SCHOOL DISTRICT OF DOWNE TOWNSHIP

ANNUAL COMPREHENSIVE FINANCIAL REPORT

of the

Downe Township Board of Education

Cumberland, New Jersey

For the Fiscal Year Ended June 30, 2023

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For the Fiscal Year Ended June 30, 2023

Prepared by

Downe Township Board of Education

Finance Department

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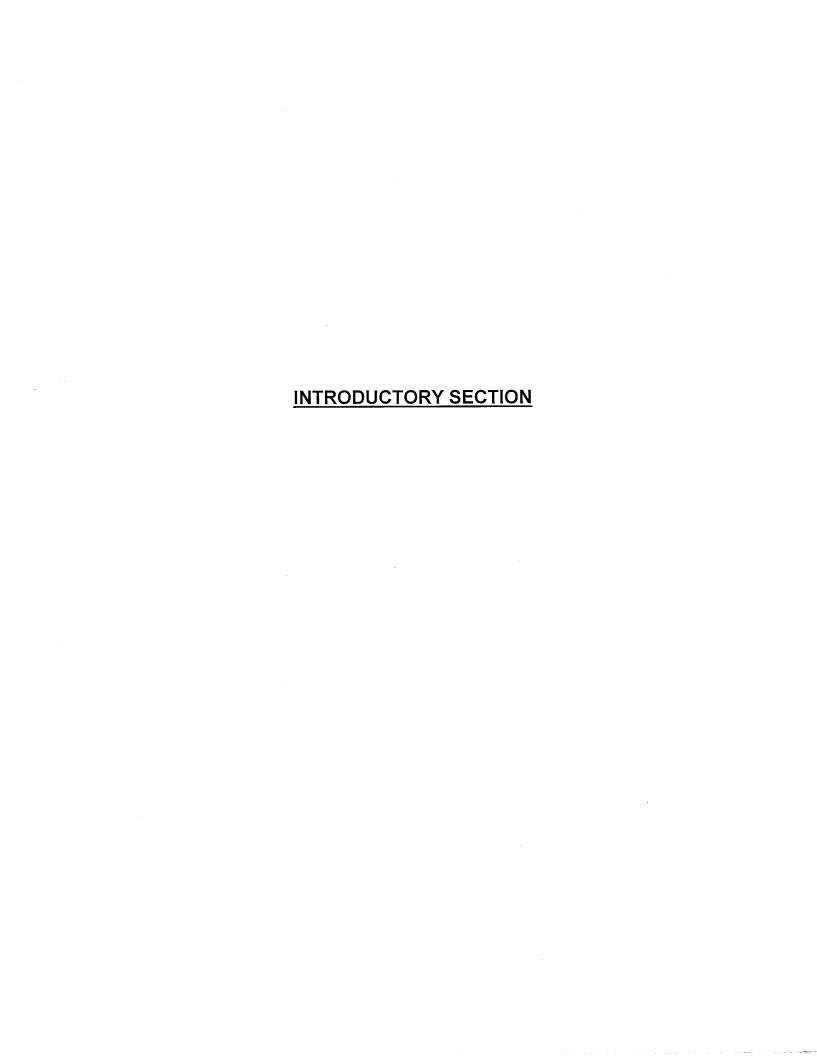
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DOWNE TOWNSHIP BOARD OF EDUCATION

Administrative Office 220 Main Street, Newport, NJ 08345 **Voice:** (856) 447-3878 **Fax:** (856) 447-5130

Sherri Miller Superintendent/Principal Lisa DiNovi
School Business Administrator/
Board Secretary

December 4, 2023

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

Dear Board Members:

The annual comprehensive financial report of the Downe Township 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 Downe Township Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the district. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget, the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR 200 and NJ Treasury Circular OMB 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: Downe Township School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The Downe 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 8. These include regular and special education for handicapped youngsters. The District completed the 2022-2023 fiscal year with an enrollment of 165 students, which is an increase from the previous year's enrollment. The following details the changes in the student enrollment of the district over the last ten years.

Average Daily Enrollment

Fiscal	Student	Percent
<u>Year</u>	<u>Enrollment</u>	<u>Change</u>
2022-23	165	16%
2021-22	142	(13%)
2020-21	164	(6%)
2019-20	175	(3%)
2018-19	180	(1%)

1. REPORTING ENTITY AND ITS SERVICES (Continued):

Average Daily Enrollment

Fiscal <u>Year</u>	Student <u>Enrollment</u>	Percent <u>Change</u>
2017-18	182	(1%)
2016-17	183	2%
2015-16	179	(6%)
2014-15	191	3%
2013-14	189	4%

2. ECONOMIC CONDITION AND OUTLOOK: Downe Township, Cumberland County, is a rural community located on the Delaware Bay in the southern tip of Cumberland County in New Jersey. Almost half of Downe's 35,712 acres is marsh land, and more than 11,500 of these areas are owned outright by the State of New Jersey. Moreover, the state maintains control over much of the rest of the township through the Coastal Area Facilities Review Act (ACFRA) and Wetlands and Fresh Water wetlands Acts regulations. Currently over 85% of the township remains underdeveloped and is either woodland or wetland which gives rise to low population density (33% persons per square mile) in county. There are over 800 residential homes in the township, about 400 of which are mobile structures. The township is geographically isolated and there are few recreational activities or enrichment opportunities for youngsters. In addition, residents must go outside the community for basic medical and mental health services. Within Downe's borders there are three small communities. Fortescue, a fishing resort on the bay, has a seasonal tourist/sports fisherman economy; Dividing Creek and Newport have limited commercial activity primarily consisting of service stations and small grocery stores. Industrial development is minimal; what exists centers around natural resources and involves agriculture and sand mining. According to the 2022 NJ Annual Labor Force Estimates, the unemployment rate in Downe Township is 4.6%

The district is a rural school system and classified in the lowest category by the New Jersey State Department of Education with respect to indicators of social economic status. The seven socioeconomic variables that were utilized from the 1990 United States Census were: (a) education level, (b) occupational status, (c) density, (d) urbanization, (e) income, (f) unemployment, and (g) poverty. According to a 1990 publication by the New Jersey State Department of Education entitled "School District Guidelines: how to Interpret and Use the Class, School, and District Summary Reports":

The variables were combined using a statistical technique called principal components analysis, which resulted in a single measure of socioeconomic status for each district. Districts were then ranked according to their value on this measure and divided into 10 equally-sized groups. Hence, DFGs range from A (lowest socioeconomic districts) to J (highest socioeconomic district).

Downe Township has a DFG rating of A. This is the lowest range of socioeconomic classification.

The future outlook for District financing continues to depend primarily upon the ability and willingness of the Governor and State Legislature to provide funding for education and on the availability of tax revenue to the State. State revenue is extremely sensitive to economic conditions.

3. INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure 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 structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

3. INTERNAL ACCOUNTING CONTROLS (Continued):

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

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

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

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

- 5. ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.
- 6. FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this Annual Comprehensive Financial Report (ACFR) and Management's Discussion and Analysis (MD&A), the district continues to meet its responsibility for sound financial management.
- 7. DEBT ADMINISTRATION: During the 2022–23 school year, the District issued general obligation bonds in the amount of \$3,977,000. As of June 30, 2023 the remaining amount of available and allowable debt is \$292,579.
- 8. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
- 9. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to, general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

10. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nightlinger, Colavita and Volpa, PA was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR 200 and NJ Treasury Circular OMB 15-08. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules are 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.

11. ACKNOWLEDGEMENTS:

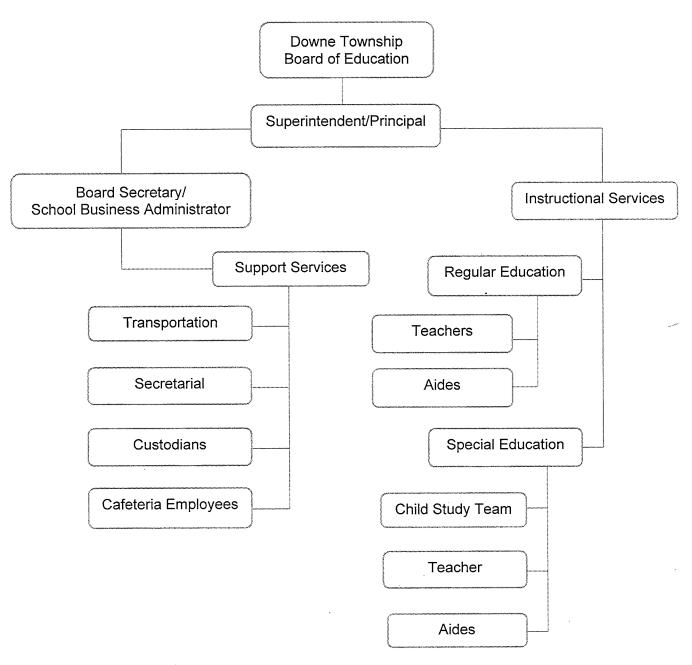
We would like to express our appreciation to the members of the Downe Township Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.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

Respectfully submitted,

Sherri Miller Superintendent/Principal Lisa DiNovi Business Administrator/Board Secretary

POLICY	2121.1
BOARD OF EDUCATION	ADMINISTRATION
DOWNE TOWNSHIP	

ORGANIZATIONAL CHART



Date:

12/16/91

Revised:

05/17/16

DOWNE TOWNSHIP BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2023

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Dyron Corley, President	2023
Albert Casper, Jr., Vice President	2024
Marie Blizzard	2025
Candy Stratton	2024
Raymond Cahplin, Jr.	2024
Stanley Kershaw	2023
Brent Daly	2023
Kyle Myers	2025
Sean Pignatelli	2025
OTHER OFFICIALS	

Sherri Miller, Superintendent/Principal

Lisa DiNovi, School Business Administrator/Board Secretary

Melissa Conover, Treasurer of School Monies

Weiner Law Group, LLC

DOWNE TOWNSHIP SCHOOL DISTRICT COUNTY OF CUMBERLAND NEWPORT, NJ

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ATTORNEY

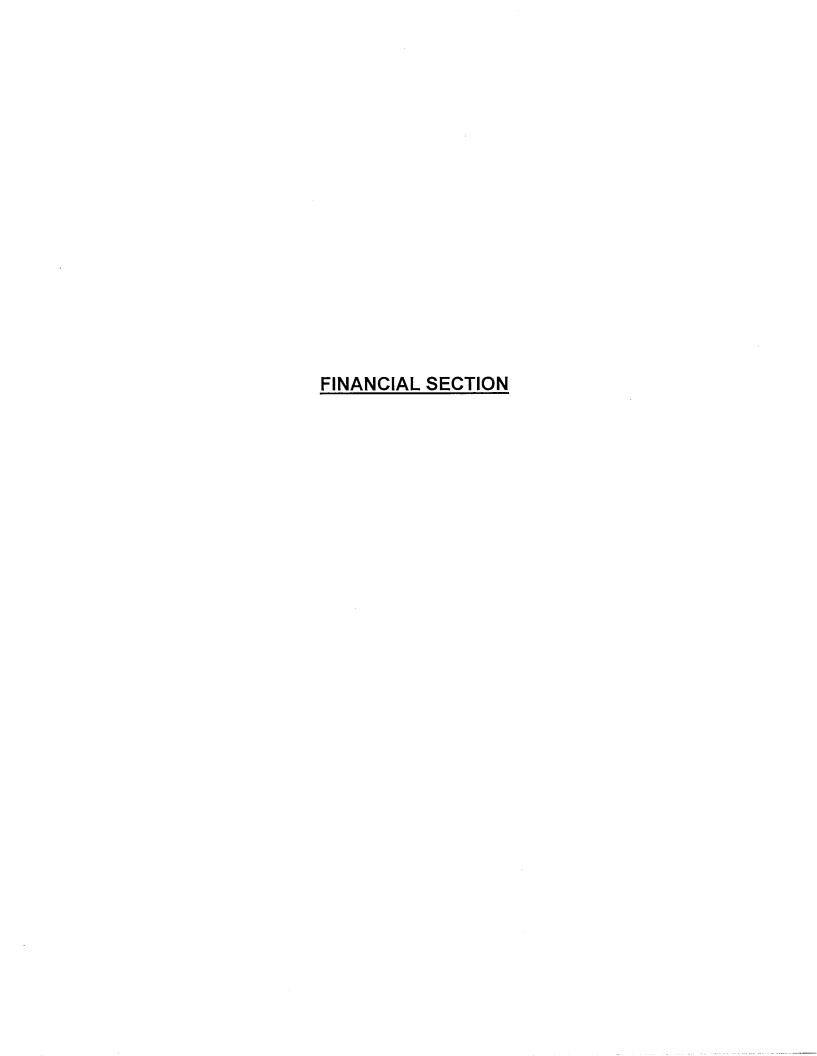
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INDEPENDENT AUDITOR'S REPORT

The Honorable President and Members of the Board of Education Downe Township School District County of Cumberland, New Jersey 08345

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 Board of Education of the Downe Township School District in the County of Cumberland, State of New Jersey, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Board of Education of the Downe Township School District in the County of Cumberland, State of New
 Jersey's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting
 estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board of Education of the Downe Township School District in the County of Cumberland, State of New Jersey's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, 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 Board of Education of the Downe Township School District in the County of Cumberland, State of New Jersey's basic financial statements. The combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and is also not a required part of the basic financial statements. 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, as required by the Office of School Finance, Department of Education, State of New Jersey. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2023 on our consideration of the Downe Township Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Downe Township Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governments Auditing Standards* in considering Downe Township School District's internal control over financial reporting and compliance.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.

Raymond Colavita, C.P.A., R.M.A. Licensed Public School Accountant

No. 915

December 4, 2023



Downe Township School District Management Discussion and Analysis

(Unaudited)

This section of the Downe Township School District's Annual Comprehensive Financial Report presents our discussion and analysis of the District's financial performance during the fiscal year ending on June 30, 2023. Comparative information between the current year (2022-23) and the prior year (2021-22) is required to be presented in the MD&A. The intent of the discussion and analysis is to look at the District's financial performance as a whole. Interested parties should review the basic financial statements and notes in concert with this document in order to enhance and clarify their understanding of the finances of the District.

Using the Annual Comprehensive Financial Report (ACFR)

The Annual Comprehensive Financial Report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information.

The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *district-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status and performance.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements, with the focus on operations.
- The *governmental fund statements* tell how *basic* services such as regular and special education were financed in the *short-term*, as well as what remains for future spending.
- Proprietary fund statements offer short- and long-term financial information about activities the District operates like businesses.
- Fiduciary fund statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The financial statements also include *notes* that explain various information in the statements and provide more detail. The statements are followed by a section of *required supplementary information* that further explains and supports the financial statements with a comparison of the District's budget for the year.

Key financial highlights for 2023 are as follows:

- The assets of the Downe School District exceeded its liabilities at the close of the most recent fiscal year on June 30, 2023 by \$593,816.
- Total net position of governmental activities increased by \$32,717, comprised of changes in various assets and liabilities. The net position of Business-type Activities decreased by \$6,264.
- As of the close of the current fiscal year, the Township of Downe School District's Governmental Funds reflected combined ending fund balances of \$4,954,421, which is an increase of \$3,875,973 from the prior year. This includes \$3,875,371 in unspent Capital Project Funds.

- General revenues accounted for \$2,754,575 which was 57.9% percent of total revenues. Program
 specific revenues in the form of charges for services, operating grants and contributions accounted
 for \$2,004,037 or 42.1% percent to total revenues of \$4,758,612.
- The School District had \$4,732,159 in expenses, of which \$2,004,037 of these expenses were offset by program specific charges for services, grants, or contributions. General revenues (primarily federal awards, state aid and property taxes) were adequate to provide for these programs, which include the Business-type Activities.
- The General Governmental Fund had \$3,972,508 in revenues and \$3,966,482 in expenditures. The General Fund balance increased \$6,026 from 2022. This decrease was anticipated by the Board of Education, although fund balance of \$282,316 was used to balance the budget, as shown on Exhibit C-1.

District-wide Financial Statements – Reporting the School District as a Whole

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private sector companies. The statement of net position includes all of the District's assets 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 district-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets and liabilities – are one way to measure the District's overall financial position.

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

In the Statement of Net Position and the Statement of Activities, which represent the district-wide financial statements, the School District is divided into two distinct kinds of activities:

- Governmental Activities All of the School District's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation, extracurricular activities, and internal service funds.
- Business Type Activities This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service and After School Child Care enterprise funds are reported as a business-type activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major (all) funds begins on page 22. Fund financial reports provide detailed information about these major funds. The School District uses numerous funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds.

The District may implement four types of funds:

- Governmental funds: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental fund statements explains the relationship (or differences) between them.
- Proprietary funds: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The District's enterprise funds (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.
- Internal service funds: (Also considered proprietary funds) are optional and utilized to report activities that provide supplies and services for other District programs and activities. The District currently does not have any internal service funds.
- Fiduciary funds: The District is the trustee, or fiduciary, for assets that belong to others, such as the
 student activity fund. The District is responsible for ensuring that the assets reported in these funds
 are used only for their intended purposes and by those to whom the assets belong. The District
 excludes these activities from the district-wide financial statements, as these assets may not be
 used to finance the District's operations.

The School District as a Whole

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

Table 1

Downe Township board of Education's Net Position

	Governmental Activities		Business-Type Activities				Total School District				
		2022	 2023		2022		2023		2022		2023
Current and Noncurrent Assets Capital Assets	\$	1,198,731 453,514	\$ 5,321,683 482,263	\$	38,766 4,624	\$	33,108 4,476	\$	1,237,497 458,138	\$	5,354,791 486,739
Total Assets	\$	1,652,245	\$ 5,803,946	\$	43,390	\$	37,584	\$	1,695,635	\$	5,841,530
Deferred Outflows of Resources		95,319	98,150						95,319		98,150
Current Liabilities Noncurrent Liabilities		118,909 615,087	429,932 4,658,790				458		118,909 615,087	·	430,390 4,658,790
Total Liabilities	\$	733,996	\$ 5,088,722	\$			458	\$	733,996	\$	5,089,180
Deferred Inflows of Resources		489,595	256,684						489,595		256,684
Net Position Invested in Capital Assets											
Net of Related Debt		434,035	(3,503,801)		4,624		4,476		438,659		(3,499,325)
Restricted		556,259	549,452						556,259		549,452
Unrestricted		(466,321)	 3,511,039		38,766		32,650		(427,555)		3,543,689
Total Net Position	\$	523,973	\$ 556,690	\$	43,390	\$	37,126	\$	567,363	\$	593,816

Table 2 shows the changes in net position from fiscal year's 2023 and 2022.

Table 2
Changes in Net Position

	_	2023		2022
Revenues				
Programs Revenues				
Charges for Services	\$	58,736	\$	13,886
Operating Grants		1,945,301		1,976,268
General Revenues				
Property Taxes		1,626,189		1,520,928
Grants and Entitlements		1,053,083		1,435,120
Other	_	75,303		63,877
Total Revenues	\$	4,758,612	\$	5,010,079
Program Expenses		•		
Instruction	\$	1,427,559	\$	1,506,853
Tuition		594,951		621,831
Pupil and Instructional Staff		655,991		735,711
General Administration, School				
Administration, Business		276,550		266,012
Operations and Maintenance of Facilities		210,222		217,111
Pupil Transportation		473,687		438,651
Employee Benefits		910,723		1,193,940
Internal Service Funds		17,416		1,413
Debt Service		65,415		2,704
Food Service & After School Care	_	99,645		113,307
Total Expenses	\$_	4,732,159	\$_	5,097,533
Increase in Net Position	\$_	26,453	\$	(87,454)

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. The District's Property taxes made up 59.0% percent of the net revenues for governmental activities of \$2,754,575. Federal, state, and local grants accounted for another 38.2%, and other net revenues and adjustments were 2.8%. The total cost of services, as shown below, was \$4,732,159. The net cost of all governmental programs and services, which excludes charges for services and operating grants, was \$2,721,558. Instruction comprises 36.5% of these net District expenses.

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

Table 3

	Total Cost of Services 2023	 Net Cost of Services 2023	_	Total Cost of Services 2022		Net Cost of ervices 2022
Instruction	\$ 1,427,559	\$ 993,846	\$	1,506,853	\$	1,084,638
Tuition	594,951	594,951		621,831		621,831
Pupil and Instuctional Staff	655,991	284,993		735,711		402,095
General Administration, School						
Administration, Business	110,521	110,521		266,012		266,012
Operation and Maintenance of Facilities	376,251	376,251		217,111		217,111
Pupil Transportation	473,687	473,687		438,651		438,651
Employee Benefits	910,723	(179,139)		1,193,940		82,641
Enterprise Funds	99,645			113,307		
Internal Service Fund	17,416	1,333		1,413		1,413
Debt Service	65,415	65,415	_	2,704		2,704
Total Expenses	\$ 4,732,159	\$ 2,721,858	\$	5,097,533	<u> </u>	3,117,096

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

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development. Curriculum and staff development expenses (included in support services) are related to planning, research, development, and evaluation of support services, as well as the reporting of this information internally and to the public.

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

General administration, school administration and business include expenses associated with administrative and financial supervision of the District as well as internal service fund expenses.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings, and equipment in an effective working condition as well as internal service fund expenses.

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

Unallocated Depreciation reflects the cost of fixed assets spread over the estimated useful lives of the individual assets

Business-Type Activities

Revenues for the District's business-type activities (Food Service and After School Child Care Programs) were comprised of charges for services and federal and state reimbursements.

- Expenditures exceeded Revenues by \$6,264 in the Food Service Fund, which resulted in a negative change in food service net position.
- There were \$15,112 in charges for services in the Food Service Fund.
- Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities, were \$78,269.

The School District's Funds

Information about the School District's major funds starts on page 22. These funds are accounted for using the modified accrual basis of accounting. The governmental funds used (i.e., General Fund, Special Revenue Fund and Capital Project Fund presented in the fund-based statements) had total revenues of \$4,975,068 and expenditures of \$5,076,095. The net change in fund balance for the year was (\$101,027). This demonstrates that the District was able to meet current operating costs with no urgent need for additional funds other than \$282,316 in surplus appropriated to balance the 2022-2023 budget.

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

Revenue		Amount	of Total	from 2022	(Decrease)
Local Sources State Sources Federal Sources	\$	1,701,492 2,746,334 527,242	34.20% \$ 55.20% 10.60%	116,080 (185,803) 59,404	7.34% -6.39% 12.70%
Total	\$_	4,975,068	100.00% \$	(10,319)	-0.23%

The increase in Local sources is attributed to increases in, Property Taxes of \$105,261 and Tuition Fees of \$38,332, offset by transportation of \$23,513 and miscellaneous revenues of \$4,000.

The decrease in State sources is attributed to increases in State Public School aid of \$107,709 and in Special Revenue Fund Grants of \$78,094.

