

TOWNSHIP OF DEPTFORD
SCHOOL DISTRICT
DEPTFORD, NEW JERSEY



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

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INTRODUCTORY SECTION



DEPTFORD TOWNSHIP BOARD OF EDUCATION

890 Bankbridge Road, Suite 100 • Sewell, NJ 08080
(856) 232-2700 Fax: (856) 227-7473
www.deptfordschools.org

Heather Jackson
Assistant Superintendent
Chief Academic Officer

Kevin M. Kanauss
Superintendent

Ron Latham, Jr.
Business Administrator
Board Secretary

Honorable President and
Members of the Board of Education
Deptford Township School District
Gloucester County, New Jersey

Dear Board Members:

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

The Annual Comprehensive Financial Report is presented in four sections as follows:

- The Introductory Section contains a table of contents, Letter of Transmittal, List of Principal Officials, and an Organizational Chart of the School District.
- The Financial Section begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the School District's financial position and operating results, and other schedules providing detailed budgetary information.
- The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal capacity of the School District, generally presented on a multi-year basis.
- The Single Audit Section - The District is required to undergo an annual single audit in conformity with the provisions of the Uniform Guidance and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this single audit, including the independent auditors' report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, are included in the single audit section of this report.

1. **REPORTING ENTITY AND ITS SERVICES:** Deptford Township School District is an independent reporting entity within the criteria adopted by the Government Accounting Standards Board Statement No. 14. All funds of the District are included in this report. The Deptford 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 Pre-K through 12. These include regular, vocational as well as special education for students with disabilities.

2. **ECONOMIC CONDITION AND OUTLOOK:** The Deptford area is served by major transportation routes including 1-295, NJ Turnpike, Route 42, and Route 55. The high level of developer interest in Deptford is due in large measure to its access to these highways. The Deptford Mall and shopping centers, restaurants and theaters surrounding the Mall are a focal point of attraction and serve a wide area of South Jersey and even South Philadelphia. Since a November 1987 study, conducted by the Delaware Valley Planning Commission, projected a population increase, Deptford has seen several housing developments constructed as well as several large businesses building in the area. It is expected that expansion will continue, and the area will continue to prosper.

3. **MAJOR INITIATIVES:** Students in the Deptford Township School District receive a comprehensive educational program. The District's 2022-2023 major initiatives are listed below:

District:

- Our district continues to implement Canvas Learning Management System for all courses and grade levels K-12. In conjunction with this, our district has implemented a 1:1 Chromebook initiative for our students in grades 4 - 12 (while maintaining devices in the classrooms for our students in Pre-K - 3). Instructional programs in IXL, Reading A to Z, No Red Ink, Naviance, Gizmos, Kami, EdPuzzle, Nearpod, and many other digital resources that are transforming our instructional practices to digital-based learning resources and to populate the use of the Chromebook initiative. Teachers also received support and guidance in Social Emotional Learning Strategies, Fountas and Pinnell (benchmark assessment system and leveled literacy intervention), and BloomSights to meet the individual and social needs of our students in teaching the "whole" child. We also benchmark our students in mathematics and ELA through LinkIt! Benchmark and Data Warehouse. Students and parents have also been given access to their portal through LinkIt! to review their assessment results, progress, growth.

Elementary:

- The continued implementation of kindergarten through fifth grade inquiry-based Science program through the NJ Model Science Curriculum. There is also the implementation of virtual science and laboratory activities (Mystery Science) for students to complete in learning centers and independently at home.
- The continued implementation of comprehensive core English Language Arts and mathematics programs in grades K-5, which was reused to incorporate New Jersey Student Learning Standards and the skills assessed in the NJ Student Learning Assessment (NJSLA).
- The continued use of the LinkIt! Benchmark Assessment and data warehousing program in grades K-5. Each year, teacher and instructional supervisors add more curricular-based assessments to establish a clear picture of each student that gets shared and used to make decisions about instruction for students at the individual student level. Grade-level, department, and individualized student reports are provided to teachers and instructional supervisors to drive instruction and meet the academic and individual learning needs of the students.

Elementary (Cont'd):

- Students in grades 4-5 completed BloomSights inventories on their personal and academic growth. The data was analyzed by teachers and school counselors to develop learning and counseling groups during the intervention and enrichment block.
- The continued implementation of a full-day and kindergarten program which is developmentally appropriate and based on state kindergarten regulations.
- The implementation of ongoing diagnostic reading assessments (Diagnostics Reading Assessment, Leveled Literacy Intervention, and Benchmark Assessment System) in grades K-5 to assess, guide, and support students in being able to read at or above their grade level. The district also incorporates tiered interventions through Wilson Language and the Foundations program for grades K-2 to support the classroom and intervention teachers.
- The continued implementation of a research based comprehensive PreK program but shifted to the full day program (through the PEA grant), endorsed the New Jersey Office of Early Childhood Education. We began using the Creative Curriculum (NJDOE approved) curriculum with the change to full day PreK. The Early Screening Inventory (ESI), third edition, is used to assess PreK students' possible need for special education services and as our primary screening tool.
- A summer learning program was offered to all students, with transportation provided, to review and master skills and standards in ELA, mathematics, student counseling/mental health, and physical education through Federal Grant funding.

Middle School:

- The continued implementation of comprehensive core English Language Arts and mathematics programs in grades 7 and 8, which was revised to incorporate New Jersey Student Learning Standards and NJSLA.
- The continued implementation of an inquiry-based science program in grades 7 and 8. Also implemented were virtual mathematics and science manipulatives and laboratory activities (Gizmos) for students to complete in learning centers or independently at home.
- Students also complete leveled practice for ELA and mathematics through IXL. Students take a diagnostic assessment at the beginning, middle, and end of year to identify their individual ELA and mathematics levels. Learning and guided practice activities are developed and derived for the students to complete at their own pace in IXL and at the teacher's discretion.
- The continued implementation of a research-based social studies program in grades 7-8. We are looking into the implementation of an Advanced Placement (AP) history course for the 2022-2023 school year for our Middle School students.
- Continuing to offer our advanced courses in our core academic classes to prepare our students for advanced and academy courses at the high school.
- Implementation of computer coding and skills courses in state-of-the-art computer labs.
- Students completed their Naviance personal, learning, and future plan profiles. The data was analyzed by school counselors to map out their counseling plans.
- The continued use of LinkIt Benchmark Assessment and data warehousing program in grades 7-8. Each year, teacher and instructional supervisors add more curricular-based assessments to establish a clear picture of each student that gets shared and used to make decisions about instruction for students at the individual student level. Grade-level, department, and individualized student reports are provided to teachers and instructional supervisors to drive instruction and meet the academic and individual learning needs of the students.
- A summer learning program was offered to all students, with transportation provided, to review and master skills and standards in ELA, mathematics, student counseling/mental health, and physical education through Federal Grant funding.

High School:

- The continued implementation of comprehensive core English Language Arts and mathematics programs in grades 9 through 12, which was revised to incorporate New Jersey Student Learning Standards and NJSLA. The students and teachers completed many novel studies, informational text sources, and online/digital resources through IXL for additional ELA resources. Students also used the Big Ideas online learning platform and IXL for additional mathematics learning sources.
- The continued implementation of discovery-based math and science programs in grades 9-12. Also implemented were virtual mathematics and science manipulatives and laboratory activities (Gizmos) for students to complete in learning centers or independently at home.
- The continued use of LinkIt Benchmark Assessment and data warehousing program in grades 9-12. Each year, teacher and instructional supervisors add more curricular-based assessments to establish a clear picture of each student that gets shared and used to make decisions about instruction for students at the individual student level.
- The expansion of our core modeling and Academy courses to include our biomedical sciences, engineering, computer science, business, music and choir, art, and carpentry offerings.
- The students and teachers also joined the SkillsUSA organization for the biomedical and business academies.
- The high school maintains its collegiate high school and partnership with Rowan College of South Jersey, offering college level courses to students both at the high school and on college campuses.
- Students completed their Naviance personal, learning, and future plan profiles. The data was analyzed by school counselors to map out their counseling plans.
- A summer learning program was offered to all students, with transportation provided, to review and master skills and standards in ELA, mathematics, student counseling/mental health, and physical education through Federal Grant funding.

4. INTERNAL ACCOUNTING CONTROLS: The District is responsible for establishing and maintaining an 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). The 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 and state financial assistance, the District also is responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control is also subject to periodic evaluation by the District's management.

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

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

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

6. **ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statement", Note 1.

7. **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in New Jersey statute 18A:20-37. 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.

8. **RISK MANAGEMENT:** The Board of Education is a member of the Gloucester/Cumberland/Salem School Districts Joint Insurance Fund (GCSSDJIF). This Fund was formed under the provisions of NJSA 18A: 18B 1-10.

The GCSSDJIF provides members with a long-term alternative to the conventional insurance marketplace and is a means of stabilizing the otherwise cyclical nature of insurance expenditures. The fund provides the following coverage:

1. Property, including buildings, contents, inland marine, crime, boiler and machinery and auto physical damage.
2. General Liability, including school board legal liability.
3. Automobile Liability.
4. Workers' Compensation.

The Fund provides coverage to its members either directly or through the commercial insurance market, through one or more of the following vehicles: excess insurance, reinsurance or an excess property and casualty joint insurance fund.

9. **OTHER INFORMATION:** Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The certified public accounting firm of Bowman & Company LLP was selected by the Board of Education. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Uniform Guidance and state Treasury Circular Letter 15-08 OMB. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

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

Respectfully submitted,

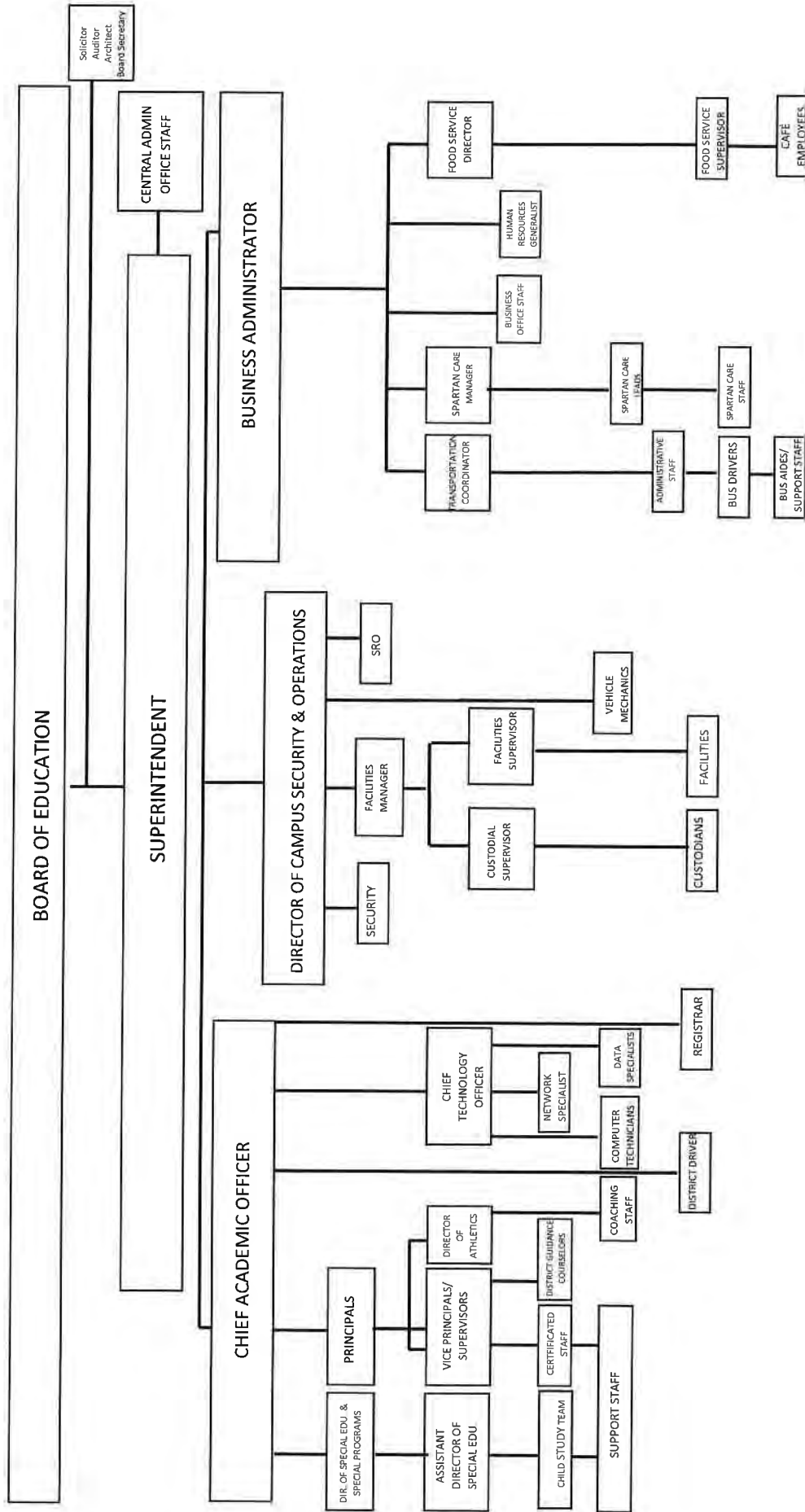


Kevin M. Kanauss
Superintendent



Ronald Latham, Jr.
School Business Administrator/
Board Secretary

Deptford Township Board of Education Organizational Chart



DEPTFORD TOWNSHIP BOARD OF EDUCATION

DEPTFORD TOWNSHIP, NEW JERSEY

ROSTER OF OFFICIALS

June 30, 2023

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Joe McKenna, President	2023
James McDevitt, III, Vice President	2024
Carol Gioia	2025
Stacy Gray	2023
Ed Kalinowski	2025
Mark Getsinger	2024
Laura Newcomb	2024
Linda Rosser	2023
Dr. Frank Scambia	2025

Other Officials

Kevin Kanauss, Superintendent

Robert Delengowski, Interim School Business Administrator/Board Secretary

DEPTFORD TOWNSHIP BOARD OF EDUCATION

Consultants and Advisors

Architect

Garrison Architects
713 Creek Road
Bellmawr, NJ 08031

Audit Firm

Bowman & Company LLP
601 White Horse Road
Voorhees, NJ 08043

Attorney

Albert Marmero
Grace, Marmero & Associates, LLP
44 Euclid Street
Woodbury, NJ 08096

Official Depository

Columbia Bank
1460 Clements Bridge Road
Deptford, NJ 08096

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Deptford School District
County of Gloucester

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Township of Deptford School District, in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School 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 Township of Deptford School District, in the County of Gloucester, State of New Jersey, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the School 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.

Emphasis of Matter

Change in Accounting Principle

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2024, on our consideration of the Township of Deptford School 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 Township of Deptford School 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 Township of Deptford School District's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Michael P. Cragin, Jr.
Certified Public Accountant
Public School Accountant No. 20CS00255100

Voorhees, New Jersey
March 8, 2024

REQUIRED SUPPLEMENTARY INFORMATION
PART I

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited)

The management's discussion and analysis of the Township of Deptford School District (School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2023 and 2022. The intent of the discussion and analysis is to look at the School District's financial performance and review the notes to the basic financial statements to enhance the understanding of the School District's financial performance. It is recommended that the discussion and analysis be read in conjunction with a transmittal letter at the front of this financial report.

FINANCIAL HIGHLIGHTS

Financial Highlights for fiscal year :

- The assets and deferred outflows of resources of the Township of Deptford School District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$19,463,327 (net position).
- The School District's total net position increased by \$6,133,360.
- As of the close of the current fiscal year, the School District's governmental funds reported combined ending fund balances of \$22,471,167, an decrease of \$237,051 in comparison with the prior year. This decrease was primarily the result of the School District issuing bonds in July 2020 and utilizing the cash from the sale in FY 2023.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$2,020,399, which is a decrease of \$1,380,810 in comparison with the prior 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 School District:

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

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 School District's budget for the year.

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited) (Cont'd)

OVERVIEW OF THE FINANCIAL STATEMENTS (CONT'D)

Government-Wide Statements

The government-wide statements report information about the School District as a whole using accounting methods similar to those used by the private-sector companies. The statement of net position includes all of the School District's assets 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 School District's net position and how they have changed. Net position is the difference between the School District's assets and deferred outflows of resources and liabilities and deferred inflows of resources and is one way to measure the School District's financial health or position. An increase or decrease in the School District's net position is an indicator of whether its financial position is improving or deteriorating, respectively. To assess the overall health or position of the School District, you need to consider additional nonfinancial factors such as changes in the School District's property tax base and the condition of school buildings and other facilities.

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

- *Governmental activities* – The basic services, such as instruction for regular and special education, maintenance and operations, transportation and administration are included as government activities. Property taxes, state aid and fund balance appropriated finance most of these activities.
- *Business-type activities* – The School District charges fees to cover the costs of certain services such as food services and child care services.

Fund Financial Statements

The fund financial statements provide more detailed information about the School District's funds, focusing on the significant funds, not the School District as a whole. Funds are used by the School District to keep track of specific sources of funding and spending on particular programs.

The School District has two kinds of funds:

- *Governmental funds* – The School District's basic services are included in governmental funds, which detail cash and other financial assets and also identify balances that remain at year-end. Governmental funds statements provide a short-term view to determine whether more or less financial resources can be spent in subsequent years.
- *Proprietary funds* – These funds represent charges or fees for such activities as food services and child care services.

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited) (Cont'd)

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Table 1 provides a summary of the School District's net position for fiscal years 2023 and 2022.

TABLE 1
Net Position

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Change</u>	<u>% Change</u>
Assets:				
Current and Other Assets	\$ 28,264,783	\$ 30,023,720	\$ (1,758,937)	-5.86%
Capital Assets	58,720,396	56,992,890	1,727,506	3.03%
Total Assets	<u>86,985,179</u>	<u>87,016,610</u>	<u>(31,431)</u>	<u>-0.04%</u>
Deferred Outflows of Resources:				
Related to Pensions	2,658,814	2,058,665	600,149	29.15%
Liabilities:				
Long-Term Liabilities	58,030,919	55,299,110	2,731,809	4.94%
Other Liabilities	6,775,286	8,598,231	(1,822,945)	-21.20%
Total Liabilities	<u>64,806,205</u>	<u>63,897,341</u>	<u>908,864</u>	<u>1.42%</u>
Deferred Inflows of Resources:				
Related to Pensions	5,374,461	11,847,968	(6,473,507)	-54.64%
Net Position:				
Net Investment in Capital Assets	23,669,729	23,526,269	143,460	0.61%
Restricted	14,736,996	12,503,183	2,233,813	17.87%
Unrestricted (Deficit)	(18,943,398)	(22,699,486)	3,756,088	-16.55%
Total Net Position (Deficit)	<u>\$ 19,463,327</u>	<u>\$ 13,329,966</u>	<u>\$ 6,133,361</u>	<u>46.01%</u>

Table 2 provides an illustration of the impact of the School District's Net Position for the effect of pension-related items.

TABLE 2
Statement of Net Position - Effect of Pension Related Items

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Change</u>	<u>% Change</u>
Deferred Outflows Related to Pensions	\$ 2,658,814	\$ 2,058,665	\$ 600,149	29.15%
Less: Net Pension Liability	(18,024,162)	(15,000,883)	(3,023,279)	20.15%
Less: Deferred Inflows Related to Pensions	(5,374,461)	(11,847,968)	6,473,507	-54.64%
	<u>\$ (20,739,809)</u>	<u>\$ (24,790,186)</u>	<u>\$ 4,050,377</u>	<u>-16.34%</u>

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited) (Cont'd)

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONT'D)

Table 3 reflects changes in net position for fiscal years 2023 and 2022.

TABLE 3
Change in Net Position

Revenues:	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Change</u>	<u>% Change</u>
Program Revenues:				
Charges for Services	\$ 782,740	\$ 753,975	\$ 28,765	3.82%
Operating Grants and Contributions	14,955,731	19,188,969	(4,233,238)	-22.06%
Capital Grants and Contributions	1,464,947	2,442,872	(977,925)	-40.03%
General Revenues:				
Property Taxes	47,028,959	45,879,087	1,149,872	2.51%
Grants and Contributions	28,320,226	27,483,453	836,773	3.04%
Other	746,441	278,809	467,632	167.72%
Total Revenues	<u>93,299,044</u>	<u>96,027,165</u>	<u>(2,728,121)</u>	<u>-2.84%</u>
Expenses:				
Instruction:				
Regular	28,662,297	26,764,670	1,897,627	7.09%
Special Education	4,296,280	5,071,104	(774,824)	-15.28%
Other Instruction	2,011,748	1,973,268	38,480	1.95%
Student Services:				
Tuition	6,751,077	6,299,865	451,212	7.16%
Student and Instruction Related	9,918,428	7,807,855	2,110,573	27.03%
Other Administrative Services	2,026,187	1,584,817	441,370	27.85%
School Administrative Services	2,937,160	2,889,664	47,496	1.64%
Plant Operations and Maintenance	6,395,797	5,952,841	442,956	7.44%
Pupil Transportation	4,083,407	3,647,406	436,001	11.95%
Personal Services - Employee Benefits	19,458,854	23,407,276	(3,948,422)	-16.87%
Transfer to Charter School	244,295	291,149	(46,854)	-16.09%
Interest Expense	889,754	904,831	(15,077)	-1.67%
Total Expenses, Governmental Activities	<u>87,675,284</u>	<u>86,594,746</u>	<u>1,080,538</u>	<u>1.25%</u>
Change in Governmental Activities Net Position	<u>\$ 5,623,760</u>	<u>\$ 9,432,419</u>	<u>\$ (3,808,659)</u>	<u>-40.38%</u>
	<u>June 30, 2022</u>	<u>June 30, 2022</u>	<u>Change</u>	<u>% Change</u>
Business-Type Activities Net Income:				
Food Service	\$ 2,050,005	\$ 2,422,772	\$ (372,767)	-15.39%
Child Care Program	1,058,083	575,572	482,511	83.83%
Total Revenues	<u>3,108,088</u>	<u>2,998,344</u>	<u>109,744</u>	<u>3.66%</u>
Business-Type Activities Expense				
Food Service	1,680,757	2,053,880	(373,123)	-18.17%
Child Care Program	917,731	495,652	422,079	85.16%
Total Expenses	<u>2,598,488</u>	<u>2,549,532</u>	<u>48,956</u>	<u>1.92%</u>
Change in Business-Type Activities Net Position	<u>\$ 509,600</u>	<u>\$ 448,812</u>	<u>\$ 60,788</u>	<u>13.54%</u>

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited) (Cont'd)

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONT'D)

Governmental Activities

In 2021-2022, program revenues were \$22,385,816 or 23.18% of total revenues.

In 2021-2022, program revenues were \$17,203,418 or 18.12% of total revenues.

The \$5,182,398 decrease in program revenues from 2021-2022 to 2022-2023 was mainly related to on-behalf revenues related to GASB 68 and GASB 75.

In 2022-2023, General Revenues - Property Taxes of \$47,028,959 made up 49.02%, and Federal and State Aid Not Restricted of \$28,320,226 made up 30.83% of total revenues.

In 2021-2022, General Revenues - Property Taxes of \$45,879,087 made up 51.20%, and Federal and State Aid Not Restricted of \$27,483,453 made up 29.37% of total revenues.

In 2022-2023, the School District's Governmental Activities expenditures increased by \$1,080,538 or 1.25% from 2021-2022.

Business-Type Activities

In 2022-2023 Business-Type Activities program revenues were \$3,087,385 or 3.36% of total revenues. In 2021-2022 Business-Type Activities program revenues were \$2,997,210 or 3.20% of total revenues.

Charges for Services for Business-Type Activities were \$1,463,340 in 2022-2023 compared to \$575,684 in 2021-2022. This increase is the result of the Food Service receiving payments from students again after COVID funded grants ended in the prior year.

Operating Grants and Contributions for Business-Type Activities were \$1,624,045 in 2022-2023 compared to \$2,421,525 in 2021-2022, a 32.93% decrease primarily due to COVID funded grants ended in the prior year.

Expenses for Business-Type Activities were \$2,598,487 in 2022-2023 compared to \$2,549,532 in 2021-2022, a 1.92% increase.

General Fund Budgeting Highlights

The final budgetary basis revenue estimate was \$73,641,263, which was equal to the original budget.

The 2022-2023 General Fund Tax Levy was \$45,679,825, an increase of \$895,683 or 2.00% from the 2021-2022 General Fund Tax Levy was \$44,784,142

During fiscal year 2023, the School District budgeted \$45,679,825 for property taxes (local tax levy) and \$27,479,002 for state aid revenues.

The School District also received \$2,393,702 and \$14,179,984 reimbursed T.P.A.F. Social Security Aid and On-behalf T.P.A.F. Medical and Pension Contributions, respectively. The Township of Deptford School District's expenditures also include the reimbursed TPAF Social Security Aid and On-behalf T.P.A.F. Pension and Medical Contributions of \$2,393,702 and \$14,179,984 respectively, which contributes to an unfavorable expenditure variance for the fiscal year.

The final budgetary basis expenditure appropriation estimate was \$79,858,358, which was equal to the original budget.

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited) (Cont'd)

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONT'D)

Financial Analysis of the Government's Funds

Governmental Funds - As of the end of the current fiscal year, the School District's governmental funds reported combining ending fund balances of \$18,415,778, an increase of \$2,453,932 in comparison with the prior year.

Of the combined ending fund balances of \$18,415,778, \$2,020,399 constitutes unassigned fund balance deficits. The remainder of fund balance of \$16,395,379 is restricted or assigned for various purposes.

Proprietary Funds - As of the end of the current fiscal year, the School District's proprietary fund had unrestricted net position of \$1,073,606.

CAPITAL ASSETS

The Township of Deptford School District's investment in capital assets for its governmental and business-type activities as of June 30, 2023 amounts to \$58,476,671 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements, equipment and subscription assets. There was a net increase in the Township of Deptford School District's investment in capital assets for the current fiscal year of 0.61%. Table 4 reflects the capital assets.

TABLE 4
Capital Assets

Net of Depreciation and Amortization:	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Change</u>	<u>% Change</u>
Land	\$ 633,053	\$ 633,053	\$ -	0.00%
Construction in Progress	1,007,088	1,056,132	(49,044)	-4.64%
Site Improvements	2,500,416	2,721,248	(220,832)	-8.12%
Building and Improvements	49,118,314	46,623,106	2,495,208	5.35%
Equipment	5,186,271	5,794,613	(608,342)	-10.50%
Subscription Assets	31,529		31,529	100.00%
Total Capital Assets	<u>\$ 58,476,671</u>	<u>\$ 56,828,152</u>	<u>\$ 1,648,519</u>	<u>2.90%</u>

Depreciation and amortization expense was \$4,357,415 for fiscal year ended 2023 and \$2,911,118 for fiscal year ended 2022.

DEBT ADMINISTRATION

Long-term Debt - At the end of the current fiscal year, the Township of Deptford School District had total bonded debt outstanding of \$36,835,000. The entire Township of Deptford School District's bonded debt is governmental as opposed to business-type. The 2020 school bonds will mature on July 15, 2050.

