

**SCHOOL DISTRICT  
OF  
JEFFERSON TOWNSHIP**

**Jefferson Township School District  
Jefferson Township, New Jersey**

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

**Annual Comprehensive  
Financial Report**

**of the**

**Jefferson Township School District**

**Jefferson Township, New Jersey**

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

**Prepared by**

**Jefferson Township School District  
Business Office**

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INTRODUCTORY SECTION  
UNAUDITED



# Jefferson Township Board of Education

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[www.jefftwp.org](http://www.jefftwp.org)

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**Assistant Superintendent of Schools**

Roger Jinks, Jr.  
[RJinks@Jefftwp.org](mailto:RJinks@Jefftwp.org)

**Business Administrator**

Rita Oroho Giacchi  
[RGiacchi@Jefftwp.org](mailto:RGiacchi@Jefftwp.org)

October 10, 2023

The Honorable President and Members of  
the Board of Education  
Jefferson Township School District  
Jefferson Township, New Jersey

Dear Board Members:

The Annual Comprehensive Financial Report of the Jefferson Township School District (the "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 Jefferson Township Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations 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 management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results and supplementary schedules providing detailed budgetary information. The statistical section includes selected economic and demographic information, financial trends, and the fiscal capacity of the District, 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*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports on internal control and compliance with applicable laws and regulations and findings and recommendations, is included in the single audit section of this report.

**1) REPORTING ENTITY AND ITS SERVICES:** The Jefferson Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report. The Jefferson Township School District and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular as well as special education for handicapped youngsters. The District completed the 2022-23 fiscal year with an enrollment of 2,529 students, which is a decrease of 52 students from the previous year's enrollment.

## 2) ECONOMIC CONDITION AND OUTLOOK:

The Jefferson Township Public School District continues to maintain excellent fiscal accountability. Working within financial constraints, the District offered students various honors and advanced curriculum courses, expanded its technology literacy, security initiatives and continued to upgrade its infrastructure. District educational facilities benefit from team cleaning, and maintenance staff possess key technical skills, greatly reducing the need to outsource many repairs and improvement projects.

Shared services continue to result in efficiencies, such as bulk purchasing and transportation jointures. Additionally, the District and Township share multiple services, including: snow removal, computerized vehicle maintenance, recycling, excavation projects, paving/pothole repair, sewer treatment plant management and fuel.

The State of New Jersey revised the Aid funding formula in July of 2018. As a result, the district experienced a reduction of \$1,193,000 during the 2019-2020 school year; \$2,252,000 during the 2020-2021 school year; \$2,791,524 during the 2021-2022 school year; and \$2,640,283 during the 2022-2023 school year. New Jersey plans to adjust State Aid incrementally through the 2024-2025 school year. Based upon the most recent state aid notice, the district expects the total reduction will be approximately \$11,500,000 on an annual basis. The rationale for the adjustments is tied to enrollment. As a result, administration and the Board of Education members have been scrupulously identifying potential areas of efficiencies and simultaneously begun to identify additional revenue sources.

The School District plans to continue its sound fiscal management to meet future challenges.

## 3) MAJOR INITIATIVES:

In recognition of the need to maintain the facilities infrastructure for improvements which cannot be accommodated within the general fund budget, the district conducted a special election in October 2018 to ask residents to authorize a bond sale to make needed improvements to school buildings, which on average are 50 years old and in need of upgrades. The Community fully supported the referendum. Phase 1 of identified improvement projects was completed during the summer of 2019 and Phase 2 continued during the summer of 2020, although progress was somewhat impeded by the COVID-19 pandemic. The improvements completed during the summer of 2020 included the addition of security vestibules at the high school, middle school and two elementary schools, a bathroom renovation at the high school and various door replacements. During the summer of 2021, asbestos flooring was abated in various classrooms throughout the district and the intercom system was upgraded at the high school. During the 2022-2023 year, a project to upgrade the HVAC system in the middle school media center was completed and work got underway on a replacement of the fire alarm system at the high school. The remaining funds are expected to be exhausted during the 2023-2024 school year.

During the 2022-2023 school year, the district applied for and received Preschool Expansion Aid (“PEA”). This funding is provided by the State of New Jersey and enables districts to offer general education preschool to 3 and 4-year-old children residing in Jefferson Township free of charge. The first PEA classrooms were opened on January 3, 2023 and the program is expected to continue to expand through 2024-2025 until the full universe of students can be accommodated. As the program expands the amount of funding received is expected to increase as well.



#### 4) INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control system 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 awards, the District also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system is also subject to periodic evaluation by the District's management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control system, including that portion related to federal and state award 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 a vote of the Board of Education. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

#### 6) ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted accounting principles, as promulgated by the GASB. The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements", Note 1.

#### 7) CASH MANAGEMENT:

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

The Honorable President and Members of  
the Board of Education  
Jefferson Township School District  
Page 4  
October 10, 2023

8) RISK MANAGEMENT:

The Board carries various forms of insurance, including, but not limited to, general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. The Board oversees risk management for the District. A schedule of insurance coverage can be found on Exhibit J-20.

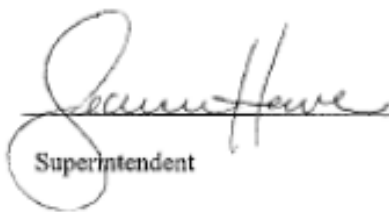
9) OTHER INFORMATION:


Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board's finance committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The independent auditors' report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.

10) ACKNOWLEDGMENTS:

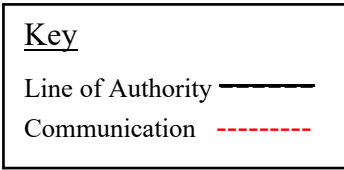
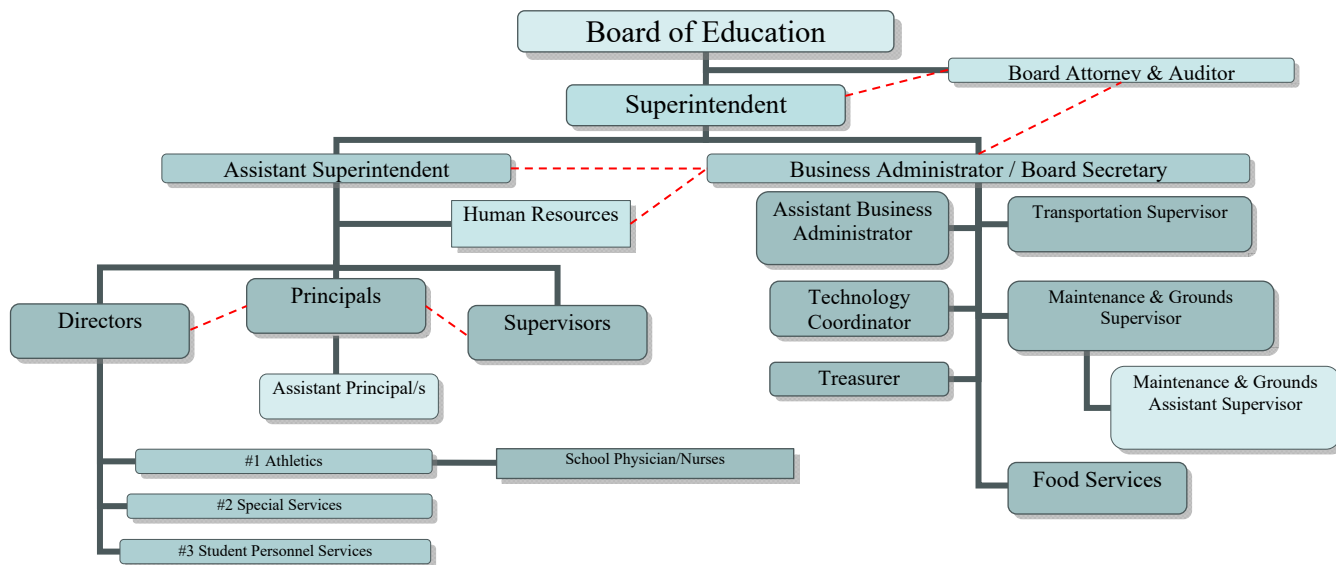
We would like to express our appreciation to the members of the Jefferson Township School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation.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

Respectfully submitted,

  
\_\_\_\_\_  
Superintendent

  
\_\_\_\_\_  
Business Administrator

### 1110 ORGANIZATION CHART



**Township of Jefferson Board of Education  
Lake Hopatcong, NJ  
Roster of Officials  
June 30, 2023**

**Members of the Board of Education**

**Term  
Expires**

---

Mrs. Stacey Poulas	President	12/31/2023
Mrs. Adele Wildermuth	Vice President	12/31/2025
Mr. Jaime Grater	Board Member	12/31/2025
Mrs. Amy Gould	Board Member	12/31/2024
Mr. Christopher Natale	Board Member	12/31/2024
Mrs. Diane Perez	Board Member	12/31/2023
Mrs. Jill Small	Board Member	12/31/2023
Mr. Michael Stewart	Board Member	12/31/2025
Mr. Dylan Terpstra	Board Member	12/31/2024

**Other Officials**

Mrs. Jeanne Howe, Superintendent

Mr. Roger Jinks, Jr., Assistant Superintendent

Mrs. Rita Oroho Giacchi, Business Administrator/Board Secretary

Mr. William Eagen, Treasurer

**JEFFERSON TOWNSHIP SCHOOL DISTRICT  
Consultants and Advisors**

**Bond Counsel**

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Newark, New Jersey 07102

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**Attorney**

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**Insurance Agent**

The Morville Agency  
55 Newton Sparta Road, #102  
Newton, NJ 07860

Brown and Brown Benefit Advisors  
56 Roseland Avenue, Suite 220  
Roseland, NJ 07068

**Official Depository**

Lakeland Bank

FINANCIAL SECTION

## Independent Auditors' Report

The Honorable President and Members  
of the Board of Education  
Jefferson Township School District  
Lake Hopatcong New Jersey

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

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

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

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

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

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

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

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office, we:

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report, the pension and post-retirement schedules in Exhibits L-1 through L-5 and the related notes, and the budgetary comparison information in Exhibits C-1 through C-3 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, are 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 District's basic financial statements. The accompanying supplementary information schedules and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