The above schedule includes the two last state aid payments for 2021-2022 of \$176,851 was received in July 2022 and does not include the two last state aid payments for 2022-2023 received in July 2023 in the amount of \$174,573.

The increase in Federal sources is due to various increases in the Special Revenue Fund Grants. In addition, the 2023 figures do not include deferred revenue in accordance with GAAP accounting.

The following schedule presents a summary of General Fund and Special Revenue Fund Expenditures for the fiscal year ended June 30, 2023 and the percentage of increases and decreases in relation to prior year amounts.

Table 5

Expenditures	 Amount	Percent of Total	Increase/ (Decrease) from 2022	Percent Increase (Decrease)
Current: Instruction Undistributed expenditures Capital Outlay	\$ 1,414,854 3,556,908 104,333	27.87% \$ 70.07% 2.06%	(48,329) (134,153) 31,601	-3.30% -3.63% 43.45%
Total	\$ 5,076,095	100.00% \$	(150,881)	-2.89%

The decrease in Instructional Expenditures is attributed to decreases in Regular Instruction of \$112,482 and Other Special Instructional Expenses of \$63,068, offset by a increase in Special Education of \$113,539 and in Other Instructional Expenses of \$13,682.

The decrease in Undistributed Expenditures was due to decreases in Tuition of \$26,880, Student Related Services of \$79,720, Employee Benefits increase of \$48,351 and Transportation costs of \$4,810, offset by increases in Administration/Central Services costs of \$11,827 and Plant and Maintenance costs of \$13,781.

The decrease in Capital Outlay is attributed to an increase in facility acquisition costs.

General Fund Budgeting Highlights

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

During the course of the fiscal year 2023, the School District amended its General Fund budget as needed. The School District uses program-based budgeting. These budgeting systems are designed to tightly control total program budgets while providing flexibility for program management to address the following:

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

While the District's final budget for the general fund anticipated that revenues, including surplus appropriated, would roughly equal expenditures, the actual results for the year show a decrease of \$2,311 as shown on Exhibit C-1.

- Actual revenues were \$162,383 more than expected, excluding on-behalf pension and social security reimbursements of \$694,572, due to the increased adjustment aid.
- Actual expenditures were \$128,855 less than expected. This excludes state on-behalf pension and social security reimbursements of \$694,572 and reflects favorable variances in most expenditure accounts.

Long-Term Debt:

At year-end, the District had outstanding long-term debt of compensated absences of \$35,286, Right-To-Use Lease Liability of \$9,064, Serial Bonds of \$3,977,000 and Net Pension Liability of \$637,440. There was no other outstanding debt authorized or issued (Note 6 to the Financial Statements). The amount of debt available for authorization by statute is \$4,269,579, as shown on Exhibit J-13.

Capital Assets

At the end of the fiscal year 2023, the School District had \$2,143,771 (net of accumulated depreciation) invested in general land, buildings, furniture and equipment, and vehicles. There was also \$4,476 in Food Service Fund equipment. Table 4 shows fiscal 2023 balances compared to 2022.

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

	_	2023	2022
Land Improvements Building and Improvements Equipment	\$	116,629 \$ 197,561 172,549	15,000 220,225 222,913
Totals	\$	486,739 \$	458,138

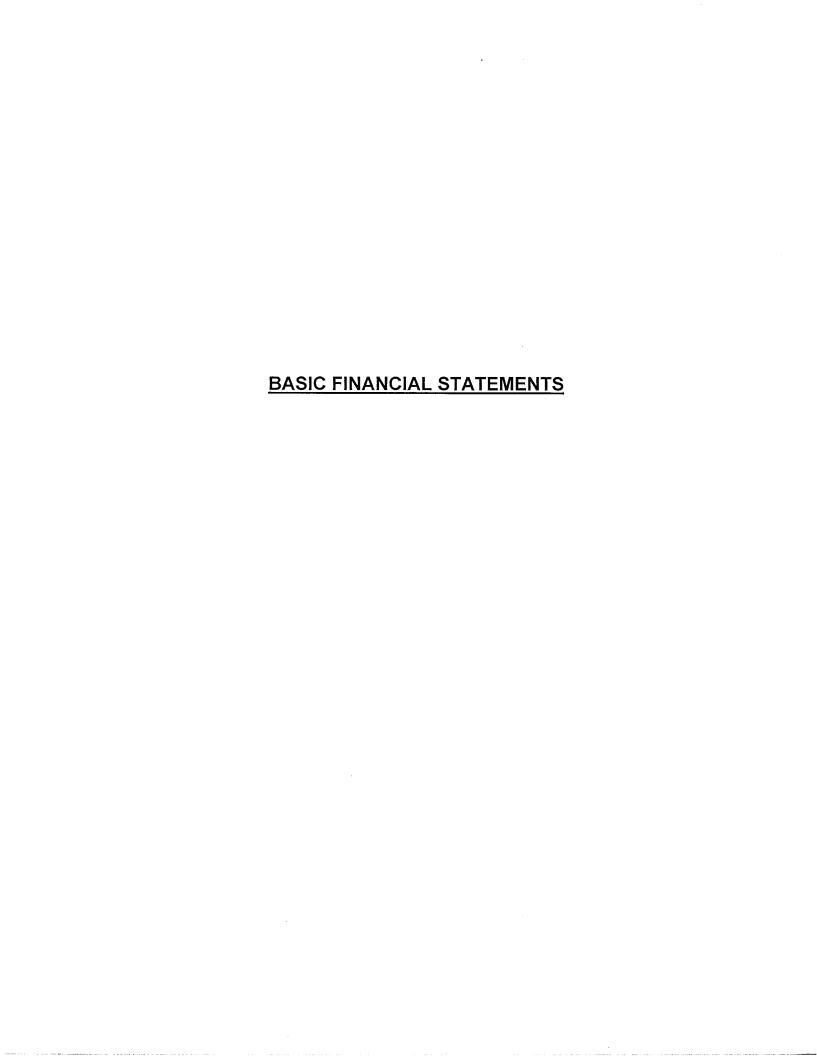
Overall net Capital Assets increased by \$28,601 from fiscal year 2022 to fiscal year 2023, representing depreciation expense of \$73,028, offset by fixed asset additions of \$101,629.

Factors Bearing on the District's Future

As in past years, the restriction on the amount the school may raise in taxes in a concern for future budgets and unforeseen expenditures, however, becoming a choice district has helped in the budget process. Our next obstacle will be how much State aid will be cut in the coming years.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Lisa DiNovi, School Business Administrator/Board Secretary, at Downe Township School District, 220 Main Street, Newport, NJ 08345



DISTRICT WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the District.

These statements include the financial activities of the overall District, except for fiduciary activities.

Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

DOWNE TOWNSHIP SCHOOL DISTRICT STATEMENT OF NET POSITION JUNE 30, 2023

		Governmental Activities		Business-type Activities)	Total
ASSETS	•	7101111100	-	7.021711100	-	
Cash and Cash Equivalents Receivables, Net Capital Assets, Net	\$	5,010,028 311,655 482,263	\$	21,721 11,387 4,476	\$	5,031,749 323,042 486,739
Total Assets		5,803,946	-	37,584	-	5,841,530
DEFERRED OUTFLOWS OF RESOURCES Deferred Pension Outflows	-	98,150	- -		-	98,150
LIABILITIES						
Accounts Payable Accrued Interest Unearned Revenue Non-current Liabilities (Note 6):		205,466 62,711 161,755		47 411		205,513 62,711 162,166
Due Within One Year Due Beyond One Year Net Pension Liabilities		232,623 3,788,727 637,440				232,623 3,788,727 637,440
Total Liabilities	_	5,088,722		458	_	5,089,180
DEFERRED INFLOWS OF RESOURCES Deferred Pension Inflows	_	256,684			<u>.</u> .	256,684
Net Position						
Invested in Capital Assets, Net of Related Debt Restricted for:		(3,503,801)		4,476		(3,499,325)
Maintenance Reserve Emergency Reserve Capital Reserve Unemployment Compensation Student Activities Unrestricted		74,377 33,532 400,135 16,874 24,534 3,511,039		32,650		74,377 33,532 400,135 16,874 24,534 3,543,689
Total Net Position	\$	556,690	\$	37,126	\$	593,816

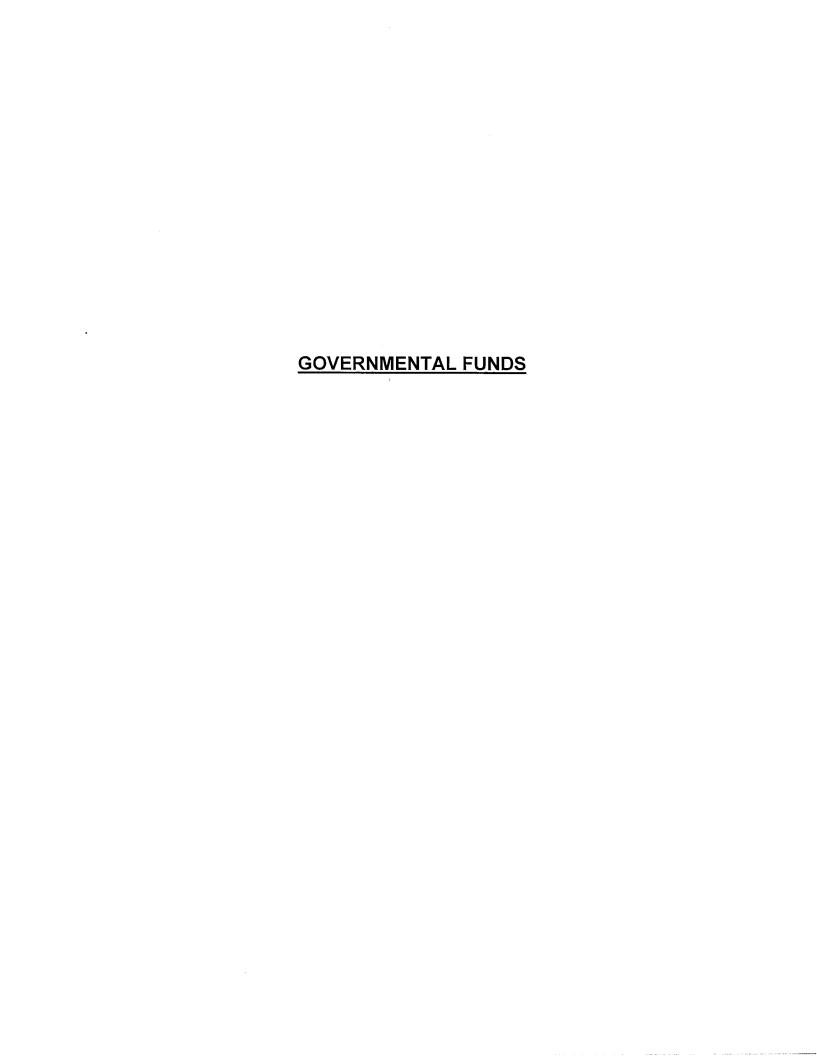
The accompanying Notes to Financial Statements are an integral part of this statement.

DOWNE TOWNSHIP SCHOOL DISTRICT STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2023

Net (Expense) Revenue and **Program Revenues Changes in Net Position** Charges Operating **Business**for Grants and Governmental type Functions/Programs **Expenses** Services **Contributions Activities Activities** Total Governmental Activities: Instruction: Regular \$ 695,363 \$ \$ \$ (695,363)\$ \$ (695.363)Special Education 294,094 (294,094)(294,094)Other Special Education Other Instruction 447,034 442,645 (4,389)(4,389)Support Services: Tuition 594,951 (594,951)(594,951)Student & Instruction Related Services 647,059 27,541 334,525 (284,993)(284,993)General and Business Admin Services 110,521 (110,521)(110,521)School Administrative Services 69,620 (69,620)(69,620)Central Services 88,409 (88,409)(88,409)Administrative Info Tech. Services 8,000 (8,000)(8,000)Plant Operations and Maintenance 210,222 (210, 222)(210, 222)Pupil Transportation 473,687 (473,687)(473,687)**Employee Benefits** 910,723 1,089,862 179,139 179,139 Internal Service fund 17,416 16,083 (1,333)(1,333)**Debt Service Interest** 65,415 (65,415)(65,415)**Total Governmental Activities** 4,632,514 43,624 1,867,032 (2,721,858)(2,721,858)Business-type Activities: Food Service 99,645 15,112 78,269 (6,264)(6,264)Total Business-type Activities 99.645 15,112 78,269 (6,264)(6,264)**Total Primary Government** 4,732,159 \$ 58,736 \$ 1.945,301 (2,721,858)(6,264)(2,728,122)General Revenues: Taxes: Property Taxes Levied for General Purposes, Net 1,626,189 1,626,189 Federal and State aid not restricted 1,053,083 1,053,083 **Tuition Received** 38,332 38,332 Transportation Fees 1,950 1,950 Investment Earnings 1,566 1,566 Miscellaneous Income 33,455 33,455 Special Items: Total General Revenues, Special Items, Extraordinary Items and Transfers 2,754,575 2,754,575 Change in Net Position 32,717 (6,264)26,453 Net Position-Beginning 523,973 43,390 567,363 Net Position-Ending 556,690 \$ 37,126 \$ 593,816

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

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



DOWNE TOWNSHIP SCHOOL DISTRICT BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2023

SOIRE SC	U, ZUZ	<u>2</u>						
		ieneral Fund		Special Revenue Fund		Capital Project Fund		Total Governmental Funds
ASSETS	-				_		-	
	\$	601,688	\$	24,534	\$	3,875,371	\$	4,501,593
Restricted Cash and Cash Equivalents		508,044	•	,	7	-,,	•	508,044
Federal Accounts Receivable		16		236,306				236,322
State Accounts Receivable		73,764						73,764
Interfund receivable		122,938						122,938
Other Accounts Receivable		1,569	_				_	1,569
Total Assets	1.	,308,019		260,840		3,875,371		5,444,230
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts Payable		86,284		103,945				190,229
Payroll Deductions and Withholdings Payable		15,237						15,237
Interfunds Payable		105.001		122,588				122,588
Unearned Revenue		105,261		56,494	_			161,755
Total Liabilities		206,782		283,027				489,809
Fund Balances:					_		_	
Restricted For:								
Excess Surplus-current year		234,196						234,196
Excess Surplus-designated for previous year expenditures		67,655						67,655
Maintenance Reserve Emergency Reserve		74,377						74,377
Student Activities		33,532		24,534				33,532 24,534
Capital Reserve		400,135		24,554				400,135
Reserve for Unemployment		16,874						16,874
Assigned:		,						10,011
Encumbrances		13,025				333,110		346,135
Unassigned:								
General Fund		261,443						261,443
Capital Project Fund						3,542,261		3,542,261
Special revenue fund				(46,721)	_			(46,721)
Total Fund Balances	1,	101,237		(22,187)		3,875,371		4,954,421
Total Liabilities and Fund Balances	\$ 1,	308,019	\$	260,840	\$ _	3,875,371		
Amounts reported for <i>governmental activities</i> in the Statement of Net Position (A-1) are different because:	f							
Capital Assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$2,626,034 and the accumulated depreciation								
is \$2,143,771 (Note 8).								482,263
Deferred Outflow of Resources - Deferred Pension Contribution	n.							98,150
Deferred Inflows of Resources - Pension Actuarial Gains.								(256,684)
Long Term Net Pension Liability								(637,440)
Net Position in Internal Service Fund								41
Accrued Interest is expensed in the Statement of Net Position b	but not	in the Fu	ins :	Statements				(62,711)
Long-term Liabilities, including bonds payable, are not due and	i							, , ,
payable in the current period and therefore are not reported as liabilities in the funds (see Note 9).								(4,021,350)
							_	
Net Position of Governmental Activities							\$ =	556,690

DOWNE TOWNSHIP SCHOOL DISTRICT

BALANCE SHEET

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

		General Fund		Special Revenue Fund		Capital Project Fund	G	Total overnmental Funds
REVENUES								
Local sources:								
School Tax Levy	\$	1,626,189	\$		\$		\$	1,626,189
Tuition From Individualas		4,050						4,050
Tuition Fees from Other LEA'S Within the State		34,282						34,282
Transportation Fees from Other LEA'S Within the State		1,950						1,950
Interest on Investments		1,566						1,566
Miscellaneous		3,914						3,914
Local Sources		5,514		29,541				29,541
	_				_			
Total - Local Sources	_	1,671,951		29,541	_			1,701,492
Other Sources:		·						
Federal Sources		9,426		517,816				527,242
State Sources		2,291,131		455,203				2,746,334
Total Revenues	_	3,972,508		1,002,560				4,975,068
EXPENDITURES	_				_			
Current:								
Regular Instruction		682,658						682,658
Special Education Instruction		294,094						294,094
Other Special Instruction		254,054						234,034
Other Instruction		4,389		442,645				447.024
Support Services:		4,309		442,045				447,034
Tuition		E04 0E4						504.054
		594,951		004505				594,951
Student & Instruction Related Services		312,534		334,525				647,059
General Administrative Expenses		110,485						110,485
School Administrative Expenses		69,620						69,620
Central Services		88,409						88,409
Administrative Information Tech Serv.		8,000						8,000
Plant Operations and Maintenance		217,571						217,571
Pupil Transportation		416,614						416,614
Employee Benefits		1,164,453		230,814				1,395,267
Capital Outlay		2,704				101,629		104,333
Total Expenditures		3,966,482		1,007,984		101,629		5,076,095
Excess (Deficiency) of Revenues								
over Expenditures		6,026		(5,424)		(101,629)		(101,027)
OTHER FINANCING SOURCES (USES)								
Bond Proceeds		·			_	3,977,000	_	3,977,000
Total Other Financing Sources and Uses						3,977,000		3,977,000
Net Change in Fund Balances		6,026		(5,424)		3,875,371		3,875,973
Fund Balance—July 1 (Deficit)	_	1,095,211	_	(16,763)				1,078,448
Fund Balance—June 30 (Deficit)	\$	1,101,237	\$	(22,187)	s	3,875,371	s	4,954,421

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

32,717

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

Total Net Change in Fund Balances - Governmental Funds (from B-2)	3,875,973
Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:	
In the Statement of Activities, Compensated Absences represent an operating expense measured by the additional amount or decreased amount earned during the year. In the governmental funds, expenditures are based on the amount of resources used and paid.	4,361
Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administraticosts, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred	ve ed
inflows/outflows related to pension changed during the period.	154,263
Accrued Interest	(62,711)
Proceeds from Issuance of Bonds	(3,977,000)
Repayment of right-to-use lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.	10,415
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.	
Capital Outlays	101,629
Depreciation expense	(72,880)
Internal Service Fund	(1,333)

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

Change in Net Position of Governmental Activities (A-2)

DOWNE TOWNSHIP SCHOOL DISTRICT STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2023

		Business - Type Activities Enterprise Fund Food Service		Governmental Activities Internal Service Fund	_ ,	Totals
ASSETS						
Current Assets: Cash and Cash Equivalents Accounts Receivable Interfund Receivable	\$	21,721 11,387	\$	391	\$	22,112 11,387
Total Current Assets		33,108		391		33,499
Noncurrent assets: Furniture, machinery & equipment Less: Depreciation		55,524 (51,048)				55,524 (51,048)
Total noncurrent assets		4,476			•	4,476
Total Assets		37,584		391		37,975
LIABILITIES Current Liabilities:						
Deferred Revenue Interfund Payable Accounts Payable		411 47		350		411 350 47
Total Current Liabilities		458		350		808
Long-term debt: Compensated absences						
Total long-term debt					• •	
Total Liabilities	,	458		350		808
Net Position	•					
Restricted Invested in Fixed Assets Unreserved		4,476 32,650		41		4,476 32,691
Total Net Position	\$	37,126	\$	41	\$	37,167
			: :		=	

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

		Business-Type Activities Enterprise Fund	Governmental Activities Internal Service Fund)	Total
Operating revenues:	-			-	
Charges for Services:					
Daily Sales - Reimbursable Programs:	\$	15,112		\$	15,112
Charge for Service	-		16,083		16,083
Total Operating Revenue:	_	15,112	16,083		31,195
Operating Expenses:					
Cost of Sales - reimbursable		56,514			56,514
Salaries		42,319	17,416		59,735
Depreciation		148			148
Supplies and Materials	_	664			664
Total Operating Expenses	_	99,645	17,416		117,061
Operating Income (Loss)	_	(84,533)	(1,333)		(85,866)
Non-operating Revenues (Expenses):	_			•	
State Sources:					
State School Breakfast Program		273			273
State School Lunch Program		1,761			1,761
Federal Sources:		•			,
National School Breakfast Program		12,476			12,476
National School Lunch Program		41,059			41,059
P-EBT		653			653
Supply Chain Assistance Funding		22,047			22,047
Total Non-operating Revenues (Expenses)	-	78,269		•	78,269
Operating Transfer In - From General Fund	_			•	
Change in Net Position	-	(6,264)	(1,333)		(7,597)
Total Net Position—Beginning		43,390	1,374		44,764
Total Net Position—Ending	\$	37,126	\$ 41	\$	37,167
	=			: :	

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

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

	_	Business-Type Activities Enterprise Funds		Governmental Activities Internal Service Fund		Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES Receipts from Customers Payments to Employees Payments for Employee Benefits Payments to Suppliers	\$	15,112 (42,319) (51,635)	\$	16,083 (17,066)	\$	31,195 (59,385) (51,635)
Net Cash Provided by (Used for) Operating Activities	_	(78,842)	_	(983)		(79,825)
Cash from (Used for) Operating Activities- Transfers to the General Fund	_					
Total Cash Provided by (Used for) Operating Activities		(78,842)		(983)		(79,825)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES State Sources	_	2,034	_			2,034
Federal Sources	_	76,235	_			76,235
Net Cash Provided by (Used for) Non-capital Financing Activities	_	78,269				78,269
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES Purchases of Capital Assets						
Net Cash Provided by (Used for) Capital and Related Financing Activities	_		_		•	
CASH FLOWS FROM INVESTING ACTIVITIES Interest and Dividends	_				•	
Net Cash Provided by (Used for) Investing Activities	_		_		•	
Net Increase (Decrease) in Cash and Cash Equivalents	_	(573)		(983)	•	(1,556)
Balances—Beginning of Year		22,294		1,374		23,668
Balances—End of Year	\$_	21,721	\$	391	\$	22,112
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	_		_		-	
Operating Income (Loss) Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities: Depreciation	\$	(84,533)	\$	(1,333)	\$	(85,866)
(Increase) Decrease in Accounts Receivable (Increase) Decrease in Interfund Receivable Increase (Decrease) in Accounts Payable		148 (1,278) 6,363 47		050		148 (1,278) 6,363 47
Increase (Decrease) in Interfund Payable Increase/(decrease) in Compensated Absences Increase (Decrease) in Unearned Revenue		411		350		350 411
Total Adjustments	-	5,691	_	350	-	6,041
Net Cash Provided by (Used for) Operating Activities	\$	(78,842)	_ \$	(983)	\$	(79,825)
	* =	(.0,012)	–	(555)	Ψ:	(10,020)

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

A. Reporting Entity:

The Downe Township School District is a Type II district located in the County of Cumberland, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. These terms are staggered so that two or three member's terms expire each year. The purpose of the district is to educate students in grades PreK-8. The Downe Township School District had an approximate enrollment at June 30, 2023, of 153 students.

