

**SCHOOL DISTRICT  
OF  
TOWNSHIP OF ELSINBORO**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**of the**

**Township of Elsinboro Board of Education**

**Salem, New Jersey**

**For the Fiscal Year Ended June 30, 2023**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
OF THE TOWNSHIP OF ELSINBORO BOARD OF EDUCATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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## **INTRODUCTORY SECTION**

**ELSINBORO TOWNSHIP BOARD OF EDUCATION**  
**ELSINBORO TOWNSHIP SCHOOL**  
631 Salem-Fort Elfsborg Road  
Salem, New Jersey 08079

**Laural A. Kretzer**  
Superintendent  
(856) 935-3817  
FAX: (856) 935-6944

**Melanie M. Allen**  
BA/Board Secretary  
(856) 935-1627 Ext. 114  
FAX: (856) 935-3017

December 4, 2023

Honorable President and  
Members of the Board of Education  
Elsinboro Township School District  
Salem, New Jersey 08079

Dear Board Members:

The annual comprehensive financial report of the Elsinboro Township Public School District for the fiscal year ended June 30, 2023, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and 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 basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), "Audits of States, Local Governments, and Non-Profit Organizations" and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

**1. REPORTING ENTITY AND ITS SERVICES:**

The Elsinboro Township Public School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14. All funds of the District are included in this report. The Elsinboro Township Board of Education and its school constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 8. These include regular as well as special education for handicapped youngsters. The District completed the 2022-2023 fiscal year with an enrollment of 116 students, which is 4 less than 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**

<b><u>Fiscal Year</u></b>	<b><u>Student Enrollment</u></b>	<b><u>Percent Change</u></b>
2022-23	116	(3.33)%
2021-22	120	7.14%
2020-21	112	(2.68)%
2019-20	115	(0.87)%
2018-19	116	(7.20)%
2017-18	125	(5.30)%
2016-17	132	(7.04)%
2015-16	142	2.16%
2014-15	139	3.73%
2013-14	134	12.6%

**2. ECONOMIC CONDITION AND OUTLOOK:**

The Elsinboro Township area is a rural community of Salem County and presently is not experiencing any significant development or expansion.

**3. MAJOR INITIATIVES:**

- A. To strive to maintain the present level of educational opportunities for students, staff, parents and community members.
  - 1. To explore additional sources of educational opportunities for students and parents.
  - 2. To attract and retain students in the Elsinboro Township School District by increasing community awareness, knowledge, and participation in the Interdistrict School Choice Program.
  - 3. To explore the possibility of additional shared services with neighboring districts. To improve educational opportunities and meet federal mandates, alternatives must be sought to reduce costs while still maintaining our identity and vitality.
  
- B. To improve student achievement through high expectations, frequent monitoring of student progress, updating of curriculum/materials and staff development activities.
  - 1. To achieve yearly individual student growth as determined by the NJDOE in grades 3-8 on the NJSLA Assessment Tests.
  - 2. To utilize iReady Assessment to track student and teacher progress in reaching individual SGOs (Student Growth Objectives).
  - 3. To increase staff awareness of the NJ Student Learning Standards, the skills tested on the NJSLA Assessment Tests, individual student performance on these tests and teaching strategies that are scientifically research based.
  - 4. To continue to improve RTI in grades K-5. RTI will help in the diagnosis of educational disabilities. It will allow Elsinboro staff to intervene early to meet the needs of struggling learners. RTI maps those specific instructional strategies found to benefit a particular student.

5. To continue to improve student writing through the use of the Being a Writer program, Reading Wonders in grades K-3, iReady Reading in grades 4-8, school-wide rubrics based on the New Jersey Holistic Scoring Rubrics, increased writing in every subject area.
6. To continue to update curriculum/materials to reflect the New Jersey Student Learning Standards in all content areas during the 2022-2023 school year.
7. To continue to improve student growth in mathematics by using Into Math in grades K-2 and iReady Math in grades 3-8.

#### **4. INTERNAL ACCOUNTING CONTROLS:**

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

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

#### **5. BUDGETARY CONTROLS:**

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

#### **6. ACCOUNTING SYSTEM AND REPORTS:**

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements," Note 2.

**7. DEBT ADMINISTRATION:**

At June 30, 2023, the District had no outstanding debt issues and the Unvoted debt was \$3,237,093.

**8. CASH MANAGEMENT:**

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 3. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit funds in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

**9. RISK MANAGEMENT:**

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

**10. OTHER INFORMATION:**

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

**11. ACKNOWLEDGMENTS:**

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

Respectfully submitted,

*Laurel A. Kretzer, Superintendent*

Laural A. Kretzer, Superintendent

*Melanie M. Allen, Board Secretary/School Business Administrator*

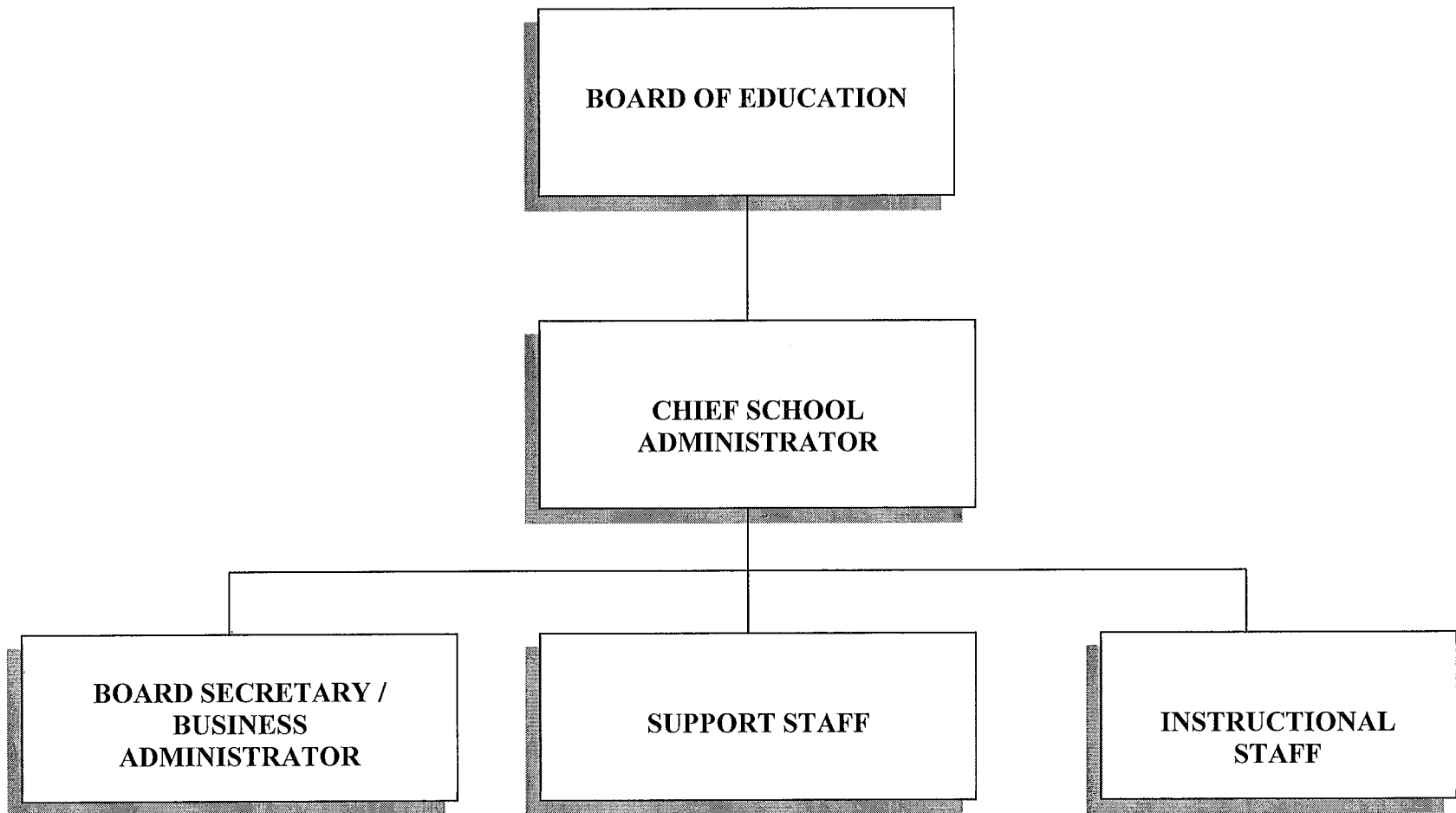
Melanie M. Allen, Board Secretary/ School Business Administrator

**ELSINBORO TOWNSHIP BOARD OF EDUCATION**

**Salem, New Jersey**

**ORGANIZATIONAL CHART**

**(UNIT CONTROL)**



**EL SINBORO TOWNSHIP BOARD OF EDUCATION**  
**SALEM, NEW JERSEY**

**ROSTER OF OFFICIALS**

**JUNE 30, 2023**

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Kelly Anne Delaney, President	2024
Damian Carlson, Vice President	2023
Kay Weber	2023
Jeffrey Stepler	2024
Vacant	2024
Kathleen Sheffield	2025
Madinah Thomas	2025
<u>OTHER OFFICIALS</u>	<u>Amount of Bond</u>
Laural A Kretzer, Chief School Administrator	
Melanie M. Allen, Board Secretary/School Business Administrator	\$150,000
Frank Cavallo, Solicitor	

**TOWNSHIP OF ELSINBORO BOARD OF EDUCATION**  
**CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

**Raymond Colavita, CPA, RMA**  
**Nightlinger, Colavita and Volpa, P. A.**  
Certified Public Accountants  
991 S. Black Horse Pike  
P.O. Box 799  
Williamstown, NJ 08094

**ATTORNEY**

**Parker McCay**  
**Frank P. Cavallo, Jr., Esq.**  
PO Box 5054  
Mount Laurel, NJ 08054

**OFFICIAL DEPOSITORY**

**Fulton Bank**  
1 South Main St.  
Woodstown, New Jersey 08098

**INSURANCE AGENCY**

**Conner Strong Insurance Services, Inc**  
PO Box 989  
Marlton, New Jersey 08053

**FINANCIAL SECTION**

# NIGHTLINGER, COLAVITA & VOLPA

*A Professional Association*

*Certified Public Accountants*

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## INDEPENDENT AUDITOR'S REPORT

The Honorable President and  
Members of the Board of Education  
Elsinboro Township School District  
County of Salem, New Jersey 08079

### **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 Elsinboro Township School District in the County of Salem, 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 Elsinboro Township School District in the County of Salem, 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 Elsinboro Township School District in the County of Salem, 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 Elsinboro Township School District in the County of Salem, 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 Elsinboro Township School District in the County of Salem, 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 Elsinboro Township School District in the County of Salem, 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 Elsinboro Township School District in the County of Salem, 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 Elsinboro Township School District in the County of Salem, 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 Elsinboro 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 Elsinboro 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 Elsinboro 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

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

TOWNSHIP OF ELSINBORO SCHOOL DISTRICT  
TOWNSHIP OF ELSINBORO

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

UNAUDITED

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

**Financial Highlights**

Key financial highlights for 2023 are as follows:

- ❖ General revenues accounted for \$3,114,729 in revenue or 85.9% percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$511,193 or 14.1% percent to total revenues of \$3,625,922.
- ❖ Total Net Position of governmental activities increased by \$159,089 from the previous year.
- ❖ The School District had \$3,477,365 in expenses, of which \$510,193 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$3,103,951 were adequate to provide for these programs.
- ❖ The General Fund had \$3,344,710 in revenues and \$3,274,430 in expenditures. The General Fund's balance increased \$70,280 over 2022.

**Using this Annual Comprehensive Financial Report (ACFR)**

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

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

## **Reporting the School District as a Whole Statement of Net Position and the Statement of Activities**

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

These two statements report the School District's net position and changes in that 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, the School District is divided into two distinct kinds of activities:

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

## **Reporting the School District's Most Significant Funds**

### **Fund Financial Statements**

The analysis of the School District's major (all) funds begins on page 22. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

### **Governmental Funds**

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs.

**Governmental Funds (Cont'd)**

The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**Enterprise Fund**

The enterprise fund uses the same basis of accounting as business-type activities; therefore these statements are essentially the same.

**The School District as a Whole**

Recall that the Statement of Net Position provides the perspective of 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  
Net Position

	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
Current and Other Assets	\$ 3,321,509	\$ 3,291,116
Capital Assets, Net	1,402,276	1,344,502
	<u>4,723,785</u>	<u>4,635,618</u>
<b>Total Assets</b>	<b>\$ 4,723,785</b>	<b>\$ 4,635,618</b>
	<u>69,228</u>	<u>90,894</u>
<b>Deferred Outflows of Resources</b>		
	262,476	287,803
<b>Liabilities</b>		
Long-term Liabilities	120,055	143,426
Other Liabilities	<u>382,531</u>	<u>431,229</u>
<b>Total Liabilities</b>	<b>\$ 382,531</b>	<b>\$ 431,229</b>
	<u>112,285</u>	<u>145,643</u>
<b>Deferred Inflows of Resources</b>		
<b>Net Position</b>		
Invested in Capital Assets, Net of Debt	1,393,913	1,289,134
Restricted	2,349,767	2,519,335
Unrestricted (Deficit)	554,517	341,171
	<u>4,298,197</u>	<u>4,149,640</u>
<b>Total Net Position</b>	<b>\$ 4,298,197</b>	<b>\$ 4,149,640</b>

Table 2 shows the changes in net position from fiscal years 2023 and 2022.

Table 2  
Changes in Net Position

	2023	2022
<b>Revenues</b>		
Program Revenues		
Charges for Services	\$ 69,423	\$ 37,079
Operating Grants and Contributions	441,420	521,329
General Revenues		
Property Taxes	1,553,736	1,553,736
Grants and Entitlements	1,550,565	1,816,462
Other	10,778	4,753
<b>Total Revenues</b>	<b>\$ 3,625,922</b>	<b>\$ 3,933,359</b>
<b>Program Expenses</b>		
Instruction	\$ 1,197,709	\$ 1,111,926
Support Services		
Tuition	413,708	215,828
Pupils and Instructional Staff	305,440	223,199
General Administration, School		
Administration, Business	199,650	218,811
Operations and Maintenance of		
Facilities	266,731	210,273
Pupil Transportation	149,519	125,101
Employee Benefits	784,718	975,268
Food Service	73,146	100,869
SACC	15,465	20,281
Other	71,279	64,829
<b>Total Expenses</b>	<b>\$ 3,477,365</b>	<b>\$ 3,266,385</b>
<b>Increase in Net Position</b>	<b>\$ 148,557</b>	<b>\$ 666,974</b>

### 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 total revenues were \$3,625,922 for the fiscal year ended June 30, 2023, excluding the Right-To -Use Lease adjustment. Revenues from governmental activities for fiscal year 2023 amounted to \$3,114,729, of which Property taxes of \$1,553,736 made up 49.9%. Federal, state and local revenue accounted for \$1,550,215 or another 49.8%. The total cost of all program and services was \$3,477,015. Instruction comprises 34.4% of District expenses.

### Business-Type Activities

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

- ❖ Food service revenues exceeded expenses by \$3,794 and SACC expenses exceeded revenues by \$6,738.
- ❖ Charges for food service were \$16,765. This represents amount paid by patrons for daily food services. SACC revenues were \$8,727.
- ❖ Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities, were \$52,587.

### Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the 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

	<u>Total Cost of Services 2023</u>	<u>Net Cost of Services 2023</u>	<u>Total Cost of Services 2022</u>	<u>Net Cost of Services 2022</u>
Instruction	\$ 1,197,709	\$ 1,117,624	\$ 1,111,926	\$ 1,000,805
Support Services				
Tuition	413,708	413,708	215,828	215,828
Pupils and Instructional Staff	305,440	140,252	223,199	109,766
General Administration, School				
Administration, Business	199,650	199,650	218,811	218,811
Operation and Maintenance of Facilities	266,731	266,731	210,273	210,273
Pupil Transportation	149,519	149,519	125,101	125,101
Employee Benefits	784,718	597,227	975,268	777,485
Other	71,279	71,279	64,829	64,829
Total Expenses	<u>\$ 3,388,754</u>	<u>\$ 2,955,990</u>	<u>\$ 3,145,235</u>	<u>\$ 2,722,898</u>

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

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

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

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

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

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

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

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District.

Other includes unallocated depreciation and amortization.

### 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. All governmental funds (i.e., general fund, special revenue fund, capital projects and debt service fund presented in the fund-based statements) had total revenues of \$3,643,337 and expenditures of \$3,582,729. The net positive/negative change in fund balance for the year was most significant in the General Fund, which had an increase of \$70,280, which was attributed to favorable variances in numerous line items.

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.

Table 4

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2022</u>	<u>Percent/ Increase (Decrease)</u>
Local Sources	\$ 1,583,336	43%	\$ (1,843)	0%
State Sources	1,798,233	50%	(137,641)	-7%
Federal Sources	261,768	7%	32,913	14%
Total	<u>\$ 3,643,337</u>	<u>100%</u>	<u>\$ (106,571)</u>	<u>-3%</u>

The decrease in Local Sources is attributable to a decrease in miscellaneous of \$7,802, offset by increases in interest income of \$1,184 and other local sources of \$4,775.