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited) (Cont'd)

FACTORS ON THE DISTRICT'S FUTURE

For the 2021-2022 school year, the Township of Deptford School District was able to sustain its budget through the township tax levy, federal aid, state aid and miscellaneous revenue sources. Approximately 47.05% of total revenue is from local tax levy and 51.39% of the Township of Deptford School District's revenue is from federal and state aid (restricted and not restricted).

In conclusion, the Township of Deptford Board of Education and Administration have committed themselves to financial excellence for many years. Additionally, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District will continue with sound fiscal management to meet the challenge of the future.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Township of Deptford School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Todd Reitzel, Business Administrator/Board Secretary at the Township of Deptford School District, 890 Bankbridge Road, Suite 100, Sewell, New Jersey 08080.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT

Statement of Net Position

June 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 17,900,294.62	\$ 1,856,047.88	\$ 19,756,342.50
Receivables	3,961,849.74	80,169.43	4,042,019.17
Internal Balances	593,637.75	(593,637.75)	
Inventory		54,271.22	54,271.22
Restricted Assets:			
Restricted Cash and Cash Equivalents	4,412,150.32		4,412,150.32
Capital Assets, net	58,476,671.15	243,724.35	58,720,395.50
Total Assets	85,344,603.58	1,640,575.13	86,985,178.71
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pension	2,658,814.00	-	2,658,814.00
LIABILITIES:			
Accounts Payable			
Related to Pensions	1,645,181.00		1,645,181.00
Other	56,422.23	15,158.33	71,580.56
Due to Grantor		17,536.00	17,536.00
Payroll Deductions Payable	118,289.24		118,289.24
Accrued Salaries	1,850,844.20		1,850,844.20
Accrued Expenses	124,335.52		124,335.52
Retainage Payable	523,093.49		523,093.49
Unearned Revenue	1,723,780.40	278,090.61	2,001,871.01
Accrued Interest Payable	422,554.92		422,554.92
Noncurrent Liabilities:			
Due within One Year	1,275,199.39	1,246.00	1,276,445.39
Due beyond One Year	56,743,259.63	11,214.00	56,754,473.63
Total Liabilities	64,482,960.02	323,244.94	64,806,204.96
DEFERRED INFLOW OF RESOURCES:			
Related to Pension	5,374,461.00	-	5,374,461.00
NET POSITION:			
Net Investment in Capital Assets	23,426,004.20	243,724.35	23,669,728.55
Restricted for:			
Debt Service	0.70		0.70
Capital Projects	6,048,326.80		6,048,326.80
Other Purposes	8,688,668.76		8,688,668.76
Unrestricted (Deficit)	(20,017,003.90)	1,073,605.84	(18,943,398.06)
Total Net Position	\$ 18,145,996.56	\$ 1,317,330.19	\$ 19,463,326.75

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

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2023

<u>Functions / Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Governmental Activities:							
Instruction:							
Regular Instruction	\$ 28,662,297.07	\$ 114,972.00	\$ 2,184,243.97	\$ 1,191,336.85	\$ (25,171,744.25)		\$ (25,171,744.25)
Special Education Instruction	4,296,279.94	17,233.51		178,573.15	(4,100,473.29)		(4,100,473.29)
Other Special Instruction	918,469.68	3,684.22		38,175.82	(876,609.63)		(876,609.63)
Other Instruction	1,093,278.47			56,861.36	(1,036,417.11)		(1,036,417.11)
Support Services and Undistributed Costs:							
Tuition	6,751,076.54		1,384,712.00		(5,366,364.54)		(5,366,364.54)
Student and Instruction Related Services	9,918,428.23	646,850.69	1,476,936.37		(7,794,641.17)		(7,794,641.17)
Other Administrative Services	2,026,187.30				(2,026,187.30)		(2,026,187.30)
School Administrative Services	2,937,160.09				(2,937,160.09)		(2,937,160.09)
Plant Operations and Maintenance	6,395,797.01				(6,395,797.01)		(6,395,797.01)
Pupil Transportation	4,083,406.86				(4,083,406.86)		(4,083,406.86)
Personal Services - Employee Benefits	19,458,854.06		9,909,838.50		(9,549,015.56)		(9,549,015.56)
Transfer to Charter School	244,295.00				(244,295.00)		(244,295.00)
Interest Expense	889,753.85				(889,753.85)		(889,753.85)
Total Governmental Activities	87,675,284.10	782,740.42	14,955,730.84	1,464,947.18	(70,471,865.66)	\$ -	(70,471,865.66)
Business-Type Activities:							
Food Service	1,680,756.67	650,504.53	1,378,798.40			348,546.26	348,546.26
Childcare Program	917,730.67	812,835.56	245,246.95			140,351.84	140,351.84
Total Business-Type Activities	2,598,487.34	1,463,340.09	1,624,045.35	-	-	488,898.10	488,898.10
Total Government	\$ 90,273,771.44	\$ 2,246,080.51	\$ 16,579,776.19	\$ 1,464,947.18	(70,471,865.66)	488,898.10	(69,982,967.56)

(Continued)

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2023

<u>Functions / Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					\$ 45,679,825.00		\$ 45,679,825.00
Taxes Levied for Debt Service					1,349,134.00		1,349,134.00
Federal and State Aid Not Restricted					28,320,226.02		28,320,226.02
Interest and Investment Earnings					312,210.90	\$ 20,701.76	332,912.66
Unrestricted Miscellaneous Income					310,983.19		310,983.19
Restricted Miscellaneous Income					123,247.07		123,247.07
Total General Revenues					76,095,626.18	20,701.76	76,116,327.94
Change in Net Position					5,623,760.52	509,599.86	6,133,360.38
Net Position -- July 1					12,522,236.04	807,730.33	13,329,966.37
Net Position -- June 30					\$ 18,145,996.56	\$ 1,317,330.19	\$ 19,463,326.75

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

FUND FINANCIAL STATEMENTS

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Governmental Funds
 Balance Sheet
 June 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 18,096,895.78	\$ 629,330.45	\$ 3,586,218.01	\$ 0.70	\$ 22,312,444.94
Accounts Receivable					
State	1,157,162.82				1,157,162.82
Federal		2,677,809.00			2,677,809.00
Other	126,877.92				126,877.92
Interfunds Receivable	1,128,310.54				1,128,310.54
Total Assets	<u>\$ 20,509,247.06</u>	<u>\$ 3,307,139.45</u>	<u>\$ 3,586,218.01</u>	<u>\$ 0.70</u>	<u>\$ 27,402,605.22</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable		\$ 2,342.15	\$ 54,080.08		\$ 56,422.23
Interfunds Payable		534,672.79			534,672.79
Payroll Deductions Payable	\$ 118,289.24				118,289.24
Accrued Salaries	1,850,844.20				1,850,844.20
Accrued Expenses	124,335.52				124,335.52
Retainage Payable			523,093.49		523,093.49
Unearned Revenue		1,723,780.40			1,723,780.40
Total Liabilities	<u>2,093,468.96</u>	<u>2,260,795.34</u>	<u>577,173.57</u>	<u>\$ -</u>	<u>4,931,437.87</u>
Fund Balances:					
Restricted:					
Capital Reserve Account	5,852,794.00				5,852,794.00
Excess Surplus - Current year	3,300,833.91				3,300,833.91
Excess Surplus - Designated for Subsequent Year's Expenditures	4,183,722.53				4,183,722.53
Capital Projects			3,009,044.44		3,009,044.44
Unemployment Compensation	731,596.79				731,596.79
Student Activities		389,150.40			389,150.40
Scholarship		83,365.13			83,365.13
Debt Service				0.70	0.70
Assigned:					
Other Purposes	449,813.24				449,813.24
Designated for Subsequent Year's Expenditures	1,876,618.47				1,876,618.47
Unassigned	2,020,399.16	573,828.58			2,594,227.74
Total Fund Balances	<u>18,415,778.10</u>	<u>1,046,344.11</u>	<u>3,009,044.44</u>	<u>0.70</u>	<u>22,471,167.35</u>
Total Liabilities and Fund Balances	<u>\$ 20,509,247.06</u>	<u>\$ 3,307,139.45</u>	<u>\$ 3,586,218.01</u>	<u>\$ 0.70</u>	<u>\$ 27,402,605.22</u>

(Continued)

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Governmental Funds
 Balance Sheet
 June 30, 2023

Amounts reported for *governmental activities* in the statement of net position (A-1) are different because:

Total Governmental Fund Fund Balance (Brought Forward)	\$ 22,471,167.35
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$112,310,964.80, and the accumulated depreciation and amortization is \$53,834,293.65.	58,476,671.15
Long-term liabilities, including bonds, financed purchases and SBITA payables, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(38,059,711.39)
Accrued interest payable	(422,554.92)
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(1,934,585.63)
Net Pension Liability	(18,024,162.00)
Accounts Payable related to the April 1, 2024 Required PERS pension contribution that is not to be liquidated with current financial resources.	(1,645,181.00)
Deferred Outflows of Resources - Related to Pensions	2,658,814.00
Deferred Inflows of Resources - Related to Pensions	<u>(5,374,461.00)</u>
Net Position of Governmental Activities	<u><u>\$ 18,145,996.56</u></u>

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

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Tax Levy	\$ 45,679,825.00			\$ 1,349,134.00	\$ 47,028,959.00
Tuition Charges	135,889.73				135,889.73
Interest	269,409.60		\$ 42,801.30		312,210.90
Unrestricted Miscellaneous Revenues	254,889.44				254,889.44
Restricted Miscellaneous Revenues	123,247.07				123,247.07
State Sources	44,520,048.54	\$ 2,750,734.69		339,288.00	47,610,071.23
Federal Sources	138,116.30	3,623,524.59			3,761,640.89
Local Sources		735,983.36			735,983.36
Total Revenues	91,121,425.68	7,110,242.64	42,801.30	1,688,422.00	99,962,891.62
EXPENDITURES:					
Current:					
Regular Instruction	24,470,196.15	2,184,243.97			26,654,440.12
Special Education Instruction	3,995,316.08				3,995,316.08
Other Special Instruction	854,128.86				854,128.86
Other Instruction	1,272,190.71				1,272,190.71
Support Services and Undistributed Costs:					
Tuition	5,366,364.54	1,384,712.00			6,751,076.54
Student and Instruction Related Services	7,779,723.07	1,443,897.45			9,223,620.52
Other Administrative Services	1,552,372.34				1,552,372.34
School Administrative Services	2,979,968.08				2,979,968.08
Plant Operations and Maintenance	6,029,513.80				6,029,513.80
Pupil Transportation	3,813,214.27				3,813,214.27
Personal Services - Employee Benefits	29,218,963.45				29,218,963.45
Transfer to Charter School	244,295.00				244,295.00
Debt Service:					
Principal				781,000.00	781,000.00
Interest and Other Charges				907,422.50	907,422.50
Capital Outlay	1,174,760.39	1,464,947.18	3,366,226.67		6,005,934.24
Total Expenditures	88,751,006.74	6,477,800.60	3,366,226.67	1,688,422.50	100,283,456.51
Excess (Deficiency) of Revenues over Expenditures	2,370,418.94	632,442.04	(3,323,425.37)	(0.50)	(320,564.89)
OTHER FINANCING SOURCES (USES):					
Total assets acquired under SBITA's	83,513.41	-	-	-	83,513.41
Total Other Financing Sources and Uses	83,513.41	-	-	-	83,513.41
Net Change in Fund Balances	2,453,932.35	632,442.04	(3,323,425.37)	(0.50)	(237,051.48)
Fund Balance -- July 1	15,961,845.75	413,902.07	6,332,469.81	1.20	22,708,218.83
Fund Balance -- June 30	\$ 18,415,778.10	\$ 1,046,344.11	\$ 3,009,044.44	\$ 0.70	\$ 22,471,167.35

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

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Fiscal Year Ended June 30, 2023

Total Net Change in Fund Balances - Governmental Funds \$ (237,051.48)

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 and amortization expense. This is the amount by which actual capital outlays exceeded depreciation and

Depreciation Expense	\$ (4,305,430.48)	
SBITA Amortization Expense	(51,984.18)	
Capital Outlays	<u>6,005,934.24</u>	1,648,519.58

Repayment of bond principal, finance purchases and subscriptions 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.

1,161,935.55

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.

13,931.81

The issuance of long-term debt (e.g. bonds, finance purchases and subscriptions) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction; however, has any effect on Net Position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

(59,837.33)

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.

(815,047.61)

Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.

3,911,310.00

Change in Net Position of Governmental Activities

\$ 5,623,760.52

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

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Proprietary Funds
Statement of Net Position
June 30, 2023

	Business-Type Activities - Enterprise Funds		
	Food Service	Child Care Program	Total
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 1,363,598.92	\$ 492,448.96	\$ 1,856,047.88
Accounts Receivable:			
State	2,104.41		2,104.41
Federal	59,305.35		59,305.35
Other (Net of Allowance for Doubtful Accounts of \$56,279.01)	18,759.67		18,759.67
Inventories	54,271.22		54,271.22
Total Current Assets	<u>1,498,039.57</u>	<u>492,448.96</u>	<u>1,990,488.53</u>
Noncurrent Assets:			
Capital Assets	234,045.54	211,222.25	445,267.79
Less Accumulated Depreciation	<u>(172,306.46)</u>	<u>(29,236.98)</u>	<u>(201,543.44)</u>
Total Noncurrent Assets	<u>61,739.08</u>	<u>181,985.27</u>	<u>243,724.35</u>
Total Assets	<u>1,559,778.65</u>	<u>674,434.23</u>	<u>2,234,212.88</u>
LIABILITIES:			
Current Liabilities:			
Accounts Payable		15,158.33	15,158.33
Due to Grantor	17,536.00		17,536.00
Interfund Payable	508,071.01	85,566.74	593,637.75
Unearned Revenue	28,337.56	249,753.05	278,090.61
Compensated Absences Payable	1,246.00		1,246.00
Total Current Liabilities	<u>555,190.57</u>	<u>350,478.12</u>	<u>905,668.69</u>
Noncurrent Liabilities:			
Compensated Absences Payable	11,214.00	-	11,214.00
Total Liabilities	<u>566,404.57</u>	<u>350,478.12</u>	<u>916,882.69</u>
NET POSITION:			
Net Investment In Capital Assets	61,739.08	181,985.27	243,724.35
Unrestricted	<u>931,635.00</u>	<u>141,970.84</u>	<u>1,073,605.84</u>
Total Net Position	<u>\$ 993,374.08</u>	<u>\$ 323,956.11</u>	<u>\$ 1,317,330.19</u>

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

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

	Business-Type Activities - Enterprise Fund		
	<u>Food Service</u>	<u>Child Care Program</u>	<u>Total</u>
OPERATING REVENUES:			
Charges for Services:			
Program Revenue	\$ 521,862.40		\$ 521,862.40
Non-Program Revenue	115,034.87		115,034.87
Miscellaneous	13,607.26	\$ 812,835.56	826,442.82
Total Operating Revenues	<u>650,504.53</u>	<u>812,835.56</u>	<u>1,463,340.09</u>
OPERATING EXPENSES:			
Salaries	534,360.65	726,362.58	1,260,723.23
Employee Benefits	118,917.70	83,444.74	202,362.44
Cost of Sales:			
Reimbursable Programs	690,657.38		690,657.38
Non-Reimbursable Programs	61,730.00		61,730.00
Purchased Professional Services	89,200.00	2,859.51	92,059.51
Supplies and Materials	127,255.66	57,243.83	184,499.49
Depreciation	7,274.38	15,768.14	23,042.52
Miscellaneous	51,360.90	32,051.87	83,412.77
Total Operating Expenses	<u>1,680,756.67</u>	<u>917,730.67</u>	<u>2,598,487.34</u>
Operating Income (Loss)	<u>(1,030,252.14)</u>	<u>(104,895.11)</u>	<u>(1,135,147.25)</u>
NONOPERATING REVENUES:			
State Sources:			
State School Lunch Program	29,608.48		29,608.48
State School Breakfast Program	3,853.50		3,853.50
Federal Sources:			
National School Lunch Program	610,675.13		610,675.13
National School Breakfast Program	299,098.17		299,098.17
National School Snack Program	6,299.91		6,299.91
Supply Chain Assistance Program	189,623.65		189,623.65
Food Distribution Program	239,639.56		239,639.56
ARP Stabilization Grant		245,246.95	245,246.95
Interest and Investment Revenue	15,361.59	5,340.17	20,701.76
Total Nonoperating Revenues	<u>1,394,159.99</u>	<u>250,587.12</u>	<u>1,644,747.11</u>
Change in Net Position	363,907.85	145,692.01	509,599.86
Net Position -- July 1	<u>629,466.23</u>	<u>178,264.10</u>	<u>807,730.33</u>
Net Position -- June 30	<u>\$ 993,374.08</u>	<u>\$ 323,956.11</u>	<u>\$ 1,317,330.19</u>

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

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

	Business-Type Activities - Enterprise Funds		
	<u>Food Service</u>	<u>Child Care Program</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers	\$ 657,183.58	\$ 812,835.56	\$ 1,470,019.14
Payments to Employees	(538,780.17)	(726,362.58)	(1,265,142.75)
Payments for Employee Benefits	(118,917.70)	(12,719.67)	(131,637.37)
Payments to Suppliers	<u>(1,382,687.94)</u>	<u>(92,155.21)</u>	<u>(1,474,843.15)</u>
Net Cash Provided by (used for) Operating Activities	<u>(1,383,202.23)</u>	<u>(18,401.90)</u>	<u>(1,401,604.13)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Cash Received from State, Local and Federal Reimbursements	<u>1,773,150.46</u>	<u>213,093.02</u>	<u>1,986,243.48</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchase of Capital Assets	<u></u>	<u>(102,028.00)</u>	<u>(102,028.00)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and Dividends	<u>15,361.59</u>	<u>5,340.17</u>	<u>20,701.76</u>
Net Increase (Decrease) in Cash and Cash Equivalents	405,309.82	98,003.29	503,313.11
Cash and Cash Equivalents -- July 1	<u>958,289.10</u>	<u>394,445.67</u>	<u>1,352,734.77</u>
Cash and Cash Equivalents -- June 30	<u><u>\$ 1,363,598.92</u></u>	<u><u>\$ 492,448.96</u></u>	<u><u>\$ 1,856,047.88</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (1,030,252.14)	\$ (104,895.11)	\$ (1,135,147.25)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:			
Depreciation	7,274.38	15,768.14	23,042.52
(Increase) Decrease in Inventories	(24,976.43)		(24,976.43)
(Increase) Decrease in Other Current Receivables	6,679.05		6,679.05
Increase (Decrease) in Other Current Liabilities	(337,507.57)	70,725.07	(266,782.50)
Increase (Decrease) in Compensated Absences Payable	<u>(4,419.52)</u>		<u>(4,419.52)</u>
Total Adjustments	<u>(352,950.09)</u>	<u>86,493.21</u>	<u>(266,456.88)</u>
Net Cash Provided by (used for) Operating Activities	<u><u>\$ (1,383,202.23)</u></u>	<u><u>\$ (18,401.90)</u></u>	<u><u>\$ (1,401,604.13)</u></u>

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

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2023

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Description of the Reporting Entity

The School District is a Type II district located in the County of Gloucester, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades Kindergarten through 12 at the School District's eight schools. The School District has an approximate enrollment at June 30, 2023 of 4,057.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board *Codification of Governmental Accounting and Financial Reporting Standards*, is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the School District over which the Board exercises operating control. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Government-wide and Fund Financial Statements

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Government-wide and Fund Financial Statements (Cont'd)**

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Property taxes are recognized as revenues in the year for which they are levied. The Gloucester County Board of Taxation is responsible for the assessment of properties, and the respective municipal tax collector is responsible for the collection of property taxes. Assessments are certified and property taxes are levied on January 1. Property tax payments are due February 1, May 1, August 1 and November 1. Unpaid property taxes are considered delinquent the following January 1 and are then subject to municipal lien. In accordance with New Jersey State Statute, the School District is entitled to receive moneys under an established payment schedule, and any unpaid amount is considered as an accounts receivable. The governing body of each municipality is required to pay over to the School District, within forty (40) days after the beginning of the school year, twenty percent (20%) of the moneys from school tax due. Thereafter, but prior to the last day of the school year, the municipality must pay the balance of moneys from school tax due for school purposes in such amounts as requested, with certain limitations, from time to time by the School District, within thirty days after each request.

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

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

The School District reports the following major governmental funds:

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

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

As required by the New Jersey State Department of Education, the School District includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America, as they pertain to governmental entities, state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, ad valorem tax revenues, and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to, or remodeling of buildings, and the purchase of built-in equipment.

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

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

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

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

The School District reports the following major proprietary funds:

Enterprise Funds

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

Child Care Fund - This fund accounts for the financial activity related to providing day care services for School District students before school and after school.

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

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

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

Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds, and are submitted to the county office of education. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012, to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line-item accounts within each fund. Line-item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2(f)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

Formal budgetary integration into the accounting system is employed as a management control device during the 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 the special revenue fund. N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

The budget, as detailed on Exhibit C-1, Exhibit C-2, and Exhibit I-3 includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting, as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule, to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances - governmental funds. Note that the School District does not report encumbrances outstanding at fiscal year end as expenditures in the general fund since the general fund budget follows modified accrual basis of accounting, with the exception of the aforementioned revenue recognition policy for the one or more June state aid payment.

Encumbrances

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

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

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

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

Cash, Cash Equivalents and Investments

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

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

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

Inventories

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

The cost of inventories in the governmental fund financial statements is recorded as expenditures when purchased rather than when consumed.

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

Tuition Receivable

Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

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

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

Prepaid Expenses

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2023. The School District had no prepaid expenses for the fiscal year ended June 30, 2023.

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

Short-Term Interfund Receivables / Payables

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

Capital Assets

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

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

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Site Improvements	10-20 Years	N/A
Buildings and Improvements	20-50 Years	10-15 Years
Equipment	5-15 Years	15 Years
Subscription Assets	2-5 Years	N/A

The School District does not possess any infrastructure assets.

Deferred Outflows of Resources and Deferred Inflows of Resources

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

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

Tuition Payable

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

Unearned Revenue

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

Accrued Salaries and Wages

Certain School District employees who provide services to the School District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Compensated Absences**

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

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

Accrued Liabilities and Long-Term Obligations

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

Bond Discounts / Premiums

Bond discounts / premiums arising from the issuance of long-term debt (bonds) are amortized over the life of the bonds, in systematic and rational method, as a component of interest expense. Bond discounts / premiums are presented as an adjustment of the face amount of the bonds on the government-wide statement of net position and on the proprietary fund statement of net position.

Net Position

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

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

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

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

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

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

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

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

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

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

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

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

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

Interfund Activity

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Accounting Estimates**

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

Impact of Recently Issued Accounting Principles**Recently Issued and Adopted Accounting Pronouncements**

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

Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of this Statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs

Because of the implementation of GASB Statement No. 96, the School District has reported and disclosed subscription assets and subscription liabilities in accordance with the Statement (notes 6 and 7).

Recently Issued Accounting Pronouncements

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

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

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds, salary withholdings, and student activity funds, or funds that may pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

Note 2: CASH AND CASH EQUIVALENTS (CONT'D)

As of June 30, 2023, the School District's bank balance of \$25,469,617.69 was exposed to custodial credit risk as follows:

Insured by FDIC	\$ 250,000.00
Insured by GUDPA	21,932,975.37
Uninsured and uncollateralized	<u>3,286,642.32</u>
	<u>\$ 25,469,617.69</u>

New Jersey Cash Management Fund - During the fiscal year, the School District participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At June 30, 2023, the School District's deposits with the New Jersey Cash Management Fund were \$1,724,407.87.

Note 3: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District by inclusion of \$1 on October 3, 2006 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

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

Beginning Balance July 1, 2022	\$ 3,852,794.00
Increased by:	
Deposits:	
Transfer per Board Resolution	<u>2,000,000.00</u>
Ending Balance June 30, 2023	<u>\$ 5,852,794.00</u>

The LRFP balance of local support costs of uncompleted projects at June 30, 2023 is \$11,244,403.00.

Note 4: ACCOUNTS RECEIVABLES

Accounts receivable at June 30, 2023 consisted of accounts (fees for services) and intergovernmental awards / grants. All receivables are considered collectible in full due to the stable condition of federal and state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey.