Business Administrator/Board Secretary services are contracted with the Lawrence Township School District including responsibility for the administrative control of the district.

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

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

Based on the aforementioned criteria, as stipulated in GASB No. 114, the District has no component units.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation:

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

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

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

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

Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses-expenses of the District related to the administration and support of the District's programs, such as personnel and accounting-are not allocated to programs.

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

A. Basis of Presentation: (cont'd)

Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues.

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

B. Fund Accounting:

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds and accounts are grouped in the financial statements in this report as follows:

GOVERNMENTAL FUNDS

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

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

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

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

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

B. Fund Accounting: (cont'd)

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

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

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election. The district currently has no capital projects and, therefore, has not included a capital projects fund.

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

Permanent Fund - The Permanent Fund is used to account for resources that are legally restricted to the extent that only earnings and not principal may be used for purposes that support the District's programs, which are stipulated for the benefit of the School District or its students. The School District does not maintain a non-expendable scholarship fund that would require a permanent fund.

PROPRIETARY FUNDS

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

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

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

School Age Child Care Program - This fund accounts for the financial activity related to providing day care services to the students.

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

B. Fund Accounting: (cont'd)

PROPRIETARY FUNDS

Internal Service Fund - The internal service fund is utilized to charge costs for certain activities to individual funds or other governmental entities. The District's internal service fund is comprised of the Kid's Center after school program.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets.

Their reported fund equity (net total assets) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

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

Food Service Fund - Equipment

10 to 20 Years

FIDUCIARY FUNDS

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

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

C. Basis of Accounting and Measurement Focus:

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

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB), and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989. The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned, and expenses are recognized when they are incurred.

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. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

C. Basis of Accounting and Measurement Focus: (cont'd)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement, arbitrage rebates, and postemployment healthcare benefits, are recorded only when payment is due.

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds, which are submitted to the county office. 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 and 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, except for the special revenue fund as described later. The legal level of budgetary control is established at line-item accounts within each fund. Line-item accounts 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. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year.

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 last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

D. Budgets/Budgetary Control: (cont'd)

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis, which differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports. Exhibit C-3 presents a reconciliation of the general fund and special revenue fund from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types.

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

E. Encumbrance Accounting:

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

Open encumbrances in the special revenue fund, for which the District has received advances, are reflected in the balance sheet as Unearned Revenues at fiscal year-end. The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

F. Tuition Receivable:

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

G. Tuition Payable:

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

H. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund are recorded as an expenditure during the year of purchase.

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

I. Short-term Interfund Receivables/Payables:

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

J. Assets, Liabilities and Equity:

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

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

On June 30, 2023, there was no ending inventory in the Food Service Fund and no federal commodities.

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

J. Assets, Liabilities and Equity: Continued

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1986, as revised) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements. The District receives federal commodity food for meal service provided through a vended meal contract.

<u>Capital Assets</u> - General fixed assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The general fixed assets acquired or constructed prior to June 30, 2023, are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. General fixed assets are reflected as expenditures in the applicable governmental funds, and the related assets are reported in the general fixed assets account group. Expenditures that enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the fixed asset's currently capitalized cost. The cost of normal repairs and maintenance are not capitalized. Assets in the general fixed assets account group are not depreciated.

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

Assets	Years
Buildings	50
Building improvements	20 -50
Land improvements	20
Furniture	20
Maintenance equipment	15
Musical instruments	10
Athletic equipment	10
Audio visual equipment	10
Office equipment	5 – 10
Computer equipment	5 – 10

K. Compensated Absences:

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

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the district- wide statement of net position. In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

L. Unearned Revenue:

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

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

M. Operating Revenues and Expenses:

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

N. Allocation of Indirect Expenses:

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are not reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

O. Extraordinary and Special Items:

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

P. Fund Equity:

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

Q. Comparative Data/Reclassifications:

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

R. Management Estimates:

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

S. Accrued Liabilities and Long-term Obligations:

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

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

T. Net Position:

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

- Net investment in capital assets This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.
- Restricted Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by credits, grantors, or laws or regulations of their governments.
- · 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.

U. Fund balances - Governmental Funds

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

- Non-spendable includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.
- Restricted includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.
- Committed includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision-making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.
- Assigned includes amounts that the District intends to use for a specific purpose, but do not meet the
 definition of restricted or committed fund balance. Under the District's policy, amounts may be
 assigned by the Business Administrator.

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

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

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

V. Revenues – Exchange and Non-exchange Transactions:

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

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

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

W. New Accounting Standards:

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

- ➢ GASB Statement No. 96 Subscription-Based Information Technology Arrangements: The objective of this Statement is to provide guidance on SBITAs for government end users and their recognition as a right-to-use subscription asset. GASB 96 was effective after June 15, 2022 and was considered by Management.
- ➤ GASB Statement No. 99 Omnibus 2022: The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Management is evaluating the potential impact of the adoption of GASB 99 on the School District's financial statements.
- Statement No. 100 Accounting Changes and Error Corrections, an amendment of GASB Statement No. 62: The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Management is evaluating the potential impact of the adoption of GASB 100 on the School District's financial statements.

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

W. New Accounting Standards: (cont'd)

➤ GASB Statement No. 101 - Compensated Absences: The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Management is evaluating the potential impact of the adoption of GASB 101 on the School District's financial statements.

X. Bond and Lease Acquisition Costs:

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

Y. Tax assessments and property taxes:

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

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

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Investments are stated at cost, or amortized cost, which approximates market. The amortized cost method involves valuing a security at its cost on the date of purchase and thereafter assuming a constant amortization to maturity for any discount or premium. The Board classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

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

<u>Deposits:</u> New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey, which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund. New Jersey statues require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

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

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

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

<u>Investments:</u> New Jersey statutes permit the Board to purchase the following types of securities:

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

Custodial Credit Risk

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

Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Funds owned in excess of FDIC insured amounts are protected by GUDPA. As of June 30, 2023, the School District's bank balance of \$5,252,049 was subject to custodial credit risk as follows:

Insured	\$	250,000
Uninsured and collateralized with		
securities held by pledging financial institutions	_	5,002,049
Total	\$	5,252,049

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

Cash balances on deposit at June 30, 2023 appear in the financial statements as summarized below:

Cash		\$5,031,749
	Ref.	
Unrestricted cash		
Governmental funds, Balance Sheet	B-1	4,501,593
Enterprise funds, Statement of Net Position	B-4	21,721
Internal service funds, Statement of Net Position	B-4	391
Restricted cash		
Governmental funds, Balance Sheet	B-1	508,044
Total cash		\$5,031,749

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established New Jersey school districts for the accumulation of funds for capital outlay expenditures in subsequent fiscal years. The Capital Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget. Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long-Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may deposit funds into the capital reserve at any time upon board resolution through the transfer of undesignated, unreserved general fund balance that is anticipated in the budget certified for taxes. Post-April, 2005 transfers must be in compliance with PL 2005, C73(S1701). Pursuant to NJAC 6A:23A-14.1(g) the balance in the account cannot at any time exceed the local support cost of uncompleted capital projects as shown in the approved LRFP.

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

The activity of the capital reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows, of which all was appropriated in the 2023-2024 budget:

Beginning Balance, July 1, 2022	\$	400,060
Interest Earnings		75
Deposits		
Board Resolution	_	
Ending Balance, June 30, 2023	\$	400,135
	-	

NOTE 5. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73, (S1701). Districts may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes (N.J.A.C. 6A:23-2.14) or by transfer by board resolution at year end of any anticipated revenue or unexpended line-item appropriations, or both.

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

Beginning Balance July 1, 2022	\$ 74,352
Deposits - Interest	25
Aded by Resolution	
Ending Balance June 30, 2023	\$ 74,377

The June 30, 2023 maximum maintenance reserve amount is \$176,000.

NOTE 6. EMERGENCY RESERVE ACCOUNT

P.L. 2007, c.62(N.J.S.A. 18A:7F-41), effective for years beginning July 1, 2007, provides that districts may establish a current expense emergency reserve account and appropriate funds in the district's annual budget or through a transfer by board resolution at year end of any unanticipated revenue and unexpended line-item appropriation amounts. The account balance is not to exceed \$250,000 or one percent of the district's general fund budget up to a maximum of \$1,000,000, whichever is greater. Districts were permitted to establish an emergency reserve fund through the budget process. Withdrawals require approval by the Commissioner.

An emergency reserve was established by the Township of Downe Board of Education in the 2007-2008 budget in the amount of \$50,000. The activity in the emergency reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows

Beginning Balance July 1, 2022	\$ 33,507
Increase - Interest	25
Withdrawals	
Ending balance June 30, 2023	\$ 33,532

NOTE 7. – TUITION RESERVE ACCOUNTS - None

If at the end of the contract year a district board of education anticipates that a tuition adjustment will be required in the second year following the contract year, the district board of education may restrict fund balance up to 10 percent of the estimated tuition cost in the contract year, in a reserve for tuition adjustments. The tuition reserve is available only for districts that have a sending/receiving relationship. Full appropriation shall be made in the second year and any remaining balance shall be reserved and designated in the subsequent year's budget. (N.J.A.C. 6A:23-3.1(f)(8).

As of June 30, 2023, the district had no balance in Tuition Reserve.

NOTE 8. CAPITAL ASSETS

Capital Asset Activity for the Year Ended June 30, 2023 was as Follows:

	I	Beginning Balance 7/1/2022	A	dditions	djustment/ etirements		Ending Balance 6/30/2023
Governmental Activities:				:			
Capital Assets that are not Being Depreciated:							
Work in Progress	\$		\$	101,629	\$	\$	101,629
Land		15,000					15,000
Total capital assets not being depreciated		15,000		101,629			116,629
Capital Assets being Depreciated and Amortized							
Building and Building Improvements		1,374,733					1,374,733
Site Improvements		188,177					188,177
Vehicles		284,423					284,423
Machinery & Equipment		638,516			(17,866)		620,650
Right -to-Use Lease Assets		41,422			 . , ,		41,422
Totals at Historical Cost		2,527,271			(17,866)		2,509,405
Less Accumulated Depreciation for :		· · · · · · · · · · · · · · · · · · ·					
Building and Improvements		(1,196,196)		(19,173)			(1,215,369)
Site Improvements		(146,489)		(3,491)			(149,980)
Vehicles		(210,641)		(10,076)			(220,717)
Machinery & Equipment		(513,614)		(31,856)	17,866		(527,604)
Right-to-Use Lease Assets		(21,817)		(8,284)			(30,101)
Total Accumulated Depreciation and Amortization		(2,088,757)		(72,880)	 17,866		(2,143,771)
Total Capital Assets Being Depreciated and Amortize	ed,						
Net of Accumulated Depreciation and Amortization	,	438,514		(72,880)			365,634
Government Activities Capital Assets, Net	\$	453,514	\$	28,749	\$ 	\$	482,263
		To A-1					To A-1
Business-type Activities - Equipment	\$	55,524	\$		\$	\$	55,524
Less Accumulated Depreciation		(50,900)		(148)		-	(51,048)
Business-type Activities Capital Assets, Net	\$	4,624	\$	(148)	\$ 	\$	4,476
·							

The opening balance on the Statement of Net Position has been restated to reflect the Governmental Activity adjustment above.

Depreciation Expense was Charged to Governmental Functions as Follows:

Administration	(36)	
Maintenance	(3,066)	
Transportation	(57,073)	
	\$ (72,880)	- To A-2

NOTE 9. LONG-TERM OBLIGATIONS

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

Governmental Activities:	ance at 1/2022	Addition	ns	Red	luctions		lance at 30/2023	-	kmounts e Within 1 Year	ong-Term Portion
Compensated absences								***************************************		
Payable	\$ 39,647	\$		\$	4,361	\$	35,286	\$		\$ 35,286
Serial Bonds		3,977,	,000			;	3,977,000		227,000	3,750,000
Net Pension Liability	555,961	81,4	479				637,440			637,440
Right-to-Use Lease Liability	19,479				10,415		9,064		5,623	3,441
Total	 \$ 615,087	\$ 4,058,4	479 -	\$	14,776	\$ 4	4,658,790	\$	232,623	\$ 4,426,167

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

On 11/8/22, the Downe Township Board of Education approved a Bond Issue is the amount of 3,977,000 for the purpose of acquiring various improvements in the School District with future principal and interest payments as follows:

Year Ending June 30,	Principal	Interest	Total
2024		\$ 153,076	\$ 153,076
2025	\$ 227,000	140,855	367,855
2026	145,000	135,275	280,275
2027	150,000	130,850	280,850
2028	155,000	126,275	281,275
2029	165,000	121,475	286,475
2030	170,000	116,450	286,450
2031	180,000	111,200	291,200
2032	185,000	105,263	290,263
2033	195,000	98,613	293,613
2034	200,000	91,700	291,700
2035	210,000	84,000	294,000
2036	215,000	75,500	290,500
2037	225,000	66,700	291,700
2038	235,000	57,500	292,500
2039	245,000	47,900	292,900
2040	255,000	37,900	292,900
2041	265,000	27,500	292,500
2042	275,000	16,700	291,700
2043	280,000	5,600	285,600
	\$ 3,977,000	\$ 1,750,331	\$ 5,727,331

Bonds Authorized and Issued -- As of June 30, 2023, the District had no bonds authorized but not issued.

Capital Leases - As of June 30, 2023, the District had no capital leases.

NOTE 10. OPERATING LEASES

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

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

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

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

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

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

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

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

Year	_	Amount
2024	\$	3,908
2025		2,426
2026		404
	\$	6,738

NOTE 11. PENSION PLANS

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

Public Employees' Retirement System

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

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

The following represents the membership tiers for PERS:

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

Contributions - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The PERS member total contribution rate as of July 1, 2022 was 7.5% of base salary. The District employees' contributions for the year ended June 30, 2023 were \$24,058. Employers in PERS are required to contribute at an actuarially determined rate which includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. The PERS employer rate due in 2023 is 15.98% of covered payroll. The District is billed annually for its normal contribution plus any accrued liability. These contributions were paid by the District and equal to the required contributions for each year. The District's contributions to PERS for the years ended June 30, 2023, and 2022, were \$53,265 and \$54,961 respectively.

The total payroll for the year ended June 30, 2023 was \$1,961,433. Payroll covered by PERS was \$320,771 for fiscal year 2023.

NOTE 11. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

Components of Net Pension Liability - At June 30, 2023, the District's proportionate share of the PERS net pension liability was \$637,440. The net pension liability was measured as of June 30, 2022. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2022. The District's proportion measured as of June 30, 2022 was 0.004224% which was a decrease of 0.00047% from its proportion measured as of June 30, 2021.

Pension Expense and Deferred Outflows/Inflows of Resources - The District's 2023 PERS pension expense, with respect to GASB 68, was \$(102,694). The District's 2023 deferred outflows of resources and deferred inflows of resources were from the following sources:

	_	Deferred Outflows of Resources		Deferred Inflows of Resources
Differences between expected and actual experience	\$	4,601	\$	4,057
Changes of assumptions		1,975		95,450
Net difference between projected and actual earnings on pension plan investments		26,383		
Changes in proportion		11,926		157,177
Contributions subsequent to the measurement date	_	53,265	<u>-</u>	
Total	\$	98,150	\$	256,684

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

Year	 PERS
2023	\$ (86,538)
2024	(71,799)
2025	(52,511)
2026	(270)
2027	(681)
Thereafter	
Total	\$ (211,799)

NOTE 11. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

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

Year		2023	2022	
Collective deferred outflows of resources	\$	98,150	\$ 95,319	
Collective deferred inflows of resources	\$	256,684	\$ 489,595	
Collective Net Pension Liability	\$	637,440	\$ 555,961	
District's Proportion		0.004224%	0.004693%	

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

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

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

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

NOTE 11. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

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

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

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

NOTE 11. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

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

	1% Decrease (6.00%)	Discount (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the Net Pension Liability	\$ 825,859	\$ 637,440	\$ 487,080

Teachers' Pension and Annuity Fund

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

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

The following represents the membership tiers for TPAF:

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

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

NOTE 11. PENSION PLANS (CONTINUED)

Teachers' Pension and Annuity Fund (Continued)

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

During the fiscal year ended June 30, 2023, the State of New Jersey contributed \$469,438 to the TPAF for pension contributions, \$123,320 for post-retirement benefits on behalf of the School, and \$373 for long-term disability. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$101,441 during the year ended June 30, 2023 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

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

Pension Expense - For the year ended June 30, 2023, the District recognized pension expense of \$164,476 and revenue of \$164,476 for support provided by the State.

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

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

NOTE 11. PENSION PLANS (CONTINUED)

Teachers' Pension and Annuity Fund (Continued)

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

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

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

NOTE 11. PENSION PLANS (CONTINUED)

Teachers' Pension and Annuity Fund (Continued)

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

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
State's Share of the Net Pension Liability associated with the District	\$ 7,177,201	\$ 6,111,436	\$ 5,231,595
State's Share of the Net Pension Liability	\$ 60,591,896,759	\$ 51,676,587,303	\$ 44,166,559,329

Defined Contribution Retirement Program (DCRP)

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

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

Eligibility

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

Contributions – The contribution policy is set by N.J.S.A 43:15C-3 and requires contributions by active members and contributing employers. Plan members are required to contribute 5.5% of their base salary and the District's employer match is an additional 3% contribution. For the year ended June 30, 2023, employee contributions totaled \$7,896 and the District's employer contribution, recognized in pension expense, was \$4,307. There were no forfeitures during the fiscal year.

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

NOTE 12. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit State Retired Employees Plan:

State Health Benefit State Retired Employees Plan Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2022 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability. The State's share of the net pension liability, based on a measurement date of June 30, 2021, which is required to be recorded on the financial statements, is \$75.1 billion. The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contribution. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not prefund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State's contribution to fund increases in prescription drugs and medical claims costs. In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The 7 State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: https://www.state.nj.us/treasury/pensions/financial-reports.shtml.

NOTE 12. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

General Information about the OPEB Plan

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

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

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

Special Funding Situation

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

Total OPEB Liability

The State of New Jersey's total OPEB liability, as of the measurement date of June 30, 2022, was \$50,646,462,966. Of this amount, the total OPEB liability attributable to the School District was \$9,314,635. The State of New Jersey's proportionate share of the total OPEB liability is 100%, including the proportion attributable to the School District of 0.01839%. The total OPEB liability for the School District measured as of June 30, 2022 is zero as a result of the Special Funding Situation with the State of New Jersey. The School District's proportionate share of the total OPEB liability measured as of June 30, 2022 is 0.00%. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position.

NOTE 12. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Total Non-employer OPEB Liability

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

	TPAF/ABP	PERS	PFRS
Salary Increases:	2.75% to 4.25% based on years of service	2.75% to 6.55% based on years of service	3.25% to 16.25% based on years of service

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

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

Health Care Trend Assumptions

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

Discount rate

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

NOTE 12. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Changes in the Total OPEB Liability

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

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

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

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

Sensitivity of Total Non-employer OPEB Liability to changes in the healthcare trend rate:

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

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

NOTE 12. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

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

For the year ended June 30, 2023, the School District recognized OPEB expense of \$102,362. The School District reported deferred outflows of resources and deferred inflows of resources from the following sources:

	_	Deferred Outflows of Resources	_	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$	1,663,032	\$	(2,843,866)
Changes of Assumptions Net difference Between Projected and Actual Earnings on OPEB Plan Investments		1,612,128		(3,170,193)
Changes in Proportion		420,179		(745,900)
Contributions Subsequent to the Measurement Date	<u>-</u>		_	
Total	\$_	3,695,339	\$	(6,759,959)

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

Measurement Period Ending June 30,	OPEB
2023	\$ 1,146,444
2024	1,146,444
2025	1,146,444
2026	1,210,847
2027	1,375,003
Thereafter	 4,430,116
Total	\$ 10,455,298

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 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the School District and its employees, is accrued as employees earn the rights to the benefits.

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

NOTE 13. COMPENSATED ABSENCES (Continued)

In the District Wide-Statement of Net Position, the liabilities whose average maturities are greater than one year should be reported in two components-the amount due within one year and the amount due in more than one year. The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2023, a liability existed for compensated absences in the General Fund of \$35,286 and none in the Food Service Fund.

NOTE 14. DEFERRED COMPENSATION

The Board offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, 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 administrator is as follows:

AXA Equitable GWN Marketing

NOTE 15. RISK MANAGEMENT

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

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

New Jersey Unemployment Compensation Insurance - The District elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its State account. The District is billed quarterly for amounts due. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and prior 2 years.

Fiscal Year	District <u>Contributions</u>	Employee Contributions	<u>F</u>	Amount Reimbursed	Ending <u>Balance</u>
2022-2023	\$	\$ 1,332	\$	8,899	\$ 16,874
2021-2022				674	24,441
2020-2021		4,917		4,425	25,115

NOTE 16. INTERFUND RECEIVABLES AND PAYABLES

The following Interfund Balances remained on the balance sheet at June 30, 2023:

Fund	Interfund Receivable	Interfund Payable
General Fund Special Revenue Fund After Care	\$ 122,938	\$ 122,588 350
Total	\$ 122,938	\$ 122,938

NOTE 17. FUND BALANCE APPROPRIATED

General Fund - Of the \$1,101,237 General Fund balance at June 30, 2023, \$400,135 is restricted for Capital Reserve, of which none has been assigned and appropriated as anticipated revenue in the year ending June 30, 2024; \$301,851 has been restricted for excess surplus, of which \$67,655 has been assigned and appropriated as anticipated revenue in the year ending June 30, 2024; \$16,874 is restricted for Unemployment Reserve; \$74,377 is restricted for Maintenance Reserve; \$33,532 is restricted for Emergency Reserve; \$0 has been assigned and appropriated as anticipated revenue for the year ending June 30, 2024; \$13,025 is assigned for encumbrances and \$261,443 is unreserved and undesignated.

Debt Service Fund - There was no undesignated Debt Service fund balance at June 30, 2023.

NOTE 18. LITIGATION

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

NOTE 19. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A.18A:7F-7, as amended by P.L. 2005, c.73(S1701), the designation for Reserved Fund Balance — Excess Surplus is a required calculation pursuant to the New Jersey School Funding Reform Act of 2008 (SFRA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2023 is \$301,851 of which \$67,655 must be budgeted in the 2023-2024 budget and \$234,196 must be budgeted in 2024-2025.

NOTE 20. TAX ABATEMENT

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

NOTE 20. TAX ABATEMENT (CONT'D)

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

NOTE 21. DEFICIT FUND BALANCES

The District did not have any Unassigned deficit fund balances in the General and (\$46,721) in the Special Revenue Fund as of June 30, 2023, as reported in the fund statements (modified accrual basis).