The decrease in State Sources is attributable to decreases in various general fund state aids of \$137,641.

The increase in Federal Sources is attributed to increases in various grant awards totaling \$32,913.

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

Table 5

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2022</u>	<u>Percent/ Increase (Decrease)</u>
Current:				
Instruction	\$ 1,197,709	33%	\$ 85,783	7.7%
Undistributed Expenditures	2,255,967	63%	306,663	15.7%
Capital Outlay	129,053	4%	88,423	217.6%
Total	<u>\$ 3,582,729</u>	<u>100%</u>	<u>\$ 480,869</u>	<u>15.5%</u>

The increase in Current – Instruction is attributed to an increase in regular instruction of \$56,566 and other instruction of \$32,783, offset by a decrease in special education instruction of \$3,566.

The increase in Current – Undistributed Expenditures is attributed to increases in tuition of \$197,880, student and instruction related services of \$63,971, plant operations and maintenance of \$43,417, pupil transportation of \$24,418, offset by decreases in administrative services of \$19,161 and health benefits of \$3,862.

The increase in capital outlay of \$88,423 is attributed to increased spending on capital items.

**General Fund Budgeting Highlights**

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

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

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

While the District’s final budget for the general fund anticipated that expenditures would exceed revenues by \$411,924, the actual results for the year show a \$94,079 increase in fund.

- ❖ Actual revenues were \$29,802 more than expected, due to increases in local sources and State Aid. The net variance includes on-behalf pension and social security reimbursements of \$520,178.
- ❖ The actual expenditures were \$967,039 lower than expected, primarily due to variances in most line items of the budget. The net variance also includes on-behalf pension and social security costs of \$520,178 and budget amendments of \$495,838.

### Capital Assets

At the end of the fiscal year 2023, the School District had \$1,441,467 invested in land, buildings, site improvements and machinery and equipment. Table 4 shows fiscal 2023 balances compared to 2022.

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

	2023	2022
Land	\$ 35,442	\$ 35,442
Construction in Progress	110,295	9,000
Building and Improvements	1,176,475	1,224,975
Machinery and Equipment	71,403	75,085
Right-to-Use Lease Assets	8,661	
	\$ 1,402,276	\$ 1,344,502

Overall capital assets increased by \$57,774 from fiscal year 2022 to fiscal year 2023. This increase in capital assets (primarily buildings and improvements and equipment) represented net acquisitions of \$129,053, offset by unallocated depreciation expense of \$71,279.

### Debt Administration

At June 30, 2023, the School District had \$262,476 in outstanding debt, which represented compensated absences of \$35,350, Right-To-Use Lease Liability of \$8,363 and net pension liability of \$218,763. At June 30, 2023, the School District’s overall legal debt margin was \$3,237,093, all of which was available for future projects.

## **For the Future**

The Township of Elsinboro School District is presently in good financial condition. Future finances are not without challenges though as the community continues to deal with increasing fixed costs. Interdistrict School Choice continues to assist us in maintaining our programs. Choice aid helps pay for more technology, updated curriculum, and capital improvements.

The Township of Elsinboro is primarily a residential community, with very few ratables and thus the tax burden is focused on homeowners. During the last budget process, it was a concern of the Administration and Board of Education on how future budgets would be financed. In an effort to optimize spending in educational program areas, the district closely monitors the administrative cost. In addition, the Board of Education and the Administration continually review all program cost centers in the District in order to keep the tax rate down.

In conclusion, the Elsinboro School District has committed itself to effective financial planning and budgeting. The District also endeavors to maintain optimum internal financial controls in order to meet the financial challenges of the future through sound fiscal management.

## **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 Loral A. Kretzer, Superintendent at Township of Elsinboro Board of Education, 631 Salem-Fort Elfsborg Road, Salem, NJ 08079, or call (856) 935-6944.

## **BASIC FINANCIAL STATEMENTS**

## **DISTRICT WIDE FINANCIAL STATEMENTS**

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

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

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

**TOWNSHIP OF ELSINBORO SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,019,018	\$ 52,485	\$ 1,071,503
Receivables, Net	194,559	5,305	199,864
Restricted Assets:			
Cash and Cash Equivalents	2,050,142		2,050,142
Capital Assets, Net (Note 8)	1,402,276		1,402,276
Total Assets	4,665,995	57,790	4,723,785
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred Pension Outflow	69,228		69,228
Total Deferred Outflows of Resources	69,228		69,228
<b>LIABILITIES</b>			
Accounts Payable	9,118		9,118
Unearned Revenue	109,557	1,380	110,937
Non-current Liabilities (Note 9):			
Due Within One Year	8,584		8,584
Due Beyond One Year	253,892		253,892
Total Liabilities	381,151	1,380	382,531
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred Pension Inflow	112,285		112,285
Total Deferred Inflows of Resources	112,285		112,285
<b>NET POSITION</b>			
Invested in Capital Assets, Net of Related Debt	1,393,913		1,393,913
Restricted for:			
Capital Reserve	1,464,741		1,464,741
Maintenance Reserve	100,375		100,375
Emergency Reserve	100,080		100,080
Tuition Reserve	14,000		14,000
Unemployment Compensation	25,100		25,100
Student Activities	4,723		4,723
Excess Surplus	640,748		640,748
Unrestricted	498,107	56,410	554,517
Total Net Position	\$ 4,241,787	\$ 56,410	\$ 4,298,197

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

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

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Governmental Activities:						
Instruction:						
Regular	\$ 1,008,967	\$	\$ 80,085	\$ (928,882)	\$	\$ (928,882)
Special Education	117,386			(117,386)		(117,386)
Other Instruction	71,356			(71,356)		(71,356)
Support Services:						
Tuition	413,708			(413,708)		(413,708)
Student & Instruction Related Serv	305,440	43,931	121,607	(139,902)		(139,902)
General and Business Admin Serv	94,918			(94,918)		(94,918)
School Administrative Services	70,201			(70,201)		(70,201)
Central Services	34,531			(34,531)		(34,531)
Plant Operations and Maintenance	266,731			(266,731)		(266,731)
Pupil Transportation	149,519			(149,519)		(149,519)
Employee Benefits	784,718		187,491	(597,227)		(597,227)
Unallocated Depreciation	71,279			(71,279)		(71,279)
Total Governmental Activities	3,388,754	43,931	389,183	(2,955,640)		(2,955,640)
Business-Type Activities:						
Food Service	73,146	16,765	52,587		(3,794)	(3,794)
SACC	15,465	8,727			(6,738)	(6,738)
Total Business-Type Activities	88,611	25,492	52,587		(10,532)	(10,532)
Total Primary Government	\$3,477,365	\$ 69,423	\$ 441,770	(2,955,640)	(10,532)	(2,966,172)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				1,553,736		1,553,736
Federal and State Aid Not Restricted				1,550,215		1,550,215
Investment Earnings				1,388		1,388
Miscellaneous Income				9,390		9,390
Total General Revenues, Special Items, Extraordinary Items and Transfers				3,114,729		3,114,729
Change in Net Position				159,089	(10,532)	148,557
Net Position—Beginning				4,082,698	66,942	4,149,640
Net Position—Ending				\$ 4,241,787	\$ 56,410	\$ 4,298,197

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

## **FUND FINANCIAL STATEMENTS**

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

**GOVERNMENTAL FUNDS**

**TOWNSHIP OF ELSINBORO SCHOOL DISTRICT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2023**

	General Fund	Special Revenue Fund	Total Governmental Funds
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,190,218	\$ 4,723	\$ 1,194,941
Cash and Cash Equivalents - Capital Reserve	1,819,864		1,819,864
State Aid Receivable	8,304		8,304
Federal Aid Receivable		151,311	151,311
Interfund Receivable	44,712		44,712
Miscellaneous Accounts Receivable	2,463		2,463
	<u>\$ 3,065,561</u>	<u>\$ 156,034</u>	<u>\$ 3,221,595</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts Payable	\$ 1,269	\$ 7,849	\$ 9,118
Interfund payable		44,712	44,712
Unearned Revenue		109,557	109,557
	<u>1,269</u>	<u>162,118</u>	<u>163,387</u>
Fund Balances:			
Restricted for:			
Capital Reserve	1,464,741		1,464,741
Maintenance Reserve	100,375		100,375
Emergency Reserve	100,080		100,080
Tuition Reserve	14,000		14,000
Excess Surplus	240,748		240,748
Excess Surplus Designated for Subsequent Year's Expenditures	400,000		400,000
Unemployment Compensation	25,100		25,100
Student Activities		4,723	4,723
Assigned:			
Encumbrances Designated for Subsequent Year's Expenditures	605,086		605,086
Designated for Subsequent Year's Expenditures	290		290
Unassigned (Deficit)	113,872	(10,807)	103,065
	<u>3,064,292</u>	<u>(6,084)</u>	<u>3,058,208</u>
Total Fund Balances			
Total Liabilities and Fund Balances	<u>\$ 3,065,561</u>	<u>\$ 156,034</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$2,572,445 and the accumulated depreciation is \$1,170,169 (see Note 8).

1,402,276

Deferred Outflow of Resources - Deferred Pension Contribution  
 Deferred Inflows of Resources - Pension Actuarial Gains  
 Long Term Net Pension Liability

69,228  
 (112,285)  
 (218,763)

Internal Service Funds are reported on the Statement of Net Assets

86,836

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 9).

(43,713)

Net Position of governmental activities

\$ 4,241,787

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

**TOWNSHIP OF ELSINBORO SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	General Fund	Special Revenue Fund	Total Governmental Funds
<b>REVENUES</b>			
Local Sources:			
Local Tax Levy	\$ 1,553,736	\$	\$ 1,553,736
Interest Earned	1,388		1,388
Local Sources		18,822	18,822
Miscellaneous	9,390		9,390
Total - Local Sources	1,564,514	18,822	1,583,336
State Sources	1,780,196	18,037	1,798,233
Federal Sources		261,768	261,768
Total Revenues	3,344,710	298,627	3,643,337
<b>EXPENDITURES</b>			
Current:			
Regular Instruction	928,882	80,085	1,008,967
Special Education Instruction	117,386		117,386
Other Instruction	71,356		71,356
Support Services:			
Tuition	413,708		413,708
Student & Instruction Related Services	162,412	121,607	284,019
General Administrative Services	94,918		94,918
School Administrative Services	70,201		70,201
Central Services	34,531		34,531
Plant Operations and Maintenance	271,011		271,011
Pupil Transportation	149,519		149,519
Employee Benefits	920,373	17,687	938,060
Capital Outlay	40,133	88,920	129,053
Total Expenditures	3,274,430	308,299	3,582,729
Excess (Deficiency) of Revenues over Expenditures	70,280	(9,672)	60,608
<b>OTHER FINANCING SOURCES (USES)</b>			
Total Other Financing Sources and Uses			
Net Change in Fund Balances	70,280	(9,672)	60,608
Fund Balance, July 1	2,994,012	3,588	2,997,600
Fund Balance, June 30 (Deficit)	\$ 3,064,292	\$ (6,084)	\$ 3,058,208

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

**TOWNSHIP OF ELSINBORO 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)** \$ 60,608

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation Expense	\$	(71,279)	
Capital Outlays		129,053	
			57,774

Pension Contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period. 25,364

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. 4,280

Increase in Internal Service Fund Balance 3,688

Increase in Compensated Absences 7,375

**Change in net position of governmental activities (A-2)** \$ 159,089

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

**PROPRIETARY FUNDS**

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

	<b>Business-type Activities - Enterprise Funds</b>			<b>Governmental Activities - Internal Service Fund</b>
	<b>SACC</b>	<b>Food Service</b>	<b>Totals</b>	
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 23,242	\$ 29,243	\$ 52,485	\$ 54,355
Federal and State Aid Receivable		1,048	1,048	32,481
Accounts Receivable	3,400	857	4,257	
Total Current Assets	26,642	31,148	57,790	86,836
Fixed Assets:				
Equipment		4,400	4,400	
Accumulated Depreciation		(4,400)	(4,400)	
Total Fixed Assets				
Total Assets	26,642	31,148	57,790	86,836
<b>LIABILITIES AND FUND EQUITY:</b>				
Current Liabilities:				
Accounts Payable				
Unearned Revenue	298	1,082	1,380	
Total Current Liabilities	298	1,082	1,380	
<b>NET POSITION</b>				
Investment in Fixed Assets Unrestricted	26,344	30,066	56,410	86,836
Total Net Position	26,344	30,066	56,410	86,836
Total Liabilities and Fund Equity	\$ 26,642	\$ 31,148	\$ 57,790	\$ 86,836

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

**TOWNSHIP OF ELSINBORO 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
	SACC	Food Service	Total Enterprise	
Operating Revenues:				
Charges for Services:				
Daily Sales - Reimbursable Programs	\$	\$ 9,638	\$ 9,638	\$
Non-reimbursable Sales		7,127	7,127	
Program Fees	8,727		8,727	
LEAs within the State				25,109
Total Operating Revenue:	8,727	16,765	25,492	25,109
Operating Expenses:				
Cost of Sales - Reimbursable Programs		41,547	41,547	
Cost of Sales - Non Reimbursable Programs		3,079	3,079	
Salaries and Employee Benefits	14,755	23,775	38,530	21,421
Other		2,715	2,715	
Supplies and Materials	710	2,030	2,740	
Total Operating Expenses	15,465	73,146	88,611	21,421
Operating (Loss) Income	(6,738)	(56,381)	(63,119)	3,688
Non-operating Revenues (Expenses):				
State Sources:				
State School Lunch Program		1,186	1,186	
State School Breakfast Program		55	55	
Federal Sources:				
National School Lunch Program		34,267	34,267	
National School Breakfast Program		4,033	4,033	
Supply Chain Assistance Funding		13,046	13,046	
Total Non-operating Revenues (Expenses)		52,587	52,587	
(Loss) Income Before Transfers	(6,738)	(3,794)	(10,532)	3,688
Operating Transfer In - General Fund				
Change in Net Position	(6,738)	(3,794)	(10,532)	3,688
Total Net Position—Beginning	33,082	33,860	66,942	83,148
Total Net Position—Ending	\$ 26,344	\$ 30,066	\$ 56,410	\$ 86,836

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

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

	Business-type Activities - Enterprise Funds			Governmenta Activities - Internal Service Fund
	SACC	Food Service	Total Enterprise	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from Customers	\$ 8,727	\$ 16,765	\$ 25,492	\$ 25,109
Payments to Employees	(14,755)	(23,775)	(38,530)	
Payments to Suppliers	(1,220)	(37,936)	(39,156)	(46,530)
Net Cash Provided by (Used for) Operating Activities	(7,248)	(44,946)	(52,194)	(21,421)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
State Sources		1,241	1,241	
Federal Sources		51,346	51,346	
Operating Transfer In-General Fund				
Net Cash Provided by (Used for) Non-capital Financing Activities		52,587	52,587	
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Net Cash Provided by (Used for) Capital and Related Financing Activities				
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and Dividends				
Net Cash Provided by (Used for) Investing Activities				
Net Increase/(Decrease) in Cash and Cash Equivalents	(7,248)	7,641	393	(21,421)
Balances—Beginning of Year	30,490	21,602	52,092	75,776
Balances—End of Year	\$ 23,242	\$ 29,243	\$ 52,485	\$ 54,355
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>				
Operating Income (Loss)	\$ (6,738)	\$ (56,381)	\$ (63,119)	\$ 3,688
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used for) Operating Activities				
Depreciation and Net Amortization				
Decrease/(Increase) in Accounts Receivable, Net	(510)	10,615	10,105	(25,109)
Increase/(Decrease) in Accounts Payable				
Increase/(Decrease) in Unearned Revenue		820	820	
Total Adjustments	(510)	11,435	10,925	(25,109)
Net Cash Provided by (Used for) Operating Activities	\$ (7,248)	\$ (44,946)	\$ (52,194)	\$ (21,421)
Noncash Investing, Capital, and Financing Activities:				
During the year, the District received \$0 of food commodities from the U. S. Department of Agriculture				

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

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

**NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

**A. Reporting Entity:**

The Elsinboro School District is a Type II District located in the County of Salem, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The Board is comprised of seven members elected to three-year terms. These terms are staggered so that two or three members' terms expire each year. The purpose of the District is to educate students in grades K-8. The Elsinboro School District had an approximate enrollment at June 30, 2023 of 116 students.

Business Administrator/Board Secretary services are contracted with Alloway Shared Services 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, the District has no component units.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**New Accounting Standards:**

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

- GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements* 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.
- GASB Statement No. 100 - *Accounting Changes and Error Corrections, an amendment of GASB Statement No. 62*: The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Management is evaluating the potential impact of the adoption of GASB 100 on the School District's financial statements.
- GASB Statement No. 101 - *Compensated Absences*: The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Management is evaluating the potential impact of the adoption of GASB 101 on the School District's financial statements.

**A. Basis of Presentation:** The financial statements of the Elsinboro 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.

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

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

**A. Basis of Presentation (Continued):**

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.

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

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

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

**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 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:

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

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

**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.

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.

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.

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

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

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

**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.

**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 (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.

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

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

**B. Fund Accounting (Continued):**

**Enterprise Funds - Continued**

The District's Enterprise Fund is comprised of the Food Service Fund.

