 908.272.2416 | www.pkfod.com

PKF O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

PKF O'Connor Davies, LLP

Cranford, New Jersey
December 5, 2023

Anthony Branco

Anthony Branco, CPA
Licensed Public School Accountant, No. 2515

**Report on Compliance for Each Major Federal and State
Program and Report on Internal Control Over Compliance Required
by the Uniform Guidance and NJ OMB Circular 15-08**

Independent Auditors' Report

**Honorable President and Members
of the Board of Education
Cranford Public School District
County of Union
Cranford, New Jersey**

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Cranford Public School District's, in the County of Union, New Jersey (the "District") compliance with the types of compliance requirements described 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 District's major federal and state programs for the year ended June 30, 2023. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the 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 ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"), 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 New Jersey OMB Circular 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards, the Uniform Guidance and New Jersey OMB Circular 15-08 are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

**Honorable President and Members
of the Board of Education
Cranford Public School District**

Page 2

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey OMB Circular 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. Non-compliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey OMB Circular 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

**Honorable President and Members
of the Board of Education
Cranford Public School District**

Page 3

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 or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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.

Purpose of this Report

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 Circular 15-08. Accordingly, this report is not suitable for any other purpose.

PKF O'Connor Davies, LLP

Cranford, New Jersey
December 5, 2023

Anthony Branco

Anthony Branco, CPA
Licensed Public School Accountant, No. 2515

CRANFORD PUBLIC SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Federal FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022	Adjustments	Cash Received	Budgetary Expenditures	Repayment Prior Years Balances	Balance at June 30, 2023			Amount Provided to Subrecipients
											Accounts Receivable	Unearned Revenue	Due to Grantor	
U.S. Department of Health and Human Services:														
Passed-through State Department of Education:														
General Fund:														
Medical Assistance Program (SEMI)	93.778	2205NJ5MAP	N/A	7/1/21-6/30/22	\$ 9,889.28	\$ (1,345.00)		\$ 1,345.00						
Medical Assistance Program (SEMI)	93.778	2205NJ5MAP	N/A	7/1/22-6/30/23	13,430.06			13,430.06	\$ (13,430.06)					
Total U.S. Department of Health and Human Services						(1,345.00)		14,775.06	(13,430.06)					
U.S. Department of Labor														
Passed-through State Department of Labor														
General Fund:														
American Rescue Plan (ARP) Unemployment Reimbursement (NC)	17.225	N/A	N/A	7/1/22-6/30/23				106,376.69	(106,376.69)					
Total U.S. Department of Labor						-	-	106,376.69	(106,376.69)	-	-	-	-	-
Total General Fund						(1,345.00)	-	121,151.75	(119,806.75)	-	-	-	-	-
U.S. Department of Education:														
Passed-through State Department of Education:														
Special Revenue Fund:														
Special Education Cluster (IDEA)														
I.D.E.A. Part B, Basic Regular	84.027A	H027A210100	IDEA-xxxx-23	7/1/22-9/30/23	893,133.00			585,945.00	(882,004.00)		\$ (296,059.00)			
I.D.E.A. Part B, Preschool	84.173	H173A210114	IDEA-xxxx-23	7/1/22-9/30/23	33,829.00			9,384.00	(33,829.00)		(24,445.00)			