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

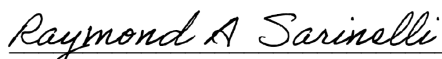
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated.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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

October 10, 2023  
Mount Arlington, New Jersey

NISIVOCIA LLP

  
\_\_\_\_\_  
Raymond Sarinelli  
Licensed Public School Accountant #2549  
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS

## Management's Discussion and Analysis

This section of Jefferson Township School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2023. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

### *Overview of the Financial Statements*

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

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

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

**Figure A-1**  
**Organization of Jefferson Township School District's Financial Report**

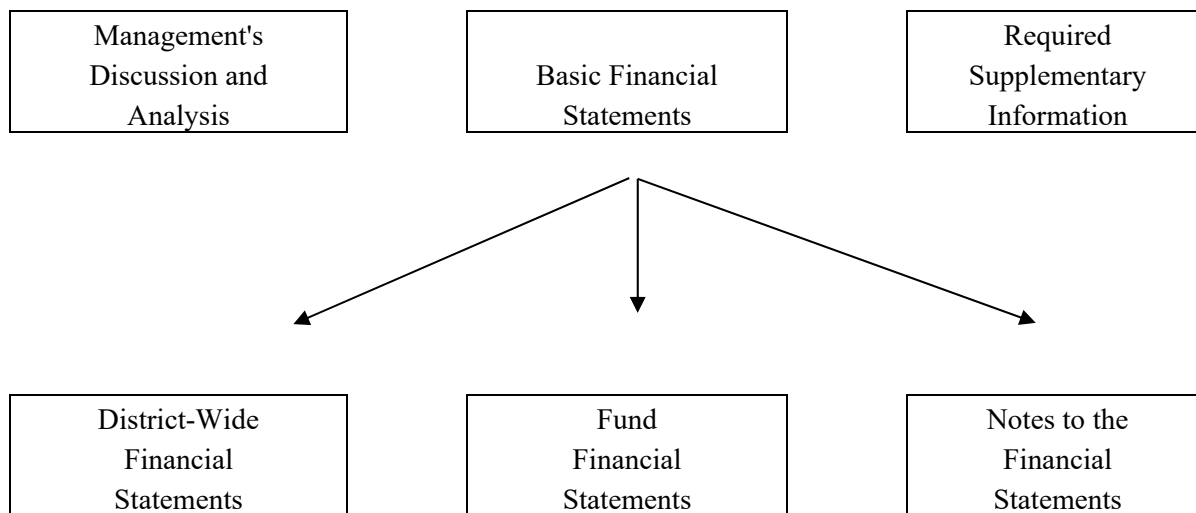


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents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

**Figure A-2**

***Major Features of the District-Wide and Fund Financial Statements***

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire District	The activities of the District that are not proprietary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services
Required Financial Statements	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenue, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of revenue, expenses, and changes in net position</li> <li>• Statement of cash flows</li> </ul>
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, deferred outflow of resources, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets, lease assets, subscription assets, or long-term liabilities are included	All assets and liabilities, both financial and capital, short-term and long-term
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid

## ***District-wide Statements***

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

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

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

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

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

## ***Fund Financial Statements***

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

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

The District has two kinds of funds:

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

## Financial Analysis of the District as a Whole

*Net Position.* The Statement of Net Position provides the perspective of the School District as a whole. Net position may serve over time as a useful indicator of a District's financial position.

The District's financial position is the product of financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

**Figure A-3**  
**Condensed Statement of Net Position**

	Government Activities		Business-Type Activities		Total School District		Percentage
	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023	2021/2022	Change
Current and							
Other Assets	\$ 13,506,064	\$ 15,177,163	\$ 366,606	\$412,411	\$ 13,872,670	\$ 15,589,574	
Capital Assets, Net	63,499,268	60,109,646	191,991	115,227	63,691,259	60,224,873	
Total Assets	<u>77,005,332</u>	<u>75,286,809</u>	<u>558,597</u>	<u>527,638</u>	<u>77,563,929</u>	<u>75,814,447</u>	2.26%
Deferred Outflows of Resources	<u>2,569,363</u>	<u>2,393,524</u>			<u>2,569,363</u>	<u>2,393,524</u>	6.84%
Long-Term Liabilities	32,323,268	31,505,961			32,323,268	31,505,961	
Other Liabilities	2,747,183	2,405,131	74,129	119,820	2,821,312	2,524,951	
Total Liabilities	<u>35,070,451</u>	<u>33,911,092</u>	<u>74,129</u>	<u>119,820</u>	<u>35,144,580</u>	<u>34,030,912</u>	3.17%
Deferred Inflows of Resources	<u>3,247,899</u>	<u>7,369,650</u>			<u>3,247,899</u>	<u>7,369,650</u>	-126.91%
Net Position:							
Net Investment in							
Capital Assets	44,996,647	40,395,818	191,991	115,227	45,188,638	40,511,045	
Restricted	6,522,933	10,598,552			6,522,933	10,598,552	
Unrestricted/(Deficit)	<u>(10,263,235)</u>	<u>(14,594,779)</u>	<u>292,477</u>	<u>292,591</u>	<u>(9,970,758)</u>	<u>(14,302,188)</u>	
Total Net Position	<u>\$ 41,256,345</u>	<u>\$ 36,399,591</u>	<u>\$ 484,468</u>	<u>\$407,818</u>	<u>\$ 41,740,813</u>	<u>\$ 36,807,409</u>	11.82%

*Changes in Net Position.* The District's combined net position was \$41,844,261 on June 30, 2023, an increase of \$4,933,404 more than the year before. (See Figure A-3). The net position of the governmental activities increased \$4,856,754 and the net position of the business-type activities increased \$76,650 (See Figure A-4).

**Figure A-4**  
**Changes in Net Position from Operating Results**

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023	2021/2022	
Revenue:							
Program Revenue:							
Charges for Services	\$ 970,624	\$ 911,152	\$ 818,626	\$ 167,817	\$ 1,789,250	\$ 1,078,969	
Operating Grants and Contributions	23,434,725	24,913,052	562,498	1,529,477	23,997,223	26,442,529	
General Revenue:							
Property Taxes	48,323,953	47,359,727			48,323,953	47,359,727	
Unrestricted Federal and State Aid	281,904	272,080			281,904	272,080	
Other	632,474	261,055	8,466	343	640,940	261,398	
Total Revenue	<u>73,643,680</u>	<u>73,717,066</u>	<u>1,389,590</u>	<u>1,697,637</u>	<u>75,033,270</u>	<u>75,414,703</u>	-0.51%
Expenses:							
Instruction	37,399,596	36,431,395			37,399,596	36,431,395	
Pupil and Instruction Services	12,871,469	12,402,185			12,871,469	12,402,185	
Administrative and Business	6,327,653	6,442,512			6,327,653	6,442,512	
Maintenance and Operations	6,485,075	6,721,134			6,485,075	6,721,134	
Transportation	4,561,327	4,123,210			4,561,327	4,123,210	
Other	1,141,806	1,042,584	1,312,940	1,480,760	2,454,746	2,523,344	
Total Expenses	<u>68,786,926</u>	<u>67,163,020</u>	<u>1,312,940</u>	<u>1,480,760</u>	<u>70,099,866</u>	<u>68,643,780</u>	2.12%
Increase in Net Position	<u>\$ 4,856,754</u>	<u>\$ 6,554,046</u>	<u>\$ 76,650</u>	<u>\$ 216,877</u>	<u>\$ 4,933,404</u>	<u>\$ 6,770,923</u>	-27.14%

***Governmental Activities***

Maintaining existing programs and the provision of a multitude of special programs and services for students with special needs place great demands on the District’s resources. In recent years retiring teachers are being replaced by teachers of less experience. Such changes have generated salary savings, but these have not been sufficient enough to offset increased special education programs and increased health benefit costs.

Careful management of expenses remains essential for the District to sustain its financial health. Among the many significant cost saving items during the year were:

- Increased use of federal funds for tuition and related service cost savings.

Figure A-5 presents the cost of six major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, and other. The table also shows each activity’s net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs).

The net cost shows the financial burden placed on the District’s taxpayers by each of these functions:

**Figure A-5**  
**Net Cost of Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	2022/2023	2021/2022	2022/2023	2021/2022
Instruction	\$ 37,399,596	\$ 36,431,395	\$ 18,873,286	\$16,750,402
Pupil and Instruction Services	12,871,469	12,402,185	10,322,478	9,809,658
Administrative and Business	6,327,653	6,442,512	5,214,623	5,258,353
Maintenance and Operations	6,485,075	6,721,134	5,425,836	5,542,485
Transportation	4,561,327	4,123,210	3,403,548	2,935,334
Other	1,141,806	1,042,584	1,141,806	1,042,584
	<u>\$ 68,786,926</u>	<u>\$ 67,163,020</u>	<u>\$ 44,381,577</u>	<u>\$ 41,338,816</u>

***Business-Type Activities***

Net position from the District’s business-type activity increased by \$76,650. (Refer to Figure A-4). The factor contributing to this result was:

- District sales were back to pre-pandemic levels. The increase is slightly down from the prior year due to the increasing cost of the supply chain.

***Financial Analysis of the District’s Funds***

The District's financial position remains relatively stable. Salaries of staff have increased by prior year negotiated agreements and health benefits contributions continue to increase steadily. The District continues to manage the fund balance to encourage stability in future year's budgets, particularly in light of the ongoing implementation of S-2 and the District's anticipated loss of State Aid.

***General Fund Budgetary Highlights***

Over the course of the year, the District revised the annual operating budget as needed. Notably, district schools returned to a normal operating schedule during the course of the 2022-2023 school year. Additionally, due to changes in enrollment, the Milton school was closed and there was a restructuring of grades among the other elementary schools. The Cozy Lake and Ellen T. Briggs Elementary Schools house PK through grade 1 and the Arthur Stanlick and White Rock Elementary Schools house grades 2 through 5.