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

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	12 Years
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**Internal Service Fund** - The Internal Service Fund has been established to account for transportation services provided by the Elsinboro Township School District to various other Districts for several students. Services are generally provided on a cost-reimbursement basis.

**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. Expendable Trust Funds account for assets where both the principal and interest may be spent. Expendable Trust Funds include Unemployment Compensation Insurance.

**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.

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

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

**C. Basis of Accounting and Measurement Focus:**

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 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 mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below.

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.

A reconciliation of the special revenue funds from the budgetary basis of accounting (as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds) to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types is shown on Exhibit C-3.

**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.

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

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

**F. Tuition Receivable:**

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

**G. Tuition Payable:**

Tuition charges for the fiscal years 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. 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.

**I. Inventories and Prepaid Expenses:**

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the Enterprise Fund are recorded as expenditures 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.

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

Inventories - On District-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method and is expended when used. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2023. There was no inventory in the Food Service Fund at June 30, 2023.

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

**J. Assets, Liabilities and Equity:**

Capital Assets - 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:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements & portable classroom	20 -50
Land improvements	20
Furniture	20
Equipment	15

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

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

**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.

**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. Lease Acquisition Costs:**

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

**Q. Fund Equity:**

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

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

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

**R. Comparative Data/Reclassifications:**

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

**S. Management Estimates:**

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

**T. Accrued Liabilities and Long-term Obligations:**

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

**U. 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.

**V. 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.

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

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

**V. Fund balances - Governmental Funds – Continued**

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.

**W. 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.

**X. 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.

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

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

**X. Tax assessments and property taxes: - Continued**

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 highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest.

Investments are stated at cost, or amortized cost, which approximates market. The Board classifies U.S. Treasury with Agency obligations and 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 stated at cost. All other investments are stated at fair value.

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

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

School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund. As of June 30, 2023, the District had no funds on deposit with the New Jersey Cash Management.

Deposits - N.J.S.A. 17:9-41, et seq. establish requirements for the security of deposits of governmental units. The statutes require that school districts deposit public funds in public depositories secured in accordance with the Governmental Unit Deposit Protection Act, which is a multiple financial institution collateral pool enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution 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.

Public depositories include State or Federally chartered banks, savings banks or associations located in or having a branch office on the State of New Jersey, the deposits of which are federally insured.

All public depositories must pledge collateral, having a market value at least equal to 5% of the average daily balance of collected public funds on deposit, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to Governmental Units.

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.

The School District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the Governmental Unit Deposit Protection Act and approves a list of authorized depository institutions based on an evaluation of solicited responses and presentation of GUDPA certifications provided by the financial institutions

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

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

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

		<b>Cash and Cash Equivalents</b>
Checking Accounts	\$	3,121,645
Total	\$	3,121,645

Unrestricted cash		
Governmental funds, Balance Sheet	B-1	\$1,194,941
Enterprise funds, Statement of Net Position	B-4	52,485
Internal service funds, Statement of Net Position	B-4	54,355
Restricted cash		
Governmental funds, Balance Sheet	B-1	<u>1,819,864</u>
Total cash		<u>\$ 3,121,645</u>

**Custodial Credit Risk:** Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 t seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA).

GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local government agencies. The program is administered by the Commissioner of the NJ Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. The District does not place a limit on the amount that may be invested in any one issuer.

As of June 30, 2023, the District's bank balance of \$3,367,811 was insured or collateralized as follows:

Insured by Depository Insurance	\$ 250,000
Collateralized under GUDPA	<u>3,117,811</u>
Total	<u>\$3,367,811</u>

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

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

**NOTE 4. EMERGENCY RESERVE ACCOUNT**

An emergency reserve account may be established by New Jersey school districts for the accumulation of funds for certain expenditures in subsequent fiscal years. The Emergency Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget. Funds placed in the reserve account are restricted to a maximum of \$250,000 by statute. The balance as of June 30, 2023 is \$100,080, which includes \$30 in interest earned and is within the maximum amount permitted.

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

**NOTE 5. CAPITAL RESERVE ACCOUNT**

A capital reserve account may be established by 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 P.L.2005, C73 (S1701). Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support cost of uncompleted capital projects of \$1,630,500, as shown in its approved LRFP.

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

The balance in the Capital Reserve account as of June 30, 2023 is \$1,464,741 as follows:

Beginning Balance July 1, 2022	\$	1,464,624
Added:		
Interest		117
Ending Balance June 30, 2023	\$	1,464,741

**NOTE 6. MAINTENANCE RESERVE ACCOUNT**

A maintenance reserve account may be established by New Jersey school districts for the accumulation of funds for maintenance expenditures in subsequent fiscal years. The Maintenance Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget. Funds placed in the maintenance reserve account are restricted to a maximum by statute. During the 2022-2023 fiscal school year, interest earnings of \$0 was added, resulting in a balance as of June 30, 2023 of \$100,375, which is within the maximum amount permitted \$100,375.

The balance in the Maintenance Reserve account as of June 30, 2023 is \$100,375 as follows:

Beginning Balance July 1, 2022 and 2023	\$	100,375
Ending Balance June 30, 2023	\$	100,375

**NOTE 7. TUITION RESERVE ACCOUNT**

A tuition reserve account may be established by New Jersey school districts for the accumulation of funds for tuition expenditures in subsequent fiscal years. The Tuition Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget. Funds placed in the tuition reserve account are restricted to a maximum by statute. During the 2022-2023 fiscal school year, nothing was added by resolution, resulting in a balance as of June 30, 2023 of \$14,000, which is within the maximum amount permitted.

The balance in the Tuition Reserve account as of June 30, 2023 is \$14,000 as follows:

Beginning Balance July 1, 2022	\$	14,000
Added: None		
Ending Balance June 30, 2023	\$	14,000

There was a Tuition Reserve withdrawal in the 2023-2024 Budget of \$14,000.

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

**NOTE 8. CAPITAL ASSETS**

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

	<b>Beginning Balance 7/1/2022</b>	<b>Additions</b>	<b>Adjustments/ Retired</b>	<b>Ending Balance 6/30/2023</b>
<b>Governmental Activities:</b>				
<b>Capital Assets That are Not Being Depreciated:</b>				
Land	\$ 35,442		\$	\$ 35,442
Construction in Progress	9,000	\$ 101,295		110,295
<b>Total Capital Assets Not Being Depreciated</b>	<b>44,442</b>	<b>101,295</b>		<b>145,737</b>
<b>Capital Assets Being Depreciated and Amortized</b>				
Land Improvements	160,788			160,788
Building and Building Improvements	2,072,029			2,072,029
Machinery and Equipment	148,812	27,758		176,570
Right-to-Use Lease Assets	34,675		(17,354)	17,321
<b>Totals at Historical Cost</b>	<b>2,416,304</b>	<b>27,758</b>	<b>(17,354)</b>	<b>2,426,708</b>
<b>Less Accumulated Depreciation and Amortization</b>				
Land Improvements	(81,570)	(4,869)		(86,439)
Building and Improvements	(926,272)	(43,631)		(969,903)
Machinery and Equipment	(86,718)	(18,449)		(105,167)
Right-to-Use Lease Assets	(21,684)	(4,330)	17,354	(8,660)
<b>Total Accumulated Depreciation and Amortization</b>	<b>(1,116,244)</b>	<b>(71,279)</b>	<b>17,354</b>	<b>(1,170,169)</b>
<b>Total Capital Assets Being Depreciated and Amortized, Net of Accumulated Depreciation and Amortization</b>	<b>1,300,060</b>	<b>(43,521)</b>		<b>1,256,539</b>
<b>Government Activities Capital Assets, Net</b>	<b>\$ 1,344,502</b>	<b>\$ 57,774</b>	<b>\$</b>	<b>\$ 1,402,276</b>
	To A-1			<b>To A-1</b>
Business-type Activities - Equipment	\$ 4,400	\$	\$	\$ 4,400
Less Accumulated Depreciation	(4,400)			(4,400)
<b>Business-type Activities Capital Assets, Net</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Depreciation expense was charged to governmental functions as follows:				
	Unallocated			\$ 71,279

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

**NOTE 9. LONG-TERM OBLIGATIONS**

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

	<b>Beginning Balance 7/1/2022</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance 6/30/2023</b>	<b>Amounts Due within One Year</b>	<b>Long-term Portion</b>
<b>Governmental Activities:</b>						
Loans Payable	\$	\$	\$	\$	\$	\$
Other Liabilities:						
Right-to-Use Lease Liability	12,643		4,280	8,363	4,409	3,954
Compensated Absences Payable	42,725		7,375	35,350	4,175	31,175
Net Pension Liability	232,435		13,672	218,763		218,763
<b>Total Long-term Obligations</b>	<b>\$ 287,803</b>	<b>\$</b>	<b>\$25,327</b>	<b>\$ 262,476</b>	<b>\$ 8,584</b>	<b>\$ 253,892</b>

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.

**A. Bonds Payable** – Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds. There is no Principal or Interest due subsequent to June 30, 2023.

**B. Bonds Authorized But Not Issued** – As of June 30, 2023, the District had no authorized but not issued bonds.

**C. Capital Leases** – There were no capital leases in force during as of the end of the audit year

**NOTE 10. 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.

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

**NOTE 10. PENSION PLANS (CONTINUED)**

**Public Employees' Retirement System (Continued)**

The following represents the membership tiers for PERS:

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

**Contributions** - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The PERS member total contribution rate as of July 1, 2021 was 7.5% of base salary. The District employees' contributions for the year ended June 30, 2023 were \$8,395. 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 \$18,280 and \$22,978 respectively.

The total payroll for the year ended June 30, 2023 was \$1,365,694. Payroll covered by PERS was \$111,937 for fiscal year 2023.

**Components of Net Pension Liability** - At June 30, 2023, the District's proportionate share of the PERS net pension liability was \$218,763. 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 0.001450% which was a decrease of 0.00051% 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 \$(11,781). The District's 2023 deferred outflows of resources and deferred inflows of resources were from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,579	\$ 1,392
Changes of assumptions	678	32,757
Net difference between projected and actual earnings on pension plan investments	9,054	
Changes in proportion	39,637	78,136
Contributions subsequent to the measurement date	18,280	
<b>Total</b>	<b>\$ 69,228</b>	<b>\$ 112,285</b>

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

**NOTE 10. PENSION PLANS (CONTINUED)**

**Public Employees' Retirement System (Continued)**

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

Year	PERS
2023	\$ (17,069)
2024	(15,731)
2025	(13,407)
2026	(14,530)
2027	(600)
Thereafter	
Total	\$ (61,337)

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

Year	2023	2022
Collective deferred outflows of resources	\$ 69,228	\$ 90,894
Collective deferred inflows of resources	\$ 112,285	\$ 145,643
Collective Net Pension Liability	\$ 218,763	\$ 232,435
District's Proportion	0.001450%	0.001962%

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

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

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

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

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

**NOTE 10. 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 nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

**NOTE 10. 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%)	Current Discount (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the Net Pension Liability	\$ <u>283,426</u>	\$ <u>218,763</u>	\$ <u>167,161</u>

**Teachers' Pension and Annuity Fund**

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

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

The following represents the membership tiers for TPAF:

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 nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

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

**NOTE 10. PENSION PLANS (CONTINUED)**

**Teachers' Pension and Annuity Fund (Continued)**

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

During the fiscal year ended June 30, 2023, the State of New Jersey contributed \$92,013 to the TPAF for pension contributions, \$350,260 for post-retirement benefits on behalf of the School, and \$114 for long-term disability. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$77,791 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 \$116,447 and revenue of \$116,447 for support provided by the State.

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

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

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

**NOTE 10. PENSION PLANS (CONTINUED)**

**Teachers' Pension and Annuity Fund (Continued)**

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

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

**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.

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

**NOTE 10. 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:

	<u>1% Decrease</u> <u>(6.00%)</u>	<u>Current</u> <u>Discount</u> <u>(7.00%)</u>	<u>1% Increase</u> <u>(8.00%)</u>
State's Share of the Net Pension Liability associated with the District	\$ 5,081,393	\$ 4,326,841	\$ 3,703,922
State's Share of the Net Pension Liability	\$ <u>60,591,896,759</u>	\$ <u>51,676,587,303</u>	\$ <u>44,166,559,329</u>

**Defined Contribution Retirement Program (DCRP)**

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

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

Eligibility

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

**Contributions** – The contribution policy is set by N.J.S.A 43:15C-3 and requires contributions by active members and contributing employers. Plan members are required to contribute 5.5% of their base salary and the District's employer match is an additional 3% contribution. For the year ended June 30, 2023, employee contributions totaled \$1,845 and the District's employer contribution, recognized in pension expense, was \$1,006. 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.

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

**NOTE 11. 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 State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage:

<https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

**General Information about the OPEB Plan**

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

The 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

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

**NOTE 11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

**General Information about the OPEB Plan (Continued)**

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

**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 \$4,612,757. The State of New Jersey's proportionate share of the total OPEB liability is 100%, including the proportion attributable to the School District of 0.00911%. The total OPEB liability for the School District measured as of June 30, 2022 is zero as a result of the Special Funding Situation with the State of New Jersey. The School District's proportionate share of the total OPEB liability measured as of June 30, 2022 is 0.00%. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position.

**Total Nonemployer OPEB Liability**

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

	<b>TPAF/ABP</b>	<b>PERS</b>	<b>PFRS</b>
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

**TOWNSHIP OF ELSINBORO SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

**Total Nonemployer OPEB Liability (Continued)**

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

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

**Health Care Trend Assumptions**

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

**Discount rate**

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

**Changes in the Total OPEB Liability**

	<u><b>Total OPEB Liability</b></u>
State of New Jersey	
<b>Balance as of June 30, 2021 Measurement Date</b>	\$ <u>60,007,650,971</u>
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	<u>42,650,252</u>
<b>Net Changes</b>	<u>(9,361,188,004)</u>
<b>Balance as of June 30, 2022 Measurement Date</b>	\$ <u><u>50,646,462,967</u></u>

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

**NOTE 11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

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

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

<b>June 30, 2022</b>		
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 Nonemployer OPEB Liability to changes in the healthcare trend rate:**

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

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

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

For the year ended June 30, 2023, the School District recognized OPEB expense of \$205,223. The School District reported deferred outflows of resources and deferred inflows of resources from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Expected and Actual Experience	\$ 823,560	\$ (1,408,328)
Changes of Assumptions	798,351	(1,569,930)
Net difference Between Projected and Actual Earnings on OPEB Plan Investments		
Changes in Proportion	343,977	(148,835)
Contributions Subsequent to the Measurement Date		
Total	\$ 1,965,888	\$ (3,127,093)

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

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

**NOTE 11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

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

Measurement Period Ending June 30,	OPEB
2023	\$ 583,993
2024	583,993
2025	583,993
2026	612,913
2027	673,963
Thereafter	2,054,124
Total	\$ 5,092,979

**NOTE 12. 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 accumulated unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the District's agreement with the various employee unions.

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

The liability for vested compensated absences 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 \$35,350 and none in the Food Service Fund.

**NOTE 13. DEFERRED COMPENSATION**

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

T. Rowe Price and Lincoln Financial.

**NOTE 14. RISK MANAGEMENT**

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

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

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

**NOTE 14. RISK MANAGEMENT (Continued)**

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022-2023	\$	\$ 2,767	\$ 2,731	\$ 25,100
2021-2022		2,575	60	25,064
2020-2021		2,222	1,170	22,549

**NOTE 15. INTERFUND RECEIVABLES AND PAYABLES**

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

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 44,712	\$
Special Revenue Fund		44,712
Total	\$ <u>44,712</u>	\$ <u>44,712</u>

**NOTE 16. INVENTORY**

As all meals are received by satellite from a neighboring school district, there is no inventory in the food service fund as of June 30, 2023. The value of Federal donated commodities, if reflected on Schedule A (required by the Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of purchase and would be included as an item of non-operating revenue in the financial statements.

**NOTE 17. FUND BALANCE APPROPRIATED**

**General Fund** – Of the \$3,064,292 General Fund balance at June 30, 2023, \$640,748 was restricted as excess surplus at June 30, 2023 in accordance with N.J.S.A. 18A:7F-7; (\$400,000 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2024); \$25,100 is Restricted for Unemployment Compensation, \$1,464,741 is restricted for Capital Reserve Fund, of which \$0 has been appropriated and included as anticipated revenue for the year ending June 30, 2024; \$100,375 is restricted for Maintenance Reserve; \$14,000 is restricted for Tuition Reserve, of which all has been appropriated and included as anticipated revenue for the year ending June 30, 2024; \$100,080 is restricted for Emergency Reserve; \$290 has been appropriated and included as anticipated revenue for the year ending June 30, 2024; \$605,086 is assigned for encumbrances; and \$113,872 is undesignated.

**Debt Service Fund** – The Debt Service fund had no fund balance at June 30, 2023.

**NOTE 18. 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 Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). 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. There was \$640,748 in excess fund balance at June 30, 2023, of which \$400,000 was appropriated in the 2023-2024 budget and \$240,748 is to be appropriated in the 2024-2025 budget.