ARP - I.D.E.A. Part B, Basic Regular	84.027X	H027X210100	N/A	7/1/21-9/30/22	172,954.00	(31,597.00)		31,597.00						
ARP - I.D.E.A. Part B, Preschool	84.173X	H173X210114	N/A	7/1/21-9/30/22	14,771.00	(0.63)		14,166.00	(14,165.37)					
I.D.E.A. Part B, Basic Regular	84.027A	H027A210100	IDEA-xxxx-22	7/1/21-9/30/22	878,990.00	(117,936.00)		117,936.00						
I.D.E.A. Part B, Preschool	84.173	H173A210114	IDEA-xxxx-22	7/1/21-9/30/22	30,312.00	(11,688.59)		14,078.00	(2,389.41)					
Total Special Education Cluster (IDEA)						(161,222.22)	-	773,106.00	(932,387.78)	-	(320,504.00)	-	-	-
Title I, Part A														
ESEA - Title I, Part A	84.010	S010A210030	ESEA-xxxx-23	7/1/22-9/30/23	78,034.00			25,499.84	(77,994.30)		(52,494.46)			
ESEA - Title I, Part A	84.010	S010A210030	ESEA-xxxx-22	7/1/21-9/30/22	75,882.00	(24,860.16)		24,860.16						
Total Title I, Part A						(24,860.16)	-	50,360.00	(77,994.30)	-	(52,494.46)			
Title II, Part A														
ESEA - Title II, Part A	84.367A	S367A210029	ESEA-xxxx-23	7/1/22-9/30/23	56,929.00		\$ (0.07)	17,249.76	(56,648.85)		(39,399.16)			
ESEA - Title II, Part A	84.367A	S367A210029	ESEA-xxxx-22	7/1/21-9/30/22	43,847.00	(16,108.31)	0.07	16,228.24	(120.00)					
Total Title II, Part A						(16,108.31)	-	33,478.00	(56,768.85)	-	(39,399.16)	-	-	-
Education Stabilization Fund														
COVID-19 ESSER II	84.425D	S425D210027	N/A	3/13/20-9/30/23	492,393.00	(42,314.38)		77,796.00	(35,481.62)					
COVID-19-ESSER II - Learning Acceleration	84.425D	S425D210027	N/A	3/13/20-9/30/23	25,000.00									
COVID-19-ESSER II - Mental Health	84.425D	S425D210027	N/A	3/13/20-9/30/23	45,000.00	(6,725.86)		10,735.00	(6,130.97)		(2,121.83)			
COVID-19 ARP/ESSER III- Accelerated Learning Coach and Educator Support	84.425U	S425U210027	N/A	3/13/20-9/30/24	286,622.00			135,972.00	(207,941.98)		(71,969.98)			
COVID-19 ARP/ESSER III- Evidence Based Summer Learning and Enrichment	84.425U	S425U210027	N/A	3/13/20-9/30/24	40,000.00			18,316.00	(18,316.11)		(0.11)			
COVID-19 ARP/ESSER III- Evidence Based Comprehensive Beyond the School Day	84.425U	S425U210027	N/A	3/13/20-9/30/24	40,000.00	(11,105.93)		11,106.00	(10,186.33)		(10,186.26)			
COVID-19 ARP/ESSER III- NJTSS Mental Health Support Staffing	84.425U	S425U210027	N/A	3/13/20-9/30/24	45,000.00			27,520.00	(42,086.18)		(14,566.18)			
COVID-19 American Rescue Plan	84.425U	S425U210027	N/A	3/13/20-9/30/24	984,785.00	(96,922.15)		225,015.00	(177,317.35)		(49,224.50)			
Total Education Stabilization Fund						(157,068.32)	-	506,460.00	(497,460.54)	-	(148,068.86)	-	-	-
Total U.S. Department of Education						(359,259.01)	-	1,363,404.00	(1,564,611.47)	-	(560,466.48)	-	-	-

CRANFORD PUBLIC SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Federal FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022	Adjustments	Cash Received	Budgetary Expenditures	Repayment Prior Years Balances	Balance at June 30, 2023			Amount Provided to Subrecipients
											Accounts Receivable	Unearned Revenue	Due to Grantor	
U.S. Department of the Treasury:														
Passed-through State Department of Education:														
Special Revenue Fund:														
Additional or Compensatory Special Education and Related Services (ACSERS)	21.027	N/A	N/A	7/1/22-6/30/23	\$ 551,149.81			\$ 278,958.00	\$ (551,149.81)		\$ (272,191.81)			
Additional or Compensatory Special Education and Related Services (ACSERS)	21.027	N/A	N/A	7/1/21-6/30/22	207,935.00	\$ (104,559.00)		104,559.00						
Total U.S. Department of the Treasury, Passed-through State Department of Education						(104,559.00)	-	383,517.00	(551,149.81)	-	(272,191.81)	-	-	-
Total Special Revenue Fund						\$ (463,818.01)	-	1,746,921.00	(2,115,761.28)	-	(832,658.29)	-	-	-
Total Federal Awards						\$ (465,163.01)	\$ -	\$ 1,868,072.75	\$ (2,235,568.03)	\$ -	\$ (832,658.29)	\$ -	\$ -	\$ -

N/A - Not available/applicable.