DOWNE TOWNSHIP SCHOOL DISTRICT NOTES TO FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 21. DEFICIT FUND BALANCES (Continued)

P.L. 2003, c.97 provides that in the event a state school aid payment is not made until the following school year, districts must record the last state aid payment as revenue, for budgeted purposes only, in the current budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry i.e., if one government recognizes as asset, the other government recognizes a liability.

Since the state is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the state records the payable. Due to the timing difference of recording the last state aid payment, the Special Revenue Fund deficit does not alone indicate that the district is facing financial difficulties, as the deficit is equal to the last state aid payments received in July of 2023.

NOTE 22. RECEIVABLES

Receivables on June 30, 2023 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds.

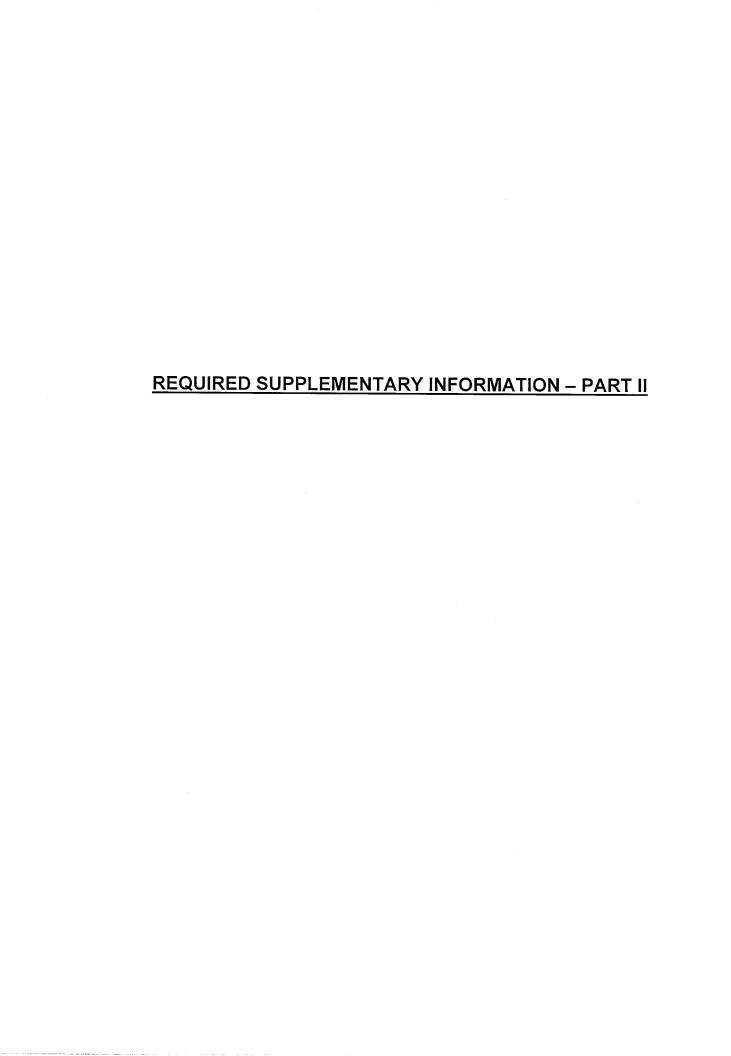
Receivables as of year-end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

Receivables:	_	General Fund	Special Revenue Fund	F	Proprietary Funds	Total
Intergovernmental Other	\$_	73,780 1,569	\$ 236,306	\$	11,068 \$ 319	321,154 1,888
Totals	\$ =	75,349	\$ 236,306	\$	11,387 \$	323,042

NOTE 23. SUBSEQUENT EVENTS

There were no material subsequent events affecting the District between June 30, 2023, and the Audit Report Date of December 4, 2023

End of Notes to Financial Statements





		riginal Sudget		Budget nendments/ Fransfers	ı	Final Budget		Actual	F	Variance nal to Actual Favorable/ nfavorable)
REVENUES:			-		_	<u> _uug</u> u	-	Notuci	_(_	mavorable)_
Local Sources:			_							
Local Tax Levy Tuition from Individuals	\$ 1	,626,189	\$		\$	1,626,189	\$	1,626,189	\$	
Tuition from Other LEA's Within the State								4,050		4,050
Transportation Fees from Other LEA's Within the State		30,000				20.000		34,282		34,282
Unrestricted Miscellaneous Revenues		2,000				30,000 2,000		1,950 3,914		(28,050)
Interest on Investments		2,000				2,000		1,441		1,914 1,441
Interest on Investments - Emergency Reserve		25				25		25		0
Interest on Investments - Maintenance Reserve		25				25		25		Ö
Interest on Investments - Capital Reserve		50				50		75		25
Total - Local Sources	1,	,658,289				1,658,289		1,671,951		13,662
State Sources:										
Equalization Aid		982,277				982,277		982,277		
Categorical Special Education		109,379				109,379		109,379		
Categorical Security Aid Categorical Transportation Aid		40,699				40,699		40,699		
School Choice Aid		117,588 198,984				117,588		117,588		
Extraordinary Aid		190,904				198,984		198,984 63,071		62.074
Non-Public Transportation Aid								1,248		63,071 1,248
Supplemental Stabilization Aid								74,976	ŧ	74,976
On-behalf TPAF Pension Contributions (non-budgeted)								469,438		469,438
On-behalf TPAF Post - Retire Medical (non-budgeted)								123,320		123,320
On-behalf TPAF Long-term Disability Contributions (non-budgeted	d)							373		373
Reimbursement TPAF Social Security Contributions								101,441		101,441
Total - State Sources	1,	448,927				1,448,927		2,282,794		833,867
Federal Sources: Medicaid Assistance (SEMI)								9,426		9,426
Total - Federal Sources								9,426		9,426
TOTAL REVENUES	\$ 3,	107,216	\$		\$	3,107,216	\$	3,964,171	\$	856,955
EXPENDITURES:										
Current Expense:										
Instruction - Regular Programs: Salaries of Teachers:		•								
Kindergarten	r	77.005	•	(4.004)			_			
Grades 1-5	\$	77,905 311,113	\$	(1,961)	\$	75,944	\$	75,944	\$	
Grades 6-8		268,196		14,534 (21,812)		325,647		325,647		
Home Instruction:	•	200,190		(21,012)		246,384		246,384		
Salaries of Teachers		1,500		(1,500)						
Purchased Professional Educational Services Regular Programs - Undistributed		500		(500)						
Instruction:										
Other Purchased Services		19,900		2,760		22,660		21,176		1,484.00
General Supplies		34,500		(18,853)		15,647		13,507		2,140
Total Regular Programs	\$ 7	713,614	\$	(27,332)	\$	686,282	_\$	682,658	\$	3,624

EXPENDITURES: (Continued) CURRENT EXPENSES: (Continued) Special Education		Original Budget	Budget Amendmen Transfers		E	Final Budget		Actual	Fina Fa	ariance Il to Actual Ivorable/ favorable)
Learning/Language Disabled: Instruction General Supplies	\$	500	\$		\$	500	\$		\$	500
Total Learning/Language Disabled:		500				500				500
Multiple Disabilities: Salaries of Teachers Other Purchased Services (400-500 series)		66,484 10,800		6,269		66,484 17,069	-	66,484 17,066		3
Total Multiple Disabilities		77,284		6,269		83,553		83,550		3
Resource Room: Salaries of Teachers Other Salaries for Instructions		119,422 18,000	•	19,609) 93,089		99,813 111,089		99,813 110,731		358
Total Resource Room		137,422		73,480		210,902		210,544		358
TOTAL SPECIAL EDUCATION		215,206		79,749		294,955		294,094		861
Basic Skills/Remedial - Instruction: Salaries of Teachers	<u></u>	20,122		20,122)						
Total Basic Skills/Remedial Instruction:		20,122	(20,122)						
School Sponsored Co-curricular Activities: Salaries Purchased Services		1,900 600		2,104		4,004 600		4,004 385		215
Total School Sponsored Co-curricular Activities		2,500		2,104		4,604		4,389		215
Total Instruction		951,442		34,399		985,841		981,141		4,700
Undistributed Expenditures: Instruction: Tuition - Other LEA's Within the State - Regular Tuition - Other LEAs Within the State - Special Tuition - County Voc Sch Dist Regular Tuition - County Voc Sch Dist Special Tuition - Co Spec Serv and Regional Day Schools Tuition to APSSD Within the State Total Undistributed Expenditures - Instruction	\$	119,424 92,322 28,898 236,115 85,239 561,998	(11,257 (4,458) (811) 11,500 12,135) 32,733 38,086		130,681 87,864 28,087 11,500 223,980 117,972 600,084		130,681 87,726 25,597 9,200 223,775 117,972 594,951		138 2,490 2,300 205
		<u> </u>						30 1,001		0,100

		riginal udget	Budget Amendments/ Transfers	Final		Actual		Final Fa	ariance to Actual vorable/ avorable)
EXPENDITURES: (Continued) CURRENT EXPENSES: (Continued) Attendance and Social Work Services:		uuget	Transiers		uugei		Actual	_(0111	avorablej_
Salaries	\$	14,096	\$	\$	14,096	\$	13,862	\$	234
Total Attendance and Social Work Services		14,096			14,096	•	13,862		234
Health Services:									
Salaries		53,987	3,949		57,936		57,935		1
Purch Prof/ Tech Services		3,450	(2,449)		1,001		110		891
Supplies and Materials		2,800	(500)		2,300		1,113		1,187
Total Health Services		60,237	1,000		61,237		59,158		2,079
Speech, OT, PT & Related Services									
Purchased Prof - Education Services		12,100	867		12,967		12,967		
Total Speech, OT, PT & Related Services		12,100	867		12,967		12,967		
Other Support Services - Extraordinary Services	-								
Salaries		101,740	(52,935)		48,805		48,759		46
Purchased Prof - Education Services		62,250	28,822		91,072		91,002		70
					91,072		91,002		70
Total Other Support Services - Extraordinary Services		163,990	(24,113)		139,877		139,761		116
Other Support Services - Students- Child Study Teams									
Purchased Professional - Educational Services		53,036	384		53,420		53,416		4
Other Purchased Prof and Tech Services		900	(400)		500		450		4 50
Other Purchased Services (400-500 series)		4,600	137		4,737		430 4,737		50
Supplies and Materials		4,000	183		183		,		
Supplies and Materials			103		100		183		
Total Other Support Services - Students- Child Study Teams		58,536	304		58,840		58,786		54
Improvement of Instructional Services									_
Salaries of Secr. And Clerical Assist.		26,974			26,974		25,923		1.051
Other Purchased Services		600			600		549		51
Total Improvement of Instructional Services	\$	27,574	\$	\$	27,574	\$	26,472	\$	1,102

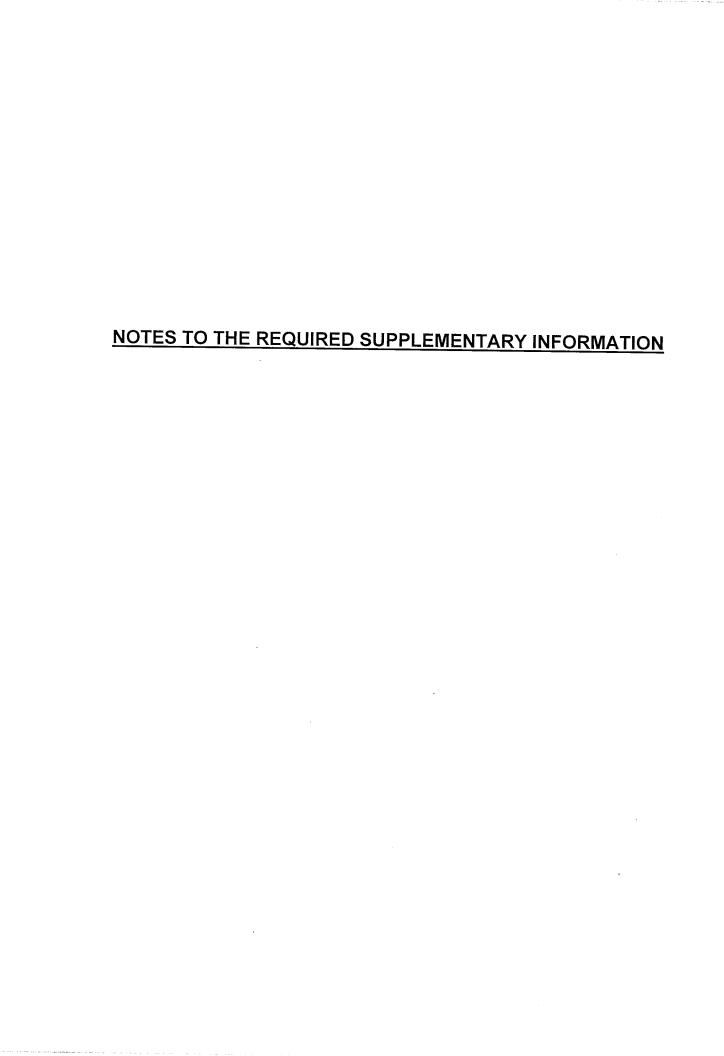
EXPENDITURES: (Continued) CURRENT EXPENSES: (Continued) Undistributed Expenditures: Instructional Staff Training Services	Original Budget	Ame	Budget ndments/ ansfers	Final Budget	Actual		Fina Fa	ariance Il to Actual Ivorable/ favorable)
•	\$	\$	1,528	\$ 1,528	e	4.500	•	
Total Inst. Staff Training Services	<u> </u>	<u> </u>	1,528	1,528	<u>\$</u>	1,528 1,528	\$	
Support Services General Administration: Salaries Legal Services Audit Fees Other Purchased Professional Services Communication/Telephone Miscellaneous Purchased Services General Supplies Miscellaneous Expenditures BOE Membership Dues and Fees Total Support Services General Administration Support Services School Administration: Salaries of Principals/Assistant Principals Salaries of Secretarial and Clerical Assistants Other Salaries Supplies and Materials Other Objects	40,568 4,000 18,500 3,060 24,500 10,615 1,000 2,450 2,700 107,393 46,363 13,483 4,293 2,275 2,500		4,330 3,500 185 (5,533) 3,399 (267) 251 5,865	40,568 8,330 22,000 3,245 18,967 14,014 733 2,701 2,700 113,258 46,364 15,835 4,693 2,862 2,500		40,568 8,096 22,000 3,245 17,185 13,591 586 2,701 2,513 110,485 46,363 15,377 3,922 2,068		1,782 423 147 187 2,773
Total Support Services School Administration	68,914		3,340	72,254		1,890 69,620		2,634
Central Services Purchased Professional Services Misc. Purchased Services (400-500) Supplies and Materials Miscellaneous Expenditures	76,500 20,500 75		(4,250) 587	76,500 16,250 587 75		76,500 11,322 587		4,928 75
Total Central Services	97,075		(3,663)	93,412		88,409		5,003
Admin. Info. Technology Purchased Technical Services	8,000			8,000		8,000		
Total Admin. Info. Technology	8,000			8,000		8,000		
Required Maintenance for School Facilities: Cleaning, Repair and Maintenance Services General Supplies	34,000 4,000		7,714	41,714 4,000		37,376 3,073		4,338 927
Required Maintenance for School Facilities:	\$ 38,000	\$	7,714	\$ 45,714	\$	40,449	\$	5,265

EXPENDITURES: (Continued) CURRENT EXPENSES: (Continued)		riginal Sudget		Budget nendments/ Fransfers	i	Final Budget		Actual	ı	Variance nal to Actual Favorable/ Infavorable)
,										
Custodial Services: Salaries	\$	47 740	¢	2.400	Φ.	E0 4 E 7	•	50.454	•	_
Salaries of Non-Instructional Aides	Ф	47,748	\$	2,409 7,513	\$	50,157 7,513	\$	50,154 7,424	\$	3 89
Cleaning, Repair, and Maintenance Services		35,850		(17,863)		17,987		10,297		7.690
Insurance		32,079		(,000)		32,079		30,597		1,482
General Supplies		18,000		(2,008)		15,992		8,371		7,621
Energy (Natural Gas)		350				350		106		244
Energy (Electricity)		72,000		3,150		75,150		69,569		5,581
Other Objects		800		25		825		604		221
Total Custodial Services		206,827		(6,774)		200,053		177,122		22,931
Care and Upkeep of Grounds: Cleaning, Repair and Maintenance Services										
Total Care and Upkeep of Grounds										
Total Operation and Maintenance of Plant Services		244,827		940		245,767		217,571		28,196
Undistributed Expenditures - Student Transportation Services:									-	
Salaries of Non-Instructional Aides		38,410		(27,252)		11,158		9,856		1,302
Salaries - Between Home & School - Regular				36,150		36,150		36,082		68
Salaries - Between Home & School - Special Ed		57,848		(56, 294)		1,554		1,398		156
Other Purchased Professional and Technical Services		2,000		,		2,000		1,435		565
Cleaning, Repair and Maintenance Services		12,000		1,400		13,400		13,385		15
Contracted Services - Aid in Lieu of Payments - Nonpublic		1,000		3,088		4,088		4,088		
Contracted Services - Aid in Lieu of Payments - Choice Public		10,000		(1,824)		8,176		8,176		
Contracted Services (Home/School) - Vendor		134,704		10,908		145,612		143,979		1,633
Contracted Services (Special Ed. Students) - ECS & CTSAs		120,000		66,336		186,336		186,301		35
General Supplies		27,000		(27,000)				•		
General Supplies Other Objects		22,200 500		(9,998)		12,202		11,514		688
Total Student Transportation Services		425,662	_	(4,486)		500 421,176		400		100
Unallocated Benefits:		720,002		(4,400)		421,170		416,614		4,562
Social Security Contributions		E7 000								
Other Retirement Contributions - PERS		57,000		(4.000)		57,000		50,863		6,137
Workers Compensation		58,616		(4,900)		53,716		53,265		451
Health Benefits		25,276		(42.204)		25,276		23,784		1,492
Tuition Reimbursement	•	428,792		(42,384)		386,408		323,878		62,530
Other Employee Benefits		5,000 5,200		(1,258)		3,742		2,183		1,559
Unused Sick Payments to Terminated/ Retired Staff		5,200		5,208 5,500		10,408 5,500		10,408 5,500		
Total Unallocated Benefits		579,884		(37,834)		542,050		469,881		72,169
Total Personal Services - Employee Benefits		579,884		(37,834)	-	542,050		469,881		72,169
On-behalf TPAF Pension Contributions (non-budgeted) On-behalf TPAF Post - Retire Medical (non-budgeted) On-behalf TPAF Long-term Disability Contributions (non-budgeted) Reimbursement TPAF Social Security Contrib. (Non-budgeted)								469,438 123,320 373		(469,438) (123,320) (373)
Total Undistributed Expenditures	2.4	130,286		(18,166)		412,120		2,982,637		(101,441)
Interest Earned on Maintenance Reserve		25	_			25				
Interest Earned on Emergency Reserve		25				25 25				25 25
TOTAL EXPENDITURES - CURRENT EXPENSE	\$ 3.3	381,778	\$	16,233	\$ 3	398,011	\$	3,963,778	\$	
		-,	 -		Ψ 0,	,550,511		3,303,770	φ	(565,767)

EXPENDITURES: (Continued)	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)		
CAPITAL OUTLAY:							
Interest Deposit to Capital Reserve	\$ 50	\$	\$ 50	\$	\$ 50		
Equipment: Instruction Required Maintenance for School Fac.							
Total Equipment							
Facilities Acquisition and Construction Services: Architectural/Engineering Services Equipment Undistributed Expenditures- Required Maintenance for School Facilities							
Assessment for Debt Service on SDA Funding	2,704		2,704	2,704			
Total Facilities Acquisition and Construction Services	2,704		2,704	2,704			
TOTAL CAPITAL OUTLAY	2,754		2,754	2,704	50		
TOTAL EXPENDITURES	3,384,532	16,233	3,400,765	3,966,482	(565,717)		
Excess (Deficiency) of Revenues and Other Over (Under) Expenditures	(277,316)	(16,233)	(293,549)	(2,311)	291,238		
Other financing sources (uses): Operating Transfer Out - Food Service	(5,000)		(5,000)	_	5,000		
Total Other Financing Sources	(5,000)		(5,000)		5,000		
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses Fund Balances, July 1	(282,316) 1,231,400	(16,233)	(298,549)	(2,311)	296,238		
Fund Balances, June 30	\$ 949,084	\$ (16,233)	1,231,400 \$ 932,851	1,231,400 \$ 1,229,089	\$ 296,238		
RECAPITULATION: Reserved: Restricted Fund Balance: Excess Surplus Excess Surplus - Designated for Subsequent Year's Expenditures Maintenance Reserve Capital Reserve Emergency Reserve Unemployment Compensation Assigned: Encumbrances				\$ 234,196 67,655 74,377 400,135 33,532 16,874			
Unassigned Fund Balance Reconciliation to Governmental Funds Statements (GAAP):				1,229,089			
Last State Aid Payment not Recognized on GAAP Basis				(127,852)			
Fund Balance per Governmental Funds (GAAP)				\$ 1,101,237			