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

Receivables:	Governmental Funds			Proprietary Funds		
	General Fund	Special Revenue Fund	Total Governmental Activities	Food Service Fund	Total Business-Type Activities	Total
Intergovernmental:						
Federal		\$ 2,677,809.00	\$ 2,677,809.00	\$ 59,305.35	\$ 59,305.35	\$ 2,737,114.35
State	\$ 1,157,162.82		1,157,162.82	2,104.41	2,104.41	1,159,267.23
Local Tuition	126,877.92		126,877.92			126,877.92
Other Receivables				18,759.67	18,759.67	18,759.67
Total	\$ 1,284,040.74	\$ 2,677,809.00	\$ 3,961,849.74	\$ 80,169.43	\$ 80,169.43	\$ 4,042,019.17

Note 5: INVENTORY

Inventory recorded at June 30, 2023 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

Food and Supplies \$ 54,271.22

Note 6: CAPITAL ASSETS

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

	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Transfers</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2023</u>
Governmental Activities:					
Capital Assets, not being Depreciated					
Land	\$ 633,053.34				\$ 633,053.34
Construction in Progress	1,056,131.77	\$ 5,526,635.90	\$ (5,575,680.02)		1,007,087.65
Total Capital Assets not being Depreciated	1,689,185.11	5,526,635.90	(5,575,680.02)	\$ -	1,640,140.99
Capital Assets, being Depreciated					
Site Improvements	4,050,751.49		25,675.00		4,076,426.49
Building and Improvements	84,051,018.01		5,550,005.02		89,601,023.03
Equipment	16,514,075.95	395,784.93			16,909,860.88
Total Capital Assets being Depreciated	104,615,845.45	395,784.93	5,575,680.02	-	110,587,310.40
Total Capital Assets, Cost	106,305,030.56	5,922,420.83	-	-	112,227,451.39
Less Accumulated Depreciation:					
Site Improvements	1,329,503.96	246,506.66			1,576,010.62
Building and Improvements	37,427,911.86	3,054,797.42			40,482,709.28
Equipment	10,719,463.17	1,004,126.40			11,723,589.57
Total Accumulated Depreciation	49,476,878.99	4,305,430.48	-	-	53,782,309.47
Total Capital Assets, net Excluding Subscription Assets	56,828,151.57	1,616,990.35	-	-	58,445,141.92
Subscription Assets		83,513.41			83,513.41
Less Accumulated Amortization:		51,984.18			51,984.18
Total Subscription Assets, net	-	31,529.23	-	-	31,529.23
Governmental Activities Capital Assets, Net	\$ 56,828,151.57	\$ 1,648,519.58	\$ -	\$ -	\$ 58,476,671.15
Business-Type Activities:					
Capital Assets, being Depreciated					
Building and Improvements	\$ 109,194.25	\$ 102,028.00			\$ 211,222.25
Equipment	234,045.54				234,045.54
Total Capital Assets being Depreciated	343,239.79	102,028.00	\$ -	\$ -	445,267.79
Less Accumulated Depreciation					
Building and Improvements	13,468.84	15,768.14			29,236.98
Equipment	165,032.08	7,274.38			172,306.46
Less Accumulated Depreciation	178,500.92	23,042.52	-	-	201,543.44
Business-Type Activities Capital Assets, Net	\$ 164,738.87	\$ 78,985.48	\$ -	\$ -	\$ 243,724.35

Note 6: CAPITAL ASSETS (CONT'D)

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

Governmental Activities

Instruction	\$ 2,468,994.70
Student & Instruction Related Services	694,807.71
Other Administrative Services	473,814.96
School Administrative Services	10,410.68
Plant Operations and Maintenance	366,283.21
Pupil Transportation	<u>343,103.40</u>

Total Depreciation and Amortization Expense - Governmental Activities	<u>\$ 4,357,414.66</u>
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Business-Type Activities

Food Service	\$ 7,274.38
Child Care Program	<u>15,768.14</u>

Total Depreciation Expense - Business-Type Activities	<u>\$ 23,042.52</u>
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Note 7: LONG-TERM LIABILITIES

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

Governmental Activities:	Principal Outstanding July 1, 2022	Additions	Reductions	Principal Outstanding June 30, 2023	Due Within One Year
Bonds Payable:					
General Obligation Bonds	\$ 37,616,000.00		\$ (781,000.00)	\$ 36,835,000.00	\$ 800,000.00
Unamortized Premium	686,606.30		(23,676.08)	662,930.22	
Total Bonds Payable:	<u>38,302,606.30</u>	\$ -	<u>(804,676.08)</u>	<u>37,497,930.22</u>	<u>800,000.00</u>
Other Liabilities:					
Net Pension Liability	15,000,883.00	10,456,405.00	(7,433,126.00)	18,024,162.00	
Financed Purchases	859,203.31		(327,716.88)	531,486.43	262,786.87
Subscription Liabilities		83,513.41	(53,218.67)	30,294.74	18,953.96
Compensated Absences	1,119,538.02	861,382.61	(46,335.00)	1,934,585.63	193,458.56
Total Other Liabilities:	<u>16,979,624.33</u>	<u>11,401,301.02</u>	<u>(7,860,396.55)</u>	<u>20,520,528.80</u>	<u>475,199.39</u>
Governmental Activities Long-term Liabilities	<u>\$ 55,282,230.63</u>	<u>\$ 11,401,301.02</u>	<u>\$ (8,665,072.63)</u>	<u>\$ 58,018,459.02</u>	<u>\$ 1,275,199.39</u>

The bonds payable are liquidated by the debt service fund, while the net pension liability, financed purchases and compensated absences are liquidated by the general fund.

Note 7: LONG-TERM LIABILITIES (CONT'D)

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

Business-Type Activities	Principal Outstanding July 1, 2022	Additions	Reductions	Principal Outstanding June 30, 2023	Due Within One Year
Compensated Absences	\$ 16,879.52	\$ 800.00	\$ (5,219.52)	\$ 12,460.00	\$ 1,246.00

Compensated absences are liquidated by the food service fund.

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

On July 15, 2020, the School District issued \$37,616,000.00 general obligation bonds at interest rates varying from 2.00% to 2.50% for various capital improvements. The final maturity of these bonds is July 15, 2050. The bonds will be paid from property taxes.

Principal and interest due on bonds outstanding is as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2024	\$ 800,000.00	\$ 891,612.50	\$ 1,691,612.50
2025	830,000.00	874,275.00	1,704,275.00
2026	885,000.00	854,981.25	1,739,981.25
2027	935,000.00	834,506.25	1,769,506.25
2028	985,000.00	812,906.25	1,797,906.25
2029-2033	5,710,000.00	3,693,612.50	9,403,612.50
2034-2038	7,000,000.00	2,911,250.00	9,911,250.00
2039-2043	7,775,000.00	1,975,312.50	9,750,312.50
2044-2048	7,575,000.00	1,008,437.50	8,583,437.50
2049-2051	4,340,000.00	162,500.00	4,502,500.00
	<u>\$ 36,835,000.00</u>	<u>\$ 14,019,393.75</u>	<u>\$ 50,854,393.75</u>

Bonds Authorized but not Issued - As of June 30, 2023, the School District had no authorizations to issue additional bonded debt.

Net Pension Liability - For details on the net pension liability, refer to Note 8. The School District's annual required contribution to the Public Employees' Retirement System is budgeted and paid from the general fund on an annual basis.

Note 7: LONG-TERM LIABILITIES (CONT'D)

Financed Purchases - As of June 30, 2023, the School District is financing the following items:

- A turf field with a total cost of \$1,300,000.00. The agreement is for a term of 4.5 years with an interest rate of 2.25%. The final maturity of the financed purchase is August 28, 2024.

The following is a schedule of the remaining future minimum payments under the financed purchases, and the present value of the net minimum payments at June 30, 2023:

Fiscal Year				
Ending June 30	Principal	Interest	Total	
2024	\$ 262,786.87	\$ 11,958.44	\$ 274,745.31	
2025	268,699.56	6,045.75	274,745.31	
	<u>\$ 531,486.43</u>	<u>\$ 18,004.19</u>	<u>\$ 549,490.62</u>	

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

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

The School District has entered into subscription-based information technology arrangements (SBITAs) involving various software-based products as defined below:

Subscription Description	Commencement Date	End Date	Term of Subscription	Annual Payments	Estimated Incremental Interest Rate
Educational Software	07/01/22	06/30/25	3 Years	\$ 6,940.00	4.00%
Student Management Software	07/01/22	06/30/24	2 Years	8,904.38	2.00%
Cyber Security Software	07/01/22	06/30/24	2 Years	1,997.31	1.00%
Security Software	03/30/23	03/29/28	5 Years	1,682.00	4.00%

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

Fiscal Year				
Ending June 30	Principal	Interest	Total	
2024	\$ 18,953.96	\$ 969.62	\$ 19,923.58	
2025	8,168.37	453.63	8,622.00	
2026	1,555.10	126.90	1,682.00	
2027	1,617.31	64.69	1,682.00	
	<u>\$ 30,294.74</u>	<u>\$ 1,614.84</u>	<u>\$ 31,909.58</u>	

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

Note 7: LONG-TERM LIABILITIES (CONT'D)

Compensated Absences - As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid. Refer to Note 13 for a description of the School District's Policy.

Note 8: PENSION PLANS

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

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

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

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

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

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

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Plan Descriptions (Cont'd)**

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

Vesting and Benefit Provisions

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

Teachers' Pension and Annuity Fund - The following represents the membership tiers for TPAF:

Tier Definition

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

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

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

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

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

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

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

Contributions

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

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

The School District's contractually required contribution rate for the fiscal year ended June 30, 2023 was 34.91% of the School District's covered payroll, of which 0.00% of payroll was required from the School District and 100.00% of payroll was required from the State of New Jersey. The School District was not required to contribute to the pension plan during the fiscal year ended June 30, 2023 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2022, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2023 was \$11,390,463.00, and was paid by April 1, 2023. School District employee contributions to the Plan during the fiscal year ended June 30, 2023 were \$2,481,117.86.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

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

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

The School District's contractually required contribution rate for the fiscal year ended June 30, 2023 was 17.58% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2022, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2023 was \$1,506,114.00, and was paid by April 1, 2023. School District employee contributions to the Plan during the fiscal year ended June 30, 2023 were \$723,136.78.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the School District, under Chapter 133, P.L. 2001, for the fiscal year ended June 30, 2023 was .41% of the School District's covered payroll.

Based on the most recent PERS measurement date of June 30, 2022, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2023 was \$37,924.00.

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

For the fiscal year ended June 30, 2023, employee contributions totaled \$100,787.68, and the School District recognized pension expense, which equaled the required contributions, of \$68,915.15. There were no forfeitures during the fiscal year.

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions****Teachers' Pension and Annuity Fund**

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

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

Proportionate Share of Net Pension Liability	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Employer	140,417,928.00
	<u>\$ 140,417,928.00</u>

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. For the June 30, 2022 measurement date, the School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At the June 30, 2022 measurement date, the School District proportion was 0.00% due to the 100% special funding situation with the State of New Jersey; however, the State's proportionate share of the TPAF net pension liability associated with the School District was 0.2721572208%, which was an increase of 0.0029170138% from its proportion measured as of June 30, 2021.

Pension (Benefit) Expense - For the fiscal year ended June 30, 2023, the State's proportionate share of the pension (benefit) expense, associated with the School District, calculated by the Plan as of June 30, 2022 measurement date, was \$3,779,039.00. This on-behalf expense has been recognized by the School District in the government-wide financial statements.

Public Employees' Retirement System

Pension Liability - At June 30, 2023, there is no net pension liability associated with the special funding situation under Chapter 133, P.L. 2001, as there was no accumulated difference between the annual additional normal cost and the actual State contribution through the valuation date. The School District reported a liability of \$18,024,162.00 for its proportionate share of the net pension liability for PERS. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2022 measurement date, the School District's proportion was 0.1194335167%, which was a decrease of 0.0071936249% from its proportion measured as of June 30, 2021.

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System (Cont'd)**

Pension (Benefit) Expense - For the fiscal year ended June 30, 2023, the School District recognized pension (benefit) expense of (\$2,398,732.00), in the government-wide financial statements. This pension expense was based on the pension plan's June 30, 2022 measurement date.

For the fiscal year ended June 30, 2023, the State's proportionate share of the pension (benefit) expense, associated with the School District, under Chapter 133, P.L. 2001, calculated by the Plan as of June 30, 2022 measurement date, was \$37,924.00.

Deferred Outflows and Inflows of Resources - At June 30, 2023, the School 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	\$ 130,090.00	\$ 114,721.00
Changes of Assumptions	55,845.00	2,698,931.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	746,004.00	-
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	81,694.00	2,560,809.00
School District Contributions Subsequent to the Measurement Date	<u>1,645,181.00</u>	<u>-</u>
	<u>\$ 2,658,814.00</u>	<u>\$ 5,374,461.00</u>

Deferred outflows of resources in the amount of \$1,645,181.00 will be included as a reduction of the net pension liability in the subsequent fiscal year, June 30, 2024. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30,</u>	
2024	\$ (2,686,214.00)
2025	(1,532,700.00)
2026	(699,165.00)
2027	569,950.00
2028	<u>(12,699.00)</u>
	<u>\$ (4,360,828.00)</u>

Note 8: PENSION PLANS (CONT'D)Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**Public Employees' Retirement System (Cont'd)**

Deferred Outflows and Inflows of Resources (Cont'd) The other deferred outflows of resources and deferred inflows of resources related to pensions will be amortized over the following number of years:

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

Actuarial Assumptions

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

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

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

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

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

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

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

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

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)****Discount Rate -**

Teachers' Pension and Annuity Fund - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers would be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to projected benefit payments in determining the total pension liability.

Public Employees' Retirement System - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity would be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments in determining the total pension liability.

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

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

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	164,643,005.00	140,417,928.00	120,011,345.00
	<u>\$ 164,643,005.00</u>	<u>\$ 140,417,928.00</u>	<u>\$ 120,011,345.00</u>

Note 8: PENSION PLANS (CONT'D)**Sensitivity of Proportionate Share of Net Pension Liability to Changes in the Discount Rate (Cont'd)**

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's Proportionate Share of the Net Pension Liability	<u>\$ 23,155,768.00</u>	<u>\$ 18,024,162.00</u>	<u>\$ 13,656,958.00</u>

Pension Plan Fiduciary Net Position

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

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN****General Information about the OPEB Plan**

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

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

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

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****General Information about the OPEB Plan (Cont'd)**

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

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

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

Total Non-Employer OPEB Liability

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

The State's proportionate share of the net OPEB liability associated with the School District as of June 30, 2023 was \$154,387,190.00. Since the OPEB liability associated with the School District is 100% attributable to the State, the OPEB liability will be referred to as the total non-employer OPEB liability.

The total non-employer OPEB liability was measured as of June 30, 2022, and was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. For the June 30, 2022 measurement date, the State's proportionate share of the non-employer OPEB liability associated with the School District was 0.3048331136%, which was a decrease of 0.0073220265% from its proportion measured as of June 30, 2021.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Total Non-Employer OPEB Liability (Cont'd)**

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

Salary Increases –

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

* based on service years

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

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

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

Discount Rate - The discount rate for June 30, 2022 measurement date was 3.54%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Changes in the Total Non-Employer OPEB Liability**

The below table summarizes the State's proportionate share of the change in the Total Non-Employer OPEB Liability associated with the School District:

Balance at June 30, 2022		\$ 187,316,967.00
Changes for the Year:		
Service Cost	\$ 8,140,337.00	
Interest Cost	4,091,431.00	
Changes in Benefit Terms	-	
Difference between Expected and Actual Experience	176,875.00	
Changes in Assumptions	(41,415,749.00)	
Member Contributions	130,012.00	
Gross Benefit Payments	<u>(4,052,683.00)</u>	
Net Changes		<u>(32,929,777.00)</u>
Balance at June 30, 2023		<u><u>\$ 154,387,190.00</u></u>

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

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

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

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 181,465,902.00</u>	<u>\$ 154,387,190.00</u>	<u>\$ 132,684,956.00</u>

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)**

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

	<u>1%</u> <u>Decrease</u>	<u>Healthcare Cost</u> <u>Trend Rates</u>	<u>1%</u> <u>Increase</u>
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 127,610,449.00</u>	<u>\$ 154,387,190.00</u>	<u>\$ 189,560,065.00</u>

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

OPEB Expense - For the fiscal year ended June 30, 2023, the School District recognized \$3,733,467.00 in OPEB expense and revenue, in the government-wide financial statements, for the State's proportionate share of the OPEB Plan's OPEB expense, associated with the School District. This expense and revenue was based on the OPEB Plan's June 30, 2022 measurement date.

Deferred Outflows and Inflows of Resources - In accordance with GASBS No. 75, the School District's proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources by the School District; however, at June 30, 2023, the State's proportionate share of the total non-employer OPEB liability's deferred outflows of resources and deferred inflows of resources, associated with School District, from the following sources are as follows

	<u>Deferred</u> <u>Outflows</u> <u>of Resources</u>	<u>Deferred</u> <u>Inflows</u> <u>of Resources</u>
Difference between Expected and Actual Experience	\$ 27,564,237.00	\$ 47,136,194.00
Changes of Assumptions	26,720,514.00	52,544,965.00
Changes in Proportion	<u>1,596,383.00</u>	<u>7,071,570.00</u>
	<u>\$ 55,881,134.00</u>	<u>\$ 106,752,729.00</u>

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)**

Deferred Outflows and Inflows of Resources (Cont'd) - Amounts reported as deferred outflows of resources and deferred inflows of resources related to the State's proportionate share of the total non-employer OPEB liability, associated with the School District, will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	
2024	\$ (8,498,579.00)
2025	(8,498,579.00)
2026	(8,498,579.00)
2027	(7,447,281.00)
2028	(4,609,832.00)
Thereafter	<u>(13,318,745.00)</u>
	<u>\$ (50,871,595.00)</u>

Note 10: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2023, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance were \$11,073,406.00, \$153,631.00, \$2,949,316.00, and \$3,631.00, respectively.

Note 11: DEFERRED COMPENSATION

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

Retirement Annuity Consultants	Equitable Life Assurance Society
Lincoln Investment Planning Inc.	Fidelity Investments
Paul Revere Tax Shelter	Valic
American United Life	AIG

Note 12: RISK MANAGEMENT

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

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

Note 12: RISK MANAGEMENT (CONT'D)

New Jersey Unemployment Compensation Insurance (Cont'd) The following is a summary of the activity of the School District's unemployment claims for the current and previous two fiscal years:

Fiscal Year Ending June 30	Employee Contributions	School District Contributions	Interest Earnings	Claims Incurred	Ending Balance	
					Claims Payable	Restricted Fund Balance
2023	\$ 88,124.20		\$ 23,247.07	\$ 198,923.24		\$ 731,596.79
2022	81,417.07		1,717.36	1,171.27	\$ 80,245.80	738,902.96
2021	71,517.49	\$ 50,966.34	1,142.27	100,000.00		737,185.60

Of the amount of claims incurred of 198,923.24, \$124,335.52 has been accrued for anticipated unemployment bills because the School District has not been billed.

Note 13: COMPENSATED ABSENCES

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

School District employees who are employed for ten months are entitled to ten paid sick leave days per fiscal school year. School District employees who are employed for twelve months are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. School District employees, with the exception of instructional paraprofessionals, are entitled to three personal days which may be carried forward to subsequent years. Instructional paraprofessionals are entitled to two personal days which may be carried forward to subsequent years. Vacation days not used during the year may be accumulated and carried forward. Benefits paid in any future year will be calculated according to formulas outlined in the School Districts' unit agreements with the various employee unions and included in the current years' budget.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. As of June 30, 2023 the liability for compensated absences reported on the government-wide statement of net position and on the proprietary fund statement of net position was \$1,934,585.63 and \$12,460.00, respectively.

Note 14: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 1,128,310.54	
Special Revenue		\$ 534,672.79
Food Service		508,071.01
Child Care Program		85,566.74
	<u>\$ 1,128,310.54</u>	<u>\$ 1,128,310.54</u>

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

Note 15: CONTINGENCIES

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

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

Note 16: CONCENTRATIONS

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

Note 17: COMMITMENTS

The School District had one construction project ongoing as of the fiscal year ended June 30, 2023 that will continue into the subsequent fiscal year(s). This project, which is related to the capital projects fund, is as follows:

<u>Contract</u>	<u>Commitment Date</u>	<u>Amount Outstanding</u>
Arthur Ogran	January 26, 2021	<u>\$ 1,865,383.16</u>

Note 18: FUND BALANCES**RESTRICTED**

As stated in note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

General Fund

For Capital Reserve Account - As of June 30, 2023, the balance in the capital reserve account is \$5,852,794.00. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

For Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation. New Jersey school districts are required to restrict general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2023 is \$3,300,833.91. Additionally, \$4,183,722.53 of excess fund balance generated during 2021-2022 has been restricted and designated for utilization in the 2023-2024 budget.

For Unemployment Compensation - Pursuant to N.J.S.A. 43:21-7.3(g), the School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method" (see note 12). As a result, there exists at June 30, 2023 a restricted fund balance from employer contributions in the amount of \$731,596.79 for future unemployment claims.

Special Revenue Fund

For Student Activities - In accordance with N.J.A.C. 6A:23A-16.12(c), each school district shall ensure through adoption of a formal board policy that all financial and bookkeeping controls are adequate to ensure appropriate fiscal accountability and sound business practices for funds collected for student activities. As such, borrowing from student activity funds is prohibited. The balance of these funds as of June 30, 2023 is \$389,150.40.

For Scholarships - The School District reports fund balance resulting from the receipt of an endowment to be used for scholarships for future teachers. These funds are required to be used as restricted by the donor. The balance of these funds as of June 30, 2023 is \$83,365.13.

Capital Projects Fund - On July 15, 2020, the School District issued \$37,616,000.00 of general obligation bonds pursuant to: (i) Title 18A, Chapter 24, of the New Jersey Statutes, as amended and supplemented; N.J.S.A. 18A:24-1 et seq.; and (ii) a resolution, duly and finally adopted by the Board on June 2, 2020. The Bonds are authorized by a proposal adopted by the Board on November 19, 2019 and approved by the legal voters of the School District at a special election held on January 28, 2020. The bond issuance was approved by the voters for various improvements related to the Spartan Stadium Improvement Project. As of June 30, 2023, the restricted fund balance in the capital projects fund was \$3,009,044.44.

Debt Service Fund - In accordance with N.J.A.C. 6A:23A-8.6, a district board of education shall appropriate annually all debt service fund balances in the budget certified for taxes unless expressly authorized and documented by the voters in a bond referendum. As a result, the School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2024 \$0.70 of debt service fund balance at June 30, 2023.

Note 18: FUND BALANCES**ASSIGNED**

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

General Fund

Other Purposes - As of June 30, 2023, the School District had \$449,813.24 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

For Subsequent Year's Expenditures - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2024 \$1,876,618.47 of general fund balance at June 30, 2023.

UNASSIGNED

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

General Fund - As of June 30, 2023, \$2,020,399.16 of general fund balance was unassigned.

Special Revenue Fund - As of June 30, 2023, \$573,828.58 of special revenue fund balance was unassigned.

Note 19: TAX ABATEMENTS

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

The Township of Deptford has entered into various property tax abatement agreements with properties having aggregate assessed valuations of \$17,197,800.00. Based on the School District's 2022 certified tax rate of \$1.681, abated taxes totaled \$289,095.02.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES

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

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 45,679,825.00		\$ 45,679,825.00	\$ 45,679,825.00	
Tuition - LEAs w/in state	150,000.00		150,000.00	135,889.73	\$ (14,110.27)
Interest	20,000.00		20,000.00	267,409.60	247,409.60
Interest on Capital Reserve	2,000.00		2,000.00	2,000.00	
Capital Contribution - Spartan Stadium	100,000.00		100,000.00	100,000.00	
Other Restricted Miscellaneous Revenues				23,247.07	23,247.07
Miscellaneous	100,000.00		100,000.00	254,889.44	154,889.44
Total - Local Sources	46,051,825.00	\$ -	46,051,825.00	46,463,260.84	411,435.84
State Sources:					
Equalization Aid	21,731,033.00		21,731,033.00	21,731,033.00	
Categorical Special Education Aid	3,003,933.00		3,003,933.00	3,003,933.00	
Categorical Security Aid	483,815.00		483,815.00	483,815.00	
School Choice Aid	88,643.00		88,643.00	88,643.00	
Categorical Transportation Aid	1,711,578.00		1,711,578.00	1,711,578.00	
Nonpublic Transportation Aid	60,000.00		60,000.00	72,323.00	12,323.00
Extraordinary Aid	400,000.00		400,000.00	966,200.00	566,200.00
On-Behalf T.P.A.F. Pension Contributions (non-budgeted)				11,073,406.00	11,073,406.00
On-Behalf T.P.A.F. Non-contributory Insurance (non-budgeted)				153,631.00	153,631.00
On-Behalf T.P.A.F. Long-Term Disability Insurance (non-budgeted)				3,631.00	3,631.00
On-Behalf T.P.A.F. Post Retirement Pension Contributions (non-budgeted)				2,949,316.00	2,949,316.00
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				2,393,701.50	2,393,701.50
Total - State Sources	27,479,002.00	-	27,479,002.00	44,631,210.50	17,152,208.50

(Continued)

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

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES (CONT'D):					
Federal Sources:					
Medicaid Reimbursement	\$ 110,436.00		\$ 110,436.00	\$ 127,996.27	\$ 17,560.27
FFCRA/SEMI Revenue				10,120.03	10,120.03
Total - Federal Sources	110,436.00	\$ -	110,436.00	138,116.30	27,680.30
Total Revenues	73,641,263.00	-	73,641,263.00	91,232,587.64	17,591,324.64
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool					
Kindergarten	1,300,000.00	171,672.27	1,471,672.27	1,471,670.07	2.20
Grades 1-5	9,150,000.00	1,916.00	9,151,916.00	8,925,796.57	226,119.43
Grades 6-8	5,800,000.00	(171,887.27)	5,628,112.73	5,575,933.55	52,179.18
Grades 9-12	7,180,000.00		7,180,000.00	6,742,229.07	437,770.93
Regular Programs - Home Instruction:					
Salaries of Teachers	85,000.00		85,000.00	77,422.50	7,577.50
Purchased Professional - Educational Services	50,000.00		50,000.00	21,808.83	28,191.17
Regular Programs - Undistributed Instruction:					
Purchased Professional - Educational Services	643,500.00	13,945.43	657,445.43	406,665.24	250,780.19
Purchased Technical Services	339,870.00		339,870.00	306,419.20	33,450.80
Other Purchased Services	358,471.26	(357.75)	358,113.51	258,613.76	99,499.75
General Supplies	827,336.65	2,936.09	830,272.74	662,429.10	167,843.64
Textbooks	27,471.00		27,471.00	17,076.97	10,394.03
Other Objects	4,500.00		4,500.00	4,131.29	368.71
Total Regular Programs	25,766,148.91	18,224.77	25,784,373.68	24,470,196.15	1,314,177.53

(Continued)

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

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd)					
Special Education - Instruction:					
Salaries of Teachers	\$ 284,000.00		\$ 284,000.00	\$ 280,115.02	\$ 3,884.98
Other Salaries for Instruction	290,000.00		290,000.00	271,558.00	18,442.00
General Supplies	3,850.00		3,850.00	1,799.56	2,050.44
Total Behavioral Disabilities	<u>577,850.00</u>	<u>\$ -</u>	<u>577,850.00</u>	<u>553,472.58</u>	<u>24,377.42</u>
Multiple Disabilities:					
Salaries of Teachers	840,000.00	6,657.41	846,657.41	846,657.40	0.01
Other Salaries for Instruction	840,000.00	(6,749.67)	833,250.33	775,405.17	57,845.16
General Supplies	9,800.00	370.24	10,170.24	6,046.54	4,123.70
Other Objects	1,500.00		1,500.00		1,500.00
Total Multiple Disabilities	<u>1,691,300.00</u>	<u>277.98</u>	<u>1,691,577.98</u>	<u>1,628,109.11</u>	<u>63,468.87</u>
Autism:					
Salaries of Teachers	270,000.00	60,233.00	330,233.00	330,233.00	
Other Salaries for Instruction	510,000.00	(60,233.00)	449,767.00	426,254.12	23,512.88
General Supplies	16,400.00		16,400.00	11,356.38	5,043.62
Total Autism	<u>796,400.00</u>	<u>-</u>	<u>796,400.00</u>	<u>767,843.50</u>	<u>28,556.50</u>
Preschool Disabilities - Part Time:					
Salaries of Teachers	200,000.00	(200,000.00)			
Other Salaries for Instruction	250,000.00	(250,000.00)			
General Supplies	4,200.00	(4,200.00)			
Total Preschool Disabilities - Part Time	<u>454,200.00</u>	<u>(454,200.00)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Preschool Disabilities - Full Time:					
Salaries of Teachers	230,000.00	234,080.40	464,080.40	464,080.40	
Other Salaries for Instruction	360,000.00	250,000.00	610,000.00	578,464.24	31,535.76
General Supplies	1,000.00	4,200.00	5,200.00	3,346.25	1,853.75
Total Preschool Disabilities - Full Time	<u>591,000.00</u>	<u>488,280.40</u>	<u>1,079,280.40</u>	<u>1,045,890.89</u>	<u>33,389.51</u>
Total Special Education - Instruction	<u>4,110,750.00</u>	<u>34,358.38</u>	<u>4,145,108.38</u>	<u>3,995,316.08</u>	<u>149,792.30</u>

(Continued)