See Accompanying Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance.

CRANFORD PUBLIC SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022			Cash Received	Budgetary Expenditures	Adjustments/Repayment Prior Years Balances	Balance at June 30, 2023		Memo	
				Unearned Revenue/(Accounts Receivable)	Due to Grantor	Adjustments				Unearned Revenue/(Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:													
General Fund:													
Special Education Categorical Aid	23-495-034-5120-089	7/1/22-6/30/23	\$ 3,474,224.00				\$ 3,138,259.97	\$ (3,474,224.00)			\$ (335,964.03)	\$ (3,474,224.00)	
Special Education Categorical Aid	22-495-034-5120-089	7/1/21-6/30/22	2,866,485.00	\$ (277,363.95)			277,363.95						
Categorical Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	354,868.00				320,551.59	(354,868.00)			(34,316.41)	(354,868.00)	
Categorical Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	354,868.00	(34,099.46)			34,099.46						
Equalization Aid	23-495-034-5120-078	7/1/22-6/30/23	88,682.00				80,106.28	(88,682.00)			(8,575.72)	(88,682.00)	
Equalization Aid	22-495-034-5120-078	7/1/21-6/30/22	88,682.00	(8,521.50)			8,521.50						
Categorical Security Aid	23-495-034-5120-084	7/1/22-6/30/23	92,830.00				83,853.16	(92,830.00)			(8,976.84)	(92,830.00)	
Categorical Security Aid	22-495-034-5120-084	7/1/21-6/30/22	92,830.00	(8,920.09)			8,920.09						
Extraordinary Aid	23-495-034-5120-044	7/1/22-6/30/23	1,090,916.00					(1,090,916.00)		\$ (1,090,916.00)		(1,090,916.00)	
Extraordinary Aid	22-495-034-5120-044	7/1/21-6/30/22	1,230,288.00	(1,230,288.00)			1,230,288.00						
Nonpublic Transportation Cost Reimb.	23-495-034-5120-014	7/1/22-6/30/23	24,960.00					(24,960.00)		(24,960.00)		(24,960.00)	
Nonpublic Transportation Cost Reimb.	22-495-034-5120-014	7/1/21-6/30/22	28,420.00	(28,420.00)			28,420.00						
On Behalf T.P.A.F. Pension Contributions	23-495-034-5095-002	7/1/22-6/30/23	11,197,265.00				11,197,265.00	(11,197,265.00)				(11,197,265.00)	
On Behalf Post Retirement Medical Contrib.	23-495-034-5095-001	7/1/22-6/30/23	2,982,305.00				2,982,305.00	(2,982,305.00)				(2,982,305.00)	
On Behalf T.P.A.F. Non-Contributory Group Insurance	23-495-034-5095-004	7/1/22-6/30/23	155,349.00				155,349.00	(155,349.00)				(155,349.00)	
On Behalf T.P.A.F. Long Term Disability Insurance	23-495-034-5095-004	7/1/22-6/30/23	4,636.00				4,636.00	(4,636.00)				(4,636.00)	
Reimb. T.P.A.F. Social Security Contrib.	23-495-034-5095-003	7/1/22-6/30/23	2,383,878.49				2,383,878.49	(2,383,878.49)				(2,383,878.49)	
Reimb. T.P.A.F. Social Security Contrib.	22-495-034-5095-003	7/1/21-6/30/22	2,166,680.15	(114,053.25)			114,053.25						
Securing Our Childrens Future Bond Act	23-588-034-5120-001	7/1/22-6/30/23	218,811.00				218,811.00	(218,811.00)				(218,811.00)	
Total General Fund				(1,701,666.25)	-	-	22,266,681.74	(22,068,724.49)	-	(1,115,876.00)	-	(387,833.00)	(22,068,724.49)
Special Revenue Fund:													
N.J. Nonpublic Aid:													