**Capital Asset and Long Term Liabilities Administration**

**Figure A-6  
Capital Assets (Net of Depreciation)**

	Government Activities		Business-Type Activities		Total School District		Percentage Change
	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023	2021/2022	
Land	\$ 883,279	\$ 883,279			\$ 883,279	\$ 883,279	
Construction in Progress	10,441,960	9,209,273			10,441,960	9,209,273	
Buildings and Building Improvements	43,670,017	42,457,541			43,670,017	42,457,541	
Furniture, Machinery and Equipment	8,504,012	7,559,553	\$191,991	\$115,227	8,696,003	7,674,780	
	<u>\$ 63,499,268</u>	<u>\$ 60,109,646</u>	<u>\$191,991</u>	<u>\$115,227</u>	<u>\$ 63,691,259</u>	<u>\$ 60,224,873</u>	5.76%

The depreciation factored into the governmental activities and the business-type activities for the fiscal year 2022-2023 was \$1,397,130 and \$33,795, respectively.

**Long-Term Liabilities**

At year-end, the District had \$17,325,000 in general obligation bonds outstanding – a reduction of \$2,030,000 from last year – as shown in Figure A-7. (More detailed information about the District’s long-term liabilities is presented in Note 8 to the Basic Financial Statements.)

**Figure A-7  
Outstanding Long-Term Liabilities**

	Total School District		Percentage Change 2022/2023
	2022/2023	2021/2022	
General Obligation Bonds (Financed with Property Taxes)	\$ 17,325,000	\$ 19,355,000	
Unamortized Bond Premium	229,219	275,063	
Financed Purchases Payable	1,803,249	1,109,582	
Net Pension Liability	12,300,823	10,109,513	
Compensated Absences Payable	664,977	656,803	
	<u>\$ 32,323,268</u>	<u>\$ 31,505,961</u>	2.59%

**Factors Bearing on the District’s Future Revenue/Expense Changes**

At the time these financial statements were prepared and audited, the District was aware of existing circumstances that could significantly affect its financial health in the future. Many factors were considered by the District's administration during the process of developing the fiscal year budget. The primary factors were the District's projected student population, anticipated state and federal aid, as well as increasing salaries and related benefit costs.

While many factors influence the District's future, the availability of funding for special education needs will have the most impact on educational and fiscal decision making in the future.

### ***Contacting the District's Financial Management***

This financial report is designed to provide the District's citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board of Education Office, Robert F. Drummond Building, 31 Route 181, Lake Hopatcong, New Jersey 07849.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

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

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 9,270,691	\$ 247,680	\$ 9,518,371
Receivables from Other Governments	756,204	64,333	820,537
Other Receivables	54,345	18,237	72,582
Internal Balances	(21,435)	21,435	
Inventory		14,921	14,921
Restricted Assets:			
Cash and Cash Equivalents	3,446,259		3,446,259
Capital Assets:			
Sites (Land)	883,279		883,279
Construction in Progress	10,441,960		10,441,960
Depreciable Buildings and Building Improvements and Furniture, Machinery and Equipment	52,174,029	191,991	52,366,020
Total Assets	<u>77,005,332</u>	<u>558,597</u>	<u>77,563,929</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred Amount on Refunding	625,628		625,628
Deferred Outflows Related to Pensions	1,943,735		1,943,735
Total Deferred Outflows of Resources	<u>2,569,363</u>		<u>2,569,363</u>
<b>LIABILITIES</b>			
Accounts Payable	2,635,821	54,364	2,690,185
Accrued Interest Payable	82,655		82,655
Unearned Revenue	28,707	19,765	48,472
Noncurrent Liabilities:			
Due Within One Year	2,622,585		2,622,585
Due Beyond One Year	29,700,683		29,700,683
Total Liabilities	<u>35,070,451</u>	<u>74,129</u>	<u>35,144,580</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred Inflows Related to Pensions	3,247,899		3,247,899
Total Deferred Inflows of Resources	<u>3,247,899</u>		<u>3,247,899</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	44,996,647	191,991	45,188,638
Restricted for:			
Debt Service	29,535		29,535
Capital Projects	2,749,862		2,749,862
Maintenance	242,661		242,661
Unemployment Compensation	655,742		655,742
Scholarships	41,984		41,984
Student Activities	249,050		249,050
Excess Surplus	2,554,099		2,554,099
Unrestricted/(Deficit)	(10,263,235)	292,477	(9,970,758)
Total Net Position	<u>\$ 41,256,345</u>	<u>\$ 484,468</u>	<u>\$ 41,740,813</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT

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

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating		Governmental Activities	Business-type Activities	Total
			Grants and Contributions	Capital Grants and Contributions			
Governmental Activities:							
Instruction:							
Regular	\$ 26,627,666	\$	12,662,278	\$	(13,965,388)	\$	(13,965,388)
Special Education	8,160,560	\$	4,906,372		(2,832,066)		(2,832,066)
Other Special Instruction	1,665,545		362,011		(1,303,534)		(1,303,534)
Other Instruction	945,825		173,527		(772,298)		(772,298)
Support services:							
Tuition	2,593,614				(2,593,614)		(2,593,614)
Student & Instruction Related Services	10,277,855	548,502	2,000,489		(7,728,864)		(7,728,864)
General Administrative Services	1,464,663		188,357		(1,276,306)		(1,276,306)
School Administrative Services	3,094,769		924,673		(2,170,096)		(2,170,096)
Central Services	1,407,031				(1,407,031)		(1,407,031)
Administrative Information Technology	361,190				(361,190)		(361,190)
Plant Operations and Maintenance	6,485,075		1,059,239		(5,425,836)		(5,425,836)
Pupil Transportation	4,561,327		1,157,779		(3,403,548)		(3,403,548)
Interest on Long-Term Debt	501,568				(501,568)		(501,568)
Unallocated Depreciation	470,009				(470,009)		(470,009)
Capital Outlay	94,542				(94,542)		(94,542)
Transfer to Charter School	75,687				(75,687)		(75,687)
Total Governmental Activities	68,786,926	970,624	23,434,725	\$ -0-	(44,381,577)	\$ -0-	(44,381,577)

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

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Business-Type Activities: Food Service	\$ 1,312,940	\$ 818,626	\$ 562,498		\$ 68,184	\$ 68,184
Total Business-Type Activities	1,312,940	818,626	562,498		68,184	68,184
Total Primary Government	\$ 70,099,866	\$ 1,789,250	\$ 23,997,223	\$ -0-	\$ (44,381,577)	\$ (44,313,393)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				46,076,512		46,076,512
Taxes Levied for Debt Service				2,247,441		2,247,441
Federal and State Aid not Restricted				281,904		281,904
Interest on Capital and Maintenance Reserve Accounts				62,015		62,015
Miscellaneous Income				570,459	8,466	578,925
Total General Revenue				49,238,331	8,466	49,246,797
Change in Net Position				4,856,754	76,650	4,933,404
Net Position - Beginning				36,399,591	407,818	36,807,409
Net Position - Ending				\$ 41,256,345	\$ 484,468	\$ 41,740,813

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT

FUND FINANCIAL STATEMENTS



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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 8,649,313		\$ 615,221	\$ 6,157	\$ 9,270,691
Intergovernmental Accounts Receivable - State	678,691				678,691
Intergovernmental Accounts Receivable - Federal		\$ 77,513			77,513
Interfund Receivable	164,601			23,378	187,979
Other Receivable	54,345				54,345
Restricted Cash and Cash Equivalents	3,155,225	291,034			3,446,259
<b>Total Assets</b>	<b>\$ 12,702,175</b>	<b>\$ 368,547</b>	<b>\$ 615,221</b>	<b>\$ 29,535</b>	<b>\$ 13,715,478</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 1,418,780	\$ 6,998	\$ 98,803		\$ 1,524,581
Interfund Payable	21,435	164,601	23,378		209,414
Unearned Revenue	19,345	9,362			28,707
<b>Total Liabilities</b>	<b>1,459,560</b>	<b>180,961</b>	<b>122,181</b>		<b>1,762,702</b>
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Capital Reserve Account	2,256,822				2,256,822
Maintenance Reserve Account	242,661				242,661
Unemployment Compensation	655,742				655,742
Excess Surplus 2023-2024	1,662,911				1,662,911
Excess Surplus 2024-2025	891,188				891,188
Debt Service				\$ 29,535	29,535
Scholarships		41,984			41,984
Student Activities		249,050			249,050
Capital Projects			493,040		493,040
<b>Assigned:</b>					
Subsequent Year's Expenditures	2,900,000				2,900,000
Encumbrances	1,230,849				1,230,849
Unassigned/(Deficit)	1,402,442	(103,448)			1,298,994
<b>Total Fund Balances</b>	<b>11,242,615</b>	<b>187,586</b>	<b>493,040</b>	<b>29,535</b>	<b>11,952,776</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 12,702,175</b>	<b>\$ 368,547</b>	<b>\$ 615,221</b>	<b>\$ 29,535</b>	

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.	63,499,268
Accrued liability for interest on long-term debt is not due and payable in the current period and is not reported as a liability in the funds.	(82,655)
Deferred Amount on Refunding costs are reported as expenditures in the governmental funds in the year of expenditure.	625,628
Bond issuance premiums are reported as a revenue in the Governmental Funds in the year of receipt.	(229,219)
The Net Pension Liability for PERS is not due and payable in the current period and is not reported in the Governmental Funds.	(12,300,823)
Certain amounts related to the Net Pension Liability are deferred and amortized in the Statement of Activities and are not reported in the Governmental Funds:	
Deferred Outflows	832,495
Deferred Inflows	(3,247,899)
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	(19,793,226)
<b>Net Position of Governmental Activities</b>	<b>\$ 41,256,345</b>

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUE:</b>					
Local Sources:					
Local Tax Levy	\$ 46,076,512			\$ 2,247,441	\$ 48,323,953
Tuition	422,122				422,122
Restricted Miscellaneous Revenue		\$ 548,502	\$ 23,378		548,502
Unrestricted Miscellaneous Revenue	609,096				632,474
Total - Local Sources	47,107,730	548,502	23,378	2,247,441	49,927,051
State Sources	21,233,641	995,033		216,498	22,445,172
Federal Sources	65,406	1,889,419			1,954,825
Total Revenue	68,406,777	3,432,954	23,378	2,463,939	74,327,048
<b>EXPENDITURES:</b>					
Current:					
Regular Instruction	15,532,897	2,553,086			18,085,983
Special Education Instruction	4,889,506	675,721			5,565,227
Other Special Instruction	1,033,062				1,033,062
Other Instruction	708,245				708,245
Support Services and Undistributed Costs:					
Tuition	2,593,614				2,593,614
Student & Instruction Related Services	6,220,287	512,158			6,732,445
General Administrative Services	955,695				955,695
School Administrative Services	2,015,447				2,015,447
Central Services	1,014,173				1,014,173
Administrative Information Technology	361,190				361,190
Plant Operations and Maintenance	5,568,745				5,568,745
Pupil Transportation	4,005,141				4,005,141
Unallocated Benefits	22,236,865				22,236,865