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

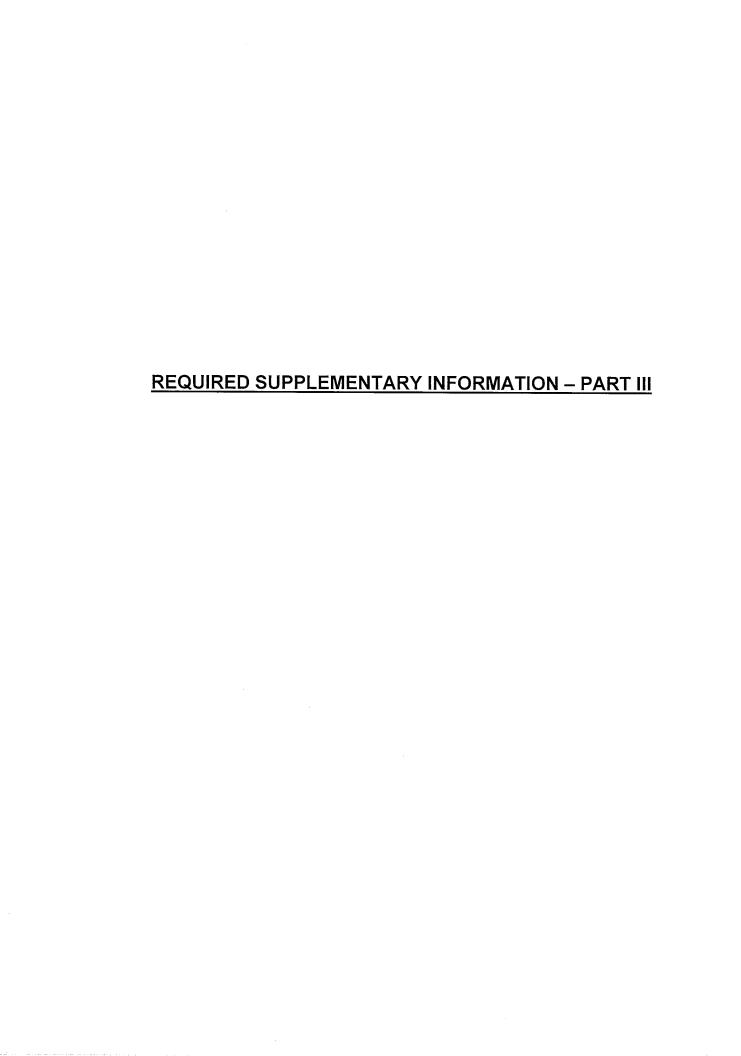
		Original Budget		Budget Transfers		Final Budget		Actual		Variance Favorable (Unfavorable)
REVENUES										
Federal Sources	\$		\$	822,541	\$	822,541	\$	517,816	\$	(304,725)
State Sources		471,288		30,630		501,918		461,262	·	(40,656)
Local Sources				56,447		56,447		29,541		(26,906)
Total Revenues	_	471,288		909,618		1,380,906		1,008,619		(372,287)
EXPENDITURES					_					-
Instruction										
Salaries of Teachers		147,562		348,252		495,814		368,795		127,019
Salaries - Other Instructional		32,455		0.0,202		32,455		32,455		127,019
Purchased Professional Tech. Services		0_, .00		2,800		2,800		02,400		2,800
Other Purchased Services				27,941		27,941		9,650		18,291
General Supplies		6,660		139,264		145,924		31,745		114,179
•	_			100,204		140,324	-	31,743		114,179
Total Instruction	_	186,677		518,257		704,934	_	442,645		262,289
Support Services										
Salaries				75.000		75.000				
Salaries-Principles/Assistant		45 407		75,000		75,000		56,453		18,547
Salaries of Other Professional Staff		45,497 13,497				45,497		45,497		
Salaries - Secretary/Clerical		25,747				13,497 25,747		13,497		
Other Salaries		28,498				28,498		25,747 28,498		
Salaries of Family/Parent Laison		33,069				33,069		33,069		
Personal Services - Employee Benefits		110,548		139,647		250,195		230,814		19,381
Purchased Professional & Technical Services		•		88,316		88,316		60,611		27,705
Contact Service - Transportation		27,755		,		27,755		27,755		27,700
Other Purchased Services				35,000		35,000				35,000
Communications				14,492		14,492		14,492		,
Supplies and Materials				12,000		12,000		2,000		10,000
Student Activities				26,906		26,906		26,906		
Total Support Services		284,611	. –	391,361		675,972	_	565,339	-	110,633
	_		. –				_		-	
Facilities Acquisition and Construction Services										
Instructional Equipment Non-Instructional Equipment						•				
• •	_		_				_		_	
Total Facilities Acquisition and Construction Services	_									
Total Expenditures		471,288	_	909,618		1,380,906		1,007,984		372,922
Excess (Deficiency) of Revenues Over (Under)										
Expenditures	\$_		\$_		\$_		\$_	635	\$_	635
Fund Balance, July 1							_	23,899		
Fund Balance, June 30							\$_	24,534		
Recapitulation:										
Restricted:										
Student Activities							\$	24,534		
							-	<u>~ .,00 r</u>		
Total Fund Balance							\$_	24,534		



DOWNE TOWNSHIP SCHOOL DISTRICT REQUIRED SUPPLEMENTARY INFORMATION BUDGET -TO-GAAP RECONCILIATION FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

0		General Fund	_	Special Revenue Fund
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue"				
from the budgetary comparison schedule	[C-1] \$	3,964,171	[E-1] \$	1,008,619
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that				
encumbrances are recognized as expenditures, and the related				
revenue is recognized. Current Year				
Prior Year				
State aid payment recognized for GAAP statements in the current year,				
previously not recognized for budgetary purposes		136,189		40,662
State aid payment recognized for budgetary purposes,				
not recognized for GAAP Payments		(127,852)		(46,721)
Total revenues as remarked as the Out.	-		_	
Total revenues as reported on the Statement of Revenues, Expenditures				
and Changes in Fund Balances - Governmental Funds.	[B-2] \$	3,972,508	[B-2] \$	1,002,560
Uses/outflows of resources	•	· · · · · · · · · · · · · · · · · · ·	=	
Actual amounts (budgetary basis) "total outflows" from the	[C-1] \$	3,966,482	FE 41 C	4 007 004
budgetary comparison schedule	[0-1] φ	3,900,462	[E-1] \$	1,007,984
Differences - budget to GAAP				
Encumbrances for supplies and equipment ordered but				
not received are reported in the year the order is placed for				
budgetary purposes, but in the year the supplies are received				
for financial reporting purposes. CurrentYear				
Prior Year				
Thor real				
	=		_	
Total expenditures as reported on the Statement of Revenues,				
Expenditures, and Changes in Fund Balances - Governmental Funds	[B-2] \$	3,966,482	[B-2] \$	1,007,984
	=		, v	.,007,007



DOWNE TOWNSHIP SCHOOL DISTRICT Schedule of the District's Proportionate Share of the Net Pension Liability Public Employees' Retirement System (PERS) Last Ten Fiscal Years*

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's Proportion of the Net Pension Liability	0.004224%	0.004693%	0.004928%	0.005312%	0.00508517%	0.00580542%	0.00544358%	0.00577657%	0.60180600%	0.00627794%
District's Proportionate Share of the Net Pension Liability	\$ 582,821 \$	555,961 \$	803,705 \$	957,121 \$	1,001,244	\$ 1,351,409 \$	1,612,233 \$	1,296,724	1,126,745 \$	1,199,839
District's Covered-Employee Payroll	\$ 320,771 \$	320,081 \$	295,645 \$	343,928 \$	356,267 \$	\$ 373,710 \$	374,318 \$	397,037 \$	363,529 \$	N/A
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	181.69%	173.69%	271.85%	278.29%	281.04%	361.62%	430.71%	326.60%	309.95%	N/A
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

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

DOWNE TOWNSHIP SCHOOL DISTRICT Schedule of District Contributions Public Employees' Retirement System (PERS) Last Ten Fiscal Years*

	_	2022	_	2021	 2020	<u> </u>	2019	2018		2017	2016		2015		2014
Contractually Required Contribution	\$	53,265	\$	54,961	\$ 53,915	\$	51,772 \$	53,781	\$	48,360 \$	49,66	3 \$	49,612	\$	47,303
Contributions in relation to the Contractually Required Contribution		(53,265)		(54,961)	(53,915)		(51,772)	(53,781)		(48,360)	(49,66	3)	(49,612)		(47,303)
Contribution Deficiency (Excess)	\$ <u></u>		\$		\$	\$ 	\$. \$. =	\$		 - \$ =		\$ <u></u>	
District's Covered-Employee Payroll	\$	320,771	\$	320,081	\$ 295,645	\$	343,928 \$	373,710	\$	374,710 \$	397,03	7 \$	363,529	\$	N/A
Contributions as a Percentage of Covered-Employee Payroll		16.61%		17.17%	18.24%		15.05%	14.39%		12.91%	12.51	%	13.65%		N/A

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

DOWNE TOWNSHIP SCHOOL DISTRICT Schedule of the District's Proportionate Share of the Net Pension Liability Teachers' Pension and Annuity Fund (TPAF) Last Ten Fiscal Years*

	-	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's Proportion of the Net Pension Liability		0.011845%	0.011968%	0.011348%	0.012166%	0.011913%	0.012618%	0.011840%	0.012205%	0.012243%	0.012960%
District's Proportionate Share of the Net Pension Liability	\$	6,111,436 \$	5,753,552 \$	7,472,588 \$	7,466,431 \$	7,578,927 \$	8,507,440 \$	9,313,811 \$	7,713,883 \$	6,543,501 \$	6,550,013
District's Covered-Employee Payroll	\$	1,257,879 \$	1,263,682 \$	1,300,446 \$	1,310,463 \$	1,308,216 \$	1,226,975 \$	1,218,312 \$	1,180,073 \$	1,288,562 \$	N/A
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll		485.85%	455.30%	574,62%	569.76%	579.33%	693.37%	764.48%	653.68%	507.81%	N/A
Plan Fiduciary Net Position as a percentage of the Total Pension Liability		32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33,64%	33.76%

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

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

DOWNE TOWNSHIP SCHOOL DISTRICT

Required Supplementary Information - Part III

Schedule of Changes in the Total OPEB Liability and Related Ratios State Health Benefit Local Education Retired Employees Plan

Last Ten Fiscal Years

	 2022	2021	2020	2019	2018	2017
Total OPEB Liability						
Service Cost	\$ 367,655 \$	440,134 \$	251,528 \$	258,761 \$	278,379 \$	456,666
Interest Cost	246,848	279,899	281,045	357,603	372,429	324,462
Changes of Benefit Terms		(11,484)				
Differences Between Expected and Actual Experiences	645,720	(2,519,854)	2,263,082	(1,711,538)	(515,009)	
Changes of Assumptions	(2,498,734)	10,645	2,338,814	117,573	(1,044,037)	(1,352,994)
Member Contributions	7,844	7,156	6,756	7,175	8,408	8,734
Gross Benefit Payments	 (244,510)	(220,482)	(222,904)	(242,061)	(243,276)	(237,205)
Net Change in Total OPEB Liability	(1,475,177)	(2,013,986)	4,918,321	(1,212,487)	(1,143,106)	(800,337)
Total OPEB Liability - Beginning	 10,789,812	12,803,798	7,885,477	9,097,964	10,241,070	11,041,407
Total OPEB Liability - Ending	\$ 9,314,635 \$	10,789,812 \$	12,803,798 \$	7,885,477 \$	9,097,964 \$	10,241,070
Covered-Employee Payroll	\$ 1,578,650 \$	1,583,763 \$	1,596,091 \$	1,654,391 \$	1,664,483 \$	1,600,685
Total OPEB Liability as a Percentage of Covered-Employee Payroll	590.04%	681.28%	802.20%	476.64%	546.59%	639.79%

Notes to Schedule:

Changes of Benefit Terms: None

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

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

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

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

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

DOWNE SCHOOL DISTRICT SPECIAL REVENUE FUND COMBINING SCHEDULES OF REVENUES AND EXPENDITURES - BUDGETARY BASIS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

							FOR T	HE FISCAL YEA	R ENDED JU	NE 30, 2023								
		Title I	CLB / ESEA		I.D.E.A	Part B	CRRSA	Consolidated	A	RP		Bridging						
		Part A	Title II	Title IV		Pre-	CRRSA	CR Learning	ARP	ARP		The Digital	Climate Awareness	Pre-School Education	Student	Safety	Tota	als
	_2	022-2023	 -		Basic	School	ESSER II	Acceleration	ESSER	Summer	_REAP_	Divide	Edu	Program	Activity	Program	2023	2022
REVENUES: Federal Sources State Sources Local Sources	\$	48,613 \$	5,894 \$	10,000	\$ 59,581	\$ 1,030 \$	87,344	7,459 \$	269,047	\$ 2,848	\$ 14,492 \$	11,508	\$ \$ 6,660	\$ 454,602	\$ 27,541	\$ 2,000	517,816 \$ 461,262 29,541	454,569 539,356 15,886
Total Revenues	\$	48,613 \$	5,894 \$	10,000	\$ 59,581	\$ 1,030 \$	87,344	.7,459 \$	269,047	\$ 2,848	\$ 14,492 \$	11,508	6,660 \$	454,602 \$		2,000 \$	1,008,619 \$	
EXPENDITURES: Instruction: Salaries of Teachers Salaries - Other Instructional Purchased Professional Tech. Service Purchased Professional Ed Services	\$ es	32,000 \$	3,903 \$		\$	\$ \$	53,251 \$	\$	139,257	\$ 2,848	\$		\$ \$	137,536 \$ 32,455	\$	\$	368,795 \$ 32,455	286,602 36,224 5,200
Other Purchased Services General Supplies		293		10,000			3,809 1,666	5,841 1,618				11,508	6 660				9,650	4,159
Total Instruction	_	32,293	3,903	10,000			58,726	7,459	139,257	2,848		11,508	6,660	169,991			31,745 442,645	90,030
Support Services: Salaries Salaries-Principles/Assistant Salaries of Other Professional Staff Salaries - Secretary/Clerical Other Salaries Salaries of Family/Parent Laison Personal Services - Employee Benefit Purchased Professional & Technical S Other Purchased Professional Service Cleaning, Repair & Maintenance Service Contact Service - Transportation	Service es	16,320 əs	1,991		59,581	1,030	28,618		56,453 73,337					45,497 13,497 25,747 28,498 33,069 110,548			56,453 45,497 13,497 25,747 28,498 33,069 230,814 60,611	34,368 42,688 13,682 24,690 27,509 32,852 267,346 68,296 450 7,663
Other Purchased Services Communications Supplies and Materials Student Activities											14,492			27,755	26,906	2,000	27,755 14,492 2,000 26,906	15,000 6,327 16,140 16,699 13,366
Total Support Services		16,320	1,991		59,581	1,030	28,618		129,790		14,492			284,611	26,906	2,000	565,339	587,076
Facilities Acquisition/Construction: Non-Instructional Equipment													-					
Total Facilities Acquisition/Construction											-				-			
Total Expenditures	\$	48,613 \$	5,894 \$	10,000 \$	59,581	1,030 \$	87,344 \$	7,459 \$	269,047	2,848 \$	14,492 \$	11,508	6,660 \$	454,602 \$	26,906 \$	2,000 \$	1,007,984 \$	1,009,291
Excess (Deficiency) of Revenues Over (Under) Expendiures								· · · · · · · · · · · · · · · · · · ·			<u> </u>				635		635	520
Fund Balance, July 1		_									-			-	23,899		23,899	23,379
Fund Balance, June 30	\$	\$	*	\$	\$\$	\$	\$	\$	\$	\$	\$	· \$	\$\$	\$	24,534 \$	\$	24,534 \$	23,899

EXHIBIT E-2

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

TOTAL THE PROPERTY OF THE PROP	<u> </u>	JINE 30, 2023	-			
		<u>Budgeted</u>	<u>Actual</u>		<u>Variance</u>	
EXPENDITURES:						
Instruction:						
Salaries of Teachers	\$	147,562 \$	137,536	\$	10,026	
Other Salaries of Instruction		32,455	32,455			
Supplies	_	29,808			29,808	-
Total Instruction		209,825	169,991		39,834	_
Support Services:						
Salaries - Program Directors		45,497	45,497			
Salaries - Other Professional		13,497	13,497			
Salaries - Secretarial/Clerical		25,747	25,747			
Salaries - Other		28,498	28,498			
Salaries of Parent Involvement Spec		33,069	33,069			
Personal Services - Employee Benefits		110,548	110,548			
Contracted Services - Transportation (Bet. Home & School)	_	27,755	27,755	_		_
Total Support Services	_	284,611	284,611			_
Facilities Acquisition and Construction Services:						-
Instruction Equipment						
Noninstructional Equipment						
Total Facilities Acquisition and Construction Services		_		-		-
Total Expenditures	\$	494,436 \$	454,602	- \$	39,834	-
	-			: =		:
CALCULATION	<u>of e</u>	BUDGET & C	ARRYOVER			
Total Revised 2022-2023 Pres				\$	467,207	(1)
Add: Actual ECPA/P					27,229	(2)
Add: Budgeted Transfer from	n the	General Fun	d 2022-2023	_		(3)
Total Preschool Education Aid Funds A Less: 2021-2022 Budgeted Pres			_		494,436	(4)
Less. 2021-2022 Dudgeled Fies		ior year budg	•		494,436	(5)
Available & Unbudgeted Preschool Education					· · · · · · · · · · · · · · · · · · ·	(6)
Add: June 30, 2023 Unexpe					39,834	(7)
Less: 2022-2023 Commissioner-approved					00,004	(8)
2022-2023 Carryover -Prese				\$	39,834	(9)
2022-23 Preschool Education Aid Carryover Budgeted for Pr	rpeol	hool Program	e 2023-2024	e ==		
	. 0301	noon rogialli	3 2020-2024	Ψ=		(10)

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

EXHIBIT F-1

DOWNE TOWNSHIP SCHOOL DISTRICT CAPITAL PROJECTS FUND SUMMARY SCHEDULE OF PROJECT EXPENDITURES FOR THE FISCAL YEAR ENDED JUNE 30, 2023

					Expendit	ures	to Date			Unexpended
Project Title/Issue	Original Date		propriation	s _	Prior Years		Current Year	Encumbered		Balance June 30, 2022
Various Capital Improvements		\$_	3,977,000	\$_		\$	434,739	\$	\$	3,542,261
		\$	3,977,000	\$_		\$_	434,739	\$	\$	3,542,261
								Encumbered Fund Balance	•	333,110 3,542,261
									\$	3,875,371

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

Revenues and Other Financing Sources

Bond Proceeds	\$	3,977,000
Total Revenues	_	3,977,000
Expenditures and Other Financing Uses		
Purchased Professional and Technical Services		84,529
Construction Services		17,100
Total Expenditures	_	101,629
Excess (Deficiency) of Revenues Over (Under) Expenditures		3,875,371
Fund Balance - Beginning		
Fund Balance - Ending	\$ _	3,875,371

Less:

Cancellation of SDA Receivable
Cancellation of Unexpended Balance to Capital Outlay

DOWNE TOWNSHIP SCHOOL DISTRICT CAPITAL PROJECTS FUND SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES VARIOUS CAPITAL IMPROVEMENTS PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

Revenues and Other Financing Sources	Prior Periods	Current Year	Totals	Revised Authorized Cost
Bond proceeds Transfer from Capital Outlay Transfer from Capital Reserve Funds	\$	\$ 3,977,000 \$	3,977,000 \$	\$3,977,000
Total Revenues		3,977,000 #	3,977,000	3,977,000
Expenditures and Other Financing Uses Architectural Costs Construction Services Total Expenditures		86,839 347,900 434,739	86,839 347,900 434,739	537,900 3,439,100 3,977,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$	\$ 3,542,261 \$	3,542,261 \$	

PROPRIETARY FUND DETAIL STATEMENTS

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

Food Services Fund – This fund provides for the operation of food services for the schools within the school district.

THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5 AND B-6.

DOWNE TOWNSHIP SCHOOL DISTRICT ENTERPRISE FUNDS COMBINING STATEMENT OF NET POSITION AS OF JUNE 30, 2023

	·	Food Service Fund
ASSETS:		
Current Assets: Cash and Cash Equivalents Accounts Receivable:	\$	21,721
State		357
Federal Other		10,711 319
Interfund Receivable		318
Total Current Assets	_	33,108
Fixed Assets:		
Equipment		55,524
Less: Depreciation		(51,048)
Total Fixed Assets		4,476
Total Assets	\$	37,584
LIABILITIES:		
Current Liabilities:		
Interfund Payable	\$	
Accounts Payable	,	47
Unearned Revenue		411
Total Current Liabilities		458
Long Term Debt Compensated absences		
Total Long Term debt		14/2
Total Liabilities	\$	458
Net Position:		
Invested in capital assets Unrestricted		4,476 32,650
Total Net Position	\$	37,126
		

DOWNE TOWNSHIP SCHOOL DISTRICT PROPRIETARY ENTERPRISE FUNDS COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION AS OF JUNE 30, 2023

		Food Service Fund
OPERATING REVENUES: Local Sources: Daily sales - reimbursable programs Daily sales - nonreimbursable programs	\$	15,112
Total daily sales - reimbursable programs	_	15 112
	_	15,112
Total Operating Revenue	\$ _	15,112
OPERATING EXPENSES: Salaries Cost of Sales - Reimbursable Supplies and Materials Depreciation	\$	42,319 56,514 664 148
Total Operating Expenses	\$	99,645
Operating Income (Loss)	\$ _	(84,533)
Non-Operating Revenues: State Sources: State School Breakfast Program State School Lunch Program Federal Sources: School Breakfast Program National School Lunch Program P-EBT Supply Chain Assistance Funding Food Distribution Program	\$	273 1,761 12,476 41,059 653 22,047
Total Non-Operating Revenues	\$	78,269
Operating Transfer In - From General Fund		
Net Increase (Decrease) in Net Position	-,	(6,264)
Net Position - July 1		43,390
Net Position - June 30	\$	37,126