Textbook Aid	23-100-034-5120-064	7/1/22-6/30/23	17,490.00				17,490.00	(17,281.98)		\$ 208.02		(17,281.98)	
Textbook Aid	22-100-034-5120-064	7/1/21-6/30/22	17,046.00		\$ 202.59				\$ (202.59)				
Auxiliary Services:													
Compensatory Education	23-100-034-5120-067	7/1/22-6/30/23	130,654.00				130,654.00	(130,554.43)		99.57		(130,554.43)	
Compensatory Education	22-100-034-5120-067	7/1/21-6/30/22	86,086.00		4,926.52				(4,926.52)				
English as a Second Language	23-100-034-5120-067	7/1/22-6/30/23	1,603.00				1,603.00	(1,403.05)		199.95		(1,403.05)	
Handicapped Services:													
Supplemental Instruction	23-100-034-5120-066	7/1/22-6/30/23	17,016.00				17,016.00	(16,850.40)		165.60		(16,850.40)	
Supplemental Instruction	22-100-034-5120-066	7/1/21-6/30/22	16,520.00										
Examination & Classification	23-100-034-5120-066	7/1/22-6/30/23	20,862.00				20,862.00	(16,123.19)		4,738.81		(16,123.19)	
Examination & Classification	22-100-034-5120-066	7/1/21-6/30/22	30,137.00		6,064.45				(6,064.45)				
Corrective Speech	23-100-034-5120-066	7/1/22-6/30/23	18,600.00				18,600.00	(13,020.00)		5,580.00		(13,020.00)	
Corrective Speech	22-100-034-5120-066	7/1/21-6/30/22	13,950.00		465.00				(465.00)				
Nursing Services	23-100-034-5120-070	7/1/22-6/30/23	29,680.00				29,680.00	(29,680.00)				(29,680.00)	
Nursing Services	22-100-034-5120-070	7/1/21-6/30/22	31,808.00		3,926.41				(3,926.41)				
Technology Initiative	23-100-034-5120-373	7/1/21-6/30/23	11,130.00				11,130.00	(11,082.15)		47.85		(11,082.15)	
Technology Initiative	22-100-034-5120-373	7/1/21-6/30/22	11,928.00		127.96				(127.96)				
Security Aid	23-100-034-5120-509	7/1/22-6/30/23	54,325.00				54,325.00	(54,325.00)				(54,325.00)	
Security Aid	22-100-034-5120-509	7/1/21-6/30/22	49,700.00		1,241.00				(1,241.00)				
New Jersey Department of Education - School Climate Change Pilot Grant	23E00176	4/1/23-6/30/23	6,660.00				6,660.00	(6,660.00)				(6,660.00)	
New Jersey School Development Authority - Capital Maintenance Grant	N/A	7/1/22-6/30/23	92,557.00				92,557.00	(92,557.00)				(92,557.00)	
Total Special Revenue Fund				-	16,953.93	-	400,577.00	(389,537.20)	(16,953.93)	-	11,039.80	-	(389,537.20)
Total State Financial Assistance				\$ (1,701,666.25)	\$ 16,953.93	\$ -	\$ 22,667,258.74	\$ (22,458,261.69)	\$ (16,953.93)	\$ (1,115,876.00)	\$ 11,039.80	\$ (387,833.00)	\$ (22,458,261.69)
State Financial Assistance Not Subject to Audit Determination:													
General Fund:													
On Behalf T.P.A.F. Pension Contributions							(11,197,265.00)	11,197,265.00				11,197,265.00	
On Behalf Post Retirement Medical Contrib.							(2,982,305.00)	2,982,305.00				2,982,305.00	
On Behalf T.P.A.F. Non-Contributory Group Insurance							(155,349.00)	155,349.00				155,349.00	
On Behalf T.P.A.F. Long Term Disability Insurance							(4,636.00)	4,636.00				4,636.00	
Total State Financial Assistance Subject to Audit Determination				\$ (1,701,666.25)	\$ 16,953.93	\$ -	\$ 8,327,703.74	\$ (8,118,706.69)	\$ (16,953.93)	\$ (1,115,876.00)	\$ 11,039.80	\$ (387,833.00)	\$ (8,118,706.69)