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>EXPENDITURES (Cont'd):</b>					
Debt Service:					
Principal				\$ 2,030,000	\$ 2,030,000
Interest and Other Charges				440,531	440,531
Capital Outlay	\$ 2,691,347		\$ 1,232,687		3,924,034
Transfer to Charter School	75,687				75,687
Total Expenditures	<u>69,901,901</u>	<u>\$ 3,740,965</u>	<u>1,232,687</u>	<u>2,470,531</u>	<u>77,346,084</u>
Excess/(Deficiency) of Revenue over/(under) Expenditures	<u>(1,495,124)</u>	<u>(308,011)</u>	<u>(1,209,309)</u>	<u>(6,592)</u>	<u>(3,019,036)</u>
<b>OTHER FINANCING SOURCES/(USES):</b>					
Financed Purchases (Non-budgeted)	1,000,000				1,000,000
Transfers In		240,907		23,378	264,285
Transfers Out	(240,907)		(23,378)		(264,285)
Total Other Financing Sources/(Uses)	<u>759,093</u>	<u>240,907</u>	<u>(23,378)</u>	<u>23,378</u>	<u>1,000,000</u>
Net Change in Fund Balances	(736,031)	(67,104)	(1,232,687)	16,786	(2,019,036)
Fund Balance—July 1	11,978,646	254,690	1,725,727	12,749	13,971,812
Fund Balance—June 30	<u>\$ 11,242,615</u>	<u>\$ 187,586</u>	<u>\$ 493,040</u>	<u>\$ 29,535</u>	<u>\$ 11,952,776</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT

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

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2) \$ (2,019,036)

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 differ from depreciation in the period.

Depreciation expense	\$	(1,397,130)
Capital outlays		<u>4,786,752</u>
		3,389,622

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

(8,174)

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. When accrued interest exceeds the interest paid, the difference is a deduction in the reconciliation (-); when the interest paid exceeds the accrued interest, the difference is an addition to the reconciliation (+).

18,245

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

<p>The governmental funds report the effect of bond premium when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. (+)</p> <p>Financed Purchase obligations are other financing sources in the Governmental Funds, but the obligations increase Long-term Liabilities in the Statement of Net Position and are not reported in the Statement of Activities.</p> <p>The governmental funds report the effect of deferred amount on refunding when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. (-)</p> <p>The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:</p> <p style="padding-left: 20px;">Change in Net Pension Liability</p> <p style="padding-left: 20px;">Change in Deferred Outflows</p> <p style="padding-left: 20px;">Change in Deferred Inflows</p> <p>Repayment of serial bonds and financed purchases 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.</p> <p>Change in Net Position of Governmental Activities (Exhibit A-2)</p>	<p>\$ (125,126)</p> <p>(1,000,000)</p> <p>45,844</p> <p>(2,191,310)</p> <p>288,605</p> <p>4,121,751</p> <hr style="border: 0.5px solid black;"/> <p>2,336,333</p> <hr style="border: 0.5px solid black;"/> <p>\$ 4,856,754</p>
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THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT

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

	Business-type Activities - Enterprise Funds
	Food Service
<u>ASSETS:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 247,680
Intergovernmental Accounts Receivable:	
Federal	61,462
State	2,871
Other Accounts Receivable	18,237
Interfund Receivable - General Fund	21,435
Inventories	14,921
	366,606
Total Current Assets	366,606
Non-Current Assets:	
Capital Assets	767,337
Less: Accumulated Depreciation	(575,346)
	191,991
Total Non-Current Assets	191,991
Total Assets	558,597
<u>LIABILITIES:</u>	
Accounts Payable - Vendors	54,364
Unearned Revenue - Prepaid Sales	18,667
Unearned Revenue - Donated Commodities	1,098
	74,129
Total Current Liabilities	74,129
<u>NET POSITION:</u>	
Investment in Capital Assets	191,991
Unrestricted	292,477
	484,468
Total Net Position	\$ 484,468

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT

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

	Business-type Activities - Enterprise Funds
	Food Service
Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 569,348
Daily Sales - Non-reimbursable Programs	232,551
Special Events	14,211
Miscellaneous Revenue	2,516
	818,626
Total Operating Revenue	818,626
Operating Expenses:	
Cost of Sales - Reimbursable Programs	398,970
Cost of Sales - Non-Reimbursable Programs	162,960
Salaries, Benefits and Payroll Taxes	535,014
Supplies , Insurance & Other Costs	62,555
Management Fee	68,775
Miscellaneous Expenditures	50,871
Depreciation Expense	33,795
	1,312,940
Total Operating Expenses	1,312,940
Operating Loss	(494,314)
Non-Operating Revenue:	
Local Sources	
Interest Revenue	8,466
State Sources:	
State School Breakfast Program	528
State School Lunch Program	12,814
Federal Sources	
Pay Check Protection Plan Reimbursement from Food Service Management Contractor	37,759
National School Lunch Program	252,007
School Breakfast Program	30,901
Other Nutrition Programs -	
Supply Chain Assistance Program	139,926
Local Food for Schools Cooperative Program	1,397
Food Distribution Program	87,166
	570,964
Total Non-Operating Revenue	570,964
Change in Net Position	76,650
Net Position - Beginning of Year	407,818
Net Position - End of Year	\$ 484,468

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT

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

	<u>Business-type Activities- Enterprise</u> <u>Food Service</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 831,120
Payments to Food Service Vendor	(1,253,140)
Net Cash (Used for) Operating Activities	<u>(422,020)</u>
Cash Flows (Used for) Capital and Related Financing Activities:	
Purchase of Capital Assets	(110,559)
Net Cash (Used for) Capital and Related Financing Activities	<u>(110,559)</u>
Cash Flows from Investing Activities:	
Investment Income	8,466
Net Cash Provided by Investing Activities	<u>8,466</u>
Cash Flows from Noncapital Financing Activities:	
State Sources:	
State School Lunch Program	13,224
Federal Sources:	
Pay Check Protection Plan Reimbursement from Food Service Management Contractor	37,759
National School Lunch Program	475,633
Net Cash Provided by Noncapital Financing Activities	<u>557,517</u>
Net Increase in Cash and Cash Equivalents	33,404
Cash and Cash Equivalents, July 1	<u>214,276</u>
Cash and Cash Equivalents, June 30	<u>\$ 247,680</u>
Reconciliation of Operating Loss to Net Cash (Used for) Operating Activities:	
Operating Loss	\$ (494,314)
Adjustment to Reconcile Operating Loss to net Cash (Used for) Operating Activities:	
Depreciation	33,795
Federal Food Distribution Program	87,166
Changes in Assets and Liabilities:	
(Increase)/Decrease in Interfund Receivable	1,189
(Increase)/Decrease in Inventories	(4,165)
Increase/(Decrease) in Accounts Payable	(58,094)
Increase/(Decrease) in Unearned Revenue - Prepaid Sales	11,305
Increase/(Decrease) in Unearned Revenue - Donated Commodities	1,098
Net Cash (Used for) Operating Activities	<u>\$ (422,020)</u>

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received and utilized commodities from the Federal Food Distribution Program valued at \$88,264 and \$87,166, respectively, the fiscal year ended June 30, 2023.

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT



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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

District-Wide Financial Statements:

The statement of net position and the statement of activities present financial information about the District's governmental and business-type activities. These statements include the financial activities of the overall District in its entirety. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other nonexchange transactions. Business-type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (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. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

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. Separate statements for each fund category – *governmental* and *proprietary* – 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 governmental funds as major is important for public interest and to promote consistency among district financial reporting models.

The District reports the following governmental funds:

General Fund: The general fund is the general operating fund of the District and is used to account for and report all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund.

As required by NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states 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 revenue. 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 and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus the Special Revenue Fund is used to account for the proceeds of specific revenue from state and federal governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (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, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

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

The District reports the following proprietary fund:

Enterprise (Food Service) Fund: The enterprise fund accounts for all revenue and expenses pertaining to the Board's cafeteria operations. The food service fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Measurement Focus and Basis of Accounting:

The district-wide financial statements and the proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset, lease asset, or subscription asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under financed purchases are reported as other financing sources.

It is the District's policy, that when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resources and then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2023 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1 Budget amendments/transfers must be made by School Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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

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

The General Fund and Special Revenue Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the June state aid payments for the current year. Since the State is recording the June state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue"		
from the Budgetary Comparison Schedule	\$ 68,301,195	\$ 3,598,093
Differences - Budgetary to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and Revenues on the Budgetary Basis but not on the GAAP Basis		
Prior Year Encumbrances		(374,323)
Current Year Encumbrances		312,632
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	903,429	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(797,847)	(103,448)
Total Revenue as Reported on the Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 68,406,777	\$ 3,432,954
	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 69,901,901	\$ 3,802,656
Differences - Budget to GAAP		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes.		
Current Year Encumbrances		(374,323)
Prior Year Encumbrances		312,632
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 69,901,901	\$ 3,740,965

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

E. Cash and Cash Equivalents, and Investments:

Cash and cash equivalents include petty cash, change funds, amounts in deposits and short-term investments with original maturities of three months or less.

The District generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

New Jersey school districts are limited as to type of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

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

F. Interfund Transactions:

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

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net position, except for amounts due between governmental and business-type activities, which are presented as internal balances.

G. Allowance for Uncollectible Accounts:

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

H. Encumbrances:

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 restricted, committed, and/or assigned 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 revenue 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.

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the proprietary funds represent payments made to vendors for services that will benefit periods beyond June 30, 2023.

K. Capital Assets:

During the year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Land has been recorded at estimated historical cost. Donated capital assets are valued at acquisition value. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment.