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

**NOTE 19. DEFICIT FUND BALANCES**

The District did not have a deficit in General fund balance and had an Undesignated Deficit in Special Revenue Fund Balance of \$10,807 as of June 30, 2023, as reported in the fund statements (modified accrual basis). N.J.S.A. 18A: 22-44.2 provides that in the event a state school aid payment is not made until the following school 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, a deficit does not alone indicate that the District is facing financial difficulties. The Undesignated Deficit in Special Revenue Fund of \$10,807 is equal to the last two state aid payments received in July 2023.

**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.

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. 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.

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

**NOTE 21. OPERATING LEASES (Continued)**

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:

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ 4,661
2025	4,661
2026	1,554
Total	<u>\$ 10,876</u>

**NOTE 22. 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, assessments of contingent liability against the District.

**NOTE 23. ACCOUNTS RECEIVABLE**

Receivables at June 30, 2023 consisted of intergovernmental grants and other items. All receivables are considered collectible in full.

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

<b>Receivables:</b>	<b><u>General Fund</u></b>	<b><u>Special Revenue Fund</u></b>	<b><u>Enterprise Funds</u></b>	<b><u>Internal Service Fund</u></b>	<b><u>Total</u></b>
State	\$ 8,304	\$	\$ 32	\$	\$ 8,336
Federal		151,311	1,016		152,327
Other	2,463		4,257	32,481	39,201
Totals	<u>\$ 10,767</u>	<u>\$ 151,311</u>	<u>\$ 5,305</u>	<u>\$ 32,481</u>	<u>\$ 199,864</u>

**NOTE 24. SUBSEQUENT EVENTS**

There were no other events noted, between the year-end and December 4, 2023, requiring disclosure.

**REQUIRED SUPPLEMENTARY INFORMATION – PART II**

**BUDGETARY COMPARISON SCHEDULES**

**TOWNSHIP OF ELSINBORO SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 1,553,736	\$	\$ 1,553,736	\$ 1,553,736	\$
Interest on Investments				1,241	1,241
Interest on Investments-Capital Reserve	500		500	117	(383)
Interest on Investments- Maintenance Reserve	250		250		(250)
Interest on Investments-Emergency Reserve	50		50	30	(20)
Miscellaneous - Unrestricted	800		800	9,390	8,590
<b>Total - Local Sources</b>	<b>1,555,336</b>		<b>1,555,336</b>	<b>1,564,514</b>	<b>9,178</b>
State Sources:					
Equalization Aid	555,103		555,103	555,103	
Special Education Categorical Aid	90,502		90,502	90,502	
Security Aid	40,720		40,720	40,720	
Adjustment Aid	9,431		9,431	9,431	
Categorical Transportation Aid	64,294		64,294	64,294	
School Choice Aid	503,143		503,143	503,143	
Non-Public Transportation aid				624	624
State Reimburse Secure Child Future Act				20,000	20,000
On-behalf TPAF Post - Retire Medical (non-budgeted)				92,013	92,013
On-behalf TPAF Pension Contributions (non-budgeted)				350,260	350,260
On-behalf TPAF Long-term Disability Contributions (non-budgeted)				114	114
Reimbursement TPAF Social Security Contributions (non-budgeted)				77,791	77,791
<b>Total - State Sources</b>	<b>1,263,193</b>		<b>1,263,193</b>	<b>1,803,995</b>	<b>540,802</b>
<b>TOTAL REVENUES</b>	<b>\$ 2,818,529</b>	<b>\$</b>	<b>\$ 2,818,529</b>	<b>\$ 3,368,509</b>	<b>\$ 549,980</b>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
Instruction - Regular Programs:					
Salaries of Teachers:					
Preschool/Kindergarten	\$ 85,159	\$ 4,442	\$ 89,601	\$ 89,601	\$
Grades 1-5	417,550	(2,240)	415,310	411,469	3,841
Grades 6-8	227,861	(2,281)	225,580	222,779	2,801
Home Instruction:					
Salaries of Teachers	2,000		2,000		2,000
Purchased Professional - Educational Services	3,000		3,000		3,000
Undistributed Instruction - Regular					
Purchased Professional - Educational Services	87,675	(16,760)	70,915	60,775	10,140
Purchased Professional and Technical Services	17,000		17,000	6,026	10,974
Other Purchased Services	40,894	2,366	43,260	35,667	7,593
General Supplies	119,016	29,952	148,968	102,133	46,835
Textbooks	1,000	(1,000)			
Other Objects	1,750		1,750	432	1,318
<b>Total Regular Programs</b>	<b>1,002,905</b>	<b>14,479</b>	<b>1,017,384</b>	<b>928,882</b>	<b>88,502</b>

**TOWNSHIP OF ELSINBORO SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>EXPENDITURES: (Continued)</b>					
<b>CURRENT EXPENSES: (Continued)</b>					
Special Education:					
Resource Room:					
Salaries of Teachers	\$ 125,115	\$ (236)	\$ 124,879	\$ 117,386	\$ 7,493
General Supplies	398	(237)	161		161
Total Resource Room	125,513	(473)	125,040	117,386	7,654
<b>TOTAL SPECIAL EDUCATION</b>	125,513	(473)	125,040	117,386	7,654
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	44,373	24,529	68,902	67,001	1,901
General Supplies	500	2,628	3,128	3,128	
Total Basic Skills/Remedial - Instruction	44,873	27,157	72,030	70,129	1,901
School - Sponsored Co curricular Activities - Instruction:					
Salaries	1,750		1,750	1,227	523
Total School - Sponsored Co curricular Activities - Instruction	1,750		1,750	1,227	523
Total Instruction	1,175,041	41,163	1,216,204	1,117,624	98,580
Undistributed Expenditures:					
Instruction:					
Tuition - Other LEA's within State-Regular	196,000		196,000	196,000	
Tuition - Other LEA's within State-Special	34,800	30,967	65,767	64,506	1,261
Tuition - County Voc School Districts-Regular	42,123		42,123	42,123	
Tuition - CSSD & Regional Day Schools	108,166	2,913	111,079	111,079	
Total Undistributed Expenditures - Instruction	381,089	33,880	414,969	413,708	1,261
Attendance and Social Work Services					
Salaries	20,557	(16)	20,541	19,664	877
Purchased Professional and Technical Services	733	16	749	749	
Total Attendance and Social Work Services	21,290		21,290	20,413	877
Health Services:					
Salaries	68,193	163	68,356	68,356	
Purchased Professional and Technical Services	2,500		2,500	2,500	
Other Purchased Services	225	(163)	62	53	9
Supplies and Materials	1,704	4,304	6,008	4,982	1,026
Other Objects	85		85		85
Total Health Services	72,707	4,304	77,011	75,891	1,120

**TOWNSHIP OF ELSINBORO SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
<b>EXPENDITURES: CURRENT EXPENSES (Continued)</b>					
Undistributed Expenditures: (Continued)					
Speech, OT, PT and Related Services					
Purchased Professional- Educational Services	\$ 36,000	\$ (22,907)	\$ 13,093	\$ 12,894	\$ 199
Supplies and Materials	300	(273)	27		27
Total Speech, OT, PT and Related Services	36,300	(23,180)	13,120	12,894	226
Other Support Services - Extraordinary Services					
Salaries	23,338	546	23,884	23,326	558
Purchased Professional-Educational Services	64,200	(34,746)	29,454	19,492	9,962
Total Other Support Services - Extraordinary Services	87,538	(34,200)	53,338	42,818	10,520
Guidance:					
Other Purchased Professional and Technical Services					
Total Guidance					
Child Study Team:					
Purchased Professional-Educational Services	11,875	(8,230)	3,645	2,474	1,171
Other Purchased Professional & Technical Services	2,000	(250)	1,750	1,750	
Supplies and Materials	300		300	178	122
Total Child Study Team	14,175	(8,480)	5,695	4,402	1,293
Improvement of Instruction Services/Other Support:					
Salaries of Other Professional Staff					
Purchased Prof Educational Services	5,000		5,000	25	4,975
Total Improvement of Instruction Services/Other Support	5,000		5,000	25	4,975
Educational Media Services - School Library					
Salaries	9,000		9,000	3,431	5,569
Total Educational Media Services - School Library:	9,000		9,000	3,431	5,569
Instructional Staff Training Services:					
Purchased Professional - Educational Services	2,500	11,300	13,800	700	13,100
Other Purchased Services	4,300	(1,067)	3,233	1,838	1,395
Total Instructional Staff Training Services	6,800	10,233	17,033	2,538	14,495

**TOWNSHIP OF ELSINBORO SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>EXPENDITURES: (Continued)</b>					
<b>CURRENT EXPENSES: (Continued)</b>					
Undistributed Expenditures: (Continued)					
Support Services General Administration:					
Salaries	\$ 68,891	\$ (71)	\$ 68,820	\$ 49,352	\$ 19,468
Legal Services	3,500		3,500	2,628	872
Audit Fees	13,464	767	14,231	14,231	
Other Purchased Professional Services	6,250	(1,650)	4,600	4,600	
Communications - Telephone	8,477	357	8,834	8,751	83
Other Purchased Services	3,700	(3,700)			
Misc. Purch Serv (400-500)	10,477	(708)	9,769	9,374	395
General Supplies	134	653	787	763	24
Miscellaneous Expenditures	1,800	1,934	3,734	3,734	
BOE Membership Dues and Fees	1,500		1,500	1,485	15
<b>Total Support Services General Administration</b>	<b>118,193</b>	<b>(2,418)</b>	<b>115,775</b>	<b>94,918</b>	<b>20,857</b>
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	56,371	(1,810)	54,561	53,500	1,061
Salaries of Secretarial and Clerical Assistants	11,920	6,484	18,404	16,298	2,106
Other Purchased Services	100	(100)			
Supplies and Materials	479	(47)	432	403	29
<b>Total Support Services School Administration</b>	<b>68,870</b>	<b>4,527</b>	<b>73,397</b>	<b>70,201</b>	<b>3,196</b>
Central Services:					
Purchased Professional Services	25,000		25,000	25,000	
Purchased Technical Services	9,240	(40)	9,200	9,200	
Supplies and Materials	250	81	331	331	
<b>Total Central Services</b>	<b>34,490</b>	<b>41</b>	<b>34,531</b>	<b>34,531</b>	
Required Maintenance for School Facilities:					
Increase in Maintenance Reserve					
Salaries	12,964		12,964	6,800	6,164
Cleaning, Repair and Maintenance Services	50,265	(2,314)	47,951	24,457	23,494
Lead Testing of Drinking Water	1,200		1,200		1,200
General Supplies	6,000	2,511	8,511	7,054	1,457
<b>Total Required Maintenance for School Facilities</b>	<b>70,429</b>	<b>197</b>	<b>70,626</b>	<b>38,311</b>	<b>32,315</b>

**TOWNSHIP OF ELSINBORO SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>EXPENDITURES: (Continued)</b>					
<b>CURRENT EXPENSES: (Continued)</b>					
Undistributed Expenditures: (Continued)					
Other Operation and Maintenance of Plant Services:					
Salaries	\$ 51,192	\$ 30	\$ 51,222	\$ 48,011	\$ 3,211
Purchased Professional and Technical Services	54,845	(5,262)	49,583	49,583	
Cleaning, Repair and Maintenance Services	18,000	5,032	23,032	23,032	
Insurance	10,083	95	10,178	10,178	
Miscellaneous Purchased Services	1,000		1,000		1,000
General Supplies	23,127	(4,144)	18,983	7,358	11,625
Energy (Heat and Electricity)	22,000		22,000	21,177	823
Energy (Oil)	28,500		28,500	17,216	11,284
<b>Total Other Operation and Maintenance of Plant Services</b>	<b>208,747</b>	<b>(4,249)</b>	<b>204,498</b>	<b>176,555</b>	<b>27,943</b>
Security					
Cleaning, Repair and Maintenance Services	1,500	110,216	111,716	55,858	55,858
General Supplies	1,500		1,500	287	1,213
<b>Total Security</b>	<b>3,000</b>	<b>110,216</b>	<b>113,216</b>	<b>56,145</b>	<b>57,071</b>
<b>Total Operation and Maintenance of Plant Services</b>	<b>282,176</b>	<b>106,164</b>	<b>388,340</b>	<b>271,011</b>	<b>117,329</b>
Student Transportation Services:					
Salaries for Pupil Trans (Between Home and School) - Reg.	4,368		4,368	4,368	
Salaries for Pupil Trans (Other than Between Home and School) - Reg.		1,200	1,200	1,200	
Other Purchased Professional and Technical Services	25,500		25,500	25,100	400
Contracted Services - Aid in Lieu of Payments - Non Pub Sch	2,013	40	2,053	2,053	
Contracted Services - Aid in Lieu of Payments - Choice Sch	5,020	(639)	4,381	2,053	2,328
Contracted Services (Between Home and School) - Vendors	64,074	139	64,213	64,213	
Contracted Services (Other than Betw. Home and Sch) - Vendors	3,792	4,529	8,321	8,321	
Contracted Services (Between Home/School) - Joint Agreements	3,205	(369)	2,836		2,836
Contracted Services (Sp Ed Stds) - Joint Agreements	9,180		9,180	3,950	5,230
Contracted Services (Regular Students) - ESCs	27,794	(4,048)	23,746	6,551	17,195
Contracted Services (Special Ed. Students) - ESCs	115,000	(76,198)	38,802	31,710	7,092
<b>Total Student Transportation Services</b>	<b>259,946</b>	<b>(75,346)</b>	<b>184,600</b>	<b>149,519</b>	<b>35,081</b>
Unallocated Benefits:					
Social Security Contributions	19,742	9,204	28,946	18,935	10,011
Other Retirement Contributions - PERS	23,064		23,064	20,426	2,638
Unemployment Compensation	250		250		250
Workmen's Compensation	16,070	1,288	17,358	17,358	
Health Benefits	356,312	(9,149)	347,163	331,477	15,686
Tuition Reimbursement	6,000		6,000	2,199	3,801
Other Employee Benefits	21,600		21,600	9,800	11,800
Transfer to Cover Deficit (Enterprise F		5,000	5,000		5,000
<b>Total Unallocated Benefits /Total Personal Services - Employee Benefits</b>	<b>443,038</b>	<b>6,343</b>	<b>449,381</b>	<b>400,195</b>	<b>49,186</b>
On-behalf TPAF Post - Retire Medical (Non-budgeted)				92,013	(92,013)
On-behalf TPAF Pension Contributions (Non-budgeted)				350,260	(350,260)
On-behalf TPAF Long-term Disability Contributions (Non-budgeted)				114	(114)
Reimbursement TPAF Social Security Contrib. (Non-budgeted)				77,791	(77,791)
<b>Total Undistributed Expenditures</b>	<b>1,840,612</b>	<b>21,868</b>	<b>1,862,480</b>	<b>2,116,673</b>	<b>(254,193)</b>
Increase in Maintenance Reserve					
Interest Earned on Maintenance Reserve	250		250		250
Interest Earned on Current Expense Emergency Reserve	50		50		50
	300		300		300
<b>TOTAL EXPENDITURES - CURRENT EXPENSE</b>	<b>\$ 3,015,953</b>	<b>\$ 63,031</b>	<b>\$ 3,078,984</b>	<b>\$ 3,234,297</b>	<b>\$ (155,313)</b>

**TOWNSHIP OF ELSINBORO SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
<b>EXPENDITURES: (Continued)</b>					
<b>CURRENT EXPENSES: (Continued)</b>					
<b>CAPITAL OUTLAY:</b>					
<b>Undistributed Expenditures:</b>					
Equipment:					
Instruction	\$	\$ 51,534	\$ 51,534	\$	\$ 51,534
Admin. Info. Tech.	5,000	5,128	10,128	9,253	875
Required Maint. For Sch.		39,985	39,985	18,505	21,480
Non-Inst. Serv.	17,000		17,000		17,000
<b>Total Equipment</b>	<u>22,000</u>	<u>96,647</u>	<u>118,647</u>	<u>27,758</u>	<u>90,889</u>
Facilities Acquisition & Construction Services:					
Architectural/Engineering Services	12,000	19,750	31,750	12,375	19,375
Construction Services	175,000	316,410	491,410		491,410
<b>Total Facilities Acquisition &amp; Construction Services:</b>	<u>187,000</u>	<u>336,160</u>	<u>523,160</u>	<u>12,375</u>	<u>510,785</u>
Capital Outlay:					
Increase in Capital Reserve			500		500
Interest Deposit in Capital Reserve	500				500
<b>TOTAL CAPITAL OUTLAY</b>	<u>209,500</u>	<u>432,807</u>	<u>642,307</u>	<u>40,133</u>	<u>602,174</u>
<b>TOTAL EXPENDITURES</b>	<u>3,225,453</u>	<u>495,838</u>	<u>3,721,291</u>	<u>3,274,430</u>	<u>446,861</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(406,924)</u>	<u>(495,838)</u>	<u>(902,762)</u>	<u>94,079</u>	<u>996,841</u>
Other Financing Sources (Uses):					
Operating Transfer Out - Food Service Fund	(5,000)	10,000	5,000		(5,000)
<b>Total Other Financing Sources (Uses)</b>	<u>(5,000)</u>	<u>10,000</u>	<u>5,000</u>		<u>(5,000)</u>
Excess (Deficiency) of Revenues and Other Expenditures and Other Financing Uses	<u>(411,924)</u>	<u>(485,838)</u>	<u>(897,762)</u>	<u>94,079</u>	<u>991,841</u>
Fund Balances, July 1	3,106,965		3,106,965	3,106,965	
Fund Balances, June 30	\$ 2,695,041	\$ (485,838)	\$ 2,209,203	\$ 3,201,044	\$ 991,841
<b>RECAPITULATION:</b>					
<b>Restricted Fund Balance:</b>					
Capital Reserve				\$ 1,464,741	
Maintenance Reserve				100,375	
Emergency Reserve				100,080	
Excess Surplus				240,748	
Excess Surplus Designated for Subsequent Year's Expenditures				400,000	
Unemployment Compensation				25,100	
<b>Assigned to:</b>					
Tuition Reserve Designated for Subsequent Year's Expenditures				14,000	
Encumbrances Designated for Subsequent Year's Expenditures				605,086	
Designated for Subsequent Year's Expenditures				290	
<b>Unassigned</b>				250,624	
<b>TOTAL</b>				<u>3,201,044</u>	
Reconciliation to Governmental Fund Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP Basis				(136,752)	
<b>TOTAL</b>				<u>\$ 3,064,292</u>	