See Accompanying Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance.

N/A - Not available/applicable.

**CRANFORD PUBLIC SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**

YEAR ENDED JUNE 30, 2023

NOTE 1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education of the Township of Cranford Public School District. The District is defined in Note 1(A) to the Board's basic financial statements (GASB 34 Model – basic financial statements). All federal awards and state assistance received directly from federal and state agencies, as well as federal awards and state assistance passed through other government agencies are included on the schedule of expenditures of federal awards and schedule of 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. This basis of accounting is described in Note 1 to the District's basic financial statements. The information in these schedules are presented in accordance with the requirements of NJ OMB Circular 15-08, which requires compliance with the requirements of Title 2, US Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) for state financial assistance programs. Therefore, some amounts presented in this schedule may differ from amounts present in, or used in the preparation of, the basic financial statements. The District does not charge any indirect costs to any state financial assistance program.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the District's 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 fiscal 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 of accounting with the exception of the revenue recognition of the last two state aid payments in the current year, which is mandated pursuant to N.J.S.A. 18A: 22-44.2. For GAAP purposes, those payments are not recognized until the subsequent budget year due to the state deferral and recording of the last two 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

**CRANFORD PUBLIC SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**

YEAR ENDED JUNE 30, 2023

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

recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$58,928 for the general fund. See note to required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds (C-3).

Federal and State award revenues are reported in the District's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 13,430.06	\$ 22,009,796.49	\$ 22,023,226.55
Special Revenue Fund	<u>2,115,761.28</u>	<u>389,537.20</u>	<u>2,505,298.48</u>
 Total Assistance	 <u>\$ 2,129,191.34</u>	 <u>\$ 22,399,333.69</u>	 <u>\$ 24,528,525.03</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

TPAF Social Security Contributions represent the amount reimbursed by the State for the employer's share of the Social Security for TPAF members for the year ended June 30, 2023. The post-retirement pension, medical and disability insurance benefits received on behalf of the District for the year ended June 30, 2023 amounted to \$14,339,855. Since on-behalf post retirement, medical and disability insurance benefits are paid by the State directly, these expenditures are not subject to a single audit in accordance with New Jersey OMB Circular 15-08, however they are reported on the Schedule of Expenditures of State Financial Assistance, as directed by the funding agency.

NOTE 6. INDIRECT COSTS

The District elected not use the 10% de minimis indirect cost rate as allowed by the Uniform Guidance.

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

Part I - Summary of Auditors' Results

Financial Statements Section

Type of report the auditors issued on whether the financial statements were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Are any material weaknesses identified?	<u> </u> Yes	<u> X </u> No	
Are any significant deficiencies identified?	<u> </u> Yes	<u> X </u> None Reported	

Is any noncompliance material to financial statements noted?

 Yes X No

Federal Awards

Internal control over major federal programs:

Are any material weaknesses identified?	<u> </u> Yes	<u> X </u> No	
Are any significant deficiencies identified?	<u> </u> Yes	<u> X </u> None Reported	

Type of auditors' report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

 Yes X No

Identification of major programs:

AL Number(s)	FAIN Number	Name of Federal Program or Cluster
84.027		<u>Special Education Cluster:</u> I.D.E.A. Part B, Basic Regular
84.173		I.D.E.A. Part B, Preschool

Dollar threshold used to distinguish between Type A and B programs:

\$ 750,000.00

Auditee qualified as low-risk auditee?

 X Yes No

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

Part I - Summary of Auditors' Results

State Financial Assistance

Internal control over major state programs:

Are any material weaknesses identified? _____ Yes X No

Are any significant deficiencies identified? _____ Yes X None Reported

Type of auditors' report issued on compliance for major state programs: _____ Unmodified

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular 15-08? _____ Yes X No

Identification of major state programs:

<u>GMIS/Program Number</u>	<u>Name of State Program or Cluster</u>
23-495-034-5095-003	Reimbursed T.P.A.F. Social Security Contributions
23-495-034-5120-044	Extraordinary Aid

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

Auditee qualified as low-risk auditee? _____ X Yes _____ No

Part II - Financial Statement Findings

No compliance or internal control over financial reporting findings noted that are required to be reported under *Government Auditing Standards*.

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

No federal award or state financial assistance program compliance findings or questioned costs were noted that are required to be reported in accordance with 2 CFR 200 section .516(a) or NJ OMB Circular Letter 15-08.