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the district-wide statements and proprietary funds are as follows:

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

K. Capital Assets: (Cont'd)

	Estimated Useful Life
Buildings	40 years
Furniture, Machinery, and Building Improvements	10 to 15 years
Computer and Related Technology	5 years
Vehicles	8 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures in the governmental funds upon acquisition. Capital assets are not capitalized and related depreciation is not reported in the fund financial statements.

L. Lease Assets:

Intangible right-to-use lease assets are assets which the District leases for a term of more than one year. The value of leases are determined by the net present value of the leases at the District's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

M. Long Term Liabilities:

In the government-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise funds. Bond premiums and discounts, are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

N. Accrued Salaries and Wages:

The District allows ten-month academic year employees who provide services, the option to have their salaries evenly distributed during the entire twelve-month year by having 10% of their semi-monthly salary, deducted and the accumulated deductions disbursed in 2 installments over the two summer months. Accrued salaries and wages as of June 30, 2023 totaled \$618,212.

O. Compensated Absences:

The District accounts for compensated absences (e.g., unused sick leave) as directed by GASB. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

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

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.

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

P. Lease Payable:

In the district-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

Q. Unearned Revenue:

Unearned revenue in the special revenue fund represents cash which has been received but not yet earned. See Note 1(D) regarding the special revenue fund.

R. Fund Balance Appropriated:

General Fund: Of the \$11,242,615 General Fund balance at June 30, 2023, \$2,256,822 is restricted in the capital reserve account; \$242,661 is restricted in the maintenance reserve account; \$655,742 is restricted in the unemployment compensation reserve account; \$1,230,849 is assigned for encumbrances, \$891,188 is restricted for current year excess surplus in accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701) and will be appropriated and included as anticipated revenue for the fiscal year ending June 30, 2025; \$1,662,911 is restricted as prior year excess surplus and has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2024. There is also \$2,900,000 of fund balance assigned for subsequent year's expenditures and \$1,402,442 of unassigned fund balance which is \$797,847 less than the budgetary unassigned fund balance, on a GAAP Basis, due to the final two state aid payments, that are not recognized on a GAAP basis.

Special Revenue Fund: The Special Revenue Fund fund balance at June 30, 2023 is \$291,034 and is restricted. \$249,050 is restricted for student activities and \$41,984 is restricted for scholarships.

Capital Projects Fund: The \$493,040 Capital Projects Fund fund balance at June 30, 2023 is restricted fund balance.

Debt Service Fund: The \$29,535 Debt Service Fund balance at June 30, 2023 is restricted and has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2024.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (S1701) the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District had excess surplus at June 30, 2023.

P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year.



JEFFERSON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

R. Fund Balance Appropriated: (Cont'd)

For intergovernmental transactions, GASB requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the School District cannot recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments.

S. Deficit Net Position:

The \$10,263,235 deficit in the unrestricted net position of the District's Governmental Activities is primarily due to net pension liability and deferred inflows of resources and deferred outflows of resources related to pensions. This deficit does not indicate that the District is having financial difficulties and is a permitted practice under generally accepted accounting principles.

T. Net Position:

Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflow of resources at June 30, 2023 for the deferred amount on refunding and related to pensions.

The District had deferred inflows of resources at June 30, 2023 related to pensions.

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, lease assets, net of accumulated amortization reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

U. Fund Balance Restrictions, Commitments and Assignments:

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts have been restricted, committed or assigned.

Fund balance restrictions have been established for excess surplus, the debt service fund, the capital projects fund, capital reserve, student activities, scholarships, unemployment compensation and a maintenance reserve.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District had no committed resources as of June 30, 2023.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances and for amounts designated for subsequent year's expenditures in the General Fund at June 30, 2023.

V. Revenue - Exchange and Nonexchange Transactions:

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property 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 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 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 nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes, interest, and tuition.

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

W. Operating Revenue and Expenses:

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

X. Management Estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Y. Pensions

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

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents, and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk - In accordance with its cash management plan, the District ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk - The District limits its investments to those authorized in its cash management plan which are permitted under state statute as detailed in the section of this Note on Investments.

Custodial Credit Risk – The District's policy with respect to custodial credit risk requires that the District ensures that District funds are only deposited in financial institutions in which NJ school districts are permitted to invest their funds.

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Deposits:

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

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

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

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

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

Investments:

New Jersey statutes permit the Board to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments: (Cont'd)

- (8) Agreements for the repurchase of fully collateralized securities if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the “Local Authorities Fiscal Control Law,” P.L. 1983, c. 313 (C.40A:5A-1 et seq.);
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;
  - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed; or
- (9) Deposit of funds in accordance with the following conditions:
  - (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
  - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
  - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
  - (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
  - (e) On the same date that the school district’s funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

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

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents	Total
Checking and Savings Accounts	<u>\$ 9,518,371</u>	<u>\$ 3,446,259</u>	<u>\$ 12,964,630</u>

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments: (Cont'd)

During the period ended June 30, 2023, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2023, was \$12,964,630 and the bank balance was \$13,064,197.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Jefferson Township Board of Education by inclusion of \$1 on October 16, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Beginning Balance, July 1, 2022		\$ 3,751,718
Add:		
Increase per Board Resolution June 2023	\$ 150,000	
Interest Earned in Capital Reserve Account	55,104	
		205,104
		3,956,822
Less: Budgeted Withdrawal		1,700,000
Ending Balance, June 30, 2023		\$ 2,256,822

The June 30, 2023 LRFP balance of local support costs of uncompleted capital projects at June 30, 2023 is equal to or greater than \$2,256,822. The withdrawal from the capital reserve was for use in DOE approved facilities projects, consistent with the District's LRFP.

NOTE 5: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2023, the District transferred a total of \$71,229 to capital outlay accounts. \$60,436 was for equipment which did not require approval from the County Superintendent. \$10,793 was for construction services and County Superintendent approval was received.

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 6: CAPITAL ASSETS

Depreciation expense was charged to governmental functions as follows:

Student and Instructional Support	\$ 543,224
General Administration	226,295
Operations and Maintenance of Plant	31,821
Transportation	125,781
Unallocated	470,009
	<u>\$ 1,397,130</u>

Capital asset balances and activity for the year ended June 30, 2023 were as follows:

	Beginning Balance	Additions	Adjustments/ Deletions	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 883,279			\$ 883,279
Construction in Progress	9,209,273	\$ 2,232,687	\$ (1,000,000)	10,441,960
Total Capital Assets Not Being Depreciated	10,092,552	2,232,687	(1,000,000)	11,325,239
Capital Assets Being Depreciated:				
Buildings and Building Improvements	65,329,778	2,278,476		67,608,254
Machinery and Equipment	12,899,124	275,589	688,866	13,863,579
Total Capital Assets Being Depreciated	78,228,902	2,554,065	688,866	81,471,833
Governmental Activities Capital Assets	88,321,454	4,786,752	(311,134)	92,797,072
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(22,872,237)	(1,066,000)		(23,938,237)
Machinery and Equipment	(5,339,571)	(331,130)	311,134	(5,359,567)
	(28,211,808)	(1,397,130)	311,134	(29,297,804)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 60,109,646	\$ 3,389,622	\$ -0-	\$ 63,499,268
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 656,778	\$ 110,559		\$ 767,337
Less: Accumulated Depreciation	(541,551)	(33,795)		(575,346)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	\$ 115,227	\$ 76,764	\$ -0-	\$ 191,991

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 7. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2023, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2022	Issued/ Accrued	Retired	Balance 6/30/2023
Serial Bonds Payable	\$ 19,355,000		\$ 2,030,000	\$ 17,325,000
Unamortized Bond Premium	275,063		45,844	229,219
Compensated Absences Payable	656,803	\$ 8,174		664,977
Net Pension Liability	10,109,513	2,191,310		12,300,823
Financed Purchases Payable	1,109,582	1,000,000	306,333	1,803,249
	<u>\$ 31,505,961</u>	<u>\$ 3,199,484</u>	<u>\$ 2,382,177</u>	<u>\$ 32,323,268</u>

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds and will be liquidated through the debt service fund.

The District had bonds outstanding as of June 30, 2023 as follows:

Purpose	Final Maturity Date	Interest Rates	Amount
School Bonds - 2018	9/15/2038	3.25%-4.00%	\$ 8,635,000
Refunding Bonds of 2021	9/15/2027	0.525%-1.581%	8,690,000
			<u>\$ 17,325,000</u>

Principal and interest due on serial bonds outstanding are as follows:

Year	Principal	Interest	Total
2024	\$ 2,025,000	\$ 386,999	\$ 2,411,999
2025	2,040,000	365,954	2,405,954
2026	2,060,000	340,029	2,400,029
2027	2,085,000	308,885	2,393,885
2028	2,105,000	273,015	2,378,015
2029-2033	3,250,000	997,343	4,247,343
2034-2038	3,160,000	393,911	3,553,911
2039	600,000	12,000	612,000
	<u>\$ 17,325,000</u>	<u>\$ 3,078,136</u>	<u>\$ 20,403,136</u>

B. Bonds Authorized but not Issued:

As of June 30, 2023, the Board had no bonds authorized but not issued.



JEFFERSON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 7. LONG-TERM LIABILITIES (Cont'd)

C. Financed Purchase Payable:

The District has three finance purchase agreements for transportation, and other various capital equipment. All finance purchase agreements are for terms of four years. The District has finance purchase agreements totaling \$2,220,000 of which \$416,751 have been liquidated. The following is a schedule of the future minimum finance purchase payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2023.

<u>Year</u>	<u>Amount</u>
2024	\$ 586,892
2025	531,180
2026	531,181
2027	<u>269,740</u>
Total Finance Purchase Payments	1,918,993
Less: Amount representing interest	<u>(115,744)</u>
Present value of net minimum financed purchase payments	<u><u>\$ 1,803,249</u></u>

The current portion of financed purchases payable at June 30, 2023 is \$551,741, the long term portion payable is \$1,251,508. Financed Purchase agreements will be liquidated through the General Fund.

D. Compensated Absences:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term portions. The long-term portion of compensated absences of \$664,977. Governmental Funds compensated absences will be liquidated by the General Fund.

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, no liability existed for compensated absences in the Food Service Fund.