**TOWNSHIP OF ELSINBORO SCHOOL DISTRICT  
BUDGET COMPARISON SCHEDULE - SPECIAL REVENUE FUND  
AS OF JUNE 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
State Sources	\$ 49,062	\$	\$ 49,062	\$ 49,062	\$
Federal Sources	191,772	88,920	280,692	191,772	(88,920)
Local Sources	2,000	17,172	19,172	18,822	
<b>Total Revenues</b>	<b>242,834</b>	<b>106,092</b>	<b>348,926</b>	<b>259,656</b>	<b>(88,920)</b>
<b>EXPENDITURES:</b>					
Instruction					
Salaries of Teachers	57,903	75	57,978	57,978	
Purchased Services - Other (400-500 series)	17,115	4,262	21,377	21,377	
General Supplies	1,054		1,054	1,054	
<b>Total Instruction</b>	<b>76,072</b>	<b>4,337</b>	<b>80,409</b>	<b>80,409</b>	
Support Services					
Salaries - Support	16,800		16,800	16,800	
Salaries - Supervisor	10,700		10,700	10,700	
Salaries - Clerical	6,474		6,474	6,474	
Employee Benefits	9,838		9,838	9,838	
Purchased Professional - ED.Services	50,218		50,218	50,218	
Purchased Professional - Technical Services	51,815	(4,337)	47,478	47,478	
Cleaning and Repair	2,000		2,000	2,000	
Contracted Field Trip Transportation	5,670		5,670	5,670	
Other Purchased Services	7,854		7,854	7,854	
Supplies and Materials	5,393		5,393	5,393	
Student Activities		15,687	15,687	15,687	
<b>Total Support Services</b>	<b>166,762</b>	<b>11,350</b>	<b>178,112</b>	<b>178,112</b>	
<b>Facilities and Acquisition Costs</b>					
Non-Instructional Equipment		88,920	88,920		88,920
<b>Total Facilities and Acquisition Costs</b>		<b>88,920</b>	<b>88,920</b>		<b>88,920</b>
<b>Total Expenditures</b>	<b>\$ 242,834</b>	<b>\$ 104,607</b>	<b>\$ 347,441</b>	<b>\$ 258,521</b>	<b>\$</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures				\$ 1,135	\$
Fund Balance, July 1				3,588	
Fund Balance, June 30				\$ 4,723	
Recapitulation:					
Restricted:					
Student Activities				\$ 4,723	
<b>Total Fund Balance</b>				<b>\$ 4,723</b>	

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

**TOWNSHIP OF ELSINBORO SCHOOL DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGET-TO-GAAP RECONCILIATION**  
**NOTE TO RSI**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

		<u>General Fund</u>		<u>Special Revenue Fund</u>
<b>Sources/inflows of resources</b>				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	<b>[C-1]</b>	\$ 3,368,509	<b>[E-1]</b>	\$ 259,656
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				(39,142)
Prior Year				88,920
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.		112,953		
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(136,752)		(10,807)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<b>[B-2]</b>	<u>\$ 3,344,710</u>	<b>[B-2]</b>	<u>\$ 298,627</u>
<b>Uses/outflows of resources</b>				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	<b>[C-1]</b>	\$ 3,274,430	<b>[E-1]</b>	\$ 258,521
Differences - budget to GAAP				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.				
Current Year				(39,142)
Prior Year				88,920
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.				
Net transfers (outflows) to general fund				
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<b>[B-2]</b>	<u>\$ 3,274,430</u>	<b>[B-2]</b>	<u>\$ 308,299</u>

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability	0.001450%	0.001962%	0.001741%	0.001704%	0.001607%	0.001542%	0.001250%	0.001001%	0.000994%	0.001113%
District's Proportionate Share of the Net Pension Liability	\$ 218,763	\$ 232,435	\$ 283,857	\$ 307,073	\$ 316,461	\$ 359,029	\$ 370,187	\$ 224,681	\$ 186,118	\$ 212,685
District's Covered-Employee Payroll	\$ 111,937	\$ 132,085	\$ 124,757	\$ 137,394	\$ 125,872	\$ 121,104	\$ 103,362	\$ 97,197	\$ 77,064	\$ 74,480
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	195.43%	175.97%	227.53%	223.50%	251.41%	296.46%	358.15%	231.16%	241.51%	285.56%
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.

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 18,280	\$ 22,978	\$ 19,042	\$ 16,763	\$ 16,206	\$ 14,979	\$ 11,356	\$ 8,605	\$ 8,195	\$ 8,385
Contributions in relation to the Contractually Required Contribution	(18,280)	(22,978)	(19,042)	(16,763)	(16,206)	(14,979)	(11,356)	(8,605)	(8,195)	(8,385)
Contribution Deficiency (Excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's Covered-Employee Payroll	\$ 111,937	\$ 132,085	\$ 124,757	\$ 137,394	\$ 125,872	\$ 121,104	\$ 103,362	\$ 97,197	\$ 77,064	\$ 74,480
Contributions as a Percentage of Covered-Employee Payroll	16.33%	17.40%	15.26%	12.20%	12.87%	12.37%	10.99%	8.85%	10.63%	11.26%

\* 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.

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Pension Liability	0.008386%	0.008342%	0.008310%	0.008442%	0.008552%	0.009502%	0.008523%	0.007964%	0.008234%
District's Proportionate Share of the Net Pension Liability \$	4,326,841	\$ 4,010,209	\$ 5,471,904	\$ 5,180,958	\$ 5,440,411	\$ 6,406,496	\$ 6,704,450	\$ 5,033,787	\$ 4,400,793
District's Covered-Employee Payroll \$	1,049,414	\$ 1,041,464	\$ 945,165	\$ 947,182	\$ 932,728	\$ 872,264	\$ 881,164	\$ 881,164	\$ 950,830
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	412.31%	385.05%	578.94%	546.99%	583.28%	734.47%	760.86%	571.27%	462.84%
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%

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.

**TOWNSHIP OF ELSINBORO 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**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total OPEB Liability</b>						
Service Cost	\$ 264,283	\$ 343,094	\$ 186,027	\$ 187,531	\$ 214,965	\$ 258,206
Interest Cost	122,243	139,325	139,804	170,267	168,265	143,127
Changes of Benefit Terms		(5,717)				
Differences Between Expected and Actual Experiences	210,032	(1,261,791)	1,032,958	(708,714)	(53,840)	
Changes of Assumptions	(1,237,413)	5,299	1,142,901	57,564	(489,898)	(574,334)
Member Contributions	3,884	3,562	3,302	3,513	3,945	3,872
Gross Benefit Payments	(121,085)	(109,749)	(108,926)	(118,513)	(114,154)	(105,151)
<b>Net Change in Total OPEB Liability</b>	<u>(758,056)</u>	<u>(885,977)</u>	<u>2,396,066</u>	<u>(408,352)</u>	<u>(270,717)</u>	<u>(274,280)</u>
<b>Total OPEB Liability - Beginning</b>	<u>5,370,813</u>	<u>6,256,790</u>	<u>3,860,724</u>	<u>4,269,076</u>	<u>4,539,793</u>	<u>4,814,073</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 4,612,757</u>	<u>\$ 5,370,813</u>	<u>\$ 6,256,790</u>	<u>\$ 3,860,724</u>	<u>\$ 4,269,076</u>	<u>\$ 4,539,793</u>
<b>Covered-Employee Payroll</b>	<u>\$ 1,161,351</u>	<u>\$ 1,173,549</u>	<u>\$ 1,069,922</u>	<u>\$ 1,084,576</u>	<u>\$ 1,058,600</u>	<u>\$ 993,368</u>
<b>Total OPEB Liability as a Percentage of Covered-Employee Payroll</b>	397.19%	457.66%	584.79%	355.97%	403.28%	457.01%

Notes to Schedule:

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

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

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

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

**OTHER SUPPLEMENTARY INFORMATION**

## **SPECIAL REVENUE FUND DETAIL STATEMENTS**

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

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

	NCLB / ESEA			I.D.E.A.		CRRSA Consolidated			Sub-Total	Totals 2023
	Title I Part A	Title II Part A	Title IV	Part - B Basic	Pre- School	CRRSA ESSER II	Learning Accel.	Mental Health	Per E-1a	
<b>REVENUES:</b>										
State Sources	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Federal Sources	23,236	3,178	10,000	38,956	876	18,716	14,110	14,000	49,062	49,062
Local Sources									68,700	191,772
									18,822	18,822
<b>Total Revenues</b>	<b>23,236</b>	<b>3,178</b>	<b>10,000</b>	<b>38,956</b>	<b>876</b>	<b>18,716</b>	<b>14,110</b>	<b>14,000</b>	<b>136,584</b>	<b>259,656</b>
<b>EXPENDITURES:</b>										
Instruction:										
Salaries of Teachers	15,387					18,225	10,486		\$13,880	57,978
Other - Purchased Services				19,951			1,426			21,377
General Supplies							1,054			1,054
<b>Total Instruction</b>	<b>15,387</b>			<b>19,951</b>		<b>18,225</b>	<b>12,966</b>		<b>13,880</b>	<b>80,409</b>
Support Services:										
Salaries - Support									16,800	16,800
Salaries - Supervisor									10,700	10,700
Salaries -Secr/ Cler									6,474	6,474
Employee Benefits	7,849					491	796		702	9,838
Purchased Prof. ED. Serv.			10,000						26,218	50,218
Purchased Prof. & Technical Serv.		1,678		19,005	876		348	14,000	25,571	47,478
Cleaning and Repair									2,000	2,000
Contracted Field Trip Transportation									5,670	5,670
Other Purchased Services		1,500							6,354	7,854
Supplies									5,393	5,393
Student Activities									15,687	15,687
<b>Total Support Services</b>	<b>7,849</b>	<b>3,178</b>	<b>10,000</b>	<b>19,005</b>	<b>876</b>	<b>491</b>	<b>1,144</b>	<b>14,000</b>	<b>121,569</b>	<b>178,112</b>
Facilities Acquisition and Constr. Servs.:										
Instructional Equipment										
<b>Total Facilities Acquisition and Construction Services:</b>										
<b>Total Expenditures</b>	<b>23,236</b>	<b>3,178</b>	<b>10,000</b>	<b>38,956</b>	<b>876</b>	<b>18,716</b>	<b>14,110</b>	<b>14,000</b>	<b>135,449</b>	<b>258,521</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures									1,135	1,135
Fund Balance, July 1									3,588	3,588
Fund Balance, June 30	\$	\$	\$	\$	\$	\$	\$	\$	\$ 4,723	\$ 4,723



**TOWNSHIP OF ELSINBORO SCHOOL DISTRICT  
Special Revenue Fund  
Statement of Preschool Education Aid  
Budgetary Basis  
For the Fiscal Year Ended June 30, 2023**

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
<b>EXPENDITURES:</b>			
<b>Instruction:</b>			
Salaries of Teachers	\$	\$	\$
<b>Total instruction</b>			
<b>Support services:</b>			
Salaries of Supervisors of Instruction	10,700	10,700	
Salaries of Secretarial/Clerical Staff	6,474	6,474	
Purchased Professional Educational Services	26,218	26,218	
Contracted Field Trip Transportation	5,670	5,670	
<b>Total support services</b>	49,062	49,062	
Facilities Acquisition and Construction:			
Non-Instructional Equipment			
<b>Total expenditures</b>	\$ 49,062	\$ 49,062	

**CALCULATION OF BUDGET & CARRYOVER**

Total Revised 2022-2023 Preschool Education Aid Allocation	\$ 108,072
Add: Actual ECPA/PEA Carryover (June 30, 2022)	
Prior Year Expenditure Adjustment	
Add: Budgeted Transfer from the General Fund 2022-2023	
<b>Total Preschool Education Aid Funds Available for 2022-2023 Budget</b>	<b>108,072</b>
Less: 2022-23 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	49,062
<b>Available &amp; Unbudgeted Preschool Education Aid Funds as of June 30, 2023</b>	<b>59,010</b>
Add: June 30, 2023 Unexpended Preschool Education Aid	
<b>2022-2023 Carryover - Preschool Education Aid Programs</b>	<b>\$ 59,010</b>
<b>2022-2023 Preschool Education Aid Carryover Budgeted for Preschool Programs in 2023-2024</b>	<b>\$</b>
<b>Note: Since the 2022-23 Actual Carryover is more than the amount budgeted in 2023-2024, the District should consider revising the 2023-24 Budget</b>	<b>\$ 59,010</b>

## **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.

## 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.

**Internal Service Funds** – This fund is used to serve organizational units within the district or to serve other governmental units.

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

**TOWNSHIP OF ELSINBORO SCHOOL DISTRICT**  
**FOOD SERVICES ENTERPRISE FUND**  
**COMBINING SCHEDULE OF NET POSITION**  
**AS OF JUNE 30, 2023 AND 2022**

	<u>SACC</u>	<u>Food Service Enterprise Fund</u>	<u>Totals</u>	
			<u>2023</u>	<u>2022</u>
<b>ASSETS:</b>				
Current Assets:				
Cash	\$ 23,242	\$ 29,243	\$ 52,485	\$ 52,092
Accounts Receivable:				
State		32	32	72
Federal		1,016	1,016	12,407
Other	3,400	857	4,257	2,931
<b>Total Current Assets</b>	<u>26,642</u>	<u>31,148</u>	<u>57,790</u>	<u>67,502</u>
Fixed Assets:				
Equipment		4,400	4,400	4,400
Accumulated Depreciation		(4,400)	(4,400)	(4,400)
<b>Total Fixed Assets</b>				
<b>Total Assets</b>	<u>\$ 26,642</u>	<u>\$ 31,148</u>	<u>\$ 57,790</u>	<u>\$ 67,502</u>
<b>LIABILITIES AND FUND EQUITY:</b>				
<b>LIABILITIES:</b>				
Current Liabilities:				
Unearned Revenue	\$ 298	\$ 1,082	\$ 1,380	\$ 560
<b>Total Current Liabilities</b>	<u>298</u>	<u>1,082</u>	<u>1,380</u>	<u>560</u>
<b>Total Liabilities</b>	<u>298</u>	<u>1,082</u>	<u>1,380</u>	<u>560</u>
Net Position:				
Investment in Fixed Assets				
Net Position	26,344	30,066	56,410	66,942
<b>Total Net Position</b>	<u>26,344</u>	<u>30,066</u>	<u>56,410</u>	<u>66,942</u>
<b>Total Liabilities and Fund Equity</b>	<u>\$ 26,642</u>	<u>\$ 31,148</u>	<u>\$ 57,790</u>	<u>\$ 67,502</u>

**TOWNSHIP OF ELSINBORO SCHOOL DISTRICT**  
**FOOD SERVICES ENTERPRISE FUND**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES, AND**  
**CHANGES IN FUND NET POSITION**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

	<b>SACC</b>	<b>Food Service Enterprise Fund</b>	<b>Totals</b>	
			<b>2023</b>	<b>2022</b>
<b>OPERATING REVENUES:</b>				
Local Sources:				
Daily Sales				
Reimbursable Programs	\$	\$ 9,638	\$ 9,638	\$
Non-Reimbursable Sales		7,127	7,127	6,819
Program Fees	8,727		8,727	12,654
Total Operating Revenue	8,727	16,765	25,492	19,473
<b>OPERATING EXPENSES:</b>				
Salaries	14,755	23,775	38,530	30,844
Depreciation				
Other Costs		2,715	2,715	4,978
Cost of Sales - Reimbursable Programs		41,547	41,547	71,012
Cost of Sales - Non Reimbursable Programs		3,079	3,079	3,387
Supplies and Materials	710	2,030	2,740	10,929
Total Operating Expenses	15,465	73,146	88,611	121,150
Operating (Loss) Income	(6,738)	(56,381)	(63,119)	(101,677)
<b>Non-Operating Revenues:</b>				
State Sources:				
State School Lunch Program		1,186	1,186	1,652
State School Breakfast Program		55	55	
Federal Sources:				
National School Lunch Program		34,267	34,267	70,213
National School Breakfast Program		4,033	4,033	30,678
Emergency Operational Cost Program - Schools				2,355
P-EBT Administrative Cost				1,242
Supply Chain Assistance Funding		13,046	13,046	7,317
Food Distribution Program				3,141
Total Non-Operating Revenues		52,587	52,587	116,598
Net (Loss) Income before Operating Transfers	(6,738)	(3,794)	(10,532)	14,921
Operating Transfer In - General Fund				
Net (Loss) Income	(6,738)	(3,794)	(10,532)	14,921
Net Position - July 1	33,082	33,860	66,942	52,021
Net Position - June 30	\$ 26,344	\$ 30,066	\$ 56,410	\$ 66,942