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

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd)					
Basic Skills / Remedial - Instruction:					
Salaries of Teachers	\$ 710,000.00	\$ (34,080.40)	\$ 675,919.60	\$ 537,374.86	\$ 138,544.74
Bilingual Education - Instruction:					
Salaries of Teachers	320,000.00	-	320,000.00	316,754.00	3,246.00
School Sponsored Cocurricular Activities - Instruction:					
Salaries	210,000.00		210,000.00	194,354.00	15,646.00
General Supplies	26,500.00	(1,000.00)	25,500.00	16,308.90	9,191.10
Other Objects	10,800.00	(450.50)	10,349.50	10,349.50	
Total School Sponsored Cocurricular Activities - Instruction	247,300.00	(1,450.50)	245,849.50	221,012.40	24,837.10
School Sponsored Athletics - Instruction:					
Salaries	649,000.00		649,000.00	633,360.96	15,639.04
Purchased Services	316,400.00	(9,980.86)	306,419.14	288,945.27	17,473.87
Supplies and Materials	73,653.30	(3,739.00)	69,914.30	66,717.48	3,196.82
Other Objects	58,889.94	11,431.36	70,321.30	62,154.60	8,166.70
Total School Sponsored Athletics - Instruction	1,097,943.24	(2,288.50)	1,095,654.74	1,051,178.31	44,476.43
Total Instruction	32,252,142.15	14,763.75	32,266,905.90	30,591,831.80	1,675,074.10
Undistributed Expenditures - Instruction:					
Tuition to Other LEA's Within State - Regular	80,000.00		80,000.00	47,955.18	32,044.82
Tuition to Other LEA's Within State - Special	197,300.00		197,300.00	91,461.51	105,838.49
Tuition to County Voc. School Dist. - Regular	669,240.00		669,240.00	628,899.70	40,340.30
Tuition to CSSD & Reg. Day Schools	3,007,957.00	(11,045.00)	2,996,912.00	2,703,334.40	293,577.60
Tuition to Private Schools for the Disabled - Within State	1,930,412.00		1,930,412.00	1,738,868.75	191,543.25
Tuition to Priv Sch Disabled & Other LEAs - Spl,O/S St	140,750.00	11,045.00	151,795.00	151,795.00	
Tuition - State Facilities	4,500.00		4,500.00	4,050.00	450.00
Total Undistributed Expenditures - Instruction	6,030,159.00	-	6,030,159.00	5,366,364.54	663,794.46

(Continued)

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

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd)					
Attendance and Social Work Services:					
Salaries	\$ 131,000.00	\$ -	\$ 131,000.00	\$ 115,662.00	\$ 15,338.00
Undistributed Expenditures - Health Services:					
Salaries	735,000.00		735,000.00	707,057.08	27,942.92
Purchased Professional and Technical Services	30,000.00	85.00	30,085.00	27,604.96	2,480.04
Supplies and Materials	17,050.00	16.88	17,066.88	13,118.36	3,948.52
Other Objects	1,800.00	(16.88)	1,783.12	790.50	992.62
Total Undistributed Expenditures - Health Services	<u>783,850.00</u>	<u>85.00</u>	<u>783,935.00</u>	<u>748,570.90</u>	<u>35,364.10</u>
Undistributed Expenditures - Other Support Services - Speech, OT,PT & Related Services:					
Salaries	655,000.00	77,437.22	732,437.22	732,437.22	
Purchased Professional - Educational Services	206,250.00	(65,533.75)	140,716.25	119,811.00	20,905.25
Supplies and Materials	15,000.00	(1,932.61)	13,067.39	12,501.32	566.07
Total Undistributed Expenditures - Other Support Services - Speech, OT, PT & Related Services	<u>876,250.00</u>	<u>9,970.86</u>	<u>886,220.86</u>	<u>864,749.54</u>	<u>21,471.32</u>
Undistributed Expenditures - Other Support Services - Students - Extraordinary:					
Salaries	1,375,000.00	16,847.30	1,391,847.30	1,383,003.01	8,844.29
Purchased Professional - Educational Services	415,225.00	170,786.83	586,011.83	509,874.80	76,137.03
Supplies and Materials	15,523.66	(3,061.48)	12,462.18	11,621.20	840.98
Total Undistributed Expenditures - Other Support Services - Students - Extraordinary	<u>1,805,748.66</u>	<u>184,572.65</u>	<u>1,990,321.31</u>	<u>1,904,499.01</u>	<u>85,822.30</u>

(Continued)

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

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd)					
Undistributed Expenditures - Other Support Services -					
Guidance:					
Salaries of Other Professional Staff	\$ 1,265,000.00	\$ 47,198.77	\$ 1,312,198.77	\$ 1,312,198.77	
Salaries of Secretarial and Clerical Assistants	99,000.00		99,000.00	86,421.08	\$ 12,578.92
Supplies and Materials	13,250.00		13,250.00	8,224.39	5,025.61
Other Objects	400.00		400.00		400.00
	<u>1,377,650.00</u>	<u>47,198.77</u>	<u>1,424,848.77</u>	<u>1,406,844.24</u>	<u>18,004.53</u>
Total Undistributed Expenditures - Other Support Services -					
Guidance					
Undistributed Expenditures - Other Support Services -					
Child Study Teams:					
Salaries of Other Professional Staff	1,335,000.00		1,335,000.00	1,320,685.80	14,314.20
Salaries of Secretarial and Clerical Assistants	50,000.00		50,000.00	49,115.04	884.96
Other Salaries	275,000.00	(17,437.22)	257,562.78	212,073.06	45,489.72
Purchased Professional and Technical Services	40,000.00		40,000.00	39,989.25	10.75
Other Purchased Services	4,500.00		4,500.00	1,226.91	3,273.09
Supplies and Materials	19,042.99	(2,000.00)	17,042.99	7,173.56	9,869.43
	<u>1,723,542.99</u>	<u>(19,437.22)</u>	<u>1,704,105.77</u>	<u>1,630,263.62</u>	<u>73,842.15</u>
Total Undistributed Expenditures - Other Support Services -					
Child Study Teams					
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisor of Instruction	384,500.00		384,500.00	366,630.96	17,869.04
Salaries of Secretarial and Clerical Assistants	43,500.00		43,500.00	43,378.08	121.92
Other Salaries	132,123.00	(19,061.00)	113,062.00	85,019.25	28,042.75
	<u>560,123.00</u>	<u>(19,061.00)</u>	<u>541,062.00</u>	<u>495,028.29</u>	<u>46,033.71</u>
Total Undistributed Expenditures - Improvement of Instruction Services					

(Continued)

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

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd)					
Undistributed Expend. - Educational Media Services / Sch Library:					
Salaries	\$ 383,000.00		\$ 383,000.00	\$ 379,496.00	\$ 3,504.00
Salaries of Technology Coordinators	222,500.00		222,500.00	196,211.65	26,288.35
Unused Vacation Payment to Terminated/Retired Staff		\$ 4,878.85	4,878.85	4,878.85	
Purchased Professional and Technical Services	4,500.00	(1,058.80)	3,441.20	191.66	3,249.54
Other Purchased Services	8,000.00	(181.16)	7,818.84	7,771.82	47.02
Supplies and Materials	18,450.00	1,239.96	19,689.96	17,207.47	2,482.49
Total Undistributed Expend. - Educational Media Services / Sch Library	636,450.00	4,878.85	641,328.85	605,757.45	35,571.40
Undistributed Expenditures - Instructional Staff Training Services:					
Purchased Professional-Education services	13,375.00	(4,878.85)	8,496.15	4,869.60	3,626.55
Other Purchased Services	19,500.00		19,500.00	3,478.42	16,021.58
Total Undistributed Expenditures - Instructional Staff Training Services	32,875.00	(4,878.85)	27,996.15	8,348.02	19,648.13
Undistributed Expenditures - Support Services - General Administration:					
Salaries	344,500.00	5,722.35	350,222.35	350,017.27	205.08
Legal Services	60,000.00	68,977.65	128,977.65	125,357.20	3,620.45
Audit Fees	42,000.00	1,800.00	43,800.00	43,800.00	
Architect/Engineer Fees	30,000.00	(30,000.00)			
Other Purchased Professional Services	4,500.00	(3,000.00)	1,500.00	1,500.00	
Communications / Telephone	230,000.00	(47,198.77)	182,801.23	159,968.03	22,833.20
BOE Other Purchased Services	8,500.00	(3,500.00)	5,000.00	4,369.60	630.40
Miscellaneous Other Purchased Services	84,589.95		84,589.95	81,699.85	2,890.10
General Supplies	10,000.00		10,000.00	7,714.96	2,285.04
Miscellaneous Expenditures	5,000.00		5,000.00	3,733.68	1,266.32
BOE Membership Dues and Fees	25,000.00		25,000.00	23,676.20	1,323.80
Total Undistributed Expenditures - Support Services - General Admin	844,089.95	(7,198.77)	836,891.18	801,836.79	35,054.39

(Continued)

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

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd)					
Undistributed Expenditures - Support Services - School Admin:					
Salaries of Principals / Assistant Principals / Program Directors	\$ 1,638,000.00	\$ (18,815.00)	\$ 1,619,185.00	\$ 1,525,051.67	\$ 94,133.33
Salaries of Secretarial and Clerical Assistants	744,000.00		744,000.00	727,410.01	16,589.99
Unused Vacation Payment to Terminated/Retired Staff		18,815.00	18,815.00	18,810.44	4.56
Other Purchased Services	5,000.00	(2,686.24)	2,313.76		2,313.76
Supplies and Materials	14,050.00	2,258.90	16,308.90	8,019.59	8,289.31
Other Objects	35,225.00	5,470.00	40,695.00	26,769.95	13,925.05
	<u>2,436,275.00</u>	<u>5,042.66</u>	<u>2,441,317.66</u>	<u>2,306,061.66</u>	<u>135,256.00</u>
Undistributed Expenditures - Central Services:					
Salaries	567,000.00	(813.76)	566,186.24	566,055.03	131.21
Unused Vacation Payment to Terminated/Retired Staff		42,254.03	42,254.03	42,254.03	
Purchased Technical Services	17,500.00	(695.36)	16,804.64	16,804.64	
Miscellaneous Purchased Services	39,750.00	(7,241.19)	32,508.81	32,034.00	474.81
Supplies and Materials	10,000.00	315.50	10,315.50	10,315.50	
Miscellaneous Expenditures	9,000.00	(2,556.78)	6,443.22	6,443.22	
	<u>643,250.00</u>	<u>31,262.44</u>	<u>674,512.44</u>	<u>673,906.42</u>	<u>606.02</u>
Undistributed Expenditures - Admin. Info. Technology:					
Salaries	336,000.00		336,000.00	326,751.08	9,248.92
Purchased Technical Services	225,512.68		225,512.68	217,918.12	7,594.56
Other Purchased Services	47,177.35		47,177.35	39,537.03	7,640.32
Supplies and Materials	21,382.80	4,346.40	25,729.20	18,488.32	7,240.88
	<u>630,072.83</u>	<u>4,346.40</u>	<u>634,419.23</u>	<u>602,694.55</u>	<u>31,724.68</u>
Undistributed Expenditures - Required Maintenance for Sch Facilities:					
Salaries	665,500.00		665,500.00	656,434.56	9,065.44
Cleaning, Repair and Maintenance Services	194,828.00	1,225.00	196,053.00	136,304.30	59,748.70
General Supplies	170,237.00	6,384.36	176,621.36	114,287.21	62,334.15
	<u>1,030,565.00</u>	<u>7,609.36</u>	<u>1,038,174.36</u>	<u>907,026.07</u>	<u>131,148.29</u>

(Continued)

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

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd)					
Undistributed Expenditures - Custodial Services:					
Salaries	\$ 2,151,500.00	\$ (72,490.63)	\$ 2,079,009.37	\$ 2,017,296.42	\$ 61,712.95
Salaries of Non-Instructional Aides	366,000.00	19,308.98	385,308.98	385,308.98	
Unused Vacation Payment to Terminated/Retired Staff		7,424.92	7,424.92	7,424.92	
Cleaning, Repair and Maintenance Services	201,455.00	(47,319.04)	154,135.96	106,593.85	47,542.11
Other Purchased Property Services	85,000.00		85,000.00	76,672.80	8,327.20
Insurance	275,000.00		275,000.00	267,949.00	7,051.00
General Supplies	175,000.00	36,154.00	211,154.00	182,329.53	28,824.47
Energy (Natural Gas)	300,000.00	187.63	300,187.63	277,515.67	22,671.96
Energy (Electricity)	1,100,000.00	3,181.65	1,103,181.65	1,094,113.32	9,068.33
Other Objects	6,500.00		6,500.00	5,775.00	725.00
Total Undistributed Expenditures - Custodial Services	4,660,455.00	(53,552.49)	4,606,902.51	4,420,979.49	185,923.02
Undistributed Expenditures - Care & Upkeep of Grounds:					
Salaries	340,000.00		340,000.00	326,245.05	13,754.95
Cleaning, Repair, and Maintenance Services	15,000.00		15,000.00	9,230.78	5,769.22
General Supplies	51,082.50	(194.04)	50,888.46	44,906.28	5,982.18
Total Undistributed Expenditures - Care & Upkeep Grounds	406,082.50	(194.04)	405,888.46	380,382.11	25,506.35
Undistributed Expenditures - Security Services:					
Security Salaries	196,000.00	102,599.92	298,599.92	298,599.92	
Cleaning, Repair, and Maintenance Services	152,477.51	(103,783.67)	48,693.84	21,172.46	27,521.38
General Supplies		1,353.75	1,353.75	1,353.75	
Total Undistributed Expenditures - Security Services	348,477.51	170.00	348,647.51	321,126.13	27,521.38
Total Undistributed Expenditures - Operations and Maintenance of Plant Services	6,445,580.01	(45,967.17)	6,399,612.84	6,029,513.80	370,099.04

(Continued)

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

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd)					
Undistributed Expenditures - Student Transportation Services:					
Salaries for Non-Instructional Aides	\$ 905,500.00	\$ (400,023.78)	\$ 505,476.22	\$ 453,176.73	\$ 52,299.49
Sal for Pupil Trans (Bet Home & Sch) - Reg.	1,190,000.00	(397,312.97)	792,687.03	772,246.45	20,440.58
Sal for Pupil Trans (Bet Home & Sch) - Sp Ed	420,000.00	13,523.78	433,523.78	433,523.78	
Sal for Pupil Trans (Other than Bet. Home & Sch)	100,000.00	302,471.62	402,471.62	399,513.73	2,957.89
Other Purchased Professional and Technical Services	70,000.00	(25,994.43)	44,005.57	16,583.76	27,421.81
Cleaning, Repair and Maintenance Services	75,000.00	(42.53)	74,957.47	59,575.09	15,382.38
Lease Purchase Payments	70,000.00	(3,489.19)	66,510.81	66,510.81	
Contracted Services - Aid in Lieu of Payments - NonPub Sch	200,000.00	(25,000.00)	175,000.00	141,031.07	33,968.93
Contracted Services - (Between Home and School) - Vendors	450,000.00	727,380.00	1,177,380.00	1,172,880.00	4,500.00
Contracted Services - (Other than Bet Home & Sch) - Vendors	20,000.00	(6,500.00)	13,500.00	8,940.00	4,560.00
Contracted Services - (Special Education) - Joint Agreement	275,000.00	(224,101.22)	50,898.78	50,898.78	
Miscellaneous Purchased Services - Transportation	42,500.00	(2,454.00)	40,046.00	40,046.00	
General Supplies	235,000.00	72,257.23	307,257.23	188,022.82	119,234.41
Miscellaneous Expenditures	21,500.00	(456.81)	21,043.19	10,265.25	10,777.94
Total Undistributed Expenditures - Student Transportation Services	4,074,500.00	30,257.70	4,104,757.70	3,813,214.27	291,543.43
Unallocated Benefits:					
Social Security Contributions	1,030,000.00	67,843.99	1,097,843.99	1,036,112.24	61,731.75
Other Retirement Contributions - PERS	1,550,000.00		1,550,000.00	1,502,521.45	47,478.55
Other Retirement Contributions - Regular	100,000.00	(20,000.00)	80,000.00	68,915.15	11,084.85
Unemployment Compensation	25,000.00		25,000.00	27,864.48	(2,864.48)
Worker's Compensation	433,000.00	(9,566.00)	423,434.00	423,434.00	
Health Benefits	9,900,000.00	(280,729.06)	9,619,270.94	9,278,307.61	340,963.33
Tuition Reimbursement	25,000.00		25,000.00	11,614.73	13,385.27
Other Employee Benefits	20,000.00		20,000.00	14,894.92	5,105.08
Unused Sick Payment to Terminated/Retired Staff	275,000.00	6,615.00	281,615.00	281,613.37	1.63
Total Unallocated Benefits	13,358,000.00	(235,836.07)	13,122,163.93	12,645,277.95	476,885.98

(Continued)

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

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd)					
On-behalf Contributions					
On-behalf T.P.A.F. Pension Contributions (non-budgeted)				\$ 11,073,406.00	\$ (11,073,406.00)
On-behalf T.P.A.F. Non contributory Insurance (non-budgeted)				153,631.00	(153,631.00)
On-behalf T.P.A.F. Long-Term Disability Insurance (non-budgeted)				3,631.00	(3,631.00)
On-Behalf T.P.A.F. Post Retirement Pension Contributions (non-budgeted)				2,949,316.00	(2,949,316.00)
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				2,393,701.50	(2,393,701.50)
Total On-behalf Contributions	\$ -	\$ -	\$ -	16,573,685.50	(16,573,685.50)
Total Undistributed Expenditures	42,389,416.44	(14,763.75)	42,374,652.69	56,592,278.55	(14,217,625.86)
Total Current Expense	74,641,558.59	-	74,641,558.59	87,184,110.35	(12,542,551.76)
Capital Outlay:					
Interest Deposit to Capital Reserve					
Equipment:					
Grades 6-8	4,107.21		4,107.21	4,107.21	
Grades 9-12		30,380.00	30,380.00	30,380.00	
School-Sponsored and Other Instructional Programs		137,729.00	137,729.00	111,043.50	26,685.50
Undistributed Expenditures:					
Administrative Information Technology		186,713.74	186,713.74	186,713.74	
Required Maintenance for School Facilities		22,300.74	22,300.74	5,800.74	16,500.00
Custodial Services	16,000.00	(5,800.74)	10,199.26	2,861.05	7,338.21
Security	25,000.00		25,000.00		25,000.00
Care and Upkeep of Grounds	87,500.00		87,500.00	7,006.15	80,493.85
School Buses- Regular	600,000.00	(371,322.74)	228,677.26		228,677.26
School Buses- Special	100,000.00		100,000.00		100,000.00
Total Equipment	832,607.21	-	832,607.21	347,912.39	484,694.82

(Continued)

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

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Capital Outlay (CONT'D):					
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	\$ 240,971.00	\$ (24,216.25)	\$ 216,754.75	\$ 6,156.00	\$ 210,598.75
Other Purchased Professional and Technical Services	2,500.00		2,500.00		2,500.00
Construction Services	3,650,880.34	24,216.25	3,675,096.59	737,178.59	2,937,918.00
Supplies & Materials	10,000.00		10,000.00		10,000.00
Assessment for Debt Service on SDA Funding	147,841.00		147,841.00	147,841.00	
Total Facilities Acquisition and Construction Services	4,052,192.34	-	4,052,192.34	891,175.59	3,161,016.75
Interest Deposit to Capital Reserve	2,000.00	-	2,000.00	-	2,000.00
Total assets acquired under SBITA's (Non-Budgeted)	-	-	-	83,513.41	(83,513.41)
Total Capital Outlay	4,886,799.55	-	4,886,799.55	1,322,601.39	3,564,198.16
Transfer of Funds to Charter Schools	330,000.00	-	330,000.00	244,295.00	85,705.00
Total Expenditures	79,858,358.14	-	79,858,358.14	88,751,006.74	(8,892,648.60)
Calculation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,217,095.14)	-	(6,217,095.14)	2,481,580.90	8,698,676.04
Other Financing Sources (Uses):					
Total assets acquired under SBITA's				83,513.41	(83,513.41)
Operating Transfer Out - Food Service Fund Transfer to Cover Deficit	(25,000.00)		(25,000.00)		(25,000.00)
Total Other Financing Sources (Uses)	(25,000.00)	-	(25,000.00)	83,513.41	(108,513.41)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses (Brought Forward)	(6,242,095.14)	-	(6,242,095.14)	2,565,094.31	8,807,189.45

(Continued)

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

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses (Carried Forward)	\$ (6,242,095.14)	\$ -	\$ (6,242,095.14)	\$ 2,565,094.31	\$ 8,807,189.45
Fund Balances, July 1	<u>18,416,034.75</u>	<u>-</u>	<u>18,416,034.75</u>	<u>18,416,034.75</u>	<u>-</u>
Fund Balances, June 30	<u>\$ 12,173,939.61</u>	<u>\$ -</u>	<u>\$ 12,173,939.61</u>	<u>\$ 20,981,129.06</u>	<u>\$ 8,807,189.45</u>
Recapitulation:					
Restricted:					
Capital Reserve				\$ 5,852,794.00	
Excess Surplus				5,866,184.87	
Excess Surplus - Designated for Subsequent Year's Expenditures				4,183,722.53	
Unemployment Compensation				731,596.79	
Assigned:					
Year-End Encumbrances				449,813.24	
Designated for Subsequent Year's Expenditures				1,876,618.47	
Unassigned				<u>2,020,399.16</u>	
				20,981,129.06	
Reconciliation to Governmental Funds Statements (GAAP):					
Fiscal Year 2023 Last State Aid Payments not Recognized on GAAP Basis				<u>(2,565,350.96)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 18,415,778.10</u>	

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

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES:					
Federal Sources:					
Title I	\$ 530,000.00	\$ 261,263.00	\$ 791,263.00	\$ 510,973.00	\$ (280,290.00)
Title IIA	15,000.00	98,718.00	113,718.00	26,205.00	(87,513.00)
Title III	12,000.00	13,906.00	25,906.00	9,310.00	(16,596.00)
Title IV	35,000.00	20,158.00	55,158.00	46,558.00	(8,600.00)
Coronavirus Response and Relief Supplemental Appropriations Act					
Mental Health	20,293.60		20,293.60	20,294.00	0.40
American Rescue Plan Act of 2021					
Homeless	43,199.00		43,199.00		(43,199.00)
Elementary and Secondary Schools Emergency Relief Fund					
ESSER III	635,860.60	1,293,171.07	1,929,031.67	318,938.93	(1,610,092.74)
Learning Acceleration	361,660.00		361,660.00		(361,660.00)
Summer Learning and Enrichment	40,000.00		40,000.00		(40,000.00)
Beyond the School Day Activities	40,000.00		40,000.00		(40,000.00)
Mental Health	45,000.00		45,000.00		(45,000.00)
ACSERS		58,482.00	58,482.00	58,482.00	
Carl D. Perkins Vocational and Technical Education		14,901.00	14,901.00	14,575.00	(326.00)
I.D.E.A., Part B	1,080,000.00	205,807.00	1,285,807.00	1,285,807.00	
I.D.E.A., Part B, Preschool Incentive	36,000.00	4,423.00	40,423.00	40,423.00	
Total - Federal Sources	<u>2,894,013.20</u>	<u>1,970,829.07</u>	<u>4,864,842.27</u>	<u>2,331,565.93</u>	<u>(2,533,276.34)</u>
State Sources:					
Preschool Education Aid	<u>680,832.00</u>	<u>2,459,526.00</u>	<u>3,140,358.00</u>	<u>2,269,216.38</u>	<u>(871,141.62)</u>

(Continued)

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

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES (CONT'D):					
Local Sources:					
Local Grants	\$ -	\$ 735,983.36	\$ 735,983.36	\$ 735,983.36	\$ -
Total Revenues	<u>3,574,845.20</u>	<u>5,166,338.43</u>	<u>8,741,183.63</u>	<u>5,336,765.67</u>	<u>(3,404,417.96)</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	1,461,690.43	958,374.03	2,420,064.46	1,621,645.50	798,418.96
Other Salaries	205,000.00	320,625.84	525,625.84	398,816.50	126,809.34
Purchased Services		3,000.00	3,000.00	3,000.00	
Tuition	1,116,000.00	268,712.00	1,384,712.00	1,384,712.00	
Supplies and Materials	108,023.17	134,076.62	242,099.79	181,681.67	60,418.12
Other Objects		11,166.40	11,166.40	11,166.40	
Total Instruction	<u>2,890,713.60</u>	<u>1,695,954.89</u>	<u>4,586,668.49</u>	<u>3,601,022.07</u>	<u>985,646.42</u>
Support Services:					
Salaries - Support	50,925.00	372,895.00	423,820.00	111,612.51	312,207.49
Personal Services - Employee Benefits	59,832.00	584,528.00	644,360.00	290,517.75	353,842.25
Purchased Technical Services	23,500.00	185,683.00	209,183.00	140,476.11	68,706.89
Other Purchased Services		117,500.00	117,500.00	113,759.74	3,740.26
Supplies and Materials	43,199.00	247,652.00	290,851.00	197,953.62	92,897.38
Student Activities		41,123.11	41,123.11	33,568.11	7,555.00
Scholarships Awarded		612,831.36	612,831.36	600,419.90	12,411.46
Total Support Services	<u>177,456.00</u>	<u>2,162,212.47</u>	<u>2,339,668.47</u>	<u>1,488,307.74</u>	<u>851,360.73</u>

(Continued)

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

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
Facilities Acquisition & Construction Services:					
Instructional Equipment	\$ 506,675.60	\$ 1,049,556.07	\$ 1,556,231.67		\$ 1,556,231.67
Non-Instructional Equipment		258,615.00	258,615.00	\$ 227,469.40	31,145.60
Total Facilities Acquisition & Construction Services:	<u>506,675.60</u>	<u>1,308,171.07</u>	<u>1,814,846.67</u>	<u>227,469.40</u>	<u>1,587,377.27</u>
Total Expenditures	<u>3,574,845.20</u>	<u>5,166,338.43</u>	<u>8,741,183.63</u>	<u>5,316,799.21</u>	<u>3,424,384.42</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures (Carried Forward)	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,966.46</u>	<u>19,966.46</u>
Fund Balance, July 1	<u>452,549.07</u>		<u>452,549.07</u>	<u>452,549.07</u>	
Fund Balance, June 30	<u>\$ 452,549.07</u>	<u>\$ -</u>	<u>\$ 452,549.07</u>	<u>\$ 472,515.53</u>	<u>\$ 19,966.46</u>
Recapitulation:					
Restricted:					
Scholarship				\$ 83,365.13	
Student Activities				<u>389,150.40</u>	
Total Fund Balance				472,515.53	
Reconciliation to Governmental Fund Statements (GAAP):					
Fiscal Year 2023 - 19th & 20th State Aid Payments not Recognized on GAAP Basis			\$ (297,574.04)		
2022-23 Carryover - Preschool Education Aid Programs			<u>871,402.62</u>		
				<u>573,828.58</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 1,046,344.11</u>	