DOWNE TOWNSHIP SCHOOL DISTRICT PROPRIETARY FUNDS COMBINING STATEMENT OF CASH FLOWS AS OF JUNE 30, 2023

Cash Flows from Operating Activities: Receipts from Customers Payments to Employees Payments to Suppliers (51,635) Net Cash Provided by (Used for) Operating Activities Cash from (Used for) Operating Activities Transfers Total Cash Provided by (Used for) Operating Activities Transfers Total Cash Provided by (Used for) Operating Activities State Sources Federal Sources Interfund Transfer Net Cash Provided by (Used for) Noncapital Financing Activities Purchases of Capital Assets Net Cash Provided by (Used For) Capital and Related Financing Activities Cash Flows from Lopital and Related Financing Activities Purchases of Capital Assets Net Cash Provided by (Used For) Capital and Related Financing Activities Cash Flows from Investing Activities Net Cash Provided by (Used for) Investing Activities Net Cash Provided by (Used for) Investing Activities Net Increase (Decrease) in Cash and Cash Equivalents Salances - Beginning of Year Balances - End of Year Operating income (loss) Adjustments to reconcile operating income (loss) to cash used by operating activities: Depreciation Change in assets and liabilities: (Increase)/decrease in Accounts Receivable (Increase)/decrease in Interfund Receivable (Increase)/decrease) in Compensated Absences Increase/(decrease) in Unearned Revenue Total Adjustments Net Cash Provided by (Used for) Operating Activities \$ (78,842)		_	Food Service Fund
Cash From (Used for) Operating Activities Transfers Total Cash Provided by (Used for) Operating Activities Cash Flows from Noncapital Financing Activities State Sources Federal Sources Interfund Transfer Net Cash Provided by (Used for) Noncapital Financing Activities Cash Flows from Capital and Related Financing Activities Purchases of Capital Assets Net Cash Provided by (Used For) Capital and Related Financing Activities Cash Flows from Investing Activities Net Cash Provided by (Used for) Investing Activities Net Cash Provided by (Used for) Investing Activities Net Increase (Decrease) in Cash and Cash Equivalents Salances - Beginning of Year Depreciation Change in assets and liabilities: (Increase)/decrease in Accounts Receivable (Increase)/decrease in Interfund Receivable Increase/(decrease) in Compensated Absences Increase/(decrease) in Compensated Absences Increase/(decrease) in Unearned Revenue Total Adjustments Total Adjustments (78,842) (78,8	Receipts from Customers Payments to Employees	\$	(42,319)
Transfers Total Cash Provided by (Used for) Operating Activities Cash Flows from Noncapital Financing Activities State Sources Federal Sources Interfund Transfer Net Cash Provided by (Used for) Noncapital Financing Activities Cash Flows from Capital and Related Financing Activities Purchases of Capital Assets Net Cash Provided by (Used For) Capital and Related Financing Activities Net Cash Provided by (Used For) Capital and Related Financing Activities Net Cash Provided by (Used for) Investing Activities Net Increase (Decrease) in Cash and Cash Equivalents Selances - Beginning of Year Balances - End of Year Operating income (loss) Adjustments to reconcile operating income (loss) to cash used by operating activities: Depreciation Change in assets and liabilities: (Increase)/decrease in Accounts Receivable (Increase)/decrease in Accounts Payable Increase/(decrease) in Compensated Absences Increase/(decrease) in Compensated Absences Increase/(decrease) in Compensated Absences Increase/(decrease) in Unearned Revenue 411 Total Adjustments Cash Flows from Investing Activities 2,204 8 (84,533) (573) 8 (84,533) (573) 148 (1,278) (1	Net Cash Provided by (Used for) Operating Activities		(78,842)
Cash Flows from Noncapital Financing Activities State Sources Federal Sources Interfund Transfer Net Cash Provided by (Used for) Noncapital Financing Activities Purchases of Capital and Related Financing Activities Purchases of Capital Assets Net Cash Provided by (Used For) Capital and Related Financing Activities Cash Flows from Investing Activities Net Cash Provided by (Used For) Capital and Related Financing Activities Net Cash Provided by (Used for) Investing Activities Net Increase (Decrease) in Cash and Cash Equivalents Salances - Beginning of Year Departing income (loss) Adjustments to reconcile operating income (loss) to cash used by operating activities: Depreciation Change in assets and liabilities: (Increase)/decrease in Accounts Receivable (Increase)/decrease) in Accounts Payable Increase/(decrease) in Interfund Revenue Total Adjustments 1034 2034 2048 2049 2057 2068 2078			
State Sources Federal Sources Interfund Transfer Net Cash Provided by (Used for) Noncapital Financing Activities Cash Flows from Capital and Related Financing Activities Purchases of Capital Assets Net Cash Provided by (Used For) Capital and Related Financing Activities Cash Flows from Investing Activities Net Cash Provided by (Used for) Investing Activities Net Increase (Decrease) in Cash and Cash Equivalents (573) Balances - Beginning of Year Balances - End of Year Coperating income (loss) Adjustments to reconcile operating income (loss) to cash used by operating activities: Depreciation Change in assets and liabilities: (Increase)/decrease in Accounts Receivable (Increase)/decrease in Interfund Receivable Increase/(decrease) in Interfund Payable Increase/(decrease) in Compensated Absences Increase/(decrease) in Unearned Revenue 411 Total Adjustments Total Adjustments 78,269 78,269 78,269	Total Cash Provided by (Used for) Operating Activities	_	(78,842)
Net Cash Provided by (Used for) Noncapital Financing Activities Purchases of Capital Assets Net Cash Provided by (Used For) Capital and Related Financing Activities Cash Flows from Investing Activities Net Cash Provided by (Used for) Investing Activities Net Increase (Decrease) in Cash and Cash Equivalents Salances - Beginning of Year Balances - End of Year Coperating income (loss) Adjustments to reconcile operating income (loss) to cash used by operating activities: Depreciation Change in assets and liabilities: (Increase)/decrease in Interfund Receivable (Increase)/decrease in Interfund Receivable Increase/(decrease) in Interfund Payable Increase/(decrease) in Compensated Absences Increase/(decrease) in Unearned Revenue Total Adjustments 5,691	State Sources Federal Sources		•
Purchases of Capital Assets Net Cash Provided by (Used For) Capital and Related Financing Activities Cash Flows from Investing Activities Net Cash Provided by (Used for) Investing Activities Net Increase (Decrease) in Cash and Cash Equivalents Balances - Beginning of Year Coperating income (loss) Adjustments to reconcile operating income (loss) to cash used by operating activities: Depreciation Change in assets and liabilities: (Increase)/decrease in Accounts Receivable (Increase)/decrease in Interfund Receivable Increase/(decrease) in Interfund Payable Increase/(decrease) in Compensated Absences Increase/(decrease) in Unearned Revenue 411 Total Adjustments 5,691		_	78,269
Financing Activities Cash Flows from Investing Activities Net Cash Provided by (Used for) Investing Activities Net Increase (Decrease) in Cash and Cash Equivalents (573) Balances - Beginning of Year 22,294 Balances - End of Year 321,721 Operating income (loss) Adjustments to reconcile operating income (loss) to cash used by operating activities: Depreciation Change in assets and liabilities: (Increase)/decrease in Accounts Receivable (Increase)/decrease in Interfund Receivable (Increase)/decrease in Interfund Receivable Increase/(decrease) in Interfund Payable Increase/(decrease) in Compensated Absences Increase/(decrease) in Compensated Absences Increase/(decrease) in Unearned Revenue 411 Total Adjustments 5,691			
Net Cash Provided by (Used for) Investing Activities Net Increase (Decrease) in Cash and Cash Equivalents (573) Balances - Beginning of Year 22,294 Balances - End of Year \$21,721 Operating income (loss) Adjustments to reconcile operating income (loss) to cash used by operating activities: Depreciation Change in assets and liabilities: (Increase)/decrease in Accounts Receivable (Increase)/decrease in Interfund Receivable (Increase)/decrease in Interfund Receivable Increase/(decrease) in Accounts Payable Increase/(decrease) in Interfund Payable Increase/(decrease) in Compensated Absences Increase/(decrease) in Unearned Revenue 411 Total Adjustments 5,691		_	
Net Increase (Decrease) in Cash and Cash Equivalents Balances - Beginning of Year 22,294 Balances - End of Year \$21,721 Operating income (loss) Adjustments to reconcile operating income (loss) to cash used by operating activities: Depreciation Change in assets and liabilities: (Increase)/decrease in Accounts Receivable (Increase)/decrease in Interfund Receivable Increase/(decrease) in Accounts Payable Increase/(decrease) in Interfund Payable Increase/(decrease) in Compensated Absences Increase/(decrease) in Unearned Revenue 411 Total Adjustments 5,691	Cash Flows from Investing Activities		
Balances - Beginning of Year \$22,294 Balances - End of Year \$21,721 Operating income (loss) \$(84,533) Adjustments to reconcile operating income (loss) to cash used by operating activities: Depreciation \$148 Change in assets and liabilities: (Increase)/decrease in Accounts Receivable (Increase)/decrease in Interfund Receivable 6,363 Increase/(decrease) in Accounts Payable 47 Increase/(decrease) in Interfund Payable Increase/(decrease) in Compensated Absences Increase/(decrease) in Unearned Revenue 411 Total Adjustments 5,691	Net Cash Provided by (Used for) Investing Activities	-	
Balances - End of Year \$ 21,721 Operating income (loss) \$ (84,533) Adjustments to reconcile operating income (loss) to cash used by operating activities: Depreciation \$ 148 Change in assets and liabilities: (Increase)/decrease in Accounts Receivable (1,278) (Increase)/decrease in Interfund Receivable 6,363 Increase/(decrease) in Accounts Payable 47 Increase/(decrease) in Interfund Payable Increase/(decrease) in Compensated Absences Increase/(decrease) in Unearned Revenue 411 Total Adjustments 5,691	Net Increase (Decrease) in Cash and Cash Equivalents		(573)
Operating income (loss) Adjustments to reconcile operating income (loss) to cash used by operating activities: Depreciation Change in assets and liabilities: (Increase)/decrease in Accounts Receivable (Increase)/decrease in Interfund Receivable Increase/(decrease) in Accounts Payable Increase/(decrease) in Interfund Payable Increase/(decrease) in Compensated Absences Increase/(decrease) in Unearned Revenue Total Adjustments \$ (84,533) (14,278) (1,278) (Balances - Beginning of Year		22,294
Adjustments to reconcile operating income (loss) to cash used by operating activities: Depreciation 148 Change in assets and liabilities: (Increase)/decrease in Accounts Receivable (Increase)/decrease in Interfund Receivable 6,363 Increase/(decrease) in Accounts Payable 47 Increase/(decrease) in Interfund Payable Increase/(decrease) in Compensated Absences Increase/(decrease) in Unearned Revenue 411 Total Adjustments 5,691	Balances - End of Year	\$	21,721
Change in assets and liabilities: (Increase)/decrease in Accounts Receivable (Increase)/decrease in Interfund Receivable (Increase)/decrease in Interfund Receivable Increase/(decrease) in Accounts Payable Increase/(decrease) in Interfund Payable Increase/(decrease) in Compensated Absences Increase/(decrease) in Unearned Revenue Total Adjustments 5,691	Adjustments to reconcile operating income (loss)	\$	(84,533)
(Increase)/decrease in Accounts Receivable (Increase)/decrease in Interfund Receivable Increase/(decrease) in Accounts Payable Increase/(decrease) in Interfund Payable Increase/(decrease) in Compensated Absences Increase/(decrease) in Unearned Revenue Total Adjustments (1,278) (6,363 47 Increase/(decrease) in Interfund Payable Increase/(decrease) in Compensated Absences Increase/(decrease) in Unearned Revenue 5,691			148
(Increase)/decrease in Interfund Receivable 6,363 Increase/(decrease) in Accounts Payable 47 Increase/(decrease) in Interfund Payable Increase/(decrease) in Compensated Absences Increase/(decrease) in Unearned Revenue 411 Total Adjustments 5,691	(Increase)/decrease in Accounts Receivable		(1,278)
Increase/(decrease) in Interfund Payable Increase/(decrease) in Compensated Absences Increase/(decrease) in Unearned Revenue 411 Total Adjustments 5,691			6,363
Increase/(decrease) in Compensated Absences Increase/(decrease) in Unearned Revenue 411 Total Adjustments 5,691			47
Increase/(decrease) in Unearned Revenue 411 Total Adjustments 5,691			
Net Oct D. Cl. H. (I) 15 No.			411
Net Cash Provided by (Used for) Operating Activities \$ (78,842)	Total Adjustments		5,691
	Net Cash Provided by (Used for) Operating Activities	\$	(78,842)

EXHIBIT G-4

DOWNE TOWNSHIP SCHOOL DISTRICT INTERNAL SERVICE FUND COMBINING STATEMENT OF NET POSITION JUNE 30, 2023

	 Kid's Center
ASSETS	1
Current Assets: Cash and Cash equivalents Accounts Receivable	\$ 391
Total current assets	391
LIABILITIES	
Current Liabilities Interfund Payable	350
Total Current Liabilities	 350
NET POSITION: Unrestricted:	 41
Total Net Position	\$ 41

EXHIBIT G-5

DOWNE TOWNSHIP SCHOOL DISTRICT INTERNAL SERVICE FUND COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION JUNE 30, 2023

		Kid's Center
OPERATING REVENUES	_	
Charges for services	\$	16,083
Total operating revenues		16,083
	_	
OPERATING EXPENSES		
Salaries		17,416
Total Operating Expenses		17,416
Operating income/(loss)		(1,333)
NET POSITION, JULY 1		1,374
NET POSITION JUNE 30	\$	41

EXHIBIT G-6

DOWNE TOWNSHIP SCHOOL DISTRICT INTERNAL SERVICE FUND COMBINING STATEMENT OF CASH FLOWS JUNE 30, 2023

		Kid's Center
Cash Flow From Operating Activities	-	-
Receipts from customers and Users Payment to employees Payment to employee benefits	\$	16,083 (17,066)
Net Cash provided (used) by operating activities	_	(983)
Cash Flow From Financing Activities		
Repayment of interfund loan		
Net cash provided by non-capital financing activities		
Net increase/(decrease) in cash and cash equivalents		
Cash and cash equivalents July 1		1,374
Cash and cash equivalents June 30	\$ _	391
Reconciliation of operating income/(loss) to net cash provided/(used) by operating activities: Operating income/(loss) Adjustments to reconcile operating loss to cash provided (used) by operating activities: Change in assets and liabilities:	\$	(1,333)
Increase/(decrease) in Interfund Payable		350
Net cash provided by (used) by operating activities	\$ _	(983)

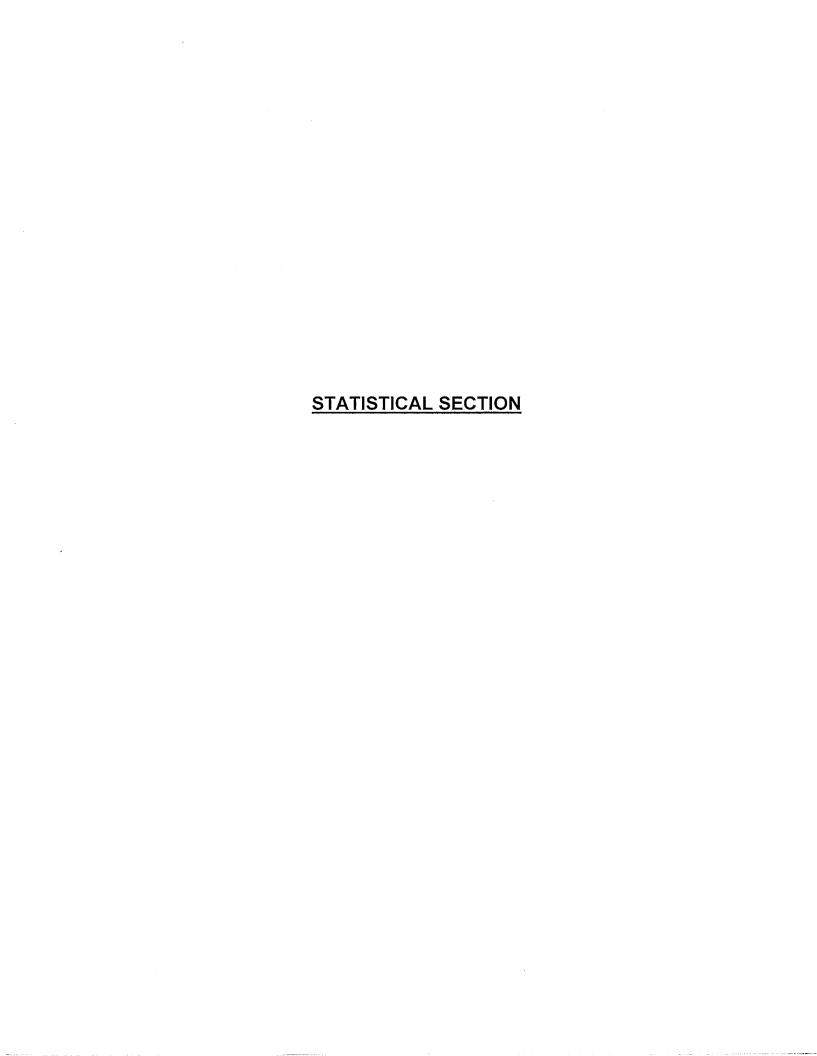
LONG-TERM DEBT SCHEDULES

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

EXHIBIT I-1

DOWNE TOWNSHIP SCHOOL DISTRICT SCHEDULE OF OBLIGATION UNDER SERIAL BONDS DEBT SERVICE FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Issue	Date of Issue	Amount OF Issue	Annua Date	I M:	aturities Amount	Interest Rate	Balance July 1, 2022	Issued	Retired		Balance June 30, 2023
Various Capital Improvements	1/25/2023	3,977,000	9/1/24	\$	227,000	1.93% \$		\$ 3,977,000	\$	- \$	3,977,000
			9/1/25		145,000			,		·	
			9/1/26		150,000						
			9/1/27		155,000						
			9/1/28		165,000						
			9/1/29		170,000						
			9/1/30		180,000						
			9/1/31		185,000						
			9/1/32		195,000						
			9/1/33		200,000						
-			9/1/34		210,000						
			9/1/35		215,000						
			9/1/36		225,000						••
			9/1/37		235,000						
			9/1/38		245,000						
			9/1/39		255,000						
			9/1/40		265,000						
			9/1/41		275,000						
			9/1/42		280,000						
						\$		\$ 3,977,000	\$	\$	3,977,000



DOWNE TOWNSHIP SCHOOL DISTRICT NET POSTION BY COMPONENT LAST TEN FISCAL YEARS

(Accrual Basis of Accounting) (UNAUDITED)

	_	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities											
Invested in Capital Assets, Net of Related Debt (Deficit) Restricted Unrestricted (Deficit)	\$	484,177 \$ 774,100 133,835	587,949 \$ 485,744 (942,784)	549,879 5 724,930 (1,120,770)	507,536 1,009,982 (1,197,146)	699,643 1,035,003 (1,210,378)	644,036 \$ 1,005,912 (1,179,690)	607,785 \$ 507,759 (553,748)	463,226 \$ 606,333 (428,415)	434,035 \$ 556,259 (466,321)	(3,503,801) 549,452 3,511,039
Total Governmental Activities Net Position	\$	1,392,112 \$	130,909 \$	154,039	320,372	524,268	470,258 \$	561,796 \$	641,144 \$	523,973 \$	556,690
Business-Type Activities											
Invested in Capital Assets, Net of Related Debt Unrestricted (Deficit)	\$	\$ (16,661)	4,486 \$ (97,597)	4,096 \$ (110,105)	3,706 \$ (111,910)	2,047 5 (96,222)	5 12,664 \$ (103,826)	2,658 \$	13,673 \$	4,624 \$ 38,766	4,476 32,650
Total Business-Type Activities Net Position (Deficit)	\$	(16,661) \$	(93,111) \$	(106,009)	(108,204)	(94,175)	(91,162) \$	2,658 \$	13,673 \$	43,390 \$	37,126
District-Wide											
Invested in Capital Assets, Net of Related Debt (Deficit) Restricted Unrestricted (Deficit)	\$	484,177 \$ 774,100 117,174	592,435 \$ 485,744 (1,040,381)	553,975 \$ 724,930 (1,230,875)	511,242 \$ 1,009,982 (1,309,056)	701,690 \$ 1,035,003 (1,306,600)	656,700 \$ 1,005,912 (1,283,516)	610,443 \$ 507,759 (553,748)	476,899 \$ 606,333 (428,415)	438,659 \$ 556,259 (427,555)	(3,499,325) 549,452 3,543,689
Total District-Wide Net Position	\$ _	1,375,451 \$	37,798 \$	48,030 \$	212,168 \$	430,093	379,096 \$	564,454 \$	654,817 \$	567,363 \$	593,816

Source: ACFR Schedule A-1

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

					-,					
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses Governmental activities										
Instruction Regular	\$ 781,60	8 \$ 749,596	\$ 728,346	Ф 700 040	6 740.040	# 700 000				_
Special Education	564,15		558,441	\$ 723,949 539,027	\$ 743,248 556,068		\$ 747,739 216,067	\$ 840,018 190,854	\$ 838,810 : 180,555	\$ 695,363 294,094
Other Special Education	82,57		84,877	92,960	97,802		104,893	111,794	63,068	
Other Instruction Support Services	4,00	4 4,004	3,276	4,499	4,004	4,144	254,633	238,637	424,420	447,034
Tuition	498,71			520725	416031	l 424117	354363	417,714	621,831	594,951
Student and Instruction Related Services School Administrative Services	354,13 102,41		439,276 71,578	453,914 51,852	564,170		548,566	542,104	735,711	647,059
General & Business Administrative Services			86,290	100,252	52,568 110,031	49,208 120,252	114,019 60,502	111,356 58,084	97,504 61,556	110,521 69,620
Central Services Plant Operations and Maintenance	74,09		86,792	90,613	87,441	96,143	95,543	95,463	106,952	96,409
Pupil Transportation	273,43 427,53		247,758 373,031	218,950 353,950	240,523 324,565	345,219 307,783	270,773 312,443	243,789 306,715	217,111 438,651	210,222 473,687
Employee Benefits	744,34	4 1,085,803	1,240,093	1,579,691	2,013,449	1,672,123	1,395,704	1,711,018	1,193,940	910,723
Internal Service Unallocated Depreciation and Amortization	10,64 2,70		9,902 2,704	8,931 2,704	7,607	7,868	6,110	3,549	1,413	17,416
Total Governmental Activities Expenses	4,000,36	 	4,588,583	4,742,017	2,704 5,220,211	2,704	2,704	2,704	2,704	65,415
Business-Type Activities	,000,00			-4,742,017	5,220,211	5,005,064	4,484,059	4,873,799	4,984,226	4,632,514
Food Service	98,60	2 70,715	77,657	68,320	65,503	68,047	98,929	85,315	113,307	99,645
Total Business-Type Activities Expense	98,60	2 70,715	77,657	68,320	65,503	68,047	98,929	85,315	113,307	99,645
Total District Expenses	\$ 13,842,88	9 \$ 13,842,889	\$_4,666,240	19,351,381	\$ 5,285,714	\$ 5,073,111	\$ 4,582,988	\$ 4,959,114	\$ 5,097,533 \$	4,732,159
Program Revenues Governmental Activities Charges for Service Pupil Transportation										
Pupil Transportation	63,77		34,292	22,087	71,764	40,739	10,967			
Student & Instruction Related Chargers for Services	12,42	8,324	9,903	8,932	7,606	7,787	8,556	2,461 7,360	13,886	27,541
Operating Grants & Contributions	231,83	551,898	675,694	908,694	1,312,510	898,582	1,220,724	1,737,285	1,853,244	1,867,032
Total Governmental Activities Program Revenu	es 308,03	603,105	719,889	939,713	1,391,880	947,108	1,240,247	1,747,106	1,867,130	1,894,573
Business-Type Activities Charges for Services										
Food Service Operating Grants and Contributions	11,06: 59,34		8,265 49,003	12,957 44,495	11,112 48,079	12,151 47,933	9,511 63,713	138 76,192	123,024	15,112 78,269
Total Business-Type Activities Program Revenu			57,268	57,452	59,191	60,084	73,224	76,330	123,024	93,381
Total District Program Revenues	\$ 378,442									
Net (Expense)/Revenue									- 1,000,104	1,007,504
Governmental Activities	\$ (3,692,330) \$ (4,055,871)	\$ (3,868,694) \$	(3,802,304)	\$ (3,828,331)	\$ (4,057,956)	\$ (3,243,812)	\$ (3.126.693) \$	\$ (3,117,096) \$	(2.737.941)
Business-Type Activities	(28,19	(7,534)	(20,389)	(10,868)	(6,312)	(7,963)	(25,705)	(8,985)	9,717	(6,264)
Total District-Wide Net Expense	\$ (3,720,525	(4,063,405)	\$_(3,889,083)	(3,813,172)	(3,834,643)	\$ (4,065,919)	\$ (3,269,517)	\$ (3,135,678) \$	(3,107,379) \$	(2,744,205)
General Revenues and Other Changes in Ne Governmental Activities	t Position									
Property Taxes Levied for General Purposes, Ne	\$ 1,266,620	\$ 1,311,526	\$ 1,337,757 \$	1,464,606	\$ 1,464,606	\$ 1,464,606	\$ 1,491,106	\$ 1,520,928 \$	1,520,928 \$	1 606 100
Federal and State Aid Not Restricted	1,851,891	1,854,049	1,884,618	1,867,181	1,842,875	1,897,909	1,830,762	1,691,612	1,435,120	1,626,189 1,053,083
Federal and State Aid Restricted Tuition Received	437,415 6,503		665,721 4,750	630,116	687,883	661,010	0.000			
Transportation Fees	0,500	0,115	4,750	11,200	24,282	3,000	9,000	23,301	25,463	38,332 1,950
Investment Earnings	5,777		2,115	2,350	2,679	2,892	2,964	2,145	702	1,566
Miscellaneous Income Transfers	37,755 (25,000		4,354 (7,491)	1,857 (8,673)	10,674 (20,000)	5,608	6,857	34,768	38,319	49,538
Fixed Assets Adjustment Right-to-Use Lease Adjustment	(20,000	(10,001)	(7,491)	(0,013)	19,228	(31,079)	(28,524) 23,185	(31,257) (80,198)	(20,000)	
Total Governmental Activities	3,580,961	3,859,318	3,891,824	3,968,637	4,032,227	4,003,946	3,335,350	3,161,299	(607)	2 770 050
Business-Type Activities					4,002,227	,000,940		3,101,299	2,999,925	2,770,658
Prior Year Revenue Adjustment					(1,659)	10,976	91,001			
Transfer	25,000	16,661	7,491	8,673	20,000	10,970	28,524	20,000	20,000	
Total Business-Type Activities	25,000	16,661	7,491	8,673	18,341	10,976	119,525	20,000	20,000	
Total District-Wide	\$ 3,605,961	\$ 3,875,979	\$ 3,899,315	3,977,310 \$	4,050,568	\$ 4,014,922	3,454,875	\$ 3,181,299 \$	3,019,925 \$	2,770,658
Change in Net Position										
Governmental Activities Business-Type Activities	\$ (111,369 (3,195		23,130 \$ (12,898)	166,333 \$ (2,195)	203,896 14,029	\$ (54,010) \$ 3,013	91,538 93,820	\$ 34,606 \$ 11,015	(117,171) \$ 29,717	32,717 (6,264)
Total District-Wide	\$ (114,564) \$ (187,426) \$	10,232 \$	164,138	217,925	\$ (50,997)	185,358	\$\$		26,453