**TOWNSHIP OF ELSINBORO SCHOOL DISTRICT**  
**FOOD SERVICES ENTERPRISE FUND**  
**COMBINING SCHEDULE OF CASH FLOWS**  
**AS OF JUNE 30, 2023 AND 2022**

	<u>SACC</u>	<u>Food Service Enterprise Fund</u>	<u>Totals</u>	
			<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 8,727	\$ 16,765	\$ 25,492	\$ 19,473
Payments to Employees	(14,755)	(23,775)	(38,530)	(30,844)
Payments to Suppliers	(1,220)	(37,936)	(39,156)	(99,892)
Net Cash Used by Operating Activities	<u>(7,248)</u>	<u>(44,946)</u>	<u>(52,194)</u>	<u>(111,263)</u>
Cash Flows from Noncapital Financing Activities				
Operating Transfer In-General Fund				
Cash Received from State and Federal Reimbursements		52,587	52,587	116,598
Net Cash Provided by Noncapital Financing Activities		<u>52,587</u>	<u>52,587</u>	<u>116,598</u>
Cash Flows from Investing Activities				
Interest on Investments				
Net Cash Provided by Investing Activities				
Net Increase/(Decrease) in Cash	<u>(7,248)</u>	<u>7,641</u>	<u>393</u>	<u>5,335</u>
Cash and Cash Equivalents, July 1	<u>30,490</u>	<u>21,602</u>	<u>52,092</u>	<u>46,757</u>
Cash and Cash Equivalents, June 30	<u>\$ 23,242</u>	<u>\$ 29,243</u>	<u>\$ 52,485</u>	<u>\$ 52,092</u>
Operating Income (Loss)	\$ (6,738)	\$ (56,381)	\$ (63,119)	\$ (101,677)
Adjustments to Reconcile Operating Income (Loss) to Cash Used by Operating Activities:				
Depreciation				
Change in Assets and Liabilities:				
Decrease/(Increase) in Accounts Receivable	(510)	10,615	10,105	(9,500)
(Decrease)/Increase in Deferred Revenue	0	820	820	(86)
Net Cash Used by Operating Activities	<u>\$ (7,248)</u>	<u>\$ (44,946)</u>	<u>\$ (52,194)</u>	<u>\$ (111,263)</u>

**TOWNSHIP OF ELSINBORO SCHOOL DISTRICT**  
**INTERNAL SERVICE FUND**  
**COMBINING SCHEDULE OF NET POSITION**  
**AS OF JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
ASSETS:		
Cash and Cash Equivalents	\$ 54,355	\$ 75,776
Accounts Receivable	32,481	7,372
	<u>86,836</u>	<u>83,148</u>
Total Assets	<u>\$ 86,836</u>	<u>\$ 83,148</u>
LIABILITIES:		
Unearned Revenues	\$	\$
Accounts Payable		
	<u>                    </u>	<u>                    </u>
Total Liabilities	<u>                    </u>	<u>                    </u>
NET POSITION		
Net Position	86,836	83,148
	<u>86,836</u>	<u>83,148</u>
Total Net Position	<u>86,836</u>	<u>83,148</u>
Total Liabilities and Net Position	<u>\$ 86,836</u>	<u>\$ 83,148</u>

**TOWNSHIP OF ELSINBORO SCHOOL DISTRICT**  
**INTERNAL SERVICE FUND**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES**  
**AND CHANGES IN FUND NET POSITION**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
OPERATING REVENUES:		
LEAs Within the State	\$ 25,109	\$
Transportation		3,559
Total Operating Revenue	<u>25,109</u>	<u>3,559</u>
OPERATING EXPENSES:		
Salaries	19,208	
Employee Benefits	2,213	
Transportation		3,151
Total Operating Expenses	<u>21,421</u>	<u>3,151</u>
Net Income (Loss)	<u>3,688</u>	<u>408</u>
Cancellation of Prior Year Accounts Receivable		
Net Position - July 1	<u>83,148</u>	<u>82,740</u>
Net Position - June 30	<u>\$ 86,836</u>	<u>\$ 83,148</u>

**TOWNSHIP OF ELSINBORO SCHOOL DISTRICT**  
**INTERNAL SERVICE FUND**  
**COMBINING SCHEDULE OF CASH FLOWS**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities:		
Receipts from Customers	\$ 25,109	\$ 3,559
Payments to Employees and Employee Benefits		
Payments to Suppliers	(46,530)	(3,151)
	<u>(21,421)</u>	<u>408</u>
Net Cash Provided (Used) by Operating Activities		
	<u>(21,421)</u>	<u>408</u>
Net Increase in Cash and Cash Equivalents		
	<u>(21,421)</u>	<u>408</u>
Cash and Cash Equivalents, July 1	<u>75,776</u>	<u>75,368</u>
Cash and Cash Equivalents, June 30	<u>\$ 54,355</u>	<u>\$ 75,776</u>
Operating Income (Loss)	\$ 3,688	\$ 408
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities		
Cancellation of Prior Year Accounts Receivable		
Change in Assets and Liabilities:		
(Increase)/Decrease in Intergovernmental Accounts Receivable	(25,109)	
Increase/(Decrease) in Accounts Payable		
	<u>(21,421)</u>	<u>408</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (21,421)</u>	<u>\$ 408</u>

**STATISTICAL SECTION**

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

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental Activities</b>										
Invested in Capital Assets, Net of Related Debt	\$ 256,977	\$ 368,750	\$ 423,027	\$ 1,389,681	\$ 1,321,930	\$ 1,335,043	\$ 1,359,904	\$ 1,309,680	\$ 1,289,134	\$ 1,393,913
Restricted	154,591	783,076	1,078,703	874,562	1,245,242	1,556,993	1,766,606	2,212,748	2,519,335	2,349,767
Unrestricted (Deficit)	131,099	(91,196)	8,441	(11,799)	(4,299)	(52,793)	(49,166)	(91,783)	274,229	498,107
<b>Total Governmental Activities Net Position</b>	<b>\$ 542,667</b>	<b>\$ 1,060,630</b>	<b>\$ 1,510,171</b>	<b>\$ 2,252,444</b>	<b>\$ 2,562,873</b>	<b>\$ 2,839,243</b>	<b>\$ 3,077,344</b>	<b>\$ 3,430,645</b>	<b>\$ 4,082,698</b>	<b>\$ 4,241,787</b>
<b>Business-Type Activities</b>										
Invested in Capital Assets, Net of Related Debt	\$	\$	\$ 3,080	\$ 2,200	\$ 1,320	\$ 440	\$	\$	\$	\$
Unrestricted	8,143	10,486	17,690	29,110	34,578	44,557	48,682	52,021	66,942	56,410
<b>Total Business-Type Activities Net Position</b>	<b>\$ 8,143</b>	<b>\$ 10,486</b>	<b>\$ 20,770</b>	<b>\$ 31,310</b>	<b>\$ 35,898</b>	<b>\$ 44,997</b>	<b>\$ 48,682</b>	<b>\$ 52,021</b>	<b>\$ 66,942</b>	<b>\$ 56,410</b>
<b>District-Wide</b>										
Invested in Capital Assets, Net of Related Debt	\$ 256,977	\$ 368,750	\$ 426,107	\$ 1,391,881	\$ 1,323,250	\$ 1,335,483	\$ 1,359,904	\$ 1,309,680	\$ 1,289,134	\$ 1,393,913
Restricted	154,591	783,076	1,078,703	874,562	1,245,242	1,556,993	1,766,606	2,212,748	2,519,335	2,349,767
Unrestricted (Deficit)	139,242	(80,710)	26,131	17,311	30,279	(8,236)	(484)	(39,762)	341,171	554,517
<b>Total District-Wide Net Position</b>	<b>\$ 550,810</b>	<b>\$ 1,071,116</b>	<b>\$ 1,530,941</b>	<b>\$ 2,283,754</b>	<b>\$ 2,598,771</b>	<b>\$ 2,884,240</b>	<b>\$ 3,126,026</b>	<b>\$ 3,482,666</b>	<b>\$ 4,149,640</b>	<b>\$ 4,298,197</b>

Source: ACFR Schedule A-1

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

	Fiscal Year.									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
<b>Governmental Activities</b>										
Instruction										
Regular	\$ 770,541	855,755	814,049	782,073	817,424	839,685	820,354	849,870	952,401	1,008,967
Special Education	67,844	95,692	97,618	101,840	105,064	109,402	114,460	114,650	120,952	117,386
Other Special Instruction	25,348	36,000	33,844	36,607	36,478	24,648	29,351	34,636	38,573	71,356
Support Services										
Tuition	543,893	371,718	333,594	338,088	314,789	256,984	334,557	356,626	215,828	413,708
Student and Instruction Related Services	161,436	224,349	256,677	183,717	179,668	254,073	232,144	203,926	223,199	305,440
General and Business Administrative Services	88,156	87,537	91,998	96,338	104,310	162,463	106,372	103,687	108,883	94,918
School Administrative Services	61,477	63,561	65,201	68,195	73,933	73,438	70,750	71,716	73,572	70,201
Central Services and Information Technology	35,105	35,812	39,088	44,780	50,149	44,437	50,695	34,257	36,356	34,531
Plant Operations and Maintenance	126,080	115,835	129,374	134,645	141,990	162,485	183,223	203,991	210,273	266,731
Pupil Transportation	97,394	107,240	128,540	104,782	146,076	144,508	129,788	118,770	125,101	149,519
Employee Benefits	364,384	611,201	722,797	987,401	1,213,667	1,045,699	965,166	1,209,950	975,268	784,718
Interest on Long-Term Debt	27									
Unallocated Depreciation and Amortization	21,076	29,813	29,220	55,374	54,887	50,332	55,798	59,249	64,829	71,279
<b>Total Governmental Activities Expenses</b>	<b>2,362,761</b>	<b>2,634,513</b>	<b>2,742,000</b>	<b>2,933,840</b>	<b>3,238,435</b>	<b>3,168,154</b>	<b>3,092,658</b>	<b>3,361,328</b>	<b>3,145,235</b>	<b>3,388,754</b>
<b>Business-Type Activities</b>										
Food Service										
SACC	44,345	51,179	52,956	58,203	59,259	58,328	51,886	73,186	100,869	73,146
	4,540	5,492	7,746	13,235	13,557	15,172	12,496	11,691	20,281	15,465
<b>Total Business-Type Activities Expense</b>	<b>48,885</b>	<b>56,671</b>	<b>60,702</b>	<b>71,438</b>	<b>72,816</b>	<b>73,500</b>	<b>64,382</b>	<b>84,877</b>	<b>121,150</b>	<b>88,611</b>
<b>Total District Expenses</b>	<b>\$ 2,411,646</b>	<b>2,691,184</b>	<b>2,802,702</b>	<b>3,005,278</b>	<b>3,311,251</b>	<b>3,241,654</b>	<b>3,157,040</b>	<b>3,446,205</b>	<b>3,266,385</b>	<b>3,477,365</b>
<b>Program Revenues</b>										
<b>Governmental Activities</b>										
Operating Grants and Contributions										
Charges for Services	\$ 251,506	474,754	244,694	233,354	277,273	238,947	224,716	299,105	404,731	389,183
		62,851	166,779	34,607	21,830	47,138	30,411	9,314	17,606	43,931
<b>Total Governmental Activities Program Revenues</b>	<b>251,506</b>	<b>537,605</b>	<b>411,473</b>	<b>267,961</b>	<b>299,103</b>	<b>286,085</b>	<b>255,127</b>	<b>308,419</b>	<b>422,337</b>	<b>433,114</b>
<b>Business-Type Activities</b>										
Charges for Services										
Food Service	14,736	15,207	12,608	13,713	18,236	17,004	12,859	4,659	6,819	16,765
SACC	4,614	6,726	14,630	22,466	23,368	24,186	16,569	12,079	12,654	8,727
Operating Grants and Contributions	26,833	31,081	34,288	41,799	35,800	36,409	33,639	71,478	116,598	52,587
<b>Total Business-Type Activities Program Revenues</b>	<b>46,183</b>	<b>53,014</b>	<b>61,526</b>	<b>77,978</b>	<b>77,404</b>	<b>77,599</b>	<b>63,067</b>	<b>88,216</b>	<b>136,071</b>	<b>78,079</b>
<b>Total District Program Revenues</b>	<b>\$ 297,689</b>	<b>590,619</b>	<b>472,999</b>	<b>345,939</b>	<b>376,507</b>	<b>363,684</b>	<b>318,194</b>	<b>396,635</b>	<b>558,408</b>	<b>511,193</b>
<b>Net (Expense)/Revenue</b>										
<b>Governmental Activities</b>										
	\$ (2,111,255)	(2,096,908)	(2,330,527)	(2,665,879)	(2,939,332)	(2,882,069)	(2,837,531)	(3,052,909)	(2,722,898)	(2,955,640)
<b>Business-Type Activities</b>										
	(2,702)	(3,657)	824	6,540	4,588	4,099	(1,315)	3,339	14,921	(10,532)
<b>Total District-Wide Net Expense</b>	<b>\$ (2,113,957)</b>	<b>(2,100,565)</b>	<b>(2,329,703)</b>	<b>(2,659,339)</b>	<b>(2,934,744)</b>	<b>(2,877,970)</b>	<b>(2,838,846)</b>	<b>(3,049,570)</b>	<b>(2,707,977)</b>	<b>(2,966,172)</b>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental Activities</b>										
Property Taxes Levied for General Purposes, Net										
Taxes Levied for Debt Service	\$ 1,348,412	1,407,960	1,436,100	1,485,885	1,508,188	1,508,188	1,538,352	1,553,736	1,553,736	1,553,736
Unrestricted Grants and Contributions	11,755									
Tuition Received	988,439	930,467	1,339,350	1,924,126	1,742,989	1,611,844	1,528,238	1,778,044	1,816,462	1,550,215
Investment Earnings	6,720	6,879	2,173	983	1,533	41,343	11,537	29,100		
Miscellaneous Income	37,640	1,424	7,945	1,158	525	3	2,505	617	204	1,388
Right-To-Use Lease Adjustment								14,400	17,192	9,390
Prior Year Adjustments						(3,474)			(12,643)	
Transfers	(4,000)		(5,500)	(4,000)		(5,000)	(5,000)			
<b>Total Governmental Activities</b>	<b>2,388,966</b>	<b>2,346,730</b>	<b>2,780,068</b>	<b>3,408,152</b>	<b>3,249,761</b>	<b>3,158,439</b>	<b>3,075,632</b>	<b>3,375,897</b>	<b>3,374,951</b>	<b>3,114,729</b>
<b>Business-Type Activities</b>										
Transfer										
Fixed Asset Adjustment	4,000		5,500	4,000		5,000	5,000			
<b>Total Business-Type Activities</b>	<b>4,000</b>	<b></b>	<b>9,460</b>	<b>4,000</b>	<b></b>	<b>5,000</b>	<b>5,000</b>	<b></b>	<b></b>	<b></b>
<b>Total District-Wide</b>	<b>\$ 2,392,966</b>	<b>2,346,730</b>	<b>2,789,528</b>	<b>3,412,152</b>	<b>3,249,761</b>	<b>3,163,439</b>	<b>3,080,632</b>	<b>3,375,897</b>	<b>3,374,951</b>	<b>3,114,729</b>
<b>Change in Net Position</b>										
<b>Governmental Activities</b>										
	\$ 277,711	249,822	449,541	742,273	310,429	276,370	238,101	322,988	652,053	159,089
<b>Business-Type Activities</b>										
	1,298	(3,657)	10,284	10,540	4,588	9,099	3,685	3,339	14,921	(10,532)
<b>Total District-Wide</b>	<b>\$ 279,009</b>	<b>246,165</b>	<b>459,825</b>	<b>752,813</b>	<b>315,017</b>	<b>285,469</b>	<b>241,786</b>	<b>326,327</b>	<b>666,974</b>	<b>148,557</b>

Source: ACFR Schedule A-2

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

	<b>Fiscal Year Ending June 30,</b>									
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
General Fund										
Restricted	\$ 478,441	\$ 628,147	\$ 386,231	\$ 804,306	\$ 1,174,986	\$ 1,486,737	\$ 1,613,295	\$ 2,207,346	\$ 2,515,747	\$ 2,345,044
Assigned	154,591	154,929	8,313		29,999	1,120	136,840		44,323	605,376
Unassigned	152,527	125,775	151,048	146,881	147,023	149,307	146,785	136,804	433,942	113,872
<b>Total General Fund</b>	<b>\$ 785,559</b>	<b>\$ 908,851</b>	<b>\$ 545,592</b>	<b>\$ 951,187</b>	<b>\$ 1,352,008</b>	<b>\$ 1,637,164</b>	<b>\$ 1,896,920</b>	<b>\$ 2,344,150</b>	<b>\$ 2,994,012</b>	<b>\$ 3,064,292</b>
All Other Governmental Funds										
Restricted, Reported in:										
Special Revenue Fund	\$	\$	\$ 684,159	\$ 70,256	\$ 70,256	\$ 70,256	\$ 33,311	\$ 3,588	\$ 3,588	\$ 4,723
Committed to Capital Projects							2,800			
Assigned										
Unassigned, Reported in:										
Special Revenue Fund (Deficit)										(10,807)
Debt Service Fund										
<b>Total All Other Governmental Funds</b>	<b>\$</b>	<b>\$</b>	<b>\$ 684,159</b>	<b>\$ 70,256</b>	<b>\$ 70,256</b>	<b>\$ 70,256</b>	<b>\$ 36,111</b>	<b>\$ 3,588</b>	<b>\$ 3,588</b>	<b>\$ (6,084)</b>