TOWNSHIP OF DEPTFORD 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) "revenues" from the budgetary comparison schedules	\$ 91,232,587.64	\$ 5,336,765.67
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		1,161,001.39
The Restricted State Aids recorded in the Special Revenue Fund are realized utilizing the budgetary basis which dictates that revenue must equal expenditures and differs from GAAP which recognizes the revenue once the eligibility criteria are met as specified in Note 1 and GASB 33.		864,917.62
The last two prior year State aid payments were 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.	2,454,189.00	45,132.00
The last two current year 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.	<u>(2,565,350.96)</u>	<u>(297,574.04)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 91,121,425.68</u>	<u>\$ 7,110,242.64</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 88,751,006.74	\$ 5,316,799.21
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		<u>1,161,001.39</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 88,751,006.74</u>	<u>\$ 6,477,800.60</u>

**REQUIRED SUPPLEMENTARY INFORMATION
PART III**

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 Public Employees' Retirement System (PERS)
 Last Ten Plan Years

	Measurement Date Ending June 30,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
School District's Proportion of the Net Pension Liability	0.1194335167%	0.1266271416%	0.1260132136%	0.1359886509%	0.1430402146%
School District's Proportionate Share of the Net Pension Liability	\$ 18,024,162	\$ 15,000,883	\$ 20,549,460	\$ 24,503,092	\$ 28,163,905
School District's Covered Payroll (Plan Measurement Period)	\$ 9,678,124	\$ 10,153,780	\$ 10,026,724	\$ 10,625,232	\$ 10,953,496
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	186.24%	147.74%	204.95%	230.61%	257.12%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.91%	70.33%	58.32%	56.27%	53.60%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.1490986763%	0.1422886451%	0.1357273274%	0.1306388697%	0.1271431943%
School District's Proportionate Share of the Net Pension Liability	\$ 34,707,789	\$ 42,141,815	\$ 30,468,065	\$ 24,459,169	\$ 24,299,591
School District's Covered Payroll (Plan Measurement Period)	\$ 11,104,628	\$ 10,556,844	\$ 9,323,724	\$ 9,804,780	\$ 9,473,252
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	312.55%	399.19%	326.78%	249.46%	256.51%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.10%	40.14%	47.93%	52.08%	48.72%

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the School District's Contributions
 Public Employees' Retirement System (PERS)
 Last Ten Fiscal Years

	Fiscal Year Ended June 30,				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually Required Contribution	\$ 1,645,181	\$ 1,506,114	\$ 1,482,951	\$ 1,378,523	\$ 1,322,769
Contributions in Relation to the Contractually Required Contribution	<u>(1,645,181)</u>	<u>(1,506,114)</u>	<u>(1,482,951)</u>	<u>(1,378,523)</u>	<u>(1,322,769)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll (Fiscal Year)	\$ 9,356,869	\$ 9,050,180	\$ 8,889,829	\$ 9,334,550	\$ 9,220,814
Contributions as a Percentage of School District's Covered Payroll	17.58%	16.64%	16.68%	14.77%	14.35%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 1,422,788	\$ 1,381,240	\$ 1,264,072	\$ 1,166,891	\$ 1,076,968
Contributions in Relation to the Contractually Required Contribution	<u>(1,422,788)</u>	<u>(1,381,240)</u>	<u>(1,264,072)</u>	<u>(1,166,891)</u>	<u>(1,076,968)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll (Fiscal Year)	\$ 9,552,482	\$ 9,866,195	\$ 9,815,164	\$ 9,365,869	\$ 8,833,369
Contributions as a Percentage of School District's Covered Payroll	14.89%	14.00%	12.88%	12.46%	12.19%

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 Teachers' Pension and Annuity Fund (TPAF)
 Last Ten Plan Years

	<u>Measurement Date Ending June 30,</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the School District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the School District	<u>140,417,928</u>	<u>129,437,737</u>	<u>168,631,928</u>	<u>166,387,884</u>	<u>178,407,427</u>
	<u>\$ 140,417,928</u>	<u>\$ 129,437,737</u>	<u>\$ 168,631,928</u>	<u>\$ 166,387,884</u>	<u>\$ 178,407,427</u>
School District's Covered Payroll (Plan Measurement Period)	\$ 36,755,208	\$ 36,194,436	\$ 35,119,680	\$ 32,505,624	\$ 34,052,100
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	382.04%	357.62%	480.16%	511.87%	523.92%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	32.29%	35.52%	24.60%	26.95%	26.49%

(Continued)

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 Teachers' Pension and Annuity Fund (TPAF)
 Last Ten Plan Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the School District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the School District	<u>183,982,727</u>	<u>211,608,201</u>	<u>166,634,271</u>	<u>150,528,448</u>	<u>139,598,239</u>
	<u><u>\$ 183,982,727</u></u>	<u><u>\$ 211,608,201</u></u>	<u><u>\$ 166,634,271</u></u>	<u><u>\$ 150,528,448</u></u>	<u><u>\$ 139,598,239</u></u>
School District's Covered Payroll (Plan Measurement Period)	\$ 34,083,908	\$ 32,892,216	\$ 31,988,592	\$ 31,137,396	\$ 32,299,932
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	539.79%	643.34%	520.92%	483.43%	432.19%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	25.41%	22.33%	28.71%	33.64%	33.76%

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Required Supplementary Information
Schedule of School District's Contributions
Teachers' Pension and Annuity Fund (TPAF)
Last Ten Fiscal Years

This schedule is not applicable.

The School District is not required to make any contributions towards TPAF.

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

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Notes to Required Supplementary Information - Part III
For the Fiscal Year Ended June 30, 2023

Teachers' Pension and Annuity Fund (TPAF)

Changes of Benefit Terms -

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

Changes of Assumptions -

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

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

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

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

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

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Notes to Required Supplementary Information - Part III
For the Fiscal Year Ended June 30, 2023

Public Employees' Retirement System (PERS)

Changes of Benefit Terms -

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

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

Changes of Assumptions -

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

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

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

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

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

**REQUIRED SUPPLEMENTARY INFORMATION
PART IV**

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of Changes in the School District's Total OPEB Liability and Related Ratios
 Last Six Plan Years

	<u>Measurement Date Ending June 30,</u>		
	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total Non-Employer OPEB Liability - State's Proportionate Share of the Total OPEB Liability Associated with the School District			
Changes for the Year:			
Service Cost	\$ 8,140,337	\$ 9,278,564	\$ 5,364,696
Interest Cost	4,091,431	4,859,199	4,649,926
Changes in Benefit Terms		(199,376)	
Difference Between Expected and Actual Experience	176,875	(32,748,187)	35,630,245
Changes in Assumptions	(41,415,749)	184,802	38,295,015
Gross Benefit Payments	130,012	(3,827,688)	(3,649,754)
Member Contributions	(4,052,683)	124,226	110,624
Net Change in Total Non-Employer OPEB Liability	(32,929,777)	(22,328,460)	80,400,752
Total Non-Employer OPEB Liability - Beginning of Fiscal Year	<u>187,316,967</u>	<u>209,645,427</u>	<u>129,244,675</u>
Total Non-Employer OPEB Liability - End of Fiscal Year	<u>\$ 154,387,190</u>	<u>\$ 187,316,967</u>	<u>\$ 209,645,427</u>
School District's Covered Payroll (Plan Measurement Period)	<u>\$ 40,373,946</u>	<u>\$ 39,762,521</u>	<u>\$ 39,864,766</u>
State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District as a Percentage of Covered Payroll	382.39%	471.09%	525.89%

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

(Continued)

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of Changes in the School District's Total OPEB Liability and Related Ratios
 Last Six Plan Years

	<u>Measurement Date Ending June 30,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total Non-Employer OPEB Liability - State's Proportionate Share of the Total OPEB Liability Associated with the School District			
Changes for the Year:			
Service Cost	\$ 5,649,112	\$ 6,289,193	\$ 7,584,372
Interest Cost	5,801,189	6,236,729	5,386,251
Changes in Benefit Terms			
Difference Between Expected and Actual Experience	(26,441,899)	(15,612,346)	
Changes in Assumptions	1,927,049	(16,772,482)	(22,679,135)
Gross Benefit Payments	(3,967,426)	(3,908,241)	(3,932,723)
Member Contributions	117,606	135,075	144,813
Net Change in Total Non-Employer OPEB Liability	(16,914,369)	(23,632,072)	(13,496,422)
Total Non-Employer OPEB Liability - Beginning of Fiscal Year	146,159,044	169,791,116	183,287,538
Total Non-Employer OPEB Liability - End of Fiscal Year	<u>\$ 129,244,675</u>	<u>\$ 146,159,044</u>	<u>\$ 169,791,116</u>
School District's Covered Payroll (Plan Measurement Period)	<u>\$ 38,642,227</u>	<u>\$ 37,214,730</u>	<u>\$ 38,630,257</u>
State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District as a Percentage of Covered Payroll	334.46%	392.75%	439.53%

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

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Notes to Required Supplementary Information - Part IV
For the Fiscal Year Ended June 30, 2023

Changes in Benefit Terms:

None

Changes in Assumptions:

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

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

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

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

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

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

	Total	Elementary and Secondary Education Act - ESEA				I.D.E.A. Part B,			Total Brought Forward
		Title I Part A	Title II Part A	Title III	Title IV	Basic	Preschool Incentive	ACSERS	
REVENUES:									
Federal Sources	\$ 2,331,565.93	\$ 510,973.00	\$ 26,205.00	\$ 9,310.00	\$ 46,558.00	\$ 1,285,807.00	\$ 40,423.00	\$ 58,482.00	\$ 353,807.93
State Sources	2,269,216.38								2,269,216.38
Local Sources	735,983.36								735,983.36
Total Revenues	\$ 5,336,765.67	\$ 510,973.00	\$ 26,205.00	\$ 9,310.00	\$ 46,558.00	\$ 1,285,807.00	\$ 40,423.00	\$ 58,482.00	\$ 3,359,007.67
EXPENDITURES:									
Instruction:									
Salaries of Teachers	\$ 1,621,645.50	\$ 510,333.50		\$ 2,150.00	\$ 36,468.00				\$ 1,072,694.00
Other Salaries	398,816.50								398,816.50
Purchased Services	3,000.00								3,000.00
Tuition	1,384,712.00					\$ 1,285,807.00	\$ 40,423.00	\$ 58,482.00	
Supplies and Materials	181,681.67			4,318.91	9,264.00				168,098.76
Other Objects	11,166.40								11,166.40
Total Instruction	3,601,022.07	510,333.50	\$ -	6,468.91	45,732.00	1,285,807.00	40,423.00	58,482.00	1,653,775.66
Support Services:									
Salaries	111,612.51		3,360.00						108,252.51
Employee Benefits	290,517.75								290,517.75
Purchased Technical Services	140,476.11		22,845.00		826.00				116,805.11
Other Purchased Services	113,759.74			2,841.09					110,919
Supplies and Materials	197,953.62	639.50							197,314.12
Scholarships Awarded	33,568.11								33,568.11
Student Activities	600,419.90								600,419.90
Total Support Services	1,488,307.74	639.50	26,205.00	2,841.09	826.00	-	-	-	1,457,796.15
Facilities Acquisition and Construction Services:									
Non-Instructional Equipment	227,469.40	-	-	-	-	-	-	-	227,469.40
Total Expenditures	5,316,799.21	510,973.00	26,205.00	9,310.00	46,558.00	1,285,807.00	40,423.00	58,482.00	3,339,041.21
Excess (Deficiency) of Revenues Over (Under) Expenditures	19,966.46	-	-	-	-	-	-	-	19,966.46
Fund Balance, July 1	452,549.07	-	-	-	-	-	-	-	452,549.07
Fund Balance, June 30	\$ 472,515.53	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 472,515.53

(Continued)

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

	Total Carried Forward	CRRSA Mental Health	American Recovery Plan ESSER III	Carl D. Perkins Grant	Preschool Education Aid	Scholarship Fund	Student Activity Fund	Other Local
REVENUES:								
Federal Sources	\$ 353,807.93	\$ 20,294.00	\$ 318,938.93	\$ 14,575.00				
State Sources	2,269,216.38				\$ 2,269,216.38			
Local Sources	735,983.36					\$ 41,123.11	\$ 612,831.36	\$ 82,028.89
Total Revenues	\$ 3,359,007.67	\$ 20,294.00	\$ 318,938.93	\$ 14,575.00	\$ 2,269,216.38	\$ 41,123.11	\$ 612,831.36	\$ 82,028.89
EXPENDITURES:								
Instruction:								
Salaries of Teachers	\$ 1,072,694.00		\$ 93,464.39		\$ 908,724.58			\$ 70,505.03
Other Salaries	398,816.50			\$ 3,500.00	395,316.50			
Purchased Services	3,000.00			3,000.00				
Tuition	-							
Supplies and Materials	168,098.76	\$ 5,869.00	61,859.54	1,888.60	98,124.16			357.46
Other Objects	11,166.40							11,166.40
Total Instruction	1,653,775.66	5,869.00	155,323.93	8,388.60	1,402,165.24	\$ -	\$ -	82,028.89
Support Services:								
Salaries	108,252.51	7,425.00			100,827.51			
Employee Benefits	290,517.75			267.75	290,250.00			
Purchased Technical Services	116,805.11	7,000.00			109,805.11			
Other Purchased Services	110,919			5,918.65	105,000.00			
Supplies and Materials	197,314.12				197,314.12			
Scholarships Awarded	33,568.11					33,568.11		
Student Activities	600,419.90						600,419.90	
Total Support Services	1,457,796.15	14,425.00	-	6,186.40	803,196.74	33,568.11	600,419.90	-
Facilities Acquisition and Construction Services:								
Instructional Equipment	227,469.40	-	163,615.00	-	63,854.40	-	-	-
Total Expenditures	3,339,041.21	20,294.00	318,938.93	14,575.00	2,269,216.38	33,568.11	600,419.90	82,028.89
Excess (Deficiency) of Revenues Over (Under) Expenditures	19,966.46	-	-	-	-	7,555.00	12,411.46	-
Fund Balance, July 1	452,549.07	-	-	-	-	75,810.13	376,738.94	-
Fund Balance, June 30	\$ 472,515.53	\$ -	\$ -	\$ -	\$ -	83,365.13	389,150.40	-

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Special Revenue Fund
 Preschool Education Aid Schedule - Budgetary Basis
 For the Fiscal Year Ended June 30, 2023

EXPENDITURES:	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Instruction					
Salaries of Teachers	\$ 470,000.00	\$ 547,499.00	\$ 1,017,499.00	\$ 908,724.58	\$ 108,774.42
Other Salaries for Instruction	205,000.00	317,125.84	522,125.84	395,316.50	126,809.34
Supplies and Materials		98,124.16	98,124.16	98,124.16	
Support Services:					
Salaries		129,351.00	129,351.00	100,827.51	28,523.49
Employee Benefits	5,832.00	584,260.00	590,092.00	290,250.00	299,842.00
Purchased Technical Services		143,000.00	143,000.00	109,805.11	33,194.89
Other Purchased Services		105,000.00	105,000.00	105,000.00	
Supplies and Materials		202,622.00	202,622.00	197,314.12	5,307.88
		<u>95,000.00</u>	<u>95,000.00</u>	<u>63,854.40</u>	<u>31,145.60</u>
Total Expenditures	<u>\$ 680,832.00</u>	<u>\$ 2,221,982.00</u>	<u>\$ 2,902,814.00</u>	<u>\$ 2,269,216.38</u>	<u>\$ 633,597.62</u>

Calculation of Budget and Carryover

Total Revised 2022-23 Preschool Education Aid Allocation	\$ 3,134,134.00
Add: Actual Preschool Education Aid Carryover (June 30, 2022)	6,485.00
Add: Budgeted Transfer from the General Fund	<u> </u>
Total Preschool Education Aid Funds Available for 2022-23 Budget	3,140,619.00
Less: 2022-23 Budgeted Preschool Education Aid (Including Prior Year Budgeted Carryover)	<u>(2,902,814.00)</u>
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2023	237,805.00
Add: June 30, 2023 Unexpended Preschool Education Aid	<u>633,597.62</u>
2022-2023 Carryover -- Preschool Education Aid	<u>\$ 871,402.62</u>
2022-2023 Preschool Education Aid Carryover Budgeted in 2023-2024	\$ 261.00
2022-2023 Preschool Education Aid Available for 2024-2025	<u>871,141.62</u>
2022-2023 Preschool Education Aid Carryover Budgeted and Available	<u>\$ 871,402.62</u>

CAPITAL PROJECTS FUND

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Project Expenditures
 June 30, 2023

<u>Project Title / Issue</u>	<u>Approval Date</u>	<u>Revised Budgetary Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Appropriations June 30, 2023</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Spartan Improvement Plan	1/28/2020	<u>\$ 37,811,743.80</u>	<u>\$ 31,436,472.69</u>	<u>\$ 3,366,226.67</u>	<u>\$ 3,009,044.44</u>

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Revenue, Expenditure, and Change in Fund Balances
 For the Fiscal Year Ended June 30, 2023

Revenues and Other Financing Sources	
Interest	\$ 42,801.30
Expenditures and Other Financing Uses	
Architect/Engineer Services	48,954.41
Other Professional Services	166,486.25
Construction Services	2,586,966.67
General Supplies	359,858.98
Instructional Equipment	61,153.02
Non-Instructional Equipment	136,405.18
Other Objects	6,402.16
Total Expenditures	3,366,226.67
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,323,425.37)
Fund Balance - July 1	6,332,469.81
Fund Balance - June 30	\$ 3,009,044.44

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance, and Project Status
 Spartan Improvement Plan
 From Inception and for the Fiscal Year Ended June 30, 2023

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Bond Proceeds	\$ 37,616,000.00		\$ 37,616,000.00	\$ 37,616,000.00
Interest Earned	152,942.50	\$ 42,801.30	195,743.80	195,743.80
Total Revenues	37,768,942.50	42,801.30	37,811,743.80	37,811,743.80
Expenditures and Other Financing Uses:				
Architect/Engineer Services	2,561,010.64	48,954.41	2,609,965.05	2,839,321.00
Other Professional Services	1,087,337.35	166,486.25	1,253,823.60	1,305,745.00
Construction Services	27,127,720.24	2,586,966.67	29,714,686.91	32,160,850.33
General Supplies	223,826.42	359,858.98	583,685.40	600,000.00
Instructional Equipment	285,228.28	61,153.02	346,381.30	350,000.00
Non-Instructional Equipment		136,405.18	136,405.18	150,000.00
Other Objects	151,349.76	6,402.16	157,751.92	405,827.47
Total Expenditures	31,436,472.69	3,366,226.67	34,802,699.36	37,811,743.80
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 6,332,469.81	\$ (3,323,425.37)	\$ 3,009,044.44	\$ -
Additional Project Information:				
Project Number	1100-045-20-2000			
Grant Date	N/A			
Bond Authorization Date	7/16/2020			
Bonds Authorized	\$ 37,616,000.00			
Bonds Issued	37,616,000.00			
Original Authorized Cost	37,616,000.00			
Additional Authorized Cost	195,743.80			
Revised Authorized Cost	37,811,743.80			
Percentage Increase Over				
Original Authorized Cost	0.52%			
Percentage Completion	92.04%			
Original Target Completion Date	8/30/2022			
Revised Target Completion Date	6/30/2024			

PROPRIETARY FUNDS

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT

Proprietary Funds

Combining Statement of Net Position

June 30, 2023

	Business-Type Activities - Enterprise Funds		
	<u>Food Service</u>	<u>Child Care Program</u>	<u>Total</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 1,363,598.92	\$ 492,448.96	\$ 1,856,047.88
Accounts Receivable:			
State	2,104.41		2,104.41
Federal	59,305.35		59,305.35
Other (Net of Allowance for Doubtful Accounts of \$56,279.01)	18,759.67		18,759.67
Inventories	54,271.22		54,271.22
Total Current Assets	<u>1,498,039.57</u>	<u>492,448.96</u>	<u>1,990,488.53</u>
Noncurrent Assets:			
Capital Assets	234,045.54	211,222.25	445,267.79
Less Accumulated Depreciation	<u>(172,306.46)</u>	<u>(29,236.98)</u>	<u>(201,543.44)</u>
Total Noncurrent Assets	<u>61,739.08</u>	<u>181,985.27</u>	<u>243,724.35</u>
Total Assets	<u>1,559,778.65</u>	<u>674,434.23</u>	<u>2,234,212.88</u>
LIABILITIES:			
Current Liabilities:			
Accounts Payable		15,158.33	15,158.33
Due to Grantor	17,536.00		17,536.00
Interfund Payable	508,071.01	85,566.74	593,637.75
Unearned Revenue	28,337.56	249,753.05	278,090.61
Compensated Absences Payable	<u>1,246.00</u>		<u>1,246.00</u>
Total Current Liabilities	<u>555,190.57</u>	<u>350,478.12</u>	<u>905,668.69</u>
Noncurrent Liabilities:			
Compensated Absences Payable	<u>11,214.00</u>	<u>-</u>	<u>11,214.00</u>
Total Liabilities	<u>566,404.57</u>	<u>350,478.12</u>	<u>916,882.69</u>
NET POSITION:			
Net Investment In Capital Assets	61,739.08	181,985.27	243,724.35
Unrestricted	<u>931,635.00</u>	<u>141,970.84</u>	<u>1,073,605.84</u>
Total Net Position	<u>\$ 993,374.08</u>	<u>\$ 323,956.11</u>	<u>\$ 1,317,330.19</u>

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

	Business-Type Activities - Enterprise Funds		
	<u>Food Service</u>	<u>Child Care Program</u>	<u>Total</u>
OPERATING REVENUES:			
Charges for Services:			
Program Revenue	\$ 521,862.40		\$ 521,862.40
Non-Program Revenue	115,034.87		115,034.87
Miscellaneous	13,607.26	\$ 812,835.56	826,442.82
Total Operating Revenues	<u>650,504.53</u>	<u>812,835.56</u>	<u>1,463,340.09</u>
OPERATING EXPENSES:			
Salaries	534,360.65	726,362.58	1,260,723.23
Employee Benefits	118,917.70	83,444.74	202,362.44
Cost of Sales:			
Reimbursable Programs	690,657.38		690,657.38
Non-Reimbursable Programs	61,730.00		61,730.00
Purchased Professional Services	89,200.00	2,859.51	92,059.51
Supplies and Materials	127,255.66	57,243.83	184,499.49
Depreciation	7,274.38	15,768.14	23,042.52
Miscellaneous	51,360.90	32,051.87	83,412.77
Total Operating Expenses	<u>1,680,756.67</u>	<u>917,730.67</u>	<u>2,598,487.34</u>
Operating Income (Loss)	<u>(1,030,252.14)</u>	<u>(104,895.11)</u>	<u>(1,135,147.25)</u>
NONOPERATING REVENUES:			
State Sources:			
State School Lunch Program	29,608.48		29,608.48
State School Breakfast Program	3,853.50		3,853.50
Federal Sources:			
National School Lunch Program	610,675.13		610,675.13
National School Breakfast Program	299,098.17		299,098.17
National School Snack Program	6,299.91		6,299.91
Supply Chain Assistance Program	189,623.65		189,623.65
Food Distribution Program	239,639.56		239,639.56
ARP Stabilization Grant		245,246.95	245,246.95
Interest and Investment Revenue	15,361.59	5,340.17	20,701.76
Total Nonoperating Revenues	<u>1,394,159.99</u>	<u>250,587.12</u>	<u>1,644,747.11</u>
Change in Net Position	363,907.85	145,692.01	509,599.86
Net Position -- July 1	<u>629,466.23</u>	<u>178,264.10</u>	<u>807,730.33</u>
Net Position -- June 30	<u>\$ 993,374.08</u>	<u>\$ 323,956.11</u>	<u>\$ 1,317,330.19</u>

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Proprietary Fund
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds		
	<u>Food Service</u>	<u>Child Care Program</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers	\$ 657,183.58	\$ 812,835.56	\$ 1,470,019.14
Payments to Employees	(538,780.17)	(726,362.58)	(1,265,142.75)
Payments for Employee Benefits	(118,917.70)	(12,719.67)	(131,637.37)
Payments to Suppliers	<u>(1,382,687.94)</u>	<u>(92,155.21)</u>	<u>(1,474,843.15)</u>
Net Cash Provided by (used for) Operating Activities	<u>(1,383,202.23)</u>	<u>(18,401.90)</u>	<u>(1,401,604.13)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Cash Received from State, Local and Federal Reimbursements	<u>1,773,150.46</u>	<u>213,093.02</u>	<u>1,986,243.48</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchase of Capital Assets	<u>-</u>	<u>(102,028.00)</u>	<u>(102,028.00)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and Dividends	<u>15,361.59</u>	<u>5,340.17</u>	<u>20,701.76</u>
Net Increase (Decrease) in Cash and Cash Equivalents	405,309.82	98,003.29	503,313.11
Cash and Cash Equivalents -- July 1	<u>958,289.10</u>	<u>394,445.67</u>	<u>1,352,734.77</u>
Cash and Cash Equivalents -- June 30	<u>\$ 1,363,598.92</u>	<u>\$ 492,448.96</u>	<u>\$ 1,856,047.88</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (1,030,252.14)	\$ (104,895.11)	\$ (1,135,147.25)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:			
Depreciation	7,274.38	15,768.14	23,042.52
(Increase) Decrease in Inventories	(24,976.43)		(24,976.43)
(Increase) Decrease in Other Current Receivables	6,679.05		6,679.05
Increase (Decrease) in Other Current Liabilities	(337,507.57)	70,725.07	(266,782.50)
Increase (Decrease) in Compensated Absences Payable	<u>(4,419.52)</u>		<u>(4,419.52)</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (1,383,202.23)</u>	<u>\$ (18,401.90)</u>	<u>\$ (1,401,604.13)</u>

LONG-TERM DEBT

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Schedule of Serial Bonds
 For the Fiscal Year Ended June 30, 2023

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance June 30, 2022</u>	<u>Retired</u>	<u>Balance June 30, 2023</u>
			<u>Date</u>	<u>Amount</u>				
School Bonds, Series 2020	7/15/20	\$ 37,616,000.00	7/15/23	\$ 800,000.00	2.00%			
			7/15/24	830,000.00	2.25%			
			7/15/25	885,000.00	2.25%			
			7/15/26	935,000.00	2.25%			
			7/15/27	985,000.00	2.25%			
			7/15/28	1,040,000.00	2.25%			
			7/15/29	1,090,000.00	2.25%			
			7/15/30	1,140,000.00	2.25%			
			7/15/31	1,190,000.00	2.50%			
			7/15/32	1,250,000.00	2.50%			
			7/15/33	1,300,000.00	2.50%			
			7/15/34	1,350,000.00	2.50%			
			7/15/35	1,400,000.00	2.50%			
			7/15/36	1,450,000.00	2.50%			
			7/15/37	1,500,000.00	2.50%			
			7/15/38	1,555,000.00	2.50%			
			7/15/39	1,555,000.00	2.50%			
			7/15/40	1,555,000.00	2.50%			
			7/15/41	1,555,000.00	2.50%			
			7/15/42	1,555,000.00	2.50%			
			7/15/43	1,555,000.00	2.50%			
7/15/44	1,555,000.00	2.50%						
7/15/45	1,555,000.00	2.50%						
7/15/46	1,455,000.00	2.50%						
7/15/47	1,455,000.00	2.50%						
7/15/48	1,450,000.00	2.50%						
7/15/49	1,450,000.00	2.50%						
7/15/50	1,440,000.00	2.50%						
			<u>\$ 36,835,000.00</u>			<u>\$ 37,616,000.00</u>	<u>\$ 781,000.00</u>	<u>\$ 36,835,000.00</u>