E. Unamortized Bond Premium

The unamortized bond issuance premium of the governmental fund types is recorded in the noncurrent liabilities. The current portion of the unamortized bond issuance premium balance of the governmental funds is \$45,844 and is separated from the long-term portion of \$183,375.

F. Net Pension Liability

The Public Employee's Retirement System (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2023 is \$-0- and the long term portion is \$12,300,823. See Note 9 for further information on the PERS.

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 8. PENSION PLANS

Substantially all of the Board’s employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers’ Pension and Annuity Fund (TPAF) or the Public Employee’s Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

A. Public Employees’ Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees’ Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division’s annual financial statements which can be found at [www.state.nj.us/treasury/pensions/annual-reports.shtml](http://www.state.nj.us/treasury/pensions/annual-reports.shtml).

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55<sup>th</sup> 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 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 with 25 or more years of service credit before age 62 and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a members 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 50 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.

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

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. 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.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

District contributions to PERS amounted to \$1,133,592 for the current fiscal year. During the fiscal year ended June 30, 2022, the State of New Jersey contributed \$25,881 to the PERS for normal pension benefits on behalf of the District.

The employee contribution rate was 7.50% effective July 1, 2018.

Special Funding Situation

A special funding situation exists for certain local employers of the PERS. The State of New Jersey, as a nonemployer, is required to pay the additional costs incurred by local employers Chapter 133, P.L. 2001. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2022, there is no net pension liability associated with this special funding situation and there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation for the fiscal year ending June 30, 2022, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2022. The pension expense is deemed to be a State administrative expense due to the special funding situation.

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

At June 30, 2023, the District reported a liability of \$12,300,823 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2022, the District's proportion was 0.0815%, which was a decrease of .0038% from its proportion measured as of June 30, 2021.

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

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

For the fiscal year ended June 30, 2023, the District recognized an actual pension benefit of \$1,191,179 related to the District's proportionate share of the net pension liability. Additionally, for the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the District in the amount of \$25,881 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2023 financial statements.

There was no state proportionate share of net pension liability attributable to the District as of June 30, 2023.

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2018	5.63		\$ (295,688)
	2019	5.21		(369,510)
	2020	5.16		(1,086,560)
	2021	5.13		(90,162)
	2022	5.04	\$ 38,112	
			<u>38,112</u>	<u>(1,841,920)</u>
Difference Between Expected and Actual Experience	2018	5.63		(11,260)
	2019	5.21	28,246	
	2020	5.16	60,536	
	2021	5.13		(30,309)
	2022	5.04		(36,724)
			<u>88,782</u>	<u>(78,293)</u>
Changes in Proportion	2018	5.63		(458)
	2019	5.21	122,033	
	2020	5.16	74,449	
	2021	5.13		(743,480)
	2022	5.04		(583,742)
			<u>196,482</u>	<u>(1,327,680)</u>
Net Difference Between Projected and Actual				
Investment Earnings on Pension Plan Investments	2019	5.00	12,168	
	2020	5.00	365,665	
	2021	5.00	(2,280,781)	
	2022	5.00	2,412,068	
			<u>509,120</u>	
District Contribution Subsequent to the Measurement Date	2022	1.00	1,111,240	
			<u>\$ 1,943,736</u>	<u>\$ (3,247,893)</u>

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

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts including changes in proportion and the District contribution subsequent to the measurement date) related to pensions will be recognized in the pension benefit as follows:

Fiscal Year Ending June 30,	Total
2023	\$ (1,055,152)
2024	(537,565)
2025	(262,160)
2026	571,934
2027	(1,256)
	\$ (1,284,199)

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:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75 – 6.55% based on years of service
Investment Rate of Return	7.00%

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 a 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-2022.

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.

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Long Term Expected Rate of Return

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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%

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

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

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

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

	June 30, 2022		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 15,802,954	\$ 12,300,823	\$ 9,320,368
<u>Pension Plan Fiduciary Net Position</u>			

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division).

For additional information about the TPAF, please refer to the Division's annual financial statements which can be found at [www.state.nj.us/treasury/pensions/annual-reports.shtml](http://www.state.nj.us/treasury/pensions/annual-reports.shtml).

Benefits Provided

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

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Benefits Provided (Cont'd)

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. 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. For fiscal year 2022, the State's pension contribution was more than the actuarial determined amount.

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, such as the District. 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. During the fiscal year ended 2023, the State of New Jersey contributed \$8,507,009 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$9,339,440.

The employee contribution rate was 7.50% effective July 1, 2018.

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

At June 30, 2023, the State's proportionate share of the net pension liability associated with the District was \$115,133,585. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2022, the District's proportion was 0.223%, which was a decrease of 0.009925% from its proportion measured as of June 30, 2021.



JEFFERSON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

District's Proportionate Share of the Net Pension Liability	\$	-0-
State's Proportionate Share of the Net Pension Liability Associated with the District		<u>115,133,585</u>
Total	\$	<u>115,133,585</u>

For the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the District in the amount of \$9,339,440 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2023 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2015	8.30	\$ 213,742,984	
	2016	8.30	1,695,809,748	
	2017	8.30		\$ 3,681,530,748
	2018	8.29		2,705,362,525
	2019	8.04		2,012,738,111
	2020	7.99	1,007,402,060	
	2021	7.93		11,041,509,093
	2022	7.83	96,143,072	
			<u>3,013,097,864</u>	<u>19,441,140,477</u>
Difference Between Expected and Actual Experience	2015	8.30	13,201,022	
	2016	8.30		21,088,845
	2017	8.30	65,502,212	
	2018	8.29	474,592,771	
	2019	8.04		78,198,040
	2020	7.99		5,368,990
	2021	7.93	146,524,969	
	2022	7.83		18,009,041
			<u>699,820,974</u>	<u>122,664,916</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2019	5.00	36,220,692	
	2020	5.00	482,791,080	
	2021	5.00	(2,665,975,358)	
	2022	5.00	3,319,334,659	
				<u>1,172,371,073</u>
			<u>\$ 4,885,289,911</u>	<u>\$ 19,563,805,393</u>

Amounts reported by the State as collective deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense excluding that attributable to employer-paid members contribution as follows:

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Fiscal Year Ending June 30,	Total
2023	\$ (2,658,825,381)
2024	(3,823,762,872)
2025	(3,351,102,048)
2026	(1,509,375,379)
2027	(1,647,727,819)
Thereafter	(1,687,721,983)
	\$ (14,678,515,482)

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.

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases	2.75 – 5.65% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and a 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2022.

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.

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Long Term Expected Rate of Return

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Real Rate of Return</u>
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%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the pension 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 pension plan investments was applied to all projected benefit payments in determining the total pension liability.

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Sensitivity of the State's Proportionate Share of the Net Pension Liability Associated with the District to Changes in the Discount Rate

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2022 calculated using the discount rate as disclosed above, as well as what the State's 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:

	June 30, 2022		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 134,996,574	\$ 115,133,585	\$ 98,401,511

Pension Plan Fiduciary Net Position - TPAF

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

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

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

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the District recognized pension expense of \$78,337 for the fiscal year ended June 30, 2023. Employee contributions to DCRP amounted to \$143,618 for the year ended June 30, 2023.

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 9. 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 is a member of the School Alliance Insurance Fund (the “Fund”) and the Pooled Insurance Program of New Jersey (the “PIP”). These public entity risk management pools provide general liability, property and automobile coverage and workers’ compensation for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive Financial Report. The Fund and the PIP are risk-sharing public entity risk pools that are an insured and self-administered group of school boards established for the purpose of providing low-cost insurance for its respective members in order to keep local property taxes to a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Fund and PIP are elected.

As a member of the Fund and the PIP, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund and the PIP were to be exhausted, members would become responsible for their respective shares of the Fund’s and the PIP’s liabilities. The Fund and the PIP can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body.

The June 30, 2023 audits were not available as of the date of this report; however, selected, summarized financial information for the Fund and the PIP as of June 30, 2022 is as follows:

	<u>Pooled Insurance Program</u>	<u>School Alliance Insurance Fund</u>
Total Assets	\$ 20,734,051	\$ 52,198,217
Net Position	\$ 6,279,806	\$ 20,990,635
Total Revenue	\$ 9,242,784	\$ 46,988,143
Total Expenses	\$ 10,198,425	\$ 46,989,023
Change in Net Position	\$ (2,092,872)	\$ (880)
Members Dividends	\$ 1,137,231	\$ -0-

Financial statements for the Fund are available at the Fund’s Executive Director’s Office:

Public Entity Group Administrative Services  
51 Everett Drive  
Suite B-40  
West Windsor, NJ 08550

Financial statements for the Pooled Insurance Program are available at the PIP’s Executive Director’s Office:

Burton Agency  
44 Bergen Street  
Westwood, NJ 07675  
(201) 664-0310

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 9. RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance

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

The following is a summary of interest earned, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District’s Unemployment Compensation Restricted Fund Balance in the General Fund for the current and previous two years.

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022-2023		\$ 18,680	\$ 88,762	\$ 136,421	\$ 655,742
2021-2022		1,839	85,722	25,187	684,721
2020-2021		1,124	75,170	44,415	622,347

NOTE 10. ECONOMIC DEPENDENCY

The Board of Education receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Board of Education's programs and activities.

NOTE 11. INTERFUNDS PAYABLE AND RECEIVABLE

The District had the following interfunds payable or receivable on their various balance sheets as of June 30, 2023:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 164,601	\$ 21,435
Special Revenue Fund		164,601
Capital Projects Fund		23,378
Debt Service Fund	23,378	
Enterprise Fund	21,435	
	<u>\$ 209,414</u>	<u>\$ 209,414</u>

The General Fund is owed \$164,601 from the Special Revenue Fund for a cash deficit which will be reimbursed when grant money is received from the federal grantors. The Enterprise Fund is owed \$21,435 for subsidy reimbursements received in the General Fund not turned over to the Enterprise Fund. The Debt Service Fund is owed \$23,378 from the Capital Projects Fund for interest earned.

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 12. DEFERRED COMPENSATION

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

AIG/VALIC	Vanguard
AXA Equitable	Legend Employee Benefit
Lincoln Investment Security Benefit	

NOTE 13. TAX CALENDAR

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10.