Source: ACFR Schedule B-1

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

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues</b>										
Tax Levy	\$ 1,360,167	\$ 1,407,960	\$ 1,436,100	\$ 1,485,885	\$ 1,508,188	\$ 1,508,188	\$ 1,538,352	\$ 1,553,736	\$ 1,553,736	\$ 1,553,736
Tuition Charges						41,343	11,537	29,100		
Interest Earnings	6,720	6,879	2,173	983	1,533	2,061	2,505	617	204	1,388
Miscellaneous	37,640	3,915	10,055	3,263	2,735	2,258	2,000	14,400	17,192	9,390
State Sources	1,145,396	1,112,963	1,245,566	1,681,337	1,311,627	1,382,355	1,422,867	1,537,287	1,935,874	1,798,233
Federal Sources	94,549	96,021	97,246	77,169	128,305	109,450	98,666	139,844	228,855	261,768
Other Sources								9,314	14,047	18,822
<b>Total Revenues</b>	<b>2,644,472</b>	<b>2,627,738</b>	<b>2,791,140</b>	<b>3,248,637</b>	<b>2,952,388</b>	<b>3,045,655</b>	<b>3,075,927</b>	<b>3,284,298</b>	<b>3,749,908</b>	<b>3,643,337</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	770,541	855,755	814,049	782,073	817,424	839,685	820,354	849,870	952,401	1,008,967
Special Education Instruction	67,844	95,692	97,618	101,840	105,064	109,402	114,460	114,650	120,952	117,386
Other Special Instruction	25,348	36,000	33,844	36,607	36,478	24,648	29,351	34,636	38,573	71,356
<b>Support Services</b>										
Tuition	543,893	371,718	333,594	338,088	314,789	256,984	334,557	356,626	215,828	413,708
Student and Instruction Related Services	161,436	161,498	152,058	160,111	163,875	205,185	210,499	203,926	220,048	284,019
General Administrative Services	88,156	87,537	91,998	96,338	104,310	162,463	106,372	103,687	108,883	94,918
School Administrative Services	61,477	63,561	65,201	68,195	73,933	73,438	70,750	71,716	73,572	70,201
Central Services and Information Technology	35,105	35,812	39,088	44,780	50,149	44,437	50,695	34,257	36,356	34,531
Plant Operations and Maintenance	126,080	115,835	129,374	134,645	141,990	162,485	183,223	203,991	227,594	271,011
Pupil Transportation	97,394	107,240	128,540	104,782	146,076	144,508	129,788	118,770	125,101	149,519
Employee Benefits	359,781	426,212	487,579	557,258	590,168	667,019	712,158	794,162	941,922	938,060
Lease Purchase Interest										
Capital Outlay	147,178	141,586	91,797	1,028,228	7,311	65,245	83,109	11,800	40,630	129,053
<b>Debt Service</b>										
Principal	17,185									
Interest and Other Charges	388									
<b>Total Expenditures</b>	<b>2,501,806</b>	<b>2,498,446</b>	<b>2,464,740</b>	<b>3,452,945</b>	<b>2,551,567</b>	<b>2,755,499</b>	<b>2,845,316</b>	<b>2,898,091</b>	<b>3,101,860</b>	<b>3,582,729</b>
<b>Excess (Deficiency) of Revenues</b>										
Over (Under) Expenditures	142,666	129,292	326,400	(204,308)	400,821	290,156	230,611	386,207	648,048	60,608
<b>Other Financing Sources (Uses)</b>										
<b>Capital Lease</b>										
Prior Period Adjustment								30,314		
<b>Transfers</b>										
	(4,000)	(6,000)	(5,500)	(4,000)		(5,000)	(5,000)			
<b>Total Other Financing Sources (Uses)</b>	<b>(4,000)</b>	<b>(6,000)</b>	<b>(5,500)</b>	<b>(4,000)</b>		<b>(5,000)</b>	<b>(5,000)</b>	<b>30,314</b>		
<b>Net Change in Fund Balances</b>	<b>\$ 138,666</b>	<b>\$ 123,292</b>	<b>\$ 320,900</b>	<b>\$ (208,308)</b>	<b>\$ 400,821</b>	<b>\$ 285,156</b>	<b>\$ 225,611</b>	<b>\$ 416,521</b>	<b>\$ 648,048</b>	<b>\$ 60,608</b>
<b>Debt Service as a Percentage of</b>										
Noncapital Expenditures	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: ACFR Schedule B-2

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

<u>Fiscal Year</u> <u>ended June 30,</u>	<u>Tuition</u>	<u>Interest</u>	<u>Shared</u> <u>Transportation</u>	<u>Local</u> <u>Grant</u>	<u>Prior Year</u> <u>Insurance</u> <u>Refund</u>	<u>Refund of</u> <u>Prior Year</u> <u>Expenditure</u>	<u>Misc.</u>	<u>Total</u>
2023	\$	\$ 1,388	\$	\$	\$	9,390	\$	\$ 10,778
2022		204				17,192		17,396
2021	25,000	567	4,100			14,400	50	44,117
2020	11,096	2,505	441					14,042
2019	39,432	2,061	1,911			3		43,407
2018		1,533				525		2,058
2017		983				1,158		2,141
2016		2,173					7,945	8,303
2015		6,879				1,322	102	44,360
2014		6,720				21,826	15,814	56,143

Source: District Records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
2023	\$ 4,377,300	\$ 95,767,800	\$ 10,681,800	\$ 1,225,100	\$ 3,364,100	\$ 115,416,100	\$ 444,892	\$ 115,860,992	1.342	\$ 113,755,273
2022	3,979,300	95,627,200	10,808,800	1,255,800	3,739,100	115,410,200	425,095	115,835,295	1.342	105,745,098
2021	3,684,300	95,852,100	10,788,900	1,342,500	3,739,100	115,406,900	276,963	115,683,863	1.340	104,233,111
2020	3,828,500	95,970,400	10,770,800	1,386,100	3,434,100	115,389,900	268,040	115,657,940	1.344	103,284,462
2019	3,926,600	96,481,800	10,749,000	1,378,600	3,434,100	115,970,100	264,641	116,234,741	1.323	103,799,554
2018	4,045,800	97,024,700	10,899,800	1,377,800	3,434,100	116,782,200	254,880	117,037,080	1.289	104,516,056
2017	4,076,500	98,288,200	10,778,500	1,373,900	3,434,100	117,951,200	255,961	118,207,161	1.276	113,497,034
2016	3,787,900	99,819,700	10,286,700	1,375,300	3,434,100	118,703,700	258,677	118,962,377	1.249	114,222,157
2015	4,162,100	100,680,100	10,258,200	1,349,900	3,451,100	119,901,400	266,579	120,167,979	1.196	115,379,721
2014	3,902,700	101,931,200	10,324,900	1,470,300	3,451,100	121,080,200	258,052	121,338,252	1.160	116,503,362

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

**b** Tax rates are per \$100

\* Estimate

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

Year Ended June 30,	Elsinboro Township Board of Education			Overlapping Rates		
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Elsinboro Township	Salem County	Total
2023	\$ 1.342	\$ 0.000	\$ 1.342	\$ 0.420	\$ 1.195	\$ 2.957
2022	1.342	0.000	1.342	0.412	1.129	2.883
2021	1.340	0.000	1.340	0.400	1.110	2.850
2020	1.344	0.000	1.344	0.394	1.084	2.822
2019	1.323	0.000	1.323	0.386	1.073	2.782
2018	1.289	0.000	1.289	0.377	1.051	2.717
2017	1.276	0.000	1.276	0.365	1.021	2.662
2016	1.249	0.000	1.249	0.356	0.960	2.422
2015	1.196	0.000	1.196	0.339	0.887	2.343
2014	1.150	0.010	1.160	0.331	0.852	2.360

\* First Year of Revaluation

Source: District Records and Municipal Tax Collector

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

- a** The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.
- b** Rates for debt service are based on each year's requirements.

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

<u>Taxpayer</u>	<u>2023</u>		<u>2014</u>	
	<u>Taxable Assessed Value</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>% of Total District Net Assessed Value</u>
AGB Properties LLC	\$ 725,000	0.63%	\$	
Yrmanleen, LLC	675,000	0.58%	675,000	0.56%
Taxpayer #1		0.00%	1,100,000	0.91%
Taxpayer #2	448,200	0.39%	498,500	0.52%
Taxpayer #3		0.00%	542,000	0.46%
Taxpayer #4	483,200	0.42%	548,600	0.46%
Taxpayer #5	475,000	0.41%	507,400	0.42%
Taxpayer #6	547,400	0.47%	429,600	0.42%
Bell Atlantic		0.00%		
Taxpayer #7	497,800	0.43%	497,800	0.41%
Taxpayer #8			469,500	0.39%
Taxpayer #9			448,800	0.37%
Taxpayer #10	501,600	0.43%		
Taxpayer #11	438,300	0.38%		
<b>Total</b>	<b>\$ 4,791,500</b>	<b>4.14%</b>	<b>\$ 5,717,200</b>	<b>4.92%</b>

Source: District ACFR & Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	% of Levy	
2023	\$ 1,553,736	\$ 1,553,736	100%	\$
2022	1,553,736	1,553,736	100%	
2021	1,553,736	1,553,736	100%	
2020	1,538,352	1,538,352	100%	
2019	1,508,188	1,508,188	100%	
2018	1,508,188	1,508,188	100%	
2017	1,485,885	1,485,885	100%	
2016	1,436,100	1,436,100	100%	
2015	1,407,960	1,407,960	100%	
2014	1,360,167	1,407,960	100%	

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

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

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income <sup>a</sup>		Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			Income <sup>a</sup>	Per Capita <sup>a</sup>	
2023	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	N/A	N/A	\$ N/A	
2022	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
2021	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
2020	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
2019	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
2018	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>	
	General Obligation Bonds	Deductions				
2023	\$	N/A	\$	N/A	\$	N/A
2022		N/A		N/A		N/A
2021		N/A		N/A		N/A
2020		N/A		N/A		N/A
2019		N/A		N/A		N/A
2018		N/A		N/A		N/A
2017		N/A		N/A		N/A
2016		N/A		N/A		N/A
2015		N/A		N/A		N/A
2014		N/A		N/A		N/A

\* Estimate

**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.

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

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Elsinboro Township	\$ -	100%	\$ -
<b>Other debt</b>			
Salem County - Township's Share	77,900,052	1.96%	1,523,522
Subtotal, Overlapping Debt			<u>1,523,522</u>
<b>Elsinboro Township School District Direct Debt</b>			<u>-</u>
<b>Total Direct and Overlapping Debt</b>			<u><u>\$ 1,523,522</u></u>

**Sources:** Elsinboro Township Finance Officer and Salem County Finance Office

**Note:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Elsinboro. 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.

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

**Legal Debt Margin Calculation for Fiscal Year 2023**

Equalized Valuation Basis	
2022	\$ 113,749,458
2021	105,742,074
2020	104,217,757
	<hr/>
<b>[A]</b>	<b>\$ 323,709,289</b>
	<hr/>
<b>[A/3]</b>	<b>\$ 107,903,096</b>
	<hr/>
<b>[B]</b>	<b>3,237,093 a</b>
<b>[C]</b>	<b>-</b>
	<hr/>
<b>[B-C]</b>	<b>\$ 3,237,093</b>
	<hr/>

	<u>Fiscal Year,</u>									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Debt Limit	\$ 3,357,537	\$ 3,296,921	\$ 3,202,794	\$ 3,183,900	\$ 3,159,423	\$ 3,137,887	\$ 3,126,653	\$ 3,115,507	\$ 3,133,108	\$ 3,237,093
Total Net Debt Applicable to Limit	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Legal Debt Margin	<u>\$ 3,357,537</u>	<u>\$ 2,141,438</u>	<u>\$ 3,202,794</u>	<u>\$ 3,183,900</u>	<u>\$ 3,159,423</u>	<u>\$ 3,137,887</u>	<u>\$ 3,126,653</u>	<u>\$ 3,115,507</u>	<u>\$ 3,133,108</u>	<u>\$ 3,237,093</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

**EL SINBORO TOWNSHIP SCHOOL DISTRICT**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

<u>Year</u>	<u>Population <sup>a</sup></u>	<u>Personal Income (thousands of dollars) <sup>b</sup></u>	<u>Per Capita Personal Income <sup>c</sup></u>	<u>Unemployment Rate <sup>d</sup></u>	
2023	*	1,006	\$ 58,008,586	\$ 57,662	3.52%
2022		1,004	54,741,788	57,605	3.70%
2021		999	57,489,453	57,547	6.10%
2020		968	52,831,504	54,578	8.70%
2019		967	48,927,299	50,597	4.50%
2018		976	46,345,360	47,485	7.25%
2017		979	44,958,617	45,923	7.10%
2016		984	44,403,984	45,126	7.80%
2015		991	44,174,816	44,576	10.00%
2014		999	42,369,588	42,412	8.00%

\*Estimate

**Source:**

<sup>a</sup> For Salem County, Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Personal income

<sup>c</sup> Per Capita

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

N/A Not Available at time of Audit

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

<b>Employer*</b>	<b>2023</b>		<b>2014</b>	
	<b>Employees</b>	<b>Percentage of Total Employment</b>	<b>Employees</b>	<b>Percentage of Total Employment</b>
PSE&G	1600	4.56%	1500	2.33%
E.I DuPont	700	1.99%	685	1.06%
Mannington Mills	1001	2.85%	800	1.24%
Memorial Hospital of Salem County	500	1.42%	720	1.12%
R.E Pierson Construction	200	0.57%	400	0.62%
Inspira Health Network	350	1.00%	400	0.62%
McLane NJ	100	0.28%	401	0.58%
Anchor Glass	376	1.07%	376	0.62%
Walmart	200	0.57%	250	0.43%
Larchmont Farms	275	0.78%	275	0.39%
B & B Poultry Co., Inc.	134	0.38%		
S-J Transportation Co. Inc.	123	0.35%		
Amazon	800	2.28%		
<b>Total</b>	<b>6,359</b>	<b>18.11%</b>	<b>5,807</b>	<b>9.03%</b>

**Source:** Salem County Economic Resource Guide

\* Salem County

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

<b>Function/Program</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Instruction										
Regular	11.6	12.1	14.2	13.0	12.0	12.2	12.2	12.2	12.4	11.4
Special Education	1.0	2.0	2.0	3.0	4.0	4.0	4.0	3.0	4.0	5.0
Other Special Education										
Vocational										
Other instruction										
Support Services:										
Tuition										
Student & Instruction Related Services	2.0	3.0	2.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0
General Administrative Services	0.5	0.5	0.5	0.5	1.5	1.5	1.5	1.5	1.5	1.5
School Administrative Services	0.5	0.5	0.5	0.5	1.0	1.0	1.0	1.0	1.0	1.0
Business Administrative Services	0.3									
Plant Operations and Maintenance	1.0	1.0	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Food Service	0.5	0.8	1.0	1.0	0.5	0.5	0.5	0.5	1.0	1.0
<b>Total</b>	<b>17.4</b>	<b>19.9</b>	<b>21.6</b>	<b>21.4</b>	<b>21.4</b>	<b>21.6</b>	<b>21.6</b>	<b>20.6</b>	<b>22.3</b>	<b>22.3</b>

**Source:** District Personnel Records

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

<b>Fiscal Year</b>	<b>Enrollment</b>	<b>Operating Expenditures<sup>a</sup></b>	<b>Cost Per Pupil</b>	<b>Percentage Change</b>	<b>Teaching Staff<sup>b</sup></b>	<b>Pupil/Teacher Ratio Elementary</b>	<b>Average Daily Enrollment (ADE)<sup>c</sup></b>	<b>Average Daily Attendance (ADA)<sup>c</sup></b>	<b>% Change in Average Daily Enrollment</b>	<b>Student Attendance Percentage</b>
2023	137	\$ 3,453,676	\$ 25,209	47.64%	15.4	8 : 1	116.0	109.8	-0.28%	94.70%
2022	137	3,061,230	22,345	30.86%	10.4	13 : 1	120.0	113.2	2.81%	94.38%
2021	124	2,886,291	23,277	36.32%	14.2	9 : 1	115.4	109.1	-0.94%	94.57%
2020	125	2,762,207	22,098	29.42%	15.2	8 : 1	113.8	110.1	-0.24%	95.06%
2019	130	2,690,254	20,694	21.20%	15.2	9 : 1	116.0	110.4	-6.60%	95.06%
2018	134	2,544,256	18,987	13.62%	15.0	9 : 1	124.3	118.2	-3.90%	95.06%
2017	142	2,424,717	17,075	2.18%	15.0	9 : 1	130.0	123.0	1.99%	94.62%
2016	142	2,372,943	16,711	-1.44%	15.2	8 : 1	126.8	120.6	-0.33%	95.11%
2015	139	2,356,860	16,956	-2.78%	14.1	9 : 1	127.3	121.0	-5.47%	95.05%
2014	134	2,337,055	17,441	-4.51%	12.6	11 : 1	134.0	128.0	13.48%	95.52%

**Sources:** District records

**Note:** Enrollment based on annual October district count.  
 Enrollment includes Salem High School enrollment of 16

- a) Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1
- 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).