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

	<u>Original Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES:			
Local Sources:			
Local Tax Levy	\$ 1,349,134.00	\$ 1,349,134.00	
State Sources:			
Debt Service Aid Type II	<u>339,288.00</u>	<u>339,288.00</u>	
Total Revenues	<u>1,688,422.00</u>	<u>1,688,422.00</u>	<u>\$ -</u>
EXPENDITURES:			
Regular Debt Service:			
Interest on Bonds	907,422.00	907,422.50	(0.50)
Redemption of Principal	<u>781,000.00</u>	<u>781,000.00</u>	
Total Expenditures	<u>1,688,422.00</u>	<u>1,688,422.50</u>	<u>(0.50)</u>
Net Change in Fund Balance	<u>-</u>	<u>(0.50)</u>	<u>(0.50)</u>
Fund Balance, July 1	<u>1.20</u>	<u>1.20</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 1.20</u>	<u>\$ 0.70</u>	<u>\$ (0.50)</u>

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Schedule of Obligations Under Subscription-Based Information Technology Arrangements
 For the Fiscal Year Ended June 30, 2023

Purpose	Original Date	Term of Subscription	Amount of Original Subscription		Interest Rate	Balance June 30, 2022	Additions Current Year	Reductions Current Year	Amount
			Principal	Interest					Outstanding June 30, 2023
Educational Software	07/01/22	3 Years	\$ 20,029.50	\$ 790.50	4.00%		\$ 20,029.50	\$ 6,940.00	\$ 13,089.50
Student Management Software	07/01/22	2 Years	17,986.85	541.39	2.00%		49,644.37	40,561.90	9,082.47
Cyber Security Software	07/01/22	2 Years	4,014.60	60.32	1.00%		6,052.06	4,034.77	2,017.29
Security Software	03/30/23	5 Years	7,787.48	622.52	4.00%		7,787.48	1,682.00	6,105.48
						\$ -	\$ 83,513.41	\$ 53,218.67	\$ 30,294.74

STATISTICAL SECTION

Financial Trends Information

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

DEPTFORD TOWNSHIP BOARD OF EDUCATION
 Net Position by Component
 Last Ten Fiscal Years (accrual basis of accounting)
 Unaudited

	Fiscal Year Ended June 30,									
	2023*#	2022*#	2021*#	2020*	2019*	2018*	2017*	2016*	2015*	2014*
Governmental Activities										
Net Investment in Capital Assets	\$ 23,426,004	\$ 23,361,530	\$ 18,794,608	\$ 20,117,925	\$ 20,059,194	\$ 20,797,614	\$ 20,830,156	\$ 20,818,783	\$ 22,211,278	\$ 22,194,124
Restricted	14,736,996	12,464,537	11,140,850	6,710,520	4,235,777	2,267,461	1,760,961	3,960,362	6,963,929	8,432,412
Unrestricted (Deficit)	(20,017,004)	(23,303,830)	(26,845,640)	(32,532,711)	(33,554,888)	(33,678,702)	(29,934,116)	(27,681,005)	(27,393,758)	(2,904,415)
Total Governmental Activities Net Position	\$ 18,145,997	\$ 12,522,236	\$ 3,089,818	\$ (9,259,917)	\$ (9,259,917)	\$ (10,613,627)	\$ (7,342,999)	\$ (2,901,860)	\$ 1,781,449	\$ 27,722,121
Business-type Activities										
Net Investment in Capital Assets	\$ 243,724	\$ 164,739	\$ 65,327	\$ 159,533	\$ 110,426	\$ 128,969	\$ 154,938	\$ 185,401	\$ 62,923	\$ 80,380
Unrestricted (Deficit)	1,073,606	642,991	293,592	(12,482)	(23,736)	(102,434)	(142,265)	(179,900)	72,303	82,207
Total Business-type Activities Net Position	\$ 1,317,330	\$ 807,730	\$ 358,919	\$ 86,690	\$ 86,690	\$ 26,535	\$ 12,673	\$ 5,501	\$ 135,226	\$ 162,587
District-wide										
Net Investment in Capital Assets	\$ 23,669,729	\$ 23,526,269	\$ 23,526,269	\$ 18,859,935	\$ 20,169,620	\$ 20,169,620	\$ 20,926,583	\$ 20,985,094	\$ 21,004,184	\$ 22,274,201
Restricted	14,736,996	12,464,537	12,464,537	11,140,850	4,235,777	4,235,777	2,267,461	1,760,961	3,960,362	6,963,929
Unrestricted (Deficit)	(18,943,398)	(22,660,839)	(22,660,839)	(26,552,048)	(33,578,624)	(33,578,624)	(33,781,136)	(30,076,381)	(27,860,905)	(27,321,455)
Total District-wide Net Position	\$ 19,463,327	\$ 13,329,966	\$ 13,329,966	\$ (9,173,227)	\$ (9,173,227)	\$ (9,173,227)	\$ (10,587,092)	\$ (7,330,326)	\$ (2,896,359)	\$ 1,916,675

* Amounts for the years 2014 through 2023 include the implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*.

Amounts for the years 2021 through 2023 include the revenues and expenses associated with the implementation of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*.

Source: District Records (Exhibit A-1)

DEPTFORD TOWNSHIP BOARD OF EDUCATION
 Changes in Net Position
 Last Ten Fiscal Years (Accrual Basis of Accounting)
 Unaudited

	Fiscal Year Ended June 30,									
	2023**#	2022**#	2021**#	2020**	2019**	2018**	2017**	2016*	2015*	2014
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 28,662,297	\$ 26,764,670	\$ 25,342,293	\$ 23,268,782	\$ 23,134,604	\$ 24,602,322	\$ 23,716,666	\$ 25,405,080	\$ 24,140,864	\$ 32,376,995
Special Education	4,296,280	5,071,104	5,242,998	6,679,145	4,775,863	4,319,698	4,120,484	4,167,971	3,474,029	3,935,982
Other Special Education	918,470	956,419	1,033,820	2,123,204	2,219,589	1,849,868	1,855,323	1,741,812	1,637,303	2,080,031
Other Instruction	1,093,278	1,016,849	912,590							
Support Services:										
Tuition	6,751,077	6,299,865	5,399,449	6,229,187	6,294,288	5,380,139	4,719,675	4,576,912	4,757,738	4,239,302
Student & Instruction Related Services	9,918,428	7,807,855	7,819,388	7,526,977	7,337,191	9,112,463	7,725,862	7,641,053	6,801,746	8,918,657
Other Administrative Services	2,026,187	1,584,817	1,553,911	1,381,015	1,342,393	1,625,030	1,821,705	1,898,009	1,976,717	906,535
School Administrative Services	2,937,160	2,889,664	2,788,982	2,827,911	3,039,946	3,346,542	3,508,849	3,607,344	3,368,320	5,381,720
Plant Operations and Maintenance	6,395,797	5,952,841	5,868,278	5,633,468	5,817,965	5,563,732	5,583,065	6,299,320	6,074,793	7,957,213
Pupil Transportation	4,083,407	3,647,406	2,713,605	3,001,773	3,641,837	4,211,604	4,053,915	4,086,791	4,215,472	3,782,617
Unallocated Benefits	19,458,854	23,407,276	31,442,317	26,775,752	37,502,533	39,420,160	36,125,497	26,717,805	16,059,331	
Transfer to Charter School	244,295	291,149	157,453	118,797	219,283	265,233	168,272	139,758	105,349	
Special Schools				5,000	37,743	74,779	84,841	90,554		
Payment of Bond Issue Costs								115,069		
Interest on Long-Term Debt	889,754	904,831	913,939	50,194	86,051	104,909	257,439	416,030	516,141	412,220
Total Governmental Activities Expenses	87,675,284	86,594,747	91,189,023	85,621,205	95,449,286	99,876,479	93,741,593	86,903,508	73,127,803	69,991,272
Business-type Activities:										
Food Service	1,680,757	2,053,880	819,387	1,256,938	1,667,155	1,915,691	1,866,457	1,765,038	1,579,611	1,603,260
Childcare Program	917,731	495,652	70,555	365,078	473,079	252,751	131,531			
Total Business-type Activities Expense	2,598,487	2,549,532	889,942	2,140,234	2,140,234	2,168,442	1,997,988	1,765,038	1,579,611	1,603,260
Total District Expenses	\$ 90,273,771	\$ 89,144,279	\$ 92,078,965	\$ 97,589,520	\$ 97,589,520	\$ 102,044,921	\$ 95,739,581	\$ 88,668,546	\$ 74,707,414	\$ 71,594,532
Program Revenues										
Governmental Activities:										
Charges for Services:	\$ 782,740	\$ 753,975	\$ 478,388	\$ 267,685	\$ 387,304	\$ 584,016	\$ 813,490	\$ 452,379	\$ 322,655	\$ 426,709
Capital Grants and Contributions	1,464,947									
Operating Grants and Contributions	14,955,731	19,188,969	25,663,984	7,648,039	17,443,709	20,564,214	2,890,355	2,993,455	2,735,627	2,760,137
Total Governmental Activities Program Revenues	17,203,418	19,942,944	26,142,372	17,831,013	17,831,013	21,148,230	3,703,845	3,445,834	3,058,282	3,186,846
Business-type activities:										
Charges for services										
Food Service	650,505	113	9,026	419,129	560,581	616,700	647,804	627,124	590,621	600,241
Childcare Program	812,836	575,572		416,474	538,097	267,699	138,136			
Operating Grants and Contributions	1,624,045	2,421,525	1,154,753	747,983	919,179	1,072,697	1,019,220	1,008,189	953,844	946,905
Total Business-type Activities Program Revenues	3,087,385	2,997,210	1,163,779	2,017,857	2,017,857	1,957,096	1,805,160	1,635,313	1,544,465	1,547,146
Total District Program Revenues	\$ 20,290,804	\$ 22,940,154	\$ 27,306,151	\$ 19,848,870	\$ 19,848,870	\$ 23,105,326	\$ 5,509,005	\$ 5,081,147	\$ 4,602,747	\$ 4,733,992
Net (Expense)/Revenue										
Governmental Activities	\$ (70,471,866)	\$ (66,651,803)	\$ (65,046,651)	\$ (77,618,273)	\$ (77,618,273)	\$ (78,728,249)	\$ (90,037,748)	\$ (83,457,674)	\$ (70,069,521)	\$ (66,804,426)
Business-type Activities	488,898	447,678	273,837	(122,377)	(122,377)	(211,346)	(192,828)	(129,725)	(35,146)	(56,114)
Total District-wide Net Expense	\$ (69,982,968)	\$ (66,204,125)	\$ (64,772,814)	\$ (77,740,650)	\$ (77,740,650)	\$ (78,939,595)	\$ (90,230,576)	\$ (83,587,399)	\$ (70,104,667)	\$ (66,860,540)

(Continued)

DEPTFORD TOWNSHIP BOARD OF EDUCATION
 Changes in Net Position
 Last Ten Fiscal Years (Accrual Basis of Accounting)
 Unaudited

	Fiscal Year Ended June 30,									
	2023 [^] #	2022 [^] #	2021 [^] #	2020 [^]	2019 [^]	2018 [^]	2017 [^]	2016 [*]	2015 [*]	2014
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 45,679,825	\$ 44,784,142	\$ 43,906,022	\$ 43,045,120	\$ 41,327,967	\$ 40,517,615	\$ 39,687,220	\$ 38,464,482	\$ 37,188,880	\$ 35,885,892
Taxes Levied for Debt Service	1,349,134	1,094,945	1,341,500	1,332,531	1,343,700	1,347,900	1,348,686	1,443,800	1,435,800	1,441,030
Unrestricted Grants and Contributions	28,320,226	29,926,325	27,178,353	36,928,568	36,354,510	33,744,191	44,648,119	30,730,259	29,487,727	28,755,543
Restricted Miscellaneous Income	123,247	103,103	103,103							
Investment Earnings	312,211	77,450	169,660	116,534	119,928	25,129	5,760	2,528	696	600
Miscellaneous Income	310,983	98,256	157,558	118,644	8,410	47,786	106,824	112,448	315,337	232,313
Loss on Disposal			(2,944)							
Transfers				(96,927)	(182,532)	(225,000)	(200,000)			
Total Governmental Activities	76,095,626	76,084,221	72,853,252	78,971,983	78,971,983	75,457,621	85,596,609	70,753,517	68,428,440	66,315,378
Business-type Activities:										
Investment Earnings	20,702	1,134	1,079	1,864		208			7,785	3,848
Transfers				96,927	182,532	225,000	200,000			
Total Business-type Activities	20,702	1,134	1,079	182,532	182,532	225,208	200,000	-	7,785	-
Total District-wide	\$ 76,116,328	\$ 76,085,355	\$ 72,854,331	\$ 79,154,515	\$ 79,154,515	\$ 75,682,829	\$ 85,796,609	\$ 70,753,517	\$ 68,436,225	\$ 66,315,378
Change in Net Position										
Governmental Activities	\$ 5,623,761	\$ 9,432,418	\$ 3,555,651	\$ 1,353,710	\$ 1,353,710	\$ (3,270,628)	\$ (4,441,139)	\$ (12,704,157)	\$ (489,048)	\$ 1,456,341
Business-type Activities	509,600	448,811	60,361	60,155	13,862	7,172	(129,725)	(27,361)	(52,266)	(93,093)
Total District	\$ 6,133,360	\$ 9,881,230	\$ 3,616,012	\$ 1,413,865	\$ 1,367,572	\$ (3,263,456)	\$ (4,570,864)	\$ (12,731,518)	\$ (541,314)	\$ 1,363,248

[^] Amounts for 2017 through 2023 include the implementation of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

^{*} Amounts for the years 2015 through 2023 include the implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*.

[#] Amounts for the years 2021 through 2023 include the revenues and expenses associated with the implementation of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*.

Source: District Records (Exhibit A-2)

DEPTFORD TOWNSHIP BOARD OF EDUCATION
 Fund Balances, Governmental Funds
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
 Unaudited

	Fiscal Year Ended June 30,									
	<u>2023#</u>	<u>2022#</u>	<u>2021#</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Fund										
Restricted	\$ 14,068,947	\$ 11,897,902	\$ 10,717,333	\$ 6,710,520	\$ 4,226,508	\$ 2,258,192	\$ 1,751,692	\$ 3,951,093	\$ 6,926,291	\$ 8,432,412
Assigned	2,326,432	662,735	336,093	1,512,082	223,850	167,500	1,992,432	1,084,280	247,050	202,274
Unassigned (Deficit)	2,020,399	3,401,209	3,026,478	(739,996)	(612,054)	(670,806)	(716,475)	(736,865)	(764,667)	(884,032)
Total General Fund	\$ 18,415,778	\$ 15,961,846	\$ 14,079,904	\$ 7,482,606	\$ 3,838,304	\$ 1,754,886	\$ 3,027,649	\$ 4,298,508	\$ 6,408,674	\$ 7,750,654
All Other Governmental Funds										
Restricted										
Debt Service Fund	\$ 1	\$ 1	1		\$ 9,269	\$ 9,269	\$ 9,269	9,269		
Special Revenue Fund	472,516	413,902	309,085							
Capital Projects Fund	3,009,044	6,332,470	25,830,176							
Unassigned (Deficit), Reported in:										
Special Revenue Fund	573,829			(66,184)	(75,991)	(265,221)	(81,919)	(70,620)	(83,332)	(88,981)
Capital Projects Fund				(27,122)						
Total All Other Governmental Funds	\$ 4,055,389	\$ 6,746,373	\$ 26,139,262	\$ (93,306)	\$ (66,722)	\$ (255,952)	\$ (72,650)	\$ (61,351)	\$ (83,332)	\$ (88,981)

Amounts for the years 2021 through 2023 include the revenues and expenses associated with the implementation of Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities.

Source: District Records (Exhibit B-1)

DEPTFORD TOWNSHIP BOARD OF EDUCATION
 Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
 Unaudited

	Fiscal Year Ended June 30,									
	2023#	2022#	2021#	2020	2019	2018	2017	2016	2015	2014
Revenues										
Tax Levy	\$ 47,028,959	\$ 45,879,087	\$ 45,247,522	\$ 44,377,651	\$ 42,671,667	\$ 41,865,515	\$ 41,035,906	\$ 39,908,282	\$ 38,624,680	\$ 37,326,922
Tuition Charges	135,890	107,125	105,184	267,685	387,304	584,016	813,490	452,379	322,655	426,709
Interest Earnings	312,211	77,450	169,660	116,534	119,928	25,129	5,760	2,528	696	600
Miscellaneous	378,137	201,359	260,661	118,646	161,178	47,786	106,824	112,448	315,337	232,313
State Sources	47,610,071	44,755,325	40,691,801	37,643,689	37,214,104	35,975,572	32,606,584	31,605,097	30,247,095	29,708,640
Federal Sources	3,761,641	5,719,080	2,495,008	1,903,874	1,858,134	1,957,705	2,096,857	2,113,554	1,960,246	1,802,100
Local Sources	735,983	679,890	375,920	100,000		500	4,937	5,063	16,013	4,940
Total Revenue	99,962,892	97,419,315	89,345,756	82,412,315	82,412,315	80,456,223	76,670,358	74,199,351	71,486,722	69,502,224
Expenditures										
Instruction										
Regular Instruction	26,654,440	25,555,096	23,888,190	22,002,093	22,440,087	23,509,272	22,651,872	23,415,876	22,920,487	22,548,690
Special Education Instruction	3,995,316	4,825,308	4,924,252	6,388,190	4,554,610	4,121,083	3,936,671	3,897,859	3,303,324	2,808,399
Other Instruction	2,126,320	2,139,053	2,086,121	2,024,341	2,104,366	1,754,638	1,761,026	1,615,383	1,545,530	1,457,663
Support Services:										
Tuition	6,751,077	6,299,865	5,399,449	6,229,187	6,294,288	5,380,139	4,719,675	4,576,912	4,757,738	4,239,302
Student & Instruction Related Services	9,223,621	7,429,409	7,344,012	7,147,255	6,959,589	8,714,579	7,349,614	7,111,390	6,449,005	6,279,860
General Administrative Services	1,552,372	1,456,852	1,411,035	1,351,370	1,317,827	1,592,753	1,776,927	1,832,315	1,924,333	1,534,831
School Administrative Services	2,979,968	2,879,519	2,777,538	2,682,311	2,882,137	3,174,264	3,330,512	3,345,506	3,179,522	3,091,457
Plant Operations and Maintenance	6,029,514	5,586,490	5,503,407	5,432,257	5,603,301	5,423,279	5,465,499	6,011,088	5,755,410	5,531,634
Pupil Transportation	3,813,214	3,348,613	2,426,829	3,001,773	3,641,837	4,211,604	4,053,915	4,086,791	4,215,472	3,782,617
Unallocated Employee Benefits	29,218,963	28,629,124	23,738,292	21,802,863	22,100,883	21,143,453	20,027,070	17,590,117	15,775,599	15,561,216
Transfer to Charter School	244,295	291,149	157,453	118,797	219,283	265,233	168,272	139,758	105,349	
Special Schools				5,000	37,743	74,779	84,841	90,554		
Capital Outlay	6,005,934	23,808,779	15,493,760	1,286,197	457,484	974,312	930,095	1,632,904	1,307,643	479,992
Debt Service:										
Principal	781,000	1,285,000	1,290,000	1,265,000	1,230,000	1,210,000	1,210,000	1,100,000	1,050,000	1,010,000
Interest and Other Charges	907,423	1,396,006	51,500	76,800	113,700	137,900	286,527	606,710	533,641	431,030
Total Expenditures	100,283,457	114,930,262	96,491,838	79,957,135	79,957,135	81,687,288	77,752,516	77,053,163	72,823,053	68,756,691
Excess (Deficiency) of Revenues Over (Under) Expenditures	(320,565)	(17,510,947)	(7,146,082)	2,455,180	2,455,180	(1,231,065)	(1,082,158)	(2,853,812)	(1,336,331)	745,533
Other Financing Sources (Uses)										
Capital Leases (Non-budgeted)								650,558		114,746
Bond Proceeds			37,616,000							
Proceeds of Refunding Debt								7,490,000		
Total assets acquired under SBITA's Payment to Refunded Debt Escrow Agent	83,513							(7,560,777)		
Original Issue Premium								185,846		
Transfers In							288,780	249,561	25,205	
Transfers Out				(96,927)	(182,532)	(225,000)	(488,780)	(249,561)	(25,205)	
Total Other Financing Sources (Uses)	83,513	-	37,616,000	(182,532)	(182,532)	(225,000)	(200,000)	765,627	-	114,746.00
Net Change in Fund Balances	\$ (237,051)	\$ (17,510,947)	\$ 30,469,918	\$ 2,272,648	\$ 2,272,648	\$ (1,456,065)	\$ (1,282,158)	\$ (2,088,185)	\$ (1,336,331)	\$ 860,279
Debt Service as a Percentage of Noncapital Expenditures	1.8%	2.9%	1.7%	1.7%	1.7%	1.7%	1.9%	2.3%	2.2%	2.1%

Amounts for the years 2021 through 2023 include the revenues and expenses associated with the implementation of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*.

Source: District Records (Exhibit B-2)

DEPTFORD TOWNSHIP BOARD OF EDUCATION
 General Fund - Other Local Revenue by Source
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
 Unaudited

	Fiscal Year Ended June 30,									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contribution - Spartan Stadium	\$ 100,000	\$ 100,000	\$ 100,000							
Prior Year Purchase Order Adjustments										
Refunds	129,100	22,754	74,036	\$ 15,112	\$ 10,946	\$ 3,693	\$ 48,052	\$ 28,812	\$ 217,249	67,283
Lease Purchase Agreement					126,537					
Miscellaneous	117,536	78,604	85,025	96,534			43,179	74,961	64,297	98,396
Rentals			1,600	7,000	16,000	40,000		836	32,673	33,600
Scrap/Salvage										
Seminar/Class Fees										
Transportation	31,500				7,695	4,093	15,593	7,839	1,118	28,205
Advertising Fees - School Buses										4,829
	<u>\$ 378,136</u>	<u>\$ 201,359</u>	<u>\$ 260,661</u>	<u>\$ 161,178</u>	<u>\$ 161,178</u>	<u>\$ 47,786</u>	<u>\$ 106,824</u>	<u>\$ 112,448</u>	<u>\$ 315,337</u>	<u>\$ 232,313</u>

Source: District Records

Revenue Capacity Information

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

DEPTFORD TOWNSHIP BOARD OF EDUCATION
 Assessed Value and Actual Value of Taxable Property
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ended <u>June 30,</u>	Total <u>Assessed Value</u>	Public <u>Utilities (1)</u>	Net Valuation <u>Taxable</u>	Tax-Exempt <u>Property</u>	Estimated Actual (County Equalized) <u>Value</u>	Total Direct School Tax <u>Rate (2)</u>
2023	\$ 2,846,304,000	\$ 5,333,498	\$ 2,851,637,498	\$ 431,499,600	\$ 3,494,573,383	\$ 1.681
2022	2,843,512,480	5,741,775	2,849,254,255	430,032,100	3,202,704,705	1.650
2021	2,832,312,400	6,035,978	2,838,348,378	419,161,800	3,028,725,192	1.617
2020	2,823,774,200	6,218,076	2,829,992,276	417,812,100	2,891,749,564	1.599
2019	2,810,853,700	6,007,538	2,816,861,238	414,002,300	2,930,270,397	1.575
2018	2,806,888,800	5,925,130	2,812,813,930	411,748,200	2,917,271,266	1.518
2017	2,790,465,100	6,172,001	2,796,637,101	409,490,500	2,793,601,396	1.497
2016	2,791,165,100	6,084,393	2,797,249,493	378,279,900	2,698,165,700	1.467
2015	2,801,276,400	6,098,196	2,807,374,596	372,794,500	2,781,287,814	1.422
2014	2,807,624,500	5,957,884	2,813,582,384	372,528,700	2,769,095,863	1.373

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

(2) Tax Rates are per \$100.00 of Assessed Valuation

Source: Municipal Tax Assessor

DEPTFORD TOWNSHIP BOARD OF EDUCATION

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

(rate per \$100 of assessed value)

Unaudited

Fiscal Year Ended <u>June 30,</u>	District Direct Rate			Overlapping Rates			Total Direct and <u>Tax Rate</u>
	<u>Basic Rate</u>	General Obligation <u>Service</u>	Total Direct School <u>Tax Rate</u>	<u>Special Districts</u>	Township of <u>Deptford</u>	County of <u>Gloucester</u>	
2023	\$ 1.633	\$ 0.048	\$ 1.681	N/A	\$ 0.899	\$ 0.688	\$ 3.268
2022	1.605	0.045	1.650	N/A	0.937	0.677	3.264
2021	1.569	0.048	1.617	N/A	0.917	0.690	3.224
2020	1.551	0.048	1.599	N/A	0.913	0.673	3.185
2019	1.525	0.050	1.575	N/A	0.894	0.669	3.138
2018	1.470	0.048	1.518	N/A	0.883	0.664	3.065
2017	1.449	0.048	1.497	N/A	0.850	0.631	2.978
2016	1.419	0.048	1.467	N/A	0.848	0.599	2.914
2015	1.370	0.052	1.422	N/A	0.805	0.593	2.820
2014	1.323	0.050	1.373	N/A	0.805	0.566	2.744

Source: Municipal Tax Collector

DEPTFORD TOWNSHIP BOARD OF EDUCATION

Principal Property Tax Payers
Current Year and Ten Years Ago
Unaudited

<u>Taxpayer</u>	2023			2014		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
Deptford Mall Associates	\$ 161,620,700	1	5.68%	Not Available		
LBX Deptford TH LLC	36,200,000	2	1.27%	Not Available		
Merion Locust Grove LP	26,317,200	3	0.92%	Not Available		
WRG Deptford LLC & CS Deptford Hold	24,000,000	4	0.84%	Not Available		
Walmart	21,300,000	5	0.75%	Not Available		
WRG Deptford LLC & CS Deptford Hold	20,381,900	6	0.72%	Not Available		
Almonesson Associates - II	18,000,000	7	0.63%	Not Available		
Macys East Inc	17,687,300	8	0.62%	Not Available		
Macerich Deptford Adjacent LLC	17,456,000	9	0.61%	Not Available		
The Inverness Apartments LLC	17,256,200	10	0.61%	Not Available		
Total	\$ 360,219,300		12.66%	-		0.00%

Source: Municipal Tax Assessor

DEPTFORD TOWNSHIP BOARD OF EDUCATION
 Property Tax Levies and Collections
 Last Ten Fiscal Years
 Unaudited

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>School Taxes</u> <u>Levied for the</u> <u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in</u> <u>Subsequent Years</u>
		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>	
2023	\$ 47,028,959	\$ 47,028,959	100.00%	-
2022	45,879,087	45,879,087	100.00%	-
2021	45,247,522	45,247,522	100.00%	-
2020	44,377,651	44,377,651	100.00%	-
2019	42,671,667	42,671,667	100.00%	-
2018	41,856,246	41,856,246	100.00%	-
2017	41,035,906	39,687,220	100.00%	-
2016	38,464,482	38,464,482	100.00%	-
2015	37,188,880	37,188,880	100.00%	-
2014	37,326,922	37,326,922	100.00%	-

(1) 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.