Taxes are collected by the constituent municipality and are remitted to the school district on a predetermined, agreed-upon schedule.

NOTE 14. COMMITMENTS AND CONTINGENT LIABILITIES

Grant Programs

The School District participates in federal and state assisted grant programs. The programs are subject to program compliance audits by grantors or their representatives. The School District is potentially liable for expenditures which may be disallowed pursuant to terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

Litigation

The District is periodically involved in claims and pending lawsuits. The District estimates that the potential claims against it resulting from such litigation and not covered by insurance would not materially affect the financial position of the District.



JEFFERSON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 14. COMMITMENTS AND CONTINGENT LIABILITIES (Cont'd)

Encumbrances

At June 30, 2023, there were encumbrances as detailed below in the governmental funds.

General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Activities
\$ 1,230,849	\$ 374,323	\$ 21,984	\$ 1,627,156

On the District's Governmental Funds Balance Sheet as of June 30, 2022, \$0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$374,323 less than the actual year-end encumbrances on a budgetary basis. Encumbrances are not recognized on a GAAP basis and are reflected as either a reduction in grants receivable or an increase in unearned revenue. On the GAAP basis, the year-end encumbrances of \$21,984 in Capital Projects Fund are included in the \$493,050 restricted fund balance.

NOTE 15. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account in the amount of \$100,000 was established by the District in the 2003-04 budget. The funds for the establishment of this reserve were withdrawn from unassigned general fund balance. These funds are restricted to be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping their warranties valid but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building. Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the district by transferring unassigned general fund balance or by transferring excess, unassigned general fund balance that is anticipated to be deposited during the current year in the advertised recapitulation of balances of the subsequent year's budget that is certified for taxes. Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the year by board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan. Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line-item account. In any year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at year-end.

At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current year of the district's school facilities. If the account exceeds this maximum amount at June 30, the excess shall be restricted and designated in the subsequent year's budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

Beginning Balance July 1, 2022	\$ 235,751
Add:	
Interest Earnings	6,910
Ending Balance June 30, 2023	\$ 242,661

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 16. ACCOUNTS PAYABLE

Payables as of June 30, 2023 were:

	<u>Governmental Funds</u>			<u>Total</u> <u>Governmental</u> <u>Funds</u>	<u>District</u> <u>Contribution</u> <u>Subsequent</u> <u>to</u> <u>Measurement</u> <u>Date</u>	<u>Total</u> <u>Governmental</u> <u>Activities</u>	<u>Business-Type</u>
	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>				<u>Proprietary</u> <u>Funds</u>
Vendors	\$ 736,902	\$ 6,998	\$ 98,803	\$ 842,703		\$ 842,703	\$ 54,364
Payroll Deductions and Withholdings	63,666			63,666		63,666	
Accrued Salaries and Wages	618,212			618,212		618,212	
State of New Jersey					1,111,240	1,111,240	
	<u>\$ 1,418,780</u>	<u>\$ 6,998</u>	<u>\$ 98,803</u>	<u>\$ 1,524,581</u>	<u>\$ 1,111,240</u>	<u>\$ 2,635,821</u>	<u>\$ 54,364</u>

NOTE 17. POST-RETIREMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired Employees Plan

General Information about the OPEB Plan

Plan Description and Benefits Provided

The District is in a “special funding situation”, as described in GASB Codification Section P50, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the District.

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

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

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 17. POST-RETIREMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Plan Description and Benefits Provided (Cont'd)

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, is the responsibility of the individual education employers.

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division’s annual financial statements which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

Employees Covered by Benefit Terms

At June 30, 2021, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	151,669
Active Plan Members	213,148
Total	364,817

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.

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

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

The 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 - June 30, 2021.

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 17. POST-RETIREMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Mortality Rates

Pre-retirement 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. Post-retirement 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 were 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.

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 rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2022 was 3.54%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. 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.

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 17. POST-RETIREMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District

	Total OPEB Liability
Balance at June 30, 2021	\$ 144,599,903
Changes for Year:	
Service Cost	5,961,386
Interest on the Total OPEB Liability	3,183,940
Differences between Expected and Actual Experiences	1,680,695
Changes of Assumptions	(32,229,623)
Gross Benefit Payments by the State	(3,153,787)
Contributions from Members	101,175
Net Changes	(24,456,214)
Balance at June 30, 2022	\$ 120,143,689

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Discount Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2021, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District 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:

	June 30, 2022		
	At 1% Decrease (2.54%)	At Discount Rate (3.54%)	At 1% Increase (4.54%)
Total OPEB Liability Attributable to the District	\$ 141,216,268	\$ 120,143,689	\$ 103,255,070

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 17. POST-RETIREMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Healthcare Trend Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2021, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 99,306,102	\$ 120,143,689	\$ 147,515,124

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

For the fiscal year ended June 30, 2023 the District recognized OPEB expense of \$7,281,862 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District’s proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2022 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 17. POST-RETIREMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (Cont'd)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Cont'd)

	Deferral Year	Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 6,237,989
	2018	9.51		5,952,816
	2019	9.29	\$ 840,448	
	2020	9.24	19,843,342	
	2021	9.24	110,041	
	2022	9.13		28,699,543
			<u>20,793,831</u>	<u>40,890,348</u>
Differences between Expected and Actual Experience	2018	9.51		5,627,264
	2019	9.29		9,892,116
	2020	9.24	18,494,774	
	2021	9.24		21,161,878
	2022	9.13	2,955,641	
				<u>21,450,415</u>
Changes in Proportion	N/A	N/A	<u>293,557</u>	<u>7,449,598</u>
			<u>\$ 42,537,803</u>	<u>\$ 85,021,204</u>

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

Fiscal Year Ending June 30,	Total
2023	\$ (5,971,194)
2024	(5,971,194)
2025	(5,971,194)
2026	(5,160,608)
2027	(2,950,905)
Thereafter	<u>(9,302,264)</u>
	<u>\$ (35,327,359)</u>

REQUIRED SUPPLEMENTARY  
INFORMATION SCHEDULES



JEFFERSON TOWNSHIP BOARD OF EDUCATION  
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
 SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 PUBLIC EMPLOYEES RETIREMENT SYSTEM  
 LAST NINE FISCAL YEARS

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	
District's proportion of the net pension liability	0.0850994995%	0.0868809315%	0.0906040009%	0.0878332234%	0.0878151471%	0.0901347898%	0.0909247587%	0.0853375590%	0.0815089499%	
District's proportionate share of the net pension liability	\$ 15,932,954	\$ 19,503,028	\$ 26,834,306	\$ 20,446,170	\$ 17,290,365	\$ 16,240,922	\$ 14,827,450	\$ 10,109,513	\$ 12,300,823	
District's covered employee payroll	\$ 6,003,824	\$ 5,941,086	\$ 6,124,440	\$ 6,052,317	\$ 6,407,207	\$ 6,408,469	\$ 6,350,591	\$ 6,010,393	\$ 5,993,291	
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	265.38%	328.27%	438.15%	337.82%	269.86%	253.43%	233.48%	168.20%	205.24%	
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	46.18%	48.10%	53.60%	56.27%	58.32%	70.33%	46.41%	

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

JEFFERSON TOWNSHIP BOARD OF EDUCATION  
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
 SCHEDULE OF DISTRICT CONTRIBUTIONS  
 PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST NINE FISCAL YEARS

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Contractually required contribution	\$ 698,661	\$ 746,943	\$ 807,774	\$ 813,681	\$ 873,477	\$ 1,012,875	\$ 994,672	\$ 1,098,880	\$ 1,133,592	
Contributions in relation to the contractually required contribution	(698,661)	(746,943)	(807,774)	(813,681)	(873,477)	(1,012,875)	(994,672)	(1,098,880)	(1,133,592)	
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$ 5,941,086	\$ 6,124,440	\$ 6,052,317	\$ 6,407,207	\$ 6,408,469	\$ 6,350,591	\$ 6,010,393	\$ 5,993,291	\$ 6,052,665	
Contributions as a percentage of covered employee payroll	11.76%	12.20%	13.35%	12.70%	13.63%	15.95%	16.55%	18.34%	18.73%	

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

JEFFERSON TOWNSHIP BOARD OF EDUCATION  
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
 SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY ATTRIBUTABLE TO THE DISTRICT  
TEACHERS' PENSION AND ANNUITY FUND  
 LAST NINE FISCAL YEARS

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
State's proportion of the net pension liability attributable to the District	0.2441698897%	0.2448450693%	0.2426636615%	0.0023914585%	0.2306180889%	0.2244263900%	0.2317096096%	0.2330760949%	0.2231512514%
State's proportionate share of the net pension liability attributable to the District	\$ 130,500,859	\$ 154,753,117	\$ 190,894,687	\$ 161,240,754	\$ 146,714,284	\$ 137,732,602	\$ 152,577,976	\$ 112,051,772	\$ 115,133,585
District's covered employee payroll	\$ 24,083,925	\$ 24,524,919	\$ 24,642,692	\$ 23,808,209	\$ 24,289,342	\$ 24,732,921	\$ 25,073,940	\$ 23,910,999	\$ 24,116,577
District's proportionate share of the net pension liability attributable to the district as a percentage of its covered employee payroll	541.86%	631.00%	774.65%	677.25%	604.03%	556.88%	608.51%	468.62%	477.40%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.79%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

JEFFERSON TOWNSHIP BOARD OF EDUCATION  
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
 SCHEDULE OF STATE CONTRIBUTIONS  
 TEACHERS' PENSION AND ANNUITY FUND  
 LAST NINE FISCAL YEARS

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Contractually required contribution	\$ 9,449,071	\$ 7,022,171	\$ 14,343,079	\$ 11,169,943	\$ 8,552,930	\$ 8,123,837	\$ 9,487,948	\$ 6,830,325	\$ 9,339,440	
Contributions in relation to the contractually required contribution	(1,942,860)	(1,323,727)	(2,595,866)	(1,869,653)	(2,044,060)	(5,082,279)	(6,775,240)	(9,186,370)	(8,507,009)	
Contribution deficiency/(excess)	\$ 7,506,211	\$ 5,698,444	\$ 11,747,213	\$ 9,300,290	\$ 6,508,870	\$ 3,041,558	\$ 2,712,708	\$ (2,356,045)	\$ 832,431	
District's covered employee payroll	\$ 24,524,919	\$ 24,642,692	\$ 23,808,209	\$ 24,289,342	\$ 24,752,921	\$ 25,073,940	\$ 23,910,999	\$ 24,116,577	\$ 23,772,003	
Contributions as a percentage of covered employee payroll	38.53%	28.50%	60.24%	45.99%	34.58%	32.40%	39.68%	28.32%	39.29%	