Source: ACFR Schedule A-2

DOWNE TOWNSHIP SCHOOL DISTRICT FUND BALANCES - GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

(UNAUDITED)

(Modified Accrual Basis of Accounting)

-	2014	2015	2016		2017	_	2018		2019	 2020		2021	 2022		2023
General Fund															
Restricted Unrestricted - Unassigned	\$ 794,945 91,472		\$ 724,930 85,652		79,080 79,080	\$	1,035,003 82,553	\$	1,005,912 84,817	\$ 1,172,673 92,236	\$	1,234,353 131,178	\$ 871,534 223,677	\$	839,794 261,443
Total General Fund	\$ 886,417	\$ 692,006	\$ 810,582	\$ 1 = ==	,089,062	\$_	1,117,556	\$	1,090,729	\$ 1,264,909	\$ _	1,365,531	\$ 1,095,211	\$ _	1,101,237
All Other Governmental Funds															
Restricted Unrestricted, Reported in:	\$	\$	\$	\$		\$		\$		\$	\$		\$ 23,899	\$	24,534
Special Revenue Fund (Deficit) Capital Projects Fund	(27,576 133,737) (48,788 50,321	(50,909))	(48,788)		(53,030)		53,830	(58,979)		(48,873)	(40,662)		(46,721) 3,875,371
Total All Other Governmental Funds (Deficit)	\$ 106,161	\$ 1,533	\$ (50,909	\$ 	(48,788)	\$_	(53,030)	\$_	53,830	\$ (58,979)	\$	(48,873)	\$ (16,763)	\$	3,853,184

Source: ACFR Schedule B-1

DOWNE TOWNSHIP SCHOOL DISTRICT CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

(UNAUDITED)

		2014	2015	2016	2017	2018	3	2019	2020	2021	2022	2023
Revenues												
County Tax Levy	\$ 1,3	266,620 \$	1,311,526 \$	1,337,757 \$	1,464,606 \$	1,464.	606 \$	1,464,606 \$	1,491,106	1,520,928 \$	1,520,928 \$	1,626,189
Tuition Charges	•	6,503	8,115	4,750	11,200		282	3,000	9,000	, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	4,050
Transportation Fees		63,771	42,883	34,292	22,087		764	40,739	10,967	23,301	25,463	36,232
Interest Earnings		5,777	4,749	2,115	2,350	2,	679	2,892	2,964	2,145	702	1,566
Miscellaneous		37,755	10,507	4,354	1,857		674	5,608	6,857	34,768	38,319	33,455
State Sources		362,196	2,631,647	2,680,695	2,682,798	2,739,		2,731,564	2,656,649	2,703,129	2,909,068	2,746,334
Federal Sources		158,948	175,214	169,129	165,314	177,	165	182,961	195,105	207,680	467,838	527,242
Total Revenues	3,	901,570	4,184,641	4,233,092	4,350,212	4,490,	419	4,431,370	4,372,648	4,491,951	4,962,318	4,975,068
Expenditures												
Instruction				k								
Regular		753,647	723,407	700,580	701,931	724,		716,440	694,342	794,549	795,140	682,658
Special Education Instruction		559,852	565,911	554,169	535,640	553,		502,021	216,067	190,854	180,555	294,094
Other Special Instruction		82,576	91,407	84,877	92,960		802	99,723	104,893	111,794	63,068	
School Sponsored/other instruction		4,004	4,004	3,276	4,499	4,	004	4,144	254,633	238,637	424,420	447,034
Support Services		100 711	WW. 0.40									
Tuition		498,711	779,246	656,219	520,725	416,		424,117	354,363	417,714	621,831	594,951
Student and Instruction Related Services	•	354,133	458,559	439,276	453,914	564,		630,552	548,566	542,104	735,711	647,059
General Administrative Services		96,767	76,325	80,683	95,805	106,		115,568	111,197	111,356	96,179	110,485
School Administrative Services Central Services		74,370	67,811	65,971	47,405	,	694	44,524	60,502	56,685	61,556	69,620
Administrative Information Tech Services		74,090	86,750	86,792	90,613	87,	441	96,143	87,543	87,463	98,952	88,409
Plant Operations and Maintenance		269,667	249,227	244,020	215,986	237.	040	240.000	8,000	8,000	8,000	8,000
Pupil Transportation		436,955	423,990	381,951	348,870	320,		342,096	266,194	238,892	203,790	217,571
Employee Benefits		736,187	798,343	858,949	949,886	320, 1,074,		302,430 1,158,452	299,418 1,152,284	288,528	421,424	416,614
Capital Outlay		98,680	142,039	2,704	2,704	212,		22,787	17,152,264	1,276,458 8,295	1,443,618	1,395,267
,								22,101	17,091	0,295	49,663	104,333
Total Expenditures	4,0	039,639	4,467,019	4,159,467 	4,060,938	4,446,	167 —— -	4,458,997	4,175,093	4,371,329	5,203,907	5,076,095
Excess (Deficiency) of Revenues Over (Under) Expenditures	(138,069)	(282,378)	(377,784)	(192,447)	746	E00	(07.007)	407 555	400.000	(0.44.500)	(404.00=)
Over (Onder) Experiances	,	130,009)	(202,376)	(377,764)	(192,447)	746,	030	(27,627)	197,555	120,622	(241,589)	(101,027)
Other Financing Sources (Uses)												
Bond & Capital Lease Proceeds		46,000										3,977,000
Cancellation of Prior Year Receivables		141,196		50,321								.,,
Transfers	(166,196)	(16,661)	(57,812)	(8,673)	(20,	000)		(28,524)	(31,257)	(20,000)	
Total Other Financing Sources (Uses)		21,000	(16,661)	(7,491)	(8,673)	(20,	000)	·	(28,524)	(31,257)	(20,000)	3,977,000
Net Change in Fund Balances	\$ (117,069) \$	(299,039) \$	(385,275) \$	(201,120) \$	726,	538 \$	(27,627) \$	169,031	89,365 \$	(261,589) \$	3,875,973
-	<u></u>						`=	<u> </u>	,		(201,000) Ψ	-,5. 5,5. 5
Debt Service as a Percentage of		0.004										
Noncapital Expenditures		0.0%	0.0%	0.0%	0.0%		0%	0%	0%	0%	0%	0%

Source: ACFR Schedule B-2

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

Fiscal Year Ended June 30,	 Interest on Investments	-	Tuition Revenue	Tra	insportatio Fees	n 	E-Rate	 Refund of Prior Year Expenditure	Speech Teacher	 Misc.	 Total
2023	\$ 1,566	\$	4,050	\$	36,232	\$		\$ \$		\$ 3,914	\$ 45,762
2022	702				25,463					22,433	48,598
2021	2,145				23,301		21,536			3,872	50,854
2020	2,964		9,000		10,967		•			4,857	27,788
2019	2,892		3,000		40,739		2,910			2,698	2,698
2018	2,679		24,282		71,764		4,498			3.277	106,500
2017	2,350		11,200		22,087					1,857	37,494
2016	22,115		4,750		34,292					2,240	63,397
2015	4,749		8,115		42,883					9,369	65,116
2014	5,777		6,503		63,771			26,145		11,610	113,806

Source: District Records

Estimated

DOWNE TOWNSHIP SCHOOL DISTRICT ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS

(UNAUDITED)

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Actual County Equalized Value
2023 \$	11,003,000 \$	137,113,000 \$	4,085,000 \$	769,900 \$	6,542,000 \$	159,512,900 \$	\$	159,512,900 \$	1.072 \$	151,758,063
2022	10,949,100	138,646,800	4,085,000	634,300	6,769,200	161,084,400		161,084,400	1.010	142,365,771
2021	10,832,700	139,150,300	4,296,900	730,800	6,769,200	161,779,900		161,779,900	0.941	129,124,352
2020	10,669,000	141,922,600	4,966,200	752,000	6,984,500	165,294,300		165,294,300	0.862	132,415,525
2019	10,752,900	143,885,100	4,975,200	673,300	7,021,900	167,308,400		167,308,400	0.854	140,030,465
2018	10,988,300	145,919,400	5,168,400	643,400	7,341,900	170,061,400		170,061,400	0.862	155,548,706
2017	10,968,900	146,893,400	5,592,000	808,100	7,432,300	171,694,700		171,694,700	0.854	147,567,426
2016	11,073,400	149,650,900	5,379,800	520,600	7,432,300	174,057,000	333,957	174,390,957	0.840	158,248,023
2015	11,347,200	151,241,000	5,288,500	612,900	7,694,500	176,184,100	347,405	176,531,505	0.758	156,635,935
2014	12,047,400	152,421,600	5,535,500	536,200	7,259,100	177,799,800	354,745	178,154,545	0.737	151,023,359

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

- a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies
- **b** Tax rates are per \$100
- R Revaluation

DOWNE TOWNSHIP SCHOOL DISTRICT DIRECT AND OVERLAPPING PROPERTY TAX RATES LAST TEN FISCAL YEARS

(Rate Per \$100 of Assessed Value) (UNAUDITED)

D	O۷	٧n	e '	To	W	'n	shi	р	
ъ.				_					

Board of Education Overlappin							ing Rates						
	Year Ended June 30,	0, Basic Rate ^a Service ^b				Total Direct	nicipali of wne Tw	•	Cumberlar County	- Overlappi			Local Fire Districts
	2023	\$	1.072	\$	0.000 \$	1.072	\$ 0.377	\$	0.988	\$	2.437	\$	0.427
	2022		1.010		0.000	1.010	0.332		1.032		2.374		0.412
	2021		0.941		0.000	0.941	0.323		0.989		2.253		0.389
	2020		0.862		0.000	0.862	0.286		1.081		2.591		0.362
	2019		0.854		0.000	0.854	0.281		1.002		2.495		0.358
	2018		0.862		0.000	0.862	0.286		1.081		2.591		0.362
	2017		0.854		0.000	0.854	0.281		1.002	,	2.495		0.358
	2016		0.840		0.000	0.840	0.273		1.026		2.493		0.354
	2015		0.758		0.000	0.758	0.259		0.989		2.345		0.339
	2014		0.737		0.000	0.737	0.231		0.883		2.190		0.339

(1) District dissolved

Source: District Records and Municipal Tax Collector

Note:

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

- a The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.
- **b** Rates for debt service are based on each year's requirements.
- c Tax rates have not been confirmed by the County Board of Taxation as of the date of the audit report.

DOWNE TOWNSHIP SCHOOL DISTRICT PRINCIPAL PROPERTY TAX PAYERS CURRENT YEAR AND NINE YEARS AGO

(UNAUDITED)

		2023	_	20	014
Taxpayer	 Taxable Assessed Value	% of Total District Net Assessed Value	_	Taxable Assessed Value	% of Total District Net Assessed Value
Hanson AGGR BMC INC Silvi Concrete of Chester CO LLC	\$ 3,795,600 2,317,300	2.38% 1.45%	\$	3,707,900	2.08%
Taxpayer #1	826,800	0.52%		1,000,800	0.56%
Heritage Hill Estate LLC	813,600	0.51%		916,700	0.51%
Taxpayer #2	750,900	0.47%		755,600	0.42%
Taxpayer #3	656,500	0.41%		671,500	0.38%
BNC 3 Galleria T	544,500	0.34%		544,500	0.31%
County Line Blueberry Farm INC	520,700	0.33%			
Lake Acres INC	508,000	0.32%		606,000	0.34%
Taxpayer #4	468,500	0.29%		536,500	0.30%
US Silica Company Annilews, Inc. Better Material Corp.				1,492,900	0.84%
Newport Project LP	· · · · · · · · · · · · · · · · · · ·			537,300	0.30%
Total	\$ 11,202,400	7.02%	\$	10,769,700.00	6.05%

Source: District ACFR & Municipal Tax Assessor

EXHIBIT J-9

DOWNE TOWNSHIP SCHOOL DISTRICT PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

(UNAUDITED)

Fiscal Year Ended	Taxes Levied Fiscal	Collected Within the Fisc Year of the Levy	al	Collections in Subsequent
June 30,	Year	Amount % of Lev	<u>y</u> _	Years
2023	\$ 1,626,189 \$	1,626,189 \$ 100.00	- +	
2022 2021	1,520,928 1,520,928	1,520,928 100.00° 1,520,928 100.00°	-	
2020	1,491,106	1,491,106 100.009	•	
2019 2018	1,464,606 1,464.606	1,464,606 100.00° 1,464,606 100.00°	-	
2017	1,464,606	1,464,606 100.00	•	
2016	1,337,757	1,337,757 100.009	-	
2015 2014	1,311,526 1,266,620	1,311,526 100.009 1,266,620 100.009	•	

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

DOWNE TOWNSHIP SCHOOL DISTRICT RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

(UNAUDITED)

Business-Type

		Gove	mm	ental Activi	ties		Activities					
Fiscal	_	General			Во	nd		-		Percentage (of	
Year Ended		Obligation		Capital	Antici	pation	Capital			Personal		
June 30,	_	Bonds ^b		Leases	Notes ((BANs)	Leases		Total District	Income a	_	Per Capita ^a
2023	\$	3,977,000	\$		\$	\$		\$	3,977,000	6.08%	\$	83
2022	•	2,011,000	•		•	7		•	2,2,222	N/A	*	N/A
2021										N/A		N/A
2020										N/A		N/A
2019										N/A		N/A
2018										N/A		N/A
2017										N/A		N/A
2016										N/A		N/A
2015				15,327					15,327	0.03%		10
2014				30,125					30,125	0.05%		19

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

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

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

DOWNE TOWNSHIP SCHOOL DISTRICT RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING LAST TEN FISCAL YEARS

(UNAUDITED)

General	Bonaea	Dept	Outstanding

				Percentage	of	
General			Net General	Actual Taxal	ole	
Obligation			Bonded Debt	Value ^a of		Per
Bonds	Deductions	\$	Outstanding	Property		Capita ^b
\$ 3,977,000	\$	\$	3,977,000	2.62%	\$	2,898
0	0		0	N/A		N/A
0	0		0	N/A		N/A
0	0		0	N/A		N/A
0	0		0	N/A		N/A
0	0		0	N/A		N/A
0	0		0	N/A		N/A
0	0		0	N/A		N/A
0	0		0	N/A		N/A
0	0		0	N/A		N/A
\$	Obligation Bonds \$ 3,977,000 0 0 0 0 0 0 0 0 0	Obligation Deductions \$ 3,977,000 \$ 0 0	Bonds Deductions \$ 3,977,000 \$ 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	Obligation Bonds Deductions Bonded Debt Outstanding \$ 3,977,000 \$ 3,977,000 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	General Obligation Net General Bonded Debt Bonded Debt Deductions Value a of Property \$ 3,977,000 \$ 3,977,000 2.62% 0 0 0 N/A 0 0<	Obligation Bonds Bonded Debt Deductions Value of Outstanding Property \$ 3,977,000 \$ 3,977,000 2.62% \$ 0 0 0 0 N/A 0 0 0 N/A

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

- **a** See Exhibit NJ J-6 for property tax data.
- **b** Population data can be found in Exhibit NJ J-14.

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

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

Governmental Unit	 Debt Outstanding	Estimated Percentage Applicable ^a	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes Downe Township County of Cumberland - Townships Share	\$ 2,610,500 93,661,798	100% \$ 1.43%	2,610,500 1,339,314
Subtotal, Overlapping Debt			3,949,814
Downe Township School District Direct Debt			3,977,000
Total Direct and Overlapping Debt		\$	7,926,814

Sources: Township of Downe Finance Officer, Cumberland County Finance Office and Utility Authorities

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 Downe Twp. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

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

EXHIBIT J-13

DOWNE TOWNSHIP SCHOOL DISTRICT LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS

(UNAUDITED)

Legal Debt Margin Calculation for Fiscal Year 2022

Equalized Valuation Basis

\$ 153,253,163 141,775,392

2021 2020

2022

131,929,364

[A] \$ 426,957,919

Average Equalized Valuation of Taxable Property

[A/3] \$ 142,319,306

Debt Limit (2.5% of Average Equalization Value)

[B] 4,269,579 a

Net Bonded School Debt

[C] 3,977,000

Legal Debt Margin

[B-C] \$ 292,579

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Limit	\$ 4,762,192	\$ 4,779,669 \$	4,721,655	\$ 4,678,521	\$ 4,668,223 \$	4,489,750 \$	4,334,062 \$	4,082,930 \$	4,077,338 \$	4,269,579
Total Net Debt Applicable to Limit										3,977,000
Legal Debt Margin	\$ 4,762,192	\$ 4,779,669 \$	4,721,655	\$ 4,678,521	\$ 4,668,223 \$	4,489,750 \$	4,334,062 \$	4,082,930 \$	4,077,338 \$	292,579
Total Net Debt Applicable to the Limas a Percentage of Debt Limit	nit N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

DOWNE TOWNSHIP SCHOOL DISTRICT DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

(UNAUDITED)

_	Year		Population ^a	. <u>-</u>	Personal Income (thousands of dollars) ^b	 Per Capita Personal Income ^c	Unemployment Rate ^d
	2023	**	1,372	\$	65,388,187	\$ 47,654	4.1%
	2022		1,386		63,547,477	47,607	4.6%
	2021		1,408		66,963,072	47,559	7.1%
	2020		1,433		65,177,250	45,498	9.5%
	2019		1,444		59,676,188	41,327	4.9%
	2018		1,494		58,935,312	39,448	5.6%
	2017		1,506		57,759,618	38,353	5.4%
	2016		1,513		56,132,300	37,100	6.7%
	2015		1,520		55,209,440	36,322	8.1%
	2014		1,538		53,786,936	34,972	10.7%

Source:

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

^b Personal income

^c Per Capita Source: Regional Economic Information System

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

^{**} Estimates

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

	20)23	2014		
		Percentage of Total		Percentage of Total	
Employer	Employees	Employment	Employees	Employment	
Inspira Health Network F & S Produce/Pipcp Transportation Wal-Mart Wawa Durand Glass Manufacturing Co./ARC International ShopRite Sheppard Bus Service Elwyn New Jersey	3,723 1,272 850 780 895 755 550	5.40% 1.85% 1.23% 1.13% 1.30% 1.10% 0.80%	2,837 525 806 562 970 737 520 518	4.18% 0.77% 1.19% 0.83% 1.43% 1.09% 0.77% 0.76%	
AJM Packaging Americold formerly AGRO Merchants Northeast Precast Seabrook Brothers & Sons, Inc Ardagh Group Complete Care South State, Inc Corning Glass Nipro PharmaPackaging Americas Corp Gerresheimer Glass	489 375 439 261 372 312 345 281 307	0.71% 0.54% 0.64% 0.38% 0.54% 0.45% 0.45% 0.41%	550 876	0.81%	
	12,006	17.41%	8,901	11.01%	

Source:

This information is for the County of Cumberland.

DOWNE TOWNSHIP SCHOOL DISTRICT FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

(UNAUDITED)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Function/Program										
Instruction										
Regular	18.0	18.0	16.5	16.5	15.5	16.0	15.0	14.0	17.5	16.0
Special education	5.5	4.5	5.5	6.5	7.5	9.5	2.0	3.0	3.0	2.5
Other special education										
Other instruction										
Support Services:										
Student & instruction related services	1.0	1.0	1.0	1.0	1.0	1.0	7.0	7.0	3.2	7.5
General administrative services	2.0	2.0	2.0	2.0	2.0	2.0	1.0	1.0	0.5	1.0
School administrative services	1.0	1.0	1.0	1.0	2.0	2.0	4.0	4.0	4.0	3.0
Business administrative services										
Plant operations and maintenance	2.5	2.5	2.5	2.0	2.0	2.0	2.0	2.0	2.0	2.5
Pupil transportation	4.0	4.0	3.5	3.5	4.0	2.0	1.0	1.0	2.5	1.5
Food Service	1.5	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.5
Total	35.5	34.0	33.0	33.5	35.0	35.5	34.0	34.0	34.7	36.5

Source: District Personnel Records

School Aide Position Report as of 9/30 each year. Certified Staff report as of 10/15 each year.