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

Debt Capacity Information

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

DEPTFORD TOWNSHIP BOARD OF EDUCATION
 Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ended <u>June 30,</u>	<u>Governmental Activities</u>			<u>Business-Type Activities</u>		<u>Total District</u>	Percentage of Personal Income (2)	<u>Per Capita (2)</u>
	General Obligation Bonds (1)	Certificates of Participation	Financed Purchases	Bond Anticipation Notes (BANs)	Financed Purchases			
2023	\$ 36,835,000	N/A	\$ 531,486	N/A	N/A	\$ 37,366,486	Unavailable	Unavailable
2022	37,616,000	N/A	859,203	N/A	N/A	38,475,203	Unavailable	1,191.92
2021	38,901,000	N/A	1,269,702	N/A	N/A	40,170,702	1.987%	1,242.83
2020	2,575,000	N/A	1,685,365	N/A	N/A	4,260,365	0.232%	140.04
2019	3,840,000	N/A	93,660	N/A	N/A	3,933,660	0.228%	129.52
2018	5,070,000	N/A	185,800	N/A	N/A	5,255,800	0.316%	172.54
2017	6,280,000	N/A	339,686	N/A	N/A	6,619,686	0.412%	217.32
2016	7,490,000	N/A	650,558	N/A	N/A	8,140,558	0.526%	267.23
2015	8,595,000	N/A	46,449	N/A	N/A	8,641,449	0.571%	283.12
2014	9,645,000	N/A	68,819	N/A	N/A	9,713,819	0.672%	318.43

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

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

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

DEPTFORD TOWNSHIP BOARD OF EDUCATION
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 of Property (1)	Per Capita (2)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2023	\$ 36,835,000	\$ -	\$ 36,835,000	1.29%	Unavailable
2022	37,616,000	-	37,616,000	1.32%	\$ 1,165.30
2021	38,901,000	-	38,901,000	1.37%	1,203.55
2020	2,575,000	-	2,575,000	0.09%	84.64
2019	3,840,000	-	3,840,000	0.14%	126.44
2018	5,070,000	-	5,070,000	0.18%	166.44
2017	6,280,000	-	6,280,000	0.22%	206.17
2016	7,490,000	-	7,490,000	0.27%	245.87
2015	8,595,000	-	8,595,000	0.31%	281.60
2014	9,645,000	-	9,645,000	0.34%	316.18

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

- (1) Net Assessed Valuation provided by Abstract of Ratables, County Board of Taxation
- (2) Per Capita calculation based upon population information provided by the NJ Dept of Labor

DEPTFORD TOWNSHIP BOARD OF EDUCATION
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2022
 Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Township of Deptford	\$ 36,835,000	100.00%	\$ 36,835,000
Deptford Municipal Utility Authority	6,145,284	100.00%	6,145,284
Other debt			
County of Gloucester	226,059,120	10.56%	<u>23,871,843</u>
Subtotal, overlapping debt			66,852,127
Deptford Township School District Direct Debt			<u>36,835,000</u>
Total direct and overlapping debt			<u><u>\$ 103,687,127</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by County of Gloucester
 Debt outstanding provided by applicable 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 Deptford. 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.

(1) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property. 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.

DEPTFORD TOWNSHIP BOARD OF EDUCATION
 Legal Debt Margin Information
 Last Ten Fiscal Years
 Unaudited

Legal Debt Margin Calculation for Fiscal Year 2023

Equalized valuation basis	
2022	\$ 3,480,005,483
2021	3,178,801,796
2020	3,008,175,349
	<u>\$ 9,666,982,628</u>
Average equalized valuation of taxable property	<u>\$ 3,222,327,543</u>
Debt limit (4% of average equalization value) (1)	\$ 128,893,102
Total Net Debt Applicable to Limit	<u>36,835,000</u>
Legal Debt Margin	<u>\$ 92,058,102</u>

	Fiscal Year									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Debt limit	\$ 128,893,102	\$ 121,642,393	\$ 118,009,935	\$ 116,523,883	\$ 115,215,241	\$ 112,120,511	\$ 110,149,466	\$ 77,550,263	\$ 118,167,679	\$ 117,972,580
Total net debt applicable to limit	<u>36,835,000</u>	<u>37,616,000</u>	<u>38,901,000</u>	<u>2,575,000</u>	<u>3,840,000</u>	<u>5,070,000</u>	<u>6,280,000</u>	<u>7,490,000</u>	<u>8,595,000</u>	<u>9,645,000</u>
Legal debt margin	<u>\$ 92,058,102</u>	<u>\$ 84,026,393</u>	<u>\$ 79,108,935</u>	<u>\$ 113,948,883</u>	<u>\$ 111,375,241</u>	<u>\$ 107,050,511</u>	<u>\$ 103,869,466</u>	<u>\$ 70,060,263</u>	<u>\$ 109,572,679</u>	<u>\$ 108,327,580</u>
Total net debt applicable to the limit as a percentage of debt limit	28.58%	30.92%	32.96%	2.21%	3.33%	4.52%	5.70%	9.66%	7.27%	8.18%

Sources:

- (1) Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts
- (2) County Abstract of Ratables
- (3) District Records

Demographic and Economic Information

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

DEPTFORD TOWNSHIP BOARD OF EDUCATION
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year <u>Ended</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2023	Unavailable	Unavailable	Unavailable	4.10%
2022	32,280	Unavailable	Unavailable	6.60%
2021	32,322	2,021,838,066	62,553	10.30%
2020	30,422	1,837,062,892	60,386	4.00%
2019	30,371	1,726,682,463	56,853	4.70%
2018	30,461	1,664,571,806	54,646	5.10%
2017	30,461	1,606,178,069	52,729	5.60%
2016	30,463	1,547,154,844	50,788	5.10%
2015	30,522	1,514,562,684	49,622	6.10%
2014	30,505	1,446,120,030	47,406	6.50%

Source:

- (1) Population information provided by the NJ Dept of Labor and Workforce Development
- (2) Personal income has been estimated based upon the municipal population and per capita personal income presented.
- (3) Per Capita personal income by county is based on Census Bureau midyear population estimates available as of March 2022 (which includes prior year revised amounts).
- (4) Unemployment data provided by the NJ Dept of Labor and Workforce Development

DEPTFORD TOWNSHIP BOARD OF EDUCATION
Principal Employers
Current Year and Ten Years Ago
Unaudited

	<u>2023</u>			<u>2014</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of</u>
Information is not available		1			1	
		2			2	
		3			3	
		4			4	
		5			5	
		6			6	
		7			7	
		8			8	
		9			9	
		10			10	
			0.00%			0.00%

Operating Information

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

DEPTFORD TOWNSHIP BOARD OF EDUCATION
 Full-time Equivalent District Employees by Function/Program
 Last Ten Fiscal Years
 Unaudited

<u>Function/Program</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Instruction										
Regular	316	298	298	296	293	298	318	315	297	375
Special education	104	120	124	115	78	80	109	105	88	93
Other special education	24	21	21	19	19	17	-	-	-	-
Other instruction	24	22	22	22	19	18	-	-	-	-
Support Services:										
Security	5	2	2	1	-	-	-	-	-	-
Student & instruction related services	92	67	68	91	104	95	99	105	90	92
General administrative services	3	3	3	3	3	4	4	3	3	4
School administrative services	56	61	61	57	59	69	32	34	31	30
Business administrative services	6	7	6	6	6	7	7	13	11	18
Plant operations and maintenance	58	57	54	55	54	58	68	72	98	59
Pupil transportation	46	60	61	77	67	55	46	43	61	63
Food Service	3	5	6	11	23	20	21	18	25	33
Total	<u>737</u>	<u>723</u>	<u>726</u>	<u>753</u>	<u>725</u>	<u>721</u>	<u>704</u>	<u>708</u>	<u>704</u>	<u>767</u>

Source: District Personnel Records

DEPTFORD TOWNSHIP BOARD OF EDUCATION
Operating Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year	Enrollment	Operating Expenditures (1)	Cost Per Pupil	Percentage Change	Teaching Staff (2)	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) (3)	Average Daily Attendance (ADA) (3)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2023^	4,057	\$ 92,589,100	\$ 22,822.06	10.48%	378	1:11	1:10	1:11	4,058	3,797	2.27%	93.57%
2022^	4,039	88,440,477	21,896.63	13.56%	375	1:13	1:15	1:13	3,968	3,731	2.29%	94.03%
2021^	3,856	79,656,578	20,657.83	7.14%	379	1:12	1:14	1:12	3,879	3,707	-4.36%	95.57%
2020	4,055	78,185,437	19,281.24	2.09%	376	1:13	1:16	1:13	4,056	3,908	-1.22%	96.35%
2019	4,138	78,155,951	18,887.37	0.93%	377	1:14	1:15	1:14	4,106	3,887	-2.95%	94.67%
2018	4,241	79,365,076	18,713.76	7.65%	378	1:12	1:11	1:11	4,231	4,004	-1.95%	94.63%
2017	4,333	75,325,894	17,384.24	2.26%	381	1:12	1:09	1:09	4,315	4,100	-0.19%	95.02%
2016	4,336	73,713,549	17,000.36	13.66%	524	1:10	1:12	1:09	4,323	4,118	0.32%	95.26%
2015	4,305	64,392,398	14,957.58	9.58%	447	1:10	1:12	1:09	4,309	4,081	-0.83%	94.71%
2014	4,342	59,267,757	13,649.87	-1.84%	448	1:10	1:12	1:09	4,345	4,117	0.31%	94.75%

^ Amounts for the years 2021 through 2023 include the expenses associated with the implementation of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*.

Sources: District records, ASSA and Schedules J-12, J-14

Note: Enrollment based on annual October district count.

- (1) Operating expenditures equal total expenditures less debt service and capital outlay; Schedule B-2
- (2) Teaching staff includes only full-time equivalents of certificated staff.
- (3) Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

DEPTFORD TOWNSHIP BOARD OF EDUCATION
 School Building Information
 Last Ten Fiscal Years
 Unaudited

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District Building										
Elementary										
Central Elementary School (2004)										
Square Feet	71,000	71,000	71,000	71,000	71,000	71,000	71,000	71,000	71,000	71,000
Capacity (students)	552	552	552	552	552	552	552	552	552	552
Enrollment	373	543	496	590	599	634	633	667	592	592
Good Intent Elementary School (1960)										
Square Feet	23,565	23,565	23,565	23,565	23,565	23,565	23,565	23,565	23,565	23,565
Capacity (students)	515	515	515	515	515	515	515	515	515	515
Enrollment	323	316	328	354	347	357	367	359	392	392
Lake Tract Elementary School (1964)										
Square Feet	25,256	25,256	25,256	25,256	25,256	25,256	25,256	25,256	25,256	25,256
Capacity (students)	294	294	294	294	294	294	294	294	294	294
Enrollment	414	409	391	406	500	483	485	512	512	497
New Sharon Elementary School (1924)										
Square Feet	9,282	9,282	9,282	9,282	9,282	9,282	9,282	9,282	9,282	9,282
Capacity (students)	70	70	70	70	70	70	70	70	70	70
Enrollment	-	-	-	-	-	17	12	16	16	22
Oak Valley Elementary School (1959)										
Square Feet	35,238	35,238	35,238	35,238	35,238	35,238	35,238	35,238	35,238	35,238
Capacity (students)	276	276	276	276	276	276	276	276	276	276
Enrollment	368	363	358	361	376	370	378	416	416	375
Pine Acres Elementary School (1964)										
Square Feet	35,540	35,540	35,540	35,540	35,540	35,540	35,540	35,540	35,540	35,540
Capacity (students)	290	290	290	290	290	290	290	290	290	290
Enrollment	173	258	240	260	250	245	237	279	279	276
Shady Lane Elementary School (1957)										
Square Feet	63,015	63,015	63,015	63,015	63,015	63,015	63,015	63,015	63,015	63,015
Capacity (students)	500	500	500	500	500	500	500	500	500	500
Enrollment	388	370	365	404	383	414	439	416	416	546
Middle School										
Monongahela Middle School (1984)										
Square Feet	93,186	93,186	93,186	93,186	93,186	93,186	93,186	93,186	93,186	93,186
Capacity (students)	560	560	560	560	560	560	560	560	560	560
Enrollment	928	658	703	673	586	637	673	614	614	648
High School										
Deptford High School (1974)										
Square Feet	221,992	221,992	221,992	221,992	221,992	221,992	221,992	221,992	221,992	221,992
Capacity (students)	1,468	1,468	1,468	1,468	1,468	1,468	1,468	1,468	1,468	1,468
Enrollment	1,080	1,052	998	1,009	1,064	1,074	1,091	1,037	1,037	985
Other										
Administrative Offices (prior)										
Square Feet	24,988	24,988	24,988	24,988	24,988	24,988	24,988	24,988	24,988	24,988
Administrative Offices (new)										
Square Feet	8,080	-	-	-	-	-	-	-	-	-
Number of Schools at June 30, 2023			Elementary = 6		Middle School = 1		High School = 1		Other = 2	

Source: District records, ASSA

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

DEPTFORD TOWNSHIP BOARD OF EDUCATION
 Schedule of Required Maintenance
 Last Ten Fiscal Years
 Unaudited

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

<u>* School Facilities</u>	<u>Project # (s)</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Deptford High School	N/A	\$ 326,529	\$ 348,265	\$ 361,765	\$ 299,163	\$ 320,524	\$ 255,510	\$ 145,263	\$ 88,499	\$ 91,147	\$ 76,874
Monongahela Middle School	N/A	145,124	154,785	160,785	132,961	142,455	113,560	64,561	36,891	36,951	34,167
Central Elementary School	N/A	99,773	106,414	110,539	91,411	97,938	78,073	68,596	29,513	29,561	32,032
Good Intent Elementary School	N/A	54,422	58,045	60,295	49,861	53,421	42,585	20,175	9,838	9,854	12,813
Lake Tract Elementary School	N/A	45,351	48,370	50,245	41,550	44,517	35,488	20,175	9,838	9,854	10,677
New Sharon Elementary School	N/A		9,673	10,049	8,310	8,903	7,096	4,035	4,919	4,927	2,135
Pine Acres Elementary School	N/A	54,422	58,045	60,294	49,859	53,420	42,585	24,210	14,757	14,781	12,813
Oak Valley Elementary School	N/A	54,422	58,045	60,294	49,859	53,420	42,585	24,210	14,757	14,781	12,813
Shady Lane Elementary School	N/A	81,632	87,066	90,441	74,791	80,131	63,878	32,281	24,594	24,634	19,219
District Wide	N/A	45,351	38,696	40,196	33,241	35,614	28,390		9,838	9,854	
Total School Facilities		\$ 907,026	\$ 967,404	\$ 1,004,903	\$ 831,006	\$ 890,343	\$ 709,750	\$ 403,506	\$ 243,444	\$ 246,344	\$ 213,543

* 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

DEPTFORD TOWNSHIP BOARD OF EDUCATION
 Insurance Schedule
 June 30, 2023
Unaudited

Company	Type of Coverage	Coverage	Deductible
Gloucester Cumberland Salem School Districts Joint Insurance Fund	Property, Inland Marine and Automobiles Physical Damage		
	Limit of Liability	\$175,000,000	
	GCSSD JIF Self Insured Retention	\$250,000	
	Member District Deductible		\$500
	Property Valuation		
	Buildings and Contents	Replacement Cost	
	Contractors Equipment	Actual Cash Value	
	Automobiles	Replacement Cost	
	Boiler and Machinery		
	Limit of Liability	\$125,000,000	
	GCSSD JIF Self Insured Retention	None	
	Member District Deductible		\$1,000
	Crime		
	Limit of Liability	\$500,000	
	GCSSD JIF Self Insured Retention	\$250,000	
	Member District Deductible		\$500
	General and Automobile Liability		
	Limit of Liability	\$20,000,000	
	GCSSD JIF Self Insured Retention	\$250,000	
	Member District Deductible		None
	Worker's Compensation		
	Limit of Liability	Statutory	
	GCSSD JIF Self Insured Retention	\$250,000	
Member District Deductible		None	
Employer's Legal Liability			
Limit of Liability	\$10,000,000		
GCSSD JIF Self Insured Retention	None		
Member District Deductible		None	
Educator's Legal Liability			
Limit of Liability	\$20,000,000		
GCSSD JIF Self Insured Retention	\$250,000		
Member District Deductible		None	
Commercial Pollution & Mold Legal Liability			
Limit of Liability	\$3,000,000		
GCSSD JIF Self Insured Retention	None		
Member District Deductible		\$25,000	
Member District Deductible (Mold Specific)		\$250,000	
Cyber Legal Liability			
Limit of Liability	\$2,000,000		
GCSSD JIF Self Insured Retention Tier-1	None		
Member District Deductible - Tier 1		\$50,000 / 25%	
Member District Deductible - Tier 2		\$100,000 / 25%	
Crisis Protection & Disaster Management			
Limit of Liability	\$1,000,000		
GCSSD JIF Self Insured Retention	None		
Member District Deductible		\$10,000	
Selective Insurance Company	Surety Bond		
	School Board Secretary & Treasurer	\$718,000	

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 AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Deptford School District
County of Gloucester

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and each major fund of the Township of Deptford School District, in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated March 8, 2024. Our report on the financial statements included an emphasis of matter paragraph describing the adoption of a new accounting principle.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying *Schedule of Findings and Questioned Costs* and *Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance*, as finding number 2023-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Deptford School 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and which are described in the accompanying *Schedule of Findings and Questioned Costs* and *Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* as finding numbers 2023-001 and 2023-002.

The Township of Deptford School District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the School District's response to the findings identified in our audit and described in the accompanying *Schedule of Findings and Questioned Costs*. The School District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Michael P. Cragin, Jr.
Certified Public Accountant
Public School Accountant No. 20CS00255100

Voorhees, New Jersey
March 8, 2024

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND
STATE OF NEW JERSEY CIRCULAR 15-08-OMB**

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Deptford School District
County of Gloucester

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

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

In our opinion, the Township of Deptford School District's, in the County of Gloucester, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2023.

Basis for Opinion on Each Major Federal and State Program

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

We are required to be independent of the School 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 School 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 School District's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School 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 School 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 State of New Jersey Circular 15-08-OMB, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and New Jersey Circular 15-08-OMB and which are described in the accompanying *Schedule of Findings and Questioned Costs* and *Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* as finding numbers 2023-003, 2023-004, 2023-005 and 2023-006. Our opinion on each major federal and state program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the Township of Deptford School District's response to the noncompliance findings identified in our audit described in the accompanying *Schedule of Findings and Questioned Costs*. The School District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying *Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* as finding number 2023-003, to be a significant deficiency.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the Township of Deptford School District's response to the internal control over compliance findings identified in our audit described in the accompanying *Schedule of Findings and Questioned Costs*. The School District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Michael P. Cragin, Jr.
Certified Public Accountant
Public School Accountant No. 20CS00255100

Voorhees, New Jersey
March 8, 2024

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards - Schedule A
 For the Fiscal Year Ended June 30, 2023

<u>Federal Grantor / Pass-through Grantor / Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Additional Award Identification</u>	<u>Federal FAIN Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Award Amount</u>	<u>Grant Period</u> <u>From</u> <u>To</u>	
General Fund:							
U.S. Department of Health and Human Services:							
Passed-through the State Department of Education:							
Medicaid Cluster							
Medical Assistance Program (SEMI)	93.778	N/A	2005NJ5MAP	N/A	\$ 127,996.27	7-1-22	6-30-23
Families First Coronavirus Response Act	93.778	COVID-19	2005NJ5MAP	N/A	10,120.03	1-1-21	12-31-21
Total Medical Assistance Program (Medicaid) Cluster							
Special Revenue Fund:							
U.S. Department of Education:							
Passed-through State Department of Education:							
E.S.S.A.:							
Title I Grants to Local Educational Agencies	84.010	N/A	S010A220030	NCLB552022	702,386.00	7-1-21	9-30-22
Title I Grants to Local Educational Agencies	84.010	N/A	S010A230030	NCLB552023	791,263.00	7-1-22	9-30-23
Total Title I Grants to Local Educational Agencies							
Supporting Effective Instruction State Grants (Title II)	84.367	N/A	S367A220029	NCLB552022	53,415.00	7-1-21	9-30-22
Supporting Effective Instruction State Grants (Title II)	84.367	N/A	S367A230029	NCLB552023	113,718.00	7-1-22	9-30-23
Total Supporting Effective Instruction State Grants (Title II)							
English Language Acquisition Grants (Title III)	84.365	N/A	S365A220030	NCLB552022	8,282.00	7-1-21	9-30-22
English Language Acquisition Grants (Title III)	84.365	N/A	S365A230030	NCLB552023	8,282.00	7-1-22	9-30-23
Total English Language Acquisition Grants							
Student Support and Academic Enrichment Grants (Title IV)	84.358	N/A	S424A220031	NCLB552022	33,603.00	7-1-21	9-30-22
Student Support and Academic Enrichment Grants (Title IV)	84.358	N/A	S424A230031	NCLB552023	55,158.00	7-1-22	9-30-23
Total Student Support and Academic Enrichment Grants							
Individuals with Disabilities Education Act (I.D.E.A.):							
Special Education Cluster (I.D.E.A.)							
Special Education - Grants to States - Part B	84.027	N/A	H027A170100	IDEA540022	1,328,015.00	7-1-21	9-30-22
Special Education - Grants to States - Part B	84.027	N/A	H027A170100	IDEA540023	1,285,807.00	7-1-22	9-30-23
ARP - Special Education - Grants to States - Part B	84.027	84.027X, COVID-19	H027X210100	N/A	191,798.00	7-1-21	9-30-22
Total Special Education - Grants to States (I.D.E.A., Part B)							
Special Education - Preschool Grants (I.D.E.A. Preschool)	84.173	N/A	H173A170114	IDEA540023	40,423.00	7-1-22	9-30-23
Total I.D.E.A. Special Education Cluster							
Economic Security Act - Elementary & Secondary Emergency Relief:							
ESSER II	84.425	84.425D, COVID-19	S425D210027	N/A	1,629,678.00	3-13-20	9-30-23
Learning Acceleration - ESSER II	84.425	84.425D, COVID-19	S425D210027	N/A	104,585.00	3-13-20	9-30-23
Mental Health - ESSER II	84.425	84.425D, COVID-19	S425D210027	N/A	45,000.00	3-13-20	9-30-23
Total Economic Security Act - Elementary & Secondary Emergency Relief:							
American Rescue Plan Elementary and Secondary School Emergency							
ARP- ESSER III	84.425	84.425D, COVID-19	S425U210027	N/A	3,662,596.00	3-13-20	9-30-24
ARP Learning Acceleration - ESSER III	84.425	84.425D, COVID-19	S425U210027	N/A	361,660.00	3-13-20	9-30-24
ARP Summer Learning - ESSER III	84.425	84.425D, COVID-19	S425U210027	N/A	40,000.00	3-13-20	9-30-24
ARP Beyond the School Day - ESSER III	84.425	84.425D, COVID-19	S425U210027	N/A	40,000.00	3-13-20	9-30-24
ARP Mental Health - ESSER III	84.425	84.425D, COVID-19	S425U210027	N/A	45,000.00	3-13-20	9-30-24
ARP Mental Health - ESSER III	84.425	84.425W, COVID-19	S425U210027	N/A	43,199.00	3-13-20	9-30-24
Total American Rescue Plan Elementary and Secondary School Emergency							
Carl D. Perkins - Secondary	84.048	N/A	V048A170030	PERK552022	\$ 14,657.00	7-1-22	6-30-23
U.S. Department of Treasury:							
Passed-through the State Department of Education:							
Coronavirus State and Local Fiscal Recovery Funds:							
Additional or Compensatory Special Education & Related Services	21.019	COVID-19	S425D200027	N/A	298,421.00	7-1-21	6-30-22
Total Special Revenue Fund							

(Continued)

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards - Schedule A
 For the Fiscal Year Ended June 30, 2023

<u>Balance June 30, 2022</u>		<u>Budgetary Expenditures</u>						<u>Balance June 30, 2023</u>		
<u>Unearned Revenue (Accounts Receivable)</u>	<u>Due to Grantor</u>	<u>Cash Received</u>	<u>Adjustments</u>	<u>Pass-Through Funds</u>	<u>Direct Funds</u>	<u>Total Budgetary Expenditures</u>	<u>Passed-Through to Subrecipients</u>	<u>Accounts Receivable</u>	<u>Unearned Revenue</u>	<u>Due to Grantor</u>
		\$ 127,996.27		\$ 127,996.27		\$ 127,996.27				
		10,120.03		10,120.03		10,120.03				
\$ -	\$ -	138,116.30	-	138,116.30	\$ -	138,116.30	\$ -	\$ -	\$ -	\$ -
(27,234.00)		27,234.00		510,973.00		510,973.00		(562,753.00)	280,290.00	
(27,234.00)	-	255,744.00	-	510,973.00	-	510,973.00	-	(562,753.00)	280,290.00	-
(195.00)		195.00		26,205.00		26,205.00		(104,582.00)	87,513.00	
(195.00)	-	9,331.00	-	26,205.00	-	26,205.00	-	(104,582.00)	87,513.00	-
(219.00)		219.00		9,310.00		9,310.00		(18,795.00)	16,596.00	
(219.00)	-	7,111.00	-	9,310.00	-	9,310.00	-	(18,795.00)	16,596.00	-
(1,861.00)		1,861.00		46,558.00		46,558.00		(35,874.00)	8,600.00	
(1,861.00)	-	19,284.00	-	46,558.00	-	46,558.00	-	(35,874.00)	8,600.00	-
(1,861.00)	-	21,145.00	-	46,558.00	-	46,558.00	-	(35,874.00)	8,600.00	-
(70,806.00)		70,806.00		1,285,807.00		1,285,807.00		(707,562.00)		
(45,866.00)		578,245.00		1,285,807.00		1,285,807.00		(707,562.00)		
(45,866.00)		45,866.00		1,285,807.00		1,285,807.00		(707,562.00)		
(116,672.00)	-	694,917.00	-	1,285,807.00	-	1,285,807.00	-	(707,562.00)	-	-
-	-	-	-	40,423.00	-	40,423.00	-	(40,423.00)	-	-
(116,672.00)	-	694,917.00	-	1,326,230.00	-	1,326,230.00	-	(747,985.00)	-	-
(1,508,961.00)		1,508,961.00		20,294.00		20,294.00		(20,294.00)		
(343.00)		343.00		20,294.00		20,294.00		(20,294.00)		
(1,509,304.00)	-	1,509,304.00	-	20,294.00	-	20,294.00	-	(20,294.00)	-	-
(2,967,496.00)		3,034,872.00		318,856.93		318,856.93		(627,727.00)	376,246.07	
(2,967,496.00)		3,034,872.00		318,856.93		318,856.93		(361,660.00)	361,660.00	
(2,967,496.00)		3,034,872.00		318,856.93		318,856.93		(40,000.00)	40,000.00	
(2,967,496.00)		3,034,872.00		318,856.93		318,856.93		(40,000.00)	40,000.00	
(2,967,496.00)		3,034,872.00		318,856.93		318,856.93		(45,000.00)	45,000.00	
(2,967,496.00)		43,199.00		318,856.93		318,856.93		(45,000.00)	43,199.00	
(2,967,496.00)	-	3,078,071.00	-	318,856.93	-	318,856.93	-	(1,114,387.00)	906,105.07	-
-	-	-	-	14,657.00	-	14,657.00	-	(14,657.00)	-	-
-	-	-	-	58,482.00	-	58,482.00	-	(58,482.00)	-	-
(4,622,981.00)	-	5,575,842.00	-	2,331,565.93	-	2,331,565.93	-	(2,677,809.00)	1,299,104.07	-