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
Elsinboro Elementary (1951)										
Square Feet	17,548	17,548	17,548	17,548	17,548	17,548	17,548	17,548	17,548	17,548
Capacity (Students)	202	202	202	202	202	202	202	202	202	202
Enrollment	119	134	127	127	125	116	115	112	120	116

Number of Schools at June 30, 2023

    Elementary = 1

    Middle School = 0

    Other = 0

**Source:** District records, ASSA

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

ELSINBORO TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
LAST TEN FISCAL YEARS  
*(UNAUDITED)*

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

<u>School Facilities</u>	<u>Gross Square Footage</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Elsinboro Elementary	17,548	\$ 38,311	\$ 56,963	\$ 46,462	\$ 46,587	\$ 35,064	\$ 17,729	\$ 12,987	\$ 18,474	\$ 16,282	\$ 24,796
Total School Facilities		<u>38,311</u>	<u>56,963</u>	<u>46,462</u>	<u>46,587</u>	<u>35,064</u>	<u>17,729</u>	<u>12,987</u>	<u>18,474</u>	<u>16,282</u>	<u>24,796</u>
Other Facilities											
Grand Total		<u>\$ 38,311</u>	<u>\$ 56,963</u>	<u>\$ 46,462</u>	<u>\$ 46,587</u>	<u>\$ 35,064</u>	<u>\$ 17,729</u>	<u>\$ 12,987</u>	<u>\$ 18,474</u>	<u>\$ 16,282</u>	<u>\$ 24,796</u>

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

<b><u>Company</u></b>	<b><u>Type of Coverage</u></b>	<b><u>Coverage</u></b>	<b><u>Deductible</u></b>
SAIF	Property Blanket Building & Contents	\$ 2,969,018	\$ 2,500
	Comprehensive General Liability		
	Personal and Advertising Injury	5,000,000	
	Bodily Injury and Property Damage	5,000,000	
	Products and Completed Operations	5,000,000	
	Commercial Excess	5,000,000	
	Comprehensive Automobile Liability	5,000,000	
	Comprehensive Crime Coverage	500,000	1,000
	Premises Pollution	1,000,000	50,000
	Board of Education Legal Liability	5,000,000	5,000
NJSIG	Workers Compensation	3,000,000	
Berkley Life and Health Insurance Company	Compulsory Student Accident	25,000	
United States Fire Insurance Company	Catastrophic Student Accident Coverage		
	Maximum Benefit per Participant	2,000,000	25,000
	Cash Benefit - Maximum Benefit	500,000	
Selective Insurance Company of America	Business Administrator's Bond	150,000	

**Source: District Records**

**SINGLE AUDIT SECTION**

# 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  
Elsinboro Township School District  
County of Salem, New Jersey 08079

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 Elsinboro Township School District, in the County of Salem, 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 Elsinboro 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 Elsinboro 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 Elsinboro Township Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Elsinboro Township Board of Education's internal control.

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

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

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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Elsinboro 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

# NIGHTLINGER, COLAVITA & VOLPA

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*Certified Public Accountants*

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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  
Elsinboro Township School District  
County of Salem, New Jersey 08079

### **Report on Compliance for Each Major State Program**

#### ***Opinion on Each Major State Program***

We have audited The Board of Education of the Elsinboro Township School District, in the County of Salem, 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 Elsinboro Township School District, in the County of Salem, State of New Jersey's major state programs for the year ended June 30, 2023. The Board of Education of the Elsinboro Township School District, in the County of Salem, 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 Elsinboro Township School District, in the County of Salem, 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 Elsinboro Township School District, in the County of Salem, 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 Elsinboro Township School District, in the County of Salem, 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 Elsinboro Township School District, in the County of Salem, 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 Elsinboro Township School District, in the County of Salem, 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 Elsinboro Township School District, in the County of Salem, 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 Elsinboro Township School District, in the County of Salem, 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 Elsinboro Township School District, in the County of Salem, 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 Elsinboro Township School District, in the County of Salem, 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.

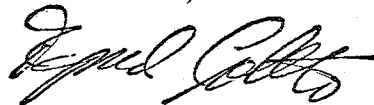
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant 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

**TOWNSHIP OF ELSINBORO SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SCHEDULE A)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Grant Period From	Grant Period To	Program or Award Amount	June 30, 2022		Cash Received	Budgetary	Budgetary Expenditures Direct	Total Budgetary Expenditures	Adjus. ment	June 30, 2023		
							(Accounts Receivable)	Unearned Revenue		Pass Through Funds				(Accounts Receivable)	Unearned Revenue	Due to Grantor
<b>U.S. Department of Agriculture</b>																
<b>Passed-through State Department of Education:</b>																
Enterprise Fund:																
Child Nutrition Cluster:																
Cash Assistance:																
National School Lunch Program	10.555	221NJ304N1099	N/A	7/1/21	6/30/22	\$ 70,213	\$ (3,121)	\$ 3,121	\$	\$	\$	\$	\$	\$	\$	
National School Lunch Program	10.555	231NJ304N1099	N/A	7/1/22	6/30/23	37,759		33,424		(37,759)		(37,759)	3,492	(843)		
National School Breakfast Program	10.553	221NJ304N1099	N/A	7/1/21	6/30/22	30,678	(1,969)	1,969								
National School Breakfast Program	10.553	231NJ304N1099	N/A	7/1/22	6/30/23	4,360		3,860		(4,360)		(4,360)	327	(173)		
P-EBT Administrative Cost Reimb.	10.649	202222S900941	N/A	7/1/22	6/30/23											
Supply Chain Assistance Fund - RND 1	10.555	221NJ344N8903	NA	1/1/22	9/30/22	7,317	(7,317)	7,317								
Supply Chain Assistance Fund - RND 2	10.555	221NJ344N8903	NA	1/1/22	9/30/22	7,099		7,099		(7,099)		(7,099)				
Supply Chain Assistance Fund - RND 3	10.555	231NJ344N8903	NA	10/1/22	9/30/24	5,947		5,947		(5,947)		(5,947)				
Non-Cash Assistance:																
Food Distribution Program	10.565	Unknown	N/A	7/1/22	6/30/23											
Total Enterprise Fund							(12,407)	62,737		(55,165)		(55,165)	3,819	(1,016)		
<b>U.S. Department of Education</b>																
<b>Passed-through State Department of Education:</b>																
Special Revenue Fund:																
E.S.E.A.																
Title I, Part A	84.010	S010A210030	ESEA-1350-22	7/1/21	9/30/22	26,861	(10,188)	10,188								
Title I, Part A	84.010	S010A220030	ESEA-1350-23	7/1/22	9/30/23	23,236		-		(23,236)		(23,236)		(23,236)		
Title II, Part A	84.367A	S367A210029	ESEA-1350-22	7/1/21	9/30/22	3,336	(86)	86								
Title II, Part A	84.367A	S367A220029	ESEA-1350-23	7/1/22	9/30/23	3,179				(3,178)		(3,178)		(3,178)		
Title IV	84.424A	S424A210031	ESEA-1350-22	7/1/21	9/30/22	17,800	(17,800)	17,800								
Title IV	84.424A	S424A220031	ESEA-1350-23	7/1/22	9/30/23	10,000				(10,000)		(10,000)		(10,000)		
IDEA Cluster:																
I.D.E.A. Part B Basic	84.027A	H027A210100	IDEA-1350-22	7/1/21	9/30/22	42,003	(10)	10								
I.D.E.A. Part B Basic	84.027A	H027A220100	IDEA-1350-23	7/1/22	9/30/23	43,814				(38,956)		(38,956)		(38,956)		
ARP IDEA Part B-Basic	84.027X	H027X220100	IDEA-1350-23	7/1/22	9/30/23											
I.D.E.A. Preschool	84.173	H173A220114	IDEAPS-1350-23	7/1/22	9/30/23	876				(876)		(876)		(876)		
ARP IDEA Preschool	84.173X	H173X220114	IDEAPS-1350-23	7/1/22	9/30/23											
Education Stabilization Fund:																
CARES ACT 2020/ESSER	84.425D	S425D200027	CARES-1350-22	3/13/20	9/30/22	25,232										
CRRSA Consolidated:																
CRRSA-ESSER II	84.425D	S425D210027	CRRSA-1350-23	3/13/20	9/30/23	98,067	(29,142)	31,303		(18,716)		(18,716)		(16,555)		
CR Learning Acceleration	84.425D	S425D210027	CRRSA-1350-23	3/13/20	9/30/23	25,000	(96)			(14,110)		(14,110)		(14,208)		
CR Mental Health	84.425D	S425D210027	CRRSA-1350-23	3/13/20	9/30/23	45,000		9,500		(14,000)		(14,000)		(4,500)		
ARP:																
ARP ESSER	84.425U	S425U210027	ARP-1350-24	3/13/20	9/30/24	220,400	(99,878)	103,430		(4,083)		(4,083)		(531)		
ARP Accel. Learning Instruction	84.425U	S425U210027	ARP-1350-24	3/13/20	9/30/24	50,000	(1,100)	1,100		(20,671)		(20,671)		(20,671)		
ARP Summer Learning	84.425U	S425U210027	ARP-1350-24	3/13/20	9/30/24	40,000		17,009		(7,649)		(7,649)			9,360	
ARP Beyond School Day	84.425U	S425U210027	ARP-1350-24	3/13/20	9/30/24	40,000		14,842		(14,797)		(14,797)			45	
ARP Mental Health Emergency	84.425U	S425U210027	ARP-1350-24	3/13/20	9/30/24	45,000		2,900		(21,500)		(21,500)		(18,600)		
Total Special Revenue Fund							(158,302)	208,168		(191,772)		(191,772)		(151,311)	9,405	
Total Federal Financial Awards							\$ (170,709)	\$ 270,905		\$ (246,937)		\$ (246,937)	\$ 3,819	\$ (152,327)	\$ 9,405	

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

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

These funds were not audited in accordance with the Uniform Guidance since the total of all grant expenditures did not exceed \$750,000.

**TOWNSHIP OF ELSINBORO SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (SCHEDULE B)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

State Grantor/Program Title	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2022		Cash Received	Budgetary Expenditures	Adjust. ment	Balance at June 30, 2023		Budgetary Receivable	Cumulative Total Expenditures
		From	To		(Accounts Receivable)	Unearned Revenue				(Accounts Receivable)	Unearned Revenue		
<b>State Department of Education</b>													
General Fund													
Equalization Aid	23-495-034-5120-078	7/1/22	6/30/23	\$ 555,103	\$	\$	\$ 495,008	\$ (555,103)	\$	\$ (60,095)	\$	\$ (60,095)	\$ (555,103)
Special Education Categorical Aid	23-495-034-5120-089	7/1/22	6/30/23	90,502			80,704	(90,502)		(9,798)		(9,798)	(90,502)
Transportation Aid	23-495-034-5120-014	7/1/22	6/30/23	64,294			57,334	(64,294)		(6,960)		(6,960)	(64,294)
Security Aid	23-495-034-5120-084	7/1/22	6/30/23	40,720			36,312	(40,720)		(4,408)		(4,408)	(40,720)
Adjustment Aid	23-495-034-5120-085	7/1/22	6/30/23	9,431			8,410	(9,431)		(1,021)		(1,021)	(9,431)
School Choice Aid	23-495-034-5120-068	7/1/22	6/30/23	503,143			448,673	(503,143)		(54,470)		(54,470)	(503,143)
Maintenance of Equity Aid	22-495-034-5120-128	7/1/21	6/30/22	296,605	(296,605)		296,605						
Nonpublic Transportation Aid	22-495-034-5120-014	7/1/21	6/30/22	290	(290)		290						
Nonpublic Transportation Aid	23-495-034-5120-014	7/1/22	6/30/23	624				(624)		(624)			(624)
Reimbursed TPAF Social Security Contrib.	22-495-034-5094-003	7/1/21	6/30/22	78,217	(3,855)		3,855						
Reimbursed TPAF Social Security Contrib.	23-495-034-5094-003	7/1/22	6/30/23	77,791			70,111	(77,791)		(7,680)			(77,791)
On-Behalf TPAF Post Retirement Medical	23-495-034-5094-001	7/1/22	6/30/23	92,013				(92,013)		(92,013)			(92,013)
On-Behalf TPAF Pension Contribution	23-495-034-5094-002	7/1/22	6/30/23	350,260				(350,260)		(350,260)			(350,260)
On-behalf TPAF Long-term Disability Contrib.	23-495-034-5094-004	7/1/22	6/30/23	114				(114)		(114)			(114)
Total General Fund					(300,750)		1,497,302	(1,783,995)		(587,443)		(136,752)	(1,783,995)
Special Revenue Fund:													
Preschool Education Aid		7/1/22	6/30/23	108,072			97,265	(49,062)		(10,807)	59,010		(49,062)
Capital Projects Fund:													
SDA Emergent Needs & Capital Maintenance	23-100-034-5120-086	7/1/22	6/30/23										
NJSDA Grant	1350-050-14-G3LL	7/1/15	Closing	490,343	1,118						1,118		
<b>State Department of Agriculture</b>													
Enterprise Fund:													
National School Lunch Prog. (State Share)	22-100-010-3350-023	7/1/21	6/30/22	1,652	(72)		72						
National School Lunch Prog. (State Share)	23-100-010-3350-023	7/1/22	6/30/23	1,301			1,155	(1,301)	115	(31)			(1,301)
National School Breakfast Prog. (State Share)	N/A	7/1/22	6/30/23	62			54	(62)	7	(1)			(62)
Total Enterprise Fund					(72)		1,281	(1,363)	122	(32)			(1,363)
Total State Financial Assistance					\$ (299,704)	\$	\$ 1,595,848	\$ (1,834,420)	\$ 122	\$ (598,282)	\$ 60,128	\$ (136,752)	\$ (1,834,420)
Less: On-Behalf TPAF Pension System Contributions													
On-Behalf TPAF Post Retirement Medical	23-495-034-5094-001	7/1/22	6/30/23	92,013			\$ 92,013	\$ (92,013)					
On-Behalf TPAF Pension Contribution	23-495-034-5094-002	7/1/22	6/30/23	350,260			350,260	(350,260)					
On-behalf TPAF Long-term Disability Contrib.	23-495-034-5094-004	7/1/22	6/30/23	114			114	(114)					
Total For State Financial Assistance - Major Program Determination							\$ 1,153,461	\$ (1,392,033)					

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

**TOWNSHIP OF ELSINBORO 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, Township of Elsinboro 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 2 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 a modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with N.J.S.A. 18A:22-4.2

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$23,799) for the general fund and \$38,971 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:

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

	<u>Federal</u>		<u>State</u>		<u>Total</u>
General Fund	\$		\$ 1,780,196	\$	1,780,196
Special Revenue Fund		261,768		18,037	279,805
Food Service Fund		<u>51,346</u>		<u>1,241</u>	<u>52,587</u>
Total Financial Assistance	\$	<u>313,114</u>	\$	<u>1,799,474</u>	\$ <u>2,112,588</u>

**NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

There is an adjustment for \$3,819 on the Schedule of Expenditures of Federal Awards and an adjustment for \$122 on the Schedule of Expenditures of State Financial Assistance.

**NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING**

The Elsinboro School District had no loan balances outstanding during the year ended 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: 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.

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

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to basic financial statements noted? \_\_\_\_\_ yes  X  no

Federal Awards      **N/A**

Internal control over major programs:

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

Type of auditor's report issued on compliance for major programs: N/A

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

Identification of major programs:

CFDA Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
N/A		

Dollar threshold used to distinguish between type A and type B programs (section 518): **N/A**

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes \_\_\_\_\_ no

EL SINBORO 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 type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee?  X  yes   no

Internal control over major programs:

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

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

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

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

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
23-495-034-5120-078	Equalization Aid
23-495-034-5120-089	Special Education Categorical Aid
23-495-034-5120-084	Security Aid
23-495-034-5120-085	Adjustment Aid
23-495-034-5120-068	School Choice Aid

**ELSINBORO 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:**

ELSINBORO 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 - N/A**

**Finding:**

**Information on the federal program:**

**Criteria or specific requirement:**

**Condition:**

**Questioned Costs:**

**Context:**

**Effect:**

**Cause:**

**Recommendation:**

**Views of responsible officials and planned corrective actions:**

**STATE AWARDS**

**Finding:**           None

**Information on the state program:**

**Criteria or specific requirement:**

**Condition:**

**Questioned Costs:**

**Context:**

**Effect:**

**Cause:**

**Recommendation:**

**Management's response:**

**ELSINBORO 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.

**STATUS OF PRIOR - YEAR FINDINGS**

There were no prior year findings.