DOWNE TOWNSHIP SCHOOL DISTRICT OPERATING STATISTICS LAST TEN FISCAL YEARS

(UNAUDITED)

						Pupil/Teac		Average Daily	Average Daily	% Change in	Student	
Fiscal		Operating	Cost Per	Percentage	Teaching		Middle	Enrollment	Attendance	Average Daily	Attendance	
<u>Year</u>	Enrollment	Expenditures ^a	 Pupil	<u>Change</u>	Staff ^b	Elementary	School	(ADE) ^c	(ADA) ^c	<u>Enrollment</u>	<u>Percentage</u>	
2023	165	\$ 4,971,762	\$ 30,132	13.95%	18.5	1:8.9	N/A	165.0	156.1	-8.13%	94.61%	
2022	142	5,154,244	36,297	37.27%	17.5	1:8.1	N/A	156.0	144.0	-13.14%	92.31%	
2021	165	4,363,034	26,443	9.08%	17	1:9.7	N/A	163.3	157.9	-9.08%	96.69%	
2020	173	4,158,002	24,035	-0.85%	17	1:10	N/A	174.4	167.8	-2.90%	96.22%	
2019	183	4,436,210	24,242	1.92%	19	1:15	N/A	179.6	169.5	-1.05%	94.38%	
2018	178	4,233,689	23,785	5.50%	19	1:15	N/A	181.5	172.8	-0.71%	95.21%	
2017	180	4,058,234	22,546	-2.91%	19	1:15	N/A	182.8	172.4	2.52%	94.31%	
2016	179	4,156,763	23,222	2.55%	19	1:15	N/A	178.3	169.6	-6.75%	95.12%	
2015	191	4,324,980	22,644	11.47%	20	1:16	N/A	191.2	181.6	1.16%	94.98%	
2014	194	3,940,959	20,314	8.17%	20	1:16	N/A	189.0	178.9	3.90%	94.66%	

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

Note: Enrollment based on June Student Placement Report

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

DOWNE TOWNSHIP SCHOOL DISTRICT SCHOOL BUILDING INFORMATION LAST TEN FISCAL YEARS

(UNAUDITED)

District Building	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Elementary, Middle & High 220 Main Street (1971) Square Feet Capacity (students) Enrollment	30,035 295 194	30,035 295 191	30,035 295 191	30,035 295 179	30,035 295 178	30,035 295 178	30,035 295 173	30,035 295 165	30,035 295 142	30,035 295 165
Other Administration Building Square Feet	1,344	1,344	1,344	1,344	1,344	1,344	1,344	1,344	1,344	1,344
Transportation Square Feet	750	750	750	750	750	750	750	750	750	750
Storage Shed Square Feet	288	288	288	288	288	288	288	288	288	288
Storage Shed #2 (2002) Square Feet	768	768	768	768	768	768	768	768	768	768
Storage Shed #3 (2002) Square Feet	768	768	768	768	768	768	768	768	768	768

Number of Schools at June 30, 2023 Elementary = 1 Other = 5

Source: District records, ASSA

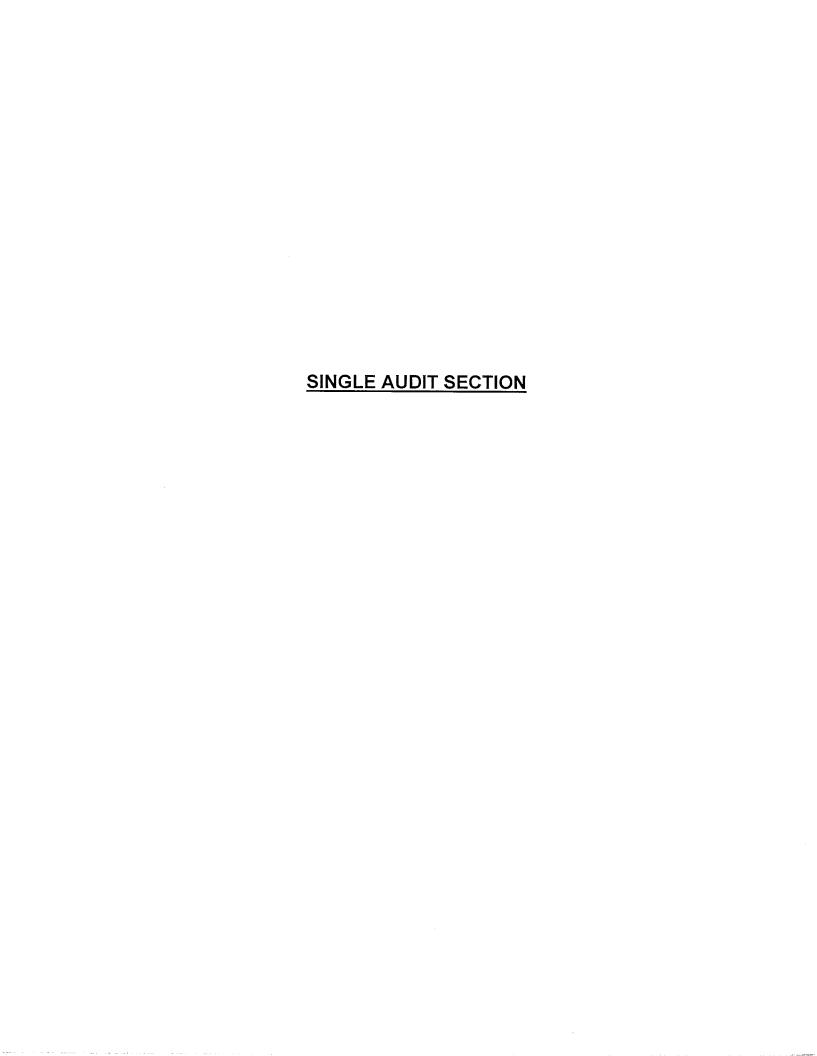
DOWNE TOWNSHIP SCHOOL DISTRICT GENERAL FUND SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES BY SCHOOL FACILITY LAST TEN FISCAL YEARS (UNAUDITED)

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

School Facilities	Project #	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Primary School		\$ 40,449	\$ 32,029 \$	41,775 \$	50,672 \$	90,812 \$	42,225 \$	31,036 \$	54,412 \$	58,118 \$	38,471
Total School Facilities		40,449	32,029	41,775	50,672	90,812	42,225	31,036	54,412	58,118	38,471
Other Facilities									4		
Grand Total		\$ 40,449	\$ 32,029 \$	41,775 \$	50,672 \$	90,812 \$	42,225 \$	31,036 \$	54,412 \$	58,118 \$	38,471

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

Company	Type of Coverage	Coverage	Deductible
School Alliance	School Package Policy		
Insurance Fund	Property Blanket Building & Contents	\$ 6,595,506	\$ 2,500
	Extra Expense	50,000,000	2,500
	Newly Acquired Property	25,000,000	2,500
	Builders Risk (New Construction)	25,000,000	2,500
	Property in Transit	25,000,000	2,500
	Automobile Physical Damage	Included	2,500
	Unnamed Locations	25,000,000	2,500
	Demolition and Increased Cost of Construction	50,000,000	2,500
	Earthquake	25,000,000	2,500
	Flood	10,000,000	2,500
	Accounts Receivable	2,500,000	2,500
	Fine Arts	2,500,000	2,500
	Terrorism	100,000,000	2,500
	Boiler & Machinery	100,000,000	2,500
	Data Processing Equipment	125,000	2,500
	Commercial General Liability	,	,
	Occurrence Limit	10,000	
	Products & completed Operations Aggregate	5,000,000	
	Fire Legal Liability	2,500,000	
	Premises Medical Expense	5,000	
	Employee Benefits Liability	5,000,000	1,000
	Abuse/Molestation Per Occurrence	10,000,000	,
	Abuse/Molestation Aggregate Limit	10,000,000	
	Crime	500,000	1,000
	Cyber Liability	2,000,000	10,000
	Business Automobile Coverage	,,	,
	Combined BI/PD Limit of Liability	5,000,000	1,000
	Personal Injury Protection	100,000	,
	Per Person	15,000	
	Each Accident	30,000	
	Property Damage	5,000	500
	Hire/Non-Owned Auto	5,000,000	
	Hired Car Physical Damage	75,000	
	Commercial Excess Liability	5,000,000	
	School Leaders E & O Liability	5,000,000	5,000
	Pollution Liability		•
	Per Environmental Incident	1,000,000	
	Aggregate All Environmental Incidents	25,000,000	
	Indoor Environmental Conditions Per Claim	500,000	
	Indoor Environmental Conditions Annual Aggregate	2,000,000	
	Retention Per Environmental Incident	10,000	
	Retention (Indoor Environmental Conditions)	50,000	
NJSIG	Workers Compensation	3,000,000	
	Surety Bonds	. ,	
Ohio Casualty Ins Co.	Business Administrator	25,000	
Selective Insurance Co	Treasurer	160,000	
	Student Accident Policy	,	
Berkeley Ins. Company	Accident Medical Expense Benefit	1,000,000	
United States Fire	Catastrophic Student Accident Ins.	5,000,000	25,000
	,	-,,	,,,,,



NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards. issued by the Comptroller General of the United States, 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, each major fund, and the aggregate remaining fund information of the Board of Education of the Downe Township School District, in the County of Cumberland, State of New Jersey, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Board of Education of the Downe Township School District's basic financial statements, and have issued our report thereon dated December 4, 2023.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. There were no deficiencies identified in the accompanying schedule of findings and questioned costs.

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. There were no deficiencies identified in the accompanying schedule of findings and questioned costs.

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA

Raymond Colavita, CPA

Licensed Public School Accountant

No. 915

December 4, 2023

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

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

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited The Board of Education of the Downe Township School District, in the County of Cumberland, State of New Jersey's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of The Board of Education of the Downe Township School District, in the County of Cumberland, State of New Jersey's major state programs for the year ended June 30, 2023. The Board of Education of the Downe Township School District, in the County of Cumberland, State of New Jersey's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, The Board of Education of the Downe Township School District, in the County of Cumberland, State of New Jersey complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the Office of School Finance, *Department of Education, State of New Jersey*, and New Jersey OMB 15-08. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to The Board of Education of the Downe Township School District, in the County of Cumberland, State of New Jersey's state programs.

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA

Raymond Colavita, CPA

Licensed Public School Accountant

No. 915

December 4, 2023

DOWNE TOWNSHIP SCHOOL DISTRICT SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, SCHEDULE A FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title U.S. Department of Health and Human Services	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2022	Carryover (Walkover) Amount		Budgetary Expenditures Pass Through Funds	Budgetary	Total Budgetary Expenditures	Balanc (Accounts Receivable)	e at June 30 Deferred Revenue), 2023 Due to Grantor
General Fund: Medical Asst Program Medical Asst Program	93.778 93.778	2005NJ5MAP 2005NJ5MAP	N/A N/A	\$ 13,269 9,426	7/1/21 - 6/30/22 7/1/22 - 6/30/23	\$ (1,904)	\$	\$ 1,904 9,410	\$ (9,426)	\$	\$	\$ (16)		\$
Total General Fund						(1,904)		11,314	(9,426)			(16)		
U.S. Department of Education Passed-through State Department of Education: Special Revenue Fund: ESEA														
Title I, Part A Title I, Part A Title II, Part A Title II, Part A Title III, Part A Title IV TIDEA Cluster:	84.010 84.010 84.367A 84.367A 84.424A	\$010A210030 \$010A220030 \$367A210029 \$367A220029 \$424A220031	ESEA-112022 ESEA-112023 ESEA-112022 ESEA-112023 ESEA-112023	57,240 48,613 14,512 5,894 10,000	7/1/21 - 9/30/22 7/1/22 - 9/30/23 7/1/21 - 9/30/22 7/1/22 - 9/30/23 7/1/22 - 9/30/23	(17,752) (6,935)		17,752 32,293 6,935 3,903	(48,613) (5,894) (10,000)			(16,320) (1,991) (10,000)		
IDEA Part B Basic ARP IDEA Part B-Basic IDEA Preschool ARP IDEA Preschool	84.027A 84.027X 84.173 84.173X	H027A220100 H027X220100 H173A220114 H173X220114	IDEA-112023 IDEA-112023 IDEAPS-112023 IDEAPS-112023	59,581 1,030	7/1/22 - 9/30/23 7/1/22 - 9/30/23 7/1/22 - 9/30/23 7/1/22 - 9/30/23			59,581 1,030	(59,581) (1,030)					
ARP Consolidated: ARP ESSER Accelerated Learning Summer Learning Beyond the School Day NJTSS Montal Health Staffing	84.425U 84.425U 84.425U 84.425U 84.425U	\$425U210027 \$425U210027 \$425U210027 \$425U210027 \$425U210027	ARP-1120-24 ARP-1120-24 ARP-1120-24 ARP-1120-24 ARP-1120-24	497,185 50,000 40,000 40,000 45,000	3/13/20 - 9/30/24 3/13/20 - 9/30/24 3/13/20 - 9/30/24 3/13/20 - 9/30/24 3/13/20 - 9/30/24	(55,303)		162,748 2,848	(269,047) (2,848)			(161,602)		
CRRSA Consolidated: CRRSA-ESSER II CR Learning Acceleration CR Mental Health Other:	84.425D 84.425D 84.425D	S425D210027 S425D210027 S425D210027	CRRSA-1120-23 CRRSA-1120-23 CRRSA-1120-23	221,223 25,000 45,000	3/13/20 - 9/30/23 3/13/20 - 9/30/23 3/13/20 - 9/30/23	(2,820) (11,200)		59,881 5,841 11,200	(87,344) (7,459)			(30,283) (1,618)		
REAP	84.358	S358B190030	REAP-112021	15,170	7/1/20 - 9/30/21				(14,492)			(14,492)		
Covid Relief Digital Divide CARES ACT 2020/ESSER	21.019 84.25D 84.425D	N/A S425D200027 S425D200027	21E00041 N/A CARES-112020	12,810 11,508 53,968	7/1/20-12/31/20 7/16/20-10/31/20 3/13/20-9/30/22	(1,140)		11,508 1,140	(11,508)					
Total Special Revenue Fund						(95,150)		376,660	(517,816)			(236,306)		
U.S Dept of Agriculture Passed-through State Department of Education: Enterprise Fund: Child Nutrition Cluster: Cash Assistance;									-					***
School Breakfast Program School Breakfast Program National School Lunch Program National School Lunch Program P-EBT Administrative Cost Reimbursement Supply Chain Assistance Funding Rnd 1 Supply Chain Assistance Funding Rnd 2 Supply Chain Assistance Funding Rnd 3 Non-Cash Assistance:	10.553 10.553 10.555 10.565 10.649 10.555 10.555	221NJ304N1099 231NJ304N1099 221NJ304N1099 231NJ304N1099 2022225900941 221NJ344N8903 221NJ344N8903 231NJ344N8903	N/A N/A N/A N/A N/A NA NA	25,112 12,476 79,956 41,059 653 8,044 7,759 6,244	7/1/21 - 6/30/22 7/1/22 - 6/30/23 7/1/21 - 6/30/22 7/1/22 - 6/30/23 7/1/22 - 6/30/23 1/1/22-9/30/23 1/1/22-9/30/23 10/1/22-9/30/24	(2,352) (7,583)		2,352 10,078 7,583 33,399 8,044 7,759 6,244	(12,476) (41,059) (653) (8,044) (7,759) (6,244)		(12,476) (41,059) (653) (8,044) (7,759) (6,244)	(2,398) (7,660) (653)		
Food Distribution Program Total Enterprise Fund	10.555	231NJ304N1099	N/A		7/1/22 - 6/30/23									
rom amorphou i unu						(9,935)		75,459	(76,235)		(76,235)	(10,711)		 -
Total Federal Financial Awards					\$	(106,989)	\$	463,433 \$	(603,477) \$		(76,235) \$	(247,033) \$	\$	

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

The accompanying Notes to Financial Statements and Notes to the Schedules of Financial Assistance are an integral part of this schedule.

A Single Audit was not required in accordance with Uniform Guidance since the total of all federal grant expenditures was less than \$750,000.

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

		Program or		Baland June 30					Baland June 30		Memo	
State Grantor/Program Title	Grant or State Project Number	Award Amount	Grant Period From To	(Accounts Receivable)	Deferred Revenue	Carry- Over	Cash Received	Budgetary Expenditures	(Accounts Receivable)	Deferred Revenue	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:												
General Fund:												
Equalization Aid School Choice Aid Categorical Security Aid Transportation Aid Categorical Special Education Aid NonPublic Transportation Aid NonPublic Transportation Aid	23-495-034-5120-078 \$ 23-495-034-5120-068 23-495-034-5120-084 23-495-034-5120-014 23-495-034-5120-014 22-495-034-5120-014	982,277 198,984 40,699 117,588 109,379 1,248 290	7/1/22-6/30/23 \$ 7/1/22-6/30/23 7/1/22-6/30/23 7/1/22-6/30/23 7/1/22-6/30/23 7/1/22-6/30/23 7/1/21-6/30/22	(290)	\$ \$	3	\$ 895,602 181,426 37,108 107,212 99,727	\$ (982,277) \$ (198,984) (40,699) (117,588) (109,379) (1,248)	(86,675) \$ (17,558) (3,591) (10,376) (9,652) (1,248)		\$ (86,675) \$ (17,558) (3,591) (10,376) (9,652)	(982,277) (198,984) (40,699) (117,588) (109,379) (1,248)
Supplemental Stabilization Aid Extraordinary Aid Extraordinary Aid On Behalf TPAF Pension Contribution	23-100-034-5120-494 23-495-034-5120-044 22-495-034-5120-044 23-495-034-5094-002	74,976 63,071 109,576 469,438	7/1/22-6/30/23 7/1/22-6/30/23 7/1/21-6/30/22 7/1/22-6/30/23	(109,576)			74,976 109,576	(74,976) (63,071)	(63,071)			(74,976) (63,071)
On Behalf TPAF Post Retirement Med'l. Contrib. On Behalf TPAF Long Term Disability Contrib. Reimbursed TPAF Social Security Contrib. Reimbursed TPAF Social Security Contrib.	23-495-034-5094-001 23-495-034-5094-004 23-495-034-5094-003 22-495-034-5094-003	123,320 373 101,441 98,137	7/1/22-6/30/23 7/1/22-6/30/23 7/1/22-6/30/23 7/1/21-6/30/22	(4,863)			91,996 4,863	(469,438) (123,320) (373) (101,441)	(469,438) (123,320) (373) (9,445)			(469,438) (123,320) (373) (101,441)
Total General Fund:				(114,729)			1,602,776	(2,282,794)	(794,747)		(127,852)	(2,282,794)
Special Revenue Fund									(101,717)			(2,202,104)
Pre-School Education Ald Pre-School Education Ald Climate Change Education SDA Emergent Needs & Capital Maintenance	22-495-034-5120-086 23-495-034-5120-086 23-495-034-5120-086 23-100-034-5120-086	406,620 467,207 6,660	7/1/21-6/30/22 7/1/22-6/30/23 7/1/22-6/30/23 7/1/22-6/30/23	(40,662)	27,229	(27,229) 27,229	40,662 420,486 6,660	(454,602) (6,660)	(46,721)	39,834	(46,721)	(454,602)
Total Special Revenue Fund:				(40,662)	27,229		467,808	(461,262)	(46,721)	39,834	(46,721)	(454,602)
State Department of Agriculture: Food Service Enterprise Fund									· · · · · · · · · · · · · · · · · · ·			
School Breakfast Program (State Share) National School Lunch Program (State Share) National School Lunch Program (State Share)	22-100-010-3350-023 23-100-010-3350-023	273 1,872 1,761	7/1/22-6/30/23 7/1/21-6/30/22 7/1/22-6/30/23	(174)			222 174 1,455	(273) (1,761)	(51)			(273)
Total Enterprise Fund:		.,, -,		(474)					(306)	·		(1,761)
,				(174)			1,851	(2,034)	(357)			(2,034)
Total State Financial Assistance:			\$	(155,565)	27,229 \$		\$ 2,072,435	(2,746,090) \$	(841,825) \$	39,834	(174,573) \$	(2,739,430)
Less: On-Behalf TPAF Pension System Contribution On Behalf TPAF Pension Contribution On Behalf TPAF Post Retirement Med'l. Contrib. On Behalf TPAF Long Term Disability Contrib.	23-495-034-5094-002 23-495-034-5094-001 23-495-034-5094-004	469,438 123,320 373	7/1/22-6/30/23 7/1/22-6/30/23 7/1/22-6/30/23		-	,	\$ 469,438 \$ 123,320 373	(469,438) (123,320) (373)				
Total For State Financial Assistance - Major Pro	gram Determination					;	\$ 1,479,304 \$	(2,152,959)				

The accompanying Notes to Financial Statements and Notes to the Schedules of Financial Assistance are an integral part of this schedule.

DOWNE TOWNSHIP SCHOOL DISTRICT NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE JUNE 30, 2023

NOTE 1: GENERAL

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

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200- *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey Treasury Circular OMB 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A.*, 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund, where applicable, also recognizes the one or more state aid June payments in the current budget year, consistent with *N.J.S.A.* 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$8,337 for the general fund and \$(6,059) for the special revenue fund. See Note 1 (the 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. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

DOWNE TOWNSHIP SCHOOL DISTRICT NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE JUNE 30, 2023 (Continued)

	_	Federal	-	State	Total
General Fund Special Revenue Fund Food Service Fund	\$	9,426 517,816 76,235	\$	2,291,131 455,203 2,034	\$ 2,300,557 973,019 78,269
Total Financial Assistance	\$_	603,477	\$_	2,748,368	\$ 3,351,845

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING

The Downe Township School District had no federal or state loan balances outstanding at June 30, 2023.

NOTE 6: OTHER

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

NOTE 7: MAJOR PROGRAM

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

NOTE 8: SCHOOL-WIDE PROGRAM FUNDS

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

NOTE 9: ADJUSTMENT

There were no adjustments on Schedule A, Exhibit K-3 or on Schedule B, Exhibit K-4.

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

Section I - Summary of Auditor's Results

Financial Statements

no
no
none reported
no
no
no
no

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

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

State Awards

Dollar threshold used to distinguish between ty	pe A and type B programs: \$ 750,0	000	
Auditee qualified as low-risk auditee?	Xyes		no
Internal control over major programs:			
1) Material weakness (es) identified	?yes	<u> </u>	no
2) Significant deficiencies identified are not considered to be material weaknesses?	that yes	X	no
Type of auditor's report issued on compliance f			
Any audit findings disclosed that are required to be reported in accordance with NJ OMB Trea Circular Letter 15-08	osury yes	_X	no
Identification of major programs:			
GMIS Number(s)	Name of State Program		
23-495-034-5120-078 23-495-034-5120-089 23-495-034-5120-084 23-495-034-5120-068 23-495-034-5120-086	Equalization Aid Special Education Categorical Aid Categorical Security Aid School Choice Aid Preschool Education Aid		

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

Section II - Financial Statement Findings

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

Finding: NONE						
Criteria or specific requirement:						
Condition:						
Context:						
Effect:						
Cause:						
Recommendation:						
Management's response:						

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

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

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

FEDERAL AWARDS

_	-	~ 0 :	~~"	
•			ng:	
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_				

Information on the federal program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

<u>Cause:</u>

Recommendation:

Views of responsible officials and planned corrective actions:

N/A

STATE AWARDS

Finding:

NONE

Information on the state program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Views of responsible officials and planned corrective actions:

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

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

STATUS OF PRIOR - YEAR FINDINGS

There were no prior year findings.