(Continued)

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards - Schedule A
 For the Fiscal Year Ended June 30, 2023

<u>Federal Grantor / Pass-through Grantor / Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Additional Award Identification</u>	<u>Federal FAIN Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Award Amount</u>	<u>Grant Period</u> <u>From</u> <u>To</u>	
Enterprise Fund:							
U.S. Department of Agriculture:							
Passed-through State Department of Education:							
Child Nutrition Cluster:							
National School Lunch Program	10.555	N/A	221NJ304N1099	N/A	\$ 1,621,203.59	7-1-21	6-30-22
National School Lunch Program	10.555	N/A	231NJ304N1099	N/A	710,304.65	7-1-22	6-30-23
National School Lunch Program - Commodities (Noncash)	10.555	N/A	231NJ304N1099	N/A	239,639.56	7-1-22	6-30-23
Supply Chain Assistance	10.555	N/A	231NJ304N1099	N/A	189,623.65	7-1-22	6-30-23
After School Snacks	10.555	N/A	221NJ304N1099	N/A	20,329.00	7-1-21	6-30-22
After School Snacks	10.555	N/A	231NJ304N1099	N/A	6,299.91	7-1-22	6-30-23
Total National School Lunch Program							
School Breakfast Program	10.553	N/A	221NJ304N1099	N/A	607,722.84	7-1-21	6-30-22
School Breakfast Program	10.553	N/A	231NJ304N1099	N/A	195,040.09	7-1-22	6-30-23
Total School Breakfast Program							
Total Child Nutrition Cluster							
U.S. Department of Education:							
Passed-through State Department of Human Services							
American Rescue Plan Elementary and Secondary School Emergency							
ARP - Child Care Stabilization Grant	84.425	84.425, COVID-19	N/A	N/A	495,000.00	9-1-21	12-31-23
Total Enterprise Fund							
Total Federal Financial Assistance							

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards - Schedule A
 For the Fiscal Year Ended June 30, 2023

<u>Balance June 30, 2022</u>		<u>Budgetary Expenditures</u>						<u>Balance June 30, 2023</u>		
<u>Unearned Revenue (Accounts Receivable)</u>	<u>Due to Grantor</u>	<u>Cash Received</u>	<u>Adjustments</u>	<u>Pass-Through Funds</u>	<u>Direct Funds</u>	<u>Total Budgetary Expenditures</u>	<u>Passed-Through to Subrecipients</u>	<u>Accounts Receivable</u>	<u>Unearned Revenue</u>	<u>Due to Grantor</u>
\$ (326,706.94)		\$ 326,706.94		\$ 717,174.17		\$ 717,174.17		\$ (44,798.28)		\$ 15,095.04
		687,470.93		239,639.56		239,639.56				
		239,639.56		189,623.65		189,623.65				
(3,303.00)		189,623.65								
		3,303.00								
		5,967.90		6,299.91		6,299.91		(332.01)		
(330,009.94)	\$ -	1,452,711.98	\$ -	1,152,737.29	\$ -	1,152,737.29	\$ -	(45,130.29)	\$ -	15,095.04
(118,233.14)		118,233.14		192,599.13		192,599.13		(14,175.06)		2,440.96
		180,865.03								
(118,233.14)	-	299,098.17	-	192,599.13	-	192,599.13	-	(14,175.06)	-	2,440.96
(448,243.08)	-	1,751,810.15	-	1,345,336.42	-	1,345,336.42	-	(59,305.35)	-	17,536.00
220,000.00	-	275,000.00	-	245,246.95	-	245,246.95	-	-	249,753.05	-
(228,243.08)	-	2,026,810.15	-	1,590,583.37	-	1,590,583.37	-	(59,305.35)	249,753.05	17,536.00
\$ (4,851,224.08)	\$ -	\$ 7,740,768.45	\$ -	\$ 4,060,265.60	\$ -	\$ 4,060,265.60	\$ -	\$ (2,737,114.35)	\$ 1,548,857.12	\$ 17,536.00

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance - Schedule B
 For the Fiscal Year Ended June 30, 2023

<u>State Grantor/ Program Title</u>	<u>State Project Number</u>	<u>Program or Award Amount</u>	<u>Matching</u>	<u>Grant Period</u>		<u>Balance June 30, 2022</u>	
				<u>From</u>	<u>To</u>	<u>Unearned Revenue/ (Accounts Receivable)</u>	<u>Due to Grantor</u>
General Fund:							
State Department of Education:							
State Aid - Public:							
Equalization Aid	22-495-034-5120-068	21,731,033.00	N/A	7-1-21	6-30-22	\$ (1,986,545.02)	
Equalization Aid	23-495-034-5120-068	21,731,033.00	N/A	7-1-22	6-30-23		
School Choice	22-495-034-5120-068	88,643.00	N/A	7-1-21	6-30-22	(13,858.60)	
School Choice	23-495-034-5120-068	88,643.00	N/A	7-1-22	6-30-23		
Special Education Categorical Aid	22-495-034-5120-089	3,003,933.00	N/A	7-1-21	6-30-22	(216,890.37)	
Special Education Categorical Aid	22-495-034-5120-089	3,003,933.00	N/A	7-1-22	6-30-23		
Security Aid	22-495-034-5120-084	483,815.00	N/A	7-1-21	6-30-22	(45,074.99)	
Security Aid	23-495-034-5120-084	483,815.00	N/A	7-1-22	6-30-23		
Total State Aid - Public						(2,262,368.98)	\$ -
Transportation Aid:							
Categorical Transportation Aid	22-495-034-5120-014	1,711,578.00	N/A	7-1-21	6-30-22	(159,460.47)	
Categorical Transportation Aid	23-495-034-5120-014	1,711,578.00	N/A	7-1-22	6-30-23		
Additional Nonpublic School Transportation Aid	22-495-034-5120-014	49,318.00	N/A	7-1-21	6-30-22	(44,221.00)	
Additional Nonpublic School Transportation Aid	23-495-034-5120-014	72,323.00	N/A	7-1-22	6-30-23		
Total Transportation Aid						(203,681.47)	-
Extraordinary Aid							
Extraordinary Aid	22-495-034-5120-044	966,200.00	N/A	7-1-22	6-30-23		
Extraordinary Aid	22-495-034-5120-044	910,571.00	N/A	7-1-21	6-30-22	(910,571.00)	
Total Extraordinary Aid						(910,571.00)	-
T.P.A.F. Social Security Aid							
T.P.A.F. Social Security Aid	23-495-034-5094-003	2,393,701.50	N/A	7-1-22	6-30-23		
T.P.A.F. Social Security Aid	22-495-034-5094-003	2,277,301.61	N/A	7-1-21	6-30-22	111,462.43	
Total T.P.A.F. Social Security Aid						111,462.43	-
On-behalf T.P.A.F. Pension Contributions							
Post Retirement Medical	23-495-034-5094-001	2,654,586.00	N/A	7-1-22	6-30-23		
Normal Cost	23-495-034-5094-002	11,203,776.00	N/A	7-1-22	6-30-23		
Non-contributory Insurance	23-495-034-5094-004	158,070.00	N/A	7-1-22	6-30-23		
Long-Term Disability Insurance	23-495-034-5094-004	3,454.00	N/A	7-1-22	6-30-23		
Total On-Behalf TPAF Pension Contributions						-	-
Total General Fund						(3,265,159.02)	-
Special Revenue Fund:							
State Department of Education:							
Preschool Education Aid	23-495-034-5120-086	3,134,134.00	N/A	7-1-22	6-30-23		
Preschool Education Aid	22-495-034-5120-086	451,320.00	N/A	7-1-21	6-30-22	(38,647.00)	
Total Preschool Education Aid						(38,647.00)	-
IDEAL Grant	Not Available	41,566.00	N/A	7-1-08	6-30-09	48,883.00	-
Include Grant	Not Available	226,000.00	N/A	7-1-08	6-30-09	32,288.00	-
Include Grant	Not Available	240,000.00	N/A	7-1-09	6-30-10	3,239.00	-
Total Include Grant						35,527.00	-
Crossing Guard Arm	Not Available	600.00	N/A	7-1-08	6-30-09	600.00	-
Emergent Needs and Capital Maintenance	Not Available	94,736.00	N/A	7-1-21	open	94,736.00	-
NJ Center for Teacher/Learn Math	Not Available	25,000.00	N/A	7-1-08	6-30-09	5,447.00	-
NJ Center for Teacher/Learn Math	Not Available	25,000.00	N/A	7-1-09	6-30-10	27.00	-
Total NJ Center for Teacher/Learn Math						5,474.00	-
Total Special Revenue Fund						146,573.00	-

(Continued)

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance - Schedule B
 For the Fiscal Year Ended June 30, 2023

Cash Received	Budgetary Expenditures	Passed-Through to Subrecipients	Repayment of Prior Years' Balances	Balance June 30, 2023			Memo	
				Accounts Receivable	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2023	Cumulative Total Expenditures
\$ 1,986,545.02								\$ 21,731,033.00
19,667,754.48	\$ 21,731,033.00			\$ (2,063,278.52)			\$ (2,063,278.52)	21,731,033.00
13,858.60								88,643.00
80,226.69	88,643.00			(8,416.31)			(8,416.31)	88,643.00
216,890.37								3,003,933.00
2,718,721.04	3,003,933.00			(285,211.96)			(285,211.96)	3,003,933.00
45,074.99								483,815.00
437,878.62	483,815.00			(45,936.38)			(45,936.38)	483,815.00
25,166,949.81	25,307,424.00	\$ -	\$ -	(2,402,843.17)	\$ -	\$ -	(2,402,843.17)	50,614,848.00
159,460.47								1,711,578.00
1,549,070.21	1,711,578.00			(162,507.79)			(162,507.79)	1,711,578.00
44,221.00								49,318.00
	72,323.00			(72,323.00)				72,323.00
1,752,751.68	1,783,901.00	-	-	(234,830.79)	-	-	(162,507.79)	3,544,797.00
	966,200.00			(966,200.00)				966,200.00
910,571.00				-				910,571.00
910,571.00	966,200.00	-	-	(966,200.00)	-	-	-	1,876,771.00
2,275,061.68	2,393,701.50			(118,639.82)				2,393,701.50
(111,462.43)				-				2,277,301.61
2,163,599.25	2,393,701.50	-	-	(118,639.82)	-	-	-	4,671,003.11
2,949,316.00	2,949,316.00							2,654,586.00
11,073,406.00	11,073,406.00							11,203,776.00
153,631.00	153,631.00							158,070.00
3,631.00	3,631.00							3,454.00
14,179,984.00	14,179,984.00	-	-	-	-	-	-	14,019,886.00
44,173,855.74	44,631,210.50	-	-	(3,722,513.78)	-	-	(2,565,350.96)	74,727,305.11
2,843,044.89	2,269,216.31			(297,574.04)	871,402.62		(297,574.04)	2,269,216.31
38,647.00								451,320.00
2,881,691.89	2,269,216.31	-	-	(297,574.04)	871,402.62	-	(297,574.04)	2,720,536.31
-	-	-	-	-	48,883.00	-	-	-
					32,288.00			
					3,239.00			
-	-	-	-	-	35,527.00	-	-	-
-	-	-	-	-	600.00	-	-	-
94,193.00	-	-	-	-	188,929.00	-	-	-
					5,447.00			
					27.00			
-	-	-	-	-	5,474.00	-	-	-
2,975,884.89	2,269,216.31	-	-	(297,574.04)	1,150,815.62	-	(297,574.04)	2,720,536.31

(Continued)

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance - Schedule B
 For the Fiscal Year Ended June 30, 2023

<u>State Grantor/ Program Title</u>	<u>State Project Number</u>	<u>Program or Award Amount</u>	<u>Matching</u>	<u>Grant Period</u>		<u>Balance June 30, 2022</u>	
				<u>From</u>	<u>To</u>	<u>Unearned Revenue/ (Accounts Receivable)</u>	<u>Due to Grantor</u>
Debt Service Fund							
State Department of Education:							
Debt Service Aid	23-495-034-5120-075	\$ 339,288.00	N/A	7-1-22	6-30-23	\$ -	\$ -
Enterprise Fund:							
State School Lunch Aid	23-100-010-3350-023	3,853.50	N/A	7-1-22	6-30-23		
State School Lunch Aid	23-100-010-3350-023	38,068.19	N/A	7-1-22	6-30-23		
State School Lunch Aid	22-100-010-3350-023	38,068.19	N/A	7-1-21	6-30-22	7,518.74	
Total Enterprise Fund						7,518.74	-
Total State Financial Assistance						\$ (3,111,067.28)	\$ -
Less: State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:							
General Fund (Non-Cash Assistance):							
New Jersey Department of Education:							
On-behalf T.P.A.F. Pension Contributions							
Post Retirement Medical	23-495-034-5094-001	2,949,316.00	N/A	7-1-22	6-30-23		
Normal Cost	23-495-034-5094-002	11,073,406.00	N/A	7-1-22	6-30-23		
Non-contributory Insurance	23-495-034-5094-004	153,631.00	N/A	7-1-22	6-30-23		
Long-Term Disability Insurance	23-495-034-5094-004	3,631.00	N/A	7-1-22	6-30-23		
Total General Fund (Non-Cash Assistance)							
Total State Financial Assistance subject to Major Program Determination for State Single Audit							

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

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance - Schedule B
 For the Fiscal Year Ended June 30, 2023

Cash Received	Budgetary Expenditures	Passed- Through to Subrecipients	Repayment of Prior Years' Balances	Balance June 30, 2023			Memo	
				Accounts Receivable	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2023	Cumulative Total Expenditures
\$ 339,288.00	\$ 339,288.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	339,288.00
	3,558.00			(295.50)				3,853.50
	27,799.57			(1,808.91)				38,068.19
	7,518.74							38,068.19
	38,876.31	-	-	(2,104.41)	-	-	-	79,989.88
<u>\$ 47,188,616.94</u>	47,273,176.79	\$ -	\$ -	\$ (4,022,192.23)	\$ 1,150,815.62	\$ -	\$ (2,862,925.00)	<u>\$ 77,527,831.30</u>

2,949,316.00
 11,073,406.00
 153,631.00
3,631.00

14,179,984.00

\$ 33,093,192.79

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2023

Note 1: BASIS OF PRESENTATION

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Note 3: INDIRECT COST RATE

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

Note 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

**Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance (Cont'd)**

Note 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(111,161.96) for the general fund and \$1,773,476.97 for the special revenue fund. See exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

The revenues reported on a GAAP basis from the basic financial statements with a reconciliation to the reported amounts on the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 138,116.30	\$ 44,520,048.54	\$ 44,658,164.84
Special Revenue	3,623,524.59	2,750,734.69	6,374,259.28
Debt Service		339,288.00	339,288.00
Child-care Program	245,246.95		
Food Service	1,345,336.42	33,461.98	1,378,798.40
	<hr/>	<hr/>	<hr/>
GAAP Basis Revenues	5,352,224.26	47,643,533.21	52,750,510.52
GAAP Adjustments:			
State Aid Payments		363,604.00	363,604.00
Change in carryover of Preschool			
Carryover Funds		(864,917.62)	(864,917.62)
Encumbrances	(1,291,958.66)	130,957.20	(1,161,001.46)
	<hr/>	<hr/>	<hr/>
	(1,291,958.66)	(370,356.42)	(1,662,315.08)
	<hr/>	<hr/>	<hr/>
Total Awards and Financial Assistance Expended	\$ 4,060,265.60	\$ 47,273,176.79	\$ 51,088,195.44

Note 5: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note 6: REIMBURSED AND ON-BEHALF PAYMENTS

During the fiscal year ended June 30, 2023, the School District was the recipient of federal and state assistance that represented either a reimbursement to the School District or payments made on-behalf of the School District. Revenues and expenditures reported under the federal food distribution program represent the current year value received and the current year distribution, respectively, of American-grown United States Department of Agriculture foods utilized in the School District's food service program. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year. Lastly, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance related to TPAF members.

Note 7: MAJOR PROGRAMS

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

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended June 30, 2023

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes x no

Significant deficiency(ies) identified? x yes none reported

Noncompliance material to financial statements noted? x yes no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes x no

Significant deficiency(ies) identified? x yes none reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)? x yes no

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
		Child Nutrition Cluster
10.555	231NJ304N1199	National School Lunch Program
10.555	231NJ304N1199	National School Lunch Program - Commodities (Noncash)
10.555	231NJ304N1199	After School Snack
10.553	231NJ304N1199	School Breakfast Program
10.555	231NJ304N1199	Supply Chain Assistance Program

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

Auditee qualified as low-risk auditee? x yes no

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section 1- Summary of Auditor's Results (Cont'd)

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? yes no

Significant deficiency(ies) identified? yes none reported

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

Any audit findings disclosed that are required to be reported in accordance with New Jersey Circular 15-08-OMB? yes no

Identification of major programs:

GMIS Number(s)

Name of State Program

GMIS Number(s)	Name of State Program
	State Aid - Public:
495-034-5120-078	Equalization Aid
495-034-5120-068	School Choice
495-034-5120-084	Security Aid
495-034-5120-089	Special Education Aid
495-034-5120-075	Debt Service Aid

Dollar threshold used to distinguish between type A and type B programs: \$ 992,796

Auditee qualified as low-risk auditee? yes no

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section 2- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements related to financial statements for which *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, requires.

Finding No. 2023-001

Criteria or Specific Requirement

Per the School District Audit Program, school districts are required to have an accurate list of purchase orders for which the goods have been received or the services have been rendered at June 30th, but that have not been paid.

Condition

During our audit, we noted that the internal controls over recording and monitoring of the purchase order / accounts payable accounting system were insufficient to provide an accurate list of purchase orders as of June 30, 2023.

Context

During our testing of recorded liabilities, we noted that the list of invoices that were recorded as accounts payable was not accurate.

Effect or Potential Effect

Not properly monitoring the budget charging process of purchase orders could result in over-expenditures or incorrect reporting of financial statements.

Cause

There was a breakdown in internal controls over proper reporting of the accounts payable classification.

Identification as a Repeat Finding

The condition did not exist in the immediately preceding fiscal year.

Recommendation

That the School District improve their internal controls over recording and monitoring of the purchase order / accounts payable accounting system to ensure that the School District is in compliance with School District Audit Program.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section 2- Schedule of Financial Statement Findings (Cont'd)

Finding No. 2023-002

Criteria or Specific Requirement

The Appendix to 2 CFR Part 225 requires an employee whose salary and wages are supported, in whole or in part, with Federal Funds to document his/her time spent working on Federal programs in order to ensure that charges to each Federal program reflect an accurate account of the employee's time and effort devoted to that program. There are two allowable types of documentation: semiannual certifications and personnel activity reports.

Condition

The School District failed to maintain proper time and activity reports for employees charged to the Title I grant.

Questioned Costs

N/A - None

Context

During our testing of the Title I program, we noted that various employee salaries were split between Federal programs without maintaining proper personnel activity reports, at least monthly. While some documentation was maintained, the reports were not signed by the employee and were not prepared at least monthly, as required.

Effect or Potential Effect

The District did not comply with federal grant requirements and there is a risk the District could face penalties if selected for any type of monitoring by the State.

Cause

A breakdown in internal controls over ensuring proper time records are being maintained.

Identification as a Repeat Finding

This finding existed in the prior year as finding number 2022-001.

Recommendation

That the District maintain an effective system of internal control over Federal programs as required by the Appendix to 2 CFR Part 225, requiring proper time records for Federal supported salaries,

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended June 30, 2023

Section 3- Schedule of Federal Award Findings and Questioned Costs

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

Finding No. 2023-003

Information on the Federal Program

Child Nutrition Cluster

National School Lunch Program

School Breakfast Program

Federal Assistance Listing No. 10.555

Federal Assistance Listing No. 10.553

Criteria or Specific Requirement

The Office of Management and Budget's Matrix of Compliance Requirements identifies requirements addressed in the Compliance Supplement. One area addressed is special tests. Special tests must be properly completed with supporting documentation.

Condition

The documentation related to the School District's verification report was not available for audit.

Questioned Costs

N/A - None

Context

Although the School District filed their verification report, we were unable to perform procedures to ensure that the verification was done properly.

Effect or Potential Effect

The School District was not able to provide supporting documentation for the verification procedures they performed.

Cause

There was a change in management at the School District and the documentation could not be located.

Identification as a Repeat Finding

The condition did not exist in the immediately preceding fiscal year.

Recommendation

That the School District ensure that proper supporting documentation of income verification, as required by the Child Nutrition Cluster, is maintained.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended June 30, 2023

Section 3- Schedule of Federal Award Findings and Questioned Costs (Cont'd)

Finding No. 2023-004

Information on the Federal Program

Child Nutrition Cluster

National School Lunch Program

School Breakfast Program

Federal Assistance Listing No. 10.555

Federal Assistance Listing No. 10.553

Criteria or Specific Requirement

The Office of Management and Budget's Matrix of Compliance Requirements identifies requirements addressed in the Compliance Supplement. One area addressed is reporting. Reporting must be properly completed with supporting documentation.

Condition

In several instances the food service daily meal count report did not agree with the School District's edit check worksheets that detail the number of meals served and provides the number of meals used to determine the amount of Federal reimbursement.

Questioned Costs

Known and likely questioned costs did not exceed \$25,000.

Context

During our testing of meals reported, we noted 25 instances where the number of meals served did not agree to the monthly edit check worksheets.

Effect or Potential Effect

The School District did not request reimbursement for the correct number of meals served and, as a result, did not receive the proper amount of Federal reimbursement.

Cause

There was a breakdown in internal controls over ensuring proper reporting.

Identification as a Repeat Finding

The condition did not exist in the immediately preceding fiscal year.

Recommendation

That the School District's food service daily meal count reports agree with the edit check worksheets in an effort to request the appropriate amount of Federal reimbursement.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended June 30, 2023

Section 3- Schedule of Federal Award Findings and Questioned Costs (Cont'd)

Finding No. 2023-005

Information on the Federal Program

Child Nutrition Cluster

National School Lunch Program

School Breakfast Program

Federal Assistance Listing No. 10.555

Federal Assistance Listing No. 10.553

Criteria or Specific Requirement

The National School Lunch Program requirement per 7CFR § 210.9b states "School Food Authorities shall limit its net cash resources to an amount that does not exceed 3 months average expenditures for its nonprofit school food service."

Condition

The School District's net cash resources exceeded 3 months average expenditures for its nonprofit school food service.

Questioned Costs

Not Applicable.

Context

During our audit of the School District's food service records, we found that the net cash resources exceeded the 3 months average expenditures by \$459,725.10.

Effect

Noncompliance with the requirements of the National School Lunch Program.

Cause

This error was the result of additional grant money received during the fiscal year.

Identification as a Repeat Finding

The condition did not exist in the immediately preceding fiscal year.

Recommendation

That the School District ensure that its net cash resources does not exceed 3 months average expenditures for its nonprofit school food service.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended June 30, 2023

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

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

Finding No. 2023-006

Information on the State Program

State Aid Public:	
Equalization Aid	G.M.I.S. No. 495-034-5120-078
Special Education Categorical Aid	G.M.I.S. No. 495-034-5120-089
Security Aid	G.M.I.S. No. 495-034-5120-084
School Choice Aid	G.M.I.S. No. 495-034-5120-098

Criteria or Specific Requirement

School Districts must complete the Application for State School Aid (A.S.S.A.) in accordance with instructions provided by the Office of School Finance, Department of Education. School Districts must complete a set of workpapers that document the compilation of data and retain supporting documentation that provides an audit trail for testing the information reported on the A.S.S.A. report.

Condition

The School District's workpapers and corresponding documentation did not agree with the submitted A.S.S.A. report and as a result, differences were identified.

Questioned Costs

N/A - None

Context

Our test of the A.S.S.A. LEP students indicated the following:

1. LEP not low income was over reported by 7 students.
2. LEP low income was over reported by a net of 10 students.

Our test of the A.S.S.A. on roll students indicated the following:

1. The total number of students reported was over reported by a net of 5 students.
2. The total number of special education students reported was under reported by a net of 4 students.

Our test of the A.S.S.A. low income students indicated the following:

1. The total number of free students reported was over reported by a net of 36 students.
2. The total number of reduced students was over reported by a net of 10 students.

Effect or Potential Effect

The number of differences could not be verified and may have an impact on the School District's State Aid allocation.

Cause

The School District failed to ensure that students were reported correctly based on the available documentation and/or failed to maintain proper supporting documentation.

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section 4- Schedule of State Financial Assistance Findings and Questioned Costs (Cont'd)

Finding No. 2023-006 (Cont'd)

Identification as a Repeat Finding

This finding existed in the prior year as finding number 2022-002.

Recommendation

That the School District's workpapers and corresponding documentation agree with the submitted Application for State School Aid (A.S.S.A.) report.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management

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

FINANCIAL STATEMENT FINDINGS

None.

FEDERAL AWARDS

Finding No. 2022-001

Information on the Federal Program

Title I Grants to Local Educational Agencies

Federal Assistance Listing No. 84.010

Condition

The School District failed to maintain proper time and activity reports for employees charged to the Title I grant.

Current Status

This finding continues to exist as finding number 2023-002.

Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

STATE FINANCIAL ASSISTANCE PROGRAMS

Finding No. 2022-002

Program

State Aid Public:

Equalization Aid	G.M.I.S. No. 495-034-5120-078
Special Education Categorical Aid	G.M.I.S. No. 495-034-5120-089
Security Aid	G.M.I.S. No. 495-034-5120-084
School Choice Aid	G.M.I.S. No. 495-034-5120-098

Condition

The School District’s workpapers and corresponding documentation did not agree with the submitted A.S.S.A. report and as a result, differences were identified.

Current Status

This finding continues to exist as finding number 2023-006.

Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