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

JEFFERSON TOWNSHIP BOARD OF EDUCATION  
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
 SCHEDULE OF CHANGES IN THE STATE'S PROPORTIONATE SHARE OF THE TOTAL OPEB  
 LIABILITY ATTRIBUTABLE TO THE DISTRICT AND RELATED RATIOS  
LAST SIX FISCAL YEARS

	Fiscal Years Ending June 30,					
	2017	2018	2019	2020	2021	2022
Total OPEB Liability						
Service Cost	\$ 5,601,427	\$ 4,653,305	\$ 4,150,445	\$ 4,133,225	\$ 7,354,381	\$ 5,961,386
Interest Cost	4,292,365	4,979,430	4,641,555	3,705,790	3,751,074	3,183,940
Changes of Benefit Terms					(153,909)	
Differences between Expected and Actual Experiences		(11,772,755)	(21,436,641)	26,839,237	(28,829,000)	1,680,695
Changes in Assumptions	(17,436,905)	(13,461,652)	1,537,660	30,175,193	142,659	(32,229,623)
Member Contributions	115,940	108,412	93,842	87,168	95,897	101,175
Gross Benefit Payments	(3,148,608)	(3,136,768)	(3,165,749)	(2,875,884)	(2,954,795)	(3,153,787)
Net Change in Total OPEB Liability	(10,575,781)	(18,630,028)	(14,178,888)	62,064,729	(20,593,693)	(24,456,214)
Total OPEB Liability - Beginning	146,513,564	135,937,783	117,307,755	103,128,867	165,193,596	144,599,903
Total OPEB Liability - Ending	<u>\$ 135,937,783</u>	<u>\$ 117,307,755</u>	<u>\$ 103,128,867</u>	<u>\$ 165,193,596</u>	<u>\$ 144,599,903</u>	<u>\$ 120,143,689</u>
District's Covered Employee Payroll *	\$ 30,466,005	\$ 24,524,919	\$ 24,642,692	\$ 23,808,209	\$ 24,289,342	\$ 24,732,921
Total OPEB Liability as a Percentage of Covered Employee Payroll	22%	21%	24%	14%	17%	21%

\* - Covered payroll for the fiscal year ending June 30, 2017, June 30, 2018, June 30, 2019, June 30, 2020, June 30, 2021 and June 30, 2022 are based on the payroll on the June 30, 2016, June 30, 2017, June 30, 2018, June 30, 2019, June 30, 2020 and June 30, 2021 census data.

Note: This schedule does not contain ten years of information as GASB No. 75 was implemented during the fiscal year ended June 30, 2018.

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2021 actuarial valuation the salary increases were 2.75% – 6.55% based on years of service while in the July 1, 2020 actuarial valuation the salary increases were 2.00%-6.00% through 2026 and 3.00-7.00% thereafter based on years of service.

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. The actuarial assumptions used in the July 1, 2020 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2021 actuarial valuation the salary increases were 2.75% – 5.65% based on years of service while in the July 1, 2020 actuarial valuation the salary increases were 1.55%-4.45% through 2026 and 2.75%-5.65% thereafter based on years of service.

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. The actuarial assumptions used in the July 1, 2020 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

C. State Health Benefit Local Education Retired Employees OPEB Plan

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2022 was 3.54%. The discount rate for June 30, 2021 was 2.16%, a change of 1.38%.

The salary increases for TPAF/ABP thereafter were 1.55% - 4.45% through 2026 and 2.75% - 5.65% for thereafter in the valuation as of June 30, 2021. The salary increases for TPAF/ABP were 2.75% - 4.25% in the valuation as of June 30, 2022.

The salary increases for PERS were 2.00% - 6.00% through 2026 and 3.00% - 7.00% for thereafter in the valuation as of June 30, 2021. The salary increases for PERS were 2.75% - 6.55% in the valuation as of June 30, 2022.

The salary increases for PFRS were 3.25% - 15.25% through 2026 and not applicable for thereafter in the valuation as of June 30, 2021. The salary increases for PFRS were 3.25% - 16.25% in the valuation as of June 30, 2022.

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

C. State Health Benefit Local Education Retired Employees OPEB Plan (Cont'd)

Changes of Actuarial Assumptions (Cont'd)

The health care trend rates in the valuation as of June 30, 2022 were based on the following:

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 4.5% 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 rate after eight years.

The health care trend rates in the valuation as of June 30, 2021 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.5% long term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal years 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreasing to 4.5% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreasing to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.5% long term rate after seven years.

BUDGETARY COMPARISON SCHEDULES



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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	\$ 46,076,512		\$ 46,076,512	\$ 46,076,512	
Tuition From Individuals	75,000		75,000		\$ (75,000)
Tuition From Other LEAs Within the State	419,507		419,507	422,122	2,615
Rents and Royalties				6,000	6,000
Unrestricted Miscellaneous Revenues	103,000		103,000	603,096	500,096
Total Revenues from Local Sources	<u>46,674,019</u>		<u>46,674,019</u>	<u>47,107,730</u>	<u>433,711</u>
Revenues from State Sources:					
Categorical Transportation Aid	636,026		636,026	636,026	
Extraordinary Aid	616,933		616,933	442,960	(173,973)
Categorical Special Education Aid	2,137,733		2,137,733	2,137,733	
Equalization Aid	3,554,702		3,554,702	3,554,702	
Categorical Security Aid	303,337		303,337	303,337	
Non Public Transportation Aid				63,024	63,024
Stabilization Aid	247,586		247,586	1,254,846	1,007,260
Securing Our Children's Future Bond Act				92,848	92,848
TPAF Post Retirement Contributions (Non-Budgeted)				2,265,776	2,265,776
TPAF Pension Contributions (Non-Budgeted)				8,507,009	8,507,009
TPAF Non-Contributory Insurance (Non-Budgeted)				118,025	118,025
TPAF Long-Term Disability Insurance (Non-Budgeted)				2,883	2,883
Reimbursed TPAF Social Security Contributions				1,748,890	1,748,890
Total Revenues from State Sources	<u>7,496,317</u>		<u>7,496,317</u>	<u>21,128,059</u>	<u>13,631,742</u>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Federal Sources:					
Medicaid Reimbursement	\$ 48,010		\$ 48,010	\$ 65,406	\$ 17,396
Total Revenues from Federal Sources	48,010		48,010	65,406	17,396
<b>TOTAL REVENUE</b>	<b>54,218,346</b>		<b>54,218,346</b>	<b>68,301,195</b>	<b>14,082,849</b>
<b>GENERAL CURRENT EXPENSE</b>					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	688,836	\$ (50,560)	638,276	598,976	39,300
Grades 1-5 - Salaries of Teachers	4,190,920	23,620	4,214,540	4,214,540	
Grades 6-8 - Salaries of Teachers	3,334,685	71,360	3,406,045	3,392,563	13,482
Grades 9-12 - Salaries of Teachers	6,008,754	(65,302)	5,943,452	5,863,886	79,566
Regular Programs - Home Instruction:					
Salaries of Teachers	56,000	21,463	77,463	77,463	
Purchased Professional-Educational Services	30,000		30,000	20,325	9,675
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	32,118	1,114	33,232	33,232	
Purchased Professional-Educational Services	282,631	(5,645)	276,986	270,516	6,470
Other Purchased Services (400-500 series)	393,820	34,063	427,883	377,192	50,691
General Supplies	361,977	5,300	367,277	278,211	89,066
Textbooks	454,256	(8,338)	445,918	304,903	141,015
Other Objects	2,185	245	2,430	1,425	1,005
Total Regular Programs - Instruction	15,836,182	27,320	15,863,502	15,433,232	430,270

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Special Education - Instruction: Learning and/or Language Disabilities:					
Salaries of Teachers	\$ 431,687	\$ (23,767)	\$ 407,920	\$ 401,290	\$ 6,630
Other Salaries for Instruction	459,338	(21,003)	438,335	423,569	14,766
General Supplies	4,725	1,456	6,181	6,123	58
Total Learning and/or Language Disabilities	895,750	(43,314)	852,436	830,982	21,454
Behavioral Disabilities:					
Salaries of Teachers	466,298	35,646	501,944	467,141	34,803
Other Salaries for Instruction	342,774	(130,161)	212,613	204,847	7,766
General Supplies	1,688		1,688	1,619	69
Total Behavioral Disabilities	810,760	(94,515)	716,245	673,607	42,638
Multiple Disabilities:					
Salaries of Teachers	63,210	163,174	226,384	226,384	
Other Salaries for Instruction	19,112	(6,756)	12,356	12,356	
General Supplies	5,067		5,067	2,206	2,861
Other Objects	3,824		3,824	2,823	1,001
Total Multiple Disabilities	91,213	156,418	247,631	243,769	3,862
Resource Room/Resource Center:					
Salaries of Teachers	1,950,526	(135,069)	1,815,457	1,798,359	17,098
Other Salaries for Instruction	267,763	45,637	313,400	313,321	79
General Supplies	4,500	(1,664)	2,836	768	2,068
Textbooks	1,005		1,005		1,005
Total Resource Room/Resource Center	2,223,794	(91,096)	2,132,698	2,112,448	20,250

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Autism:					
Salaries of Teachers	\$ 361,765	\$ (80,237)	\$ 281,528	\$ 281,046	\$ 482
Other Salaries for Instruction	357,440	85,162	442,602	440,375	2,227
General Supplies	4,000	4,364	8,364	8,103	261
Total Autism	<u>723,205</u>	<u>9,289</u>	<u>732,494</u>	<u>729,524</u>	<u>2,970</u>
Preschool Disabilities - Part-Time:					
Salaries of Teachers	179,140	(179,140)			
Other Salaries for Instruction	118,695	(117,356)	1,339	1,339	
Purchased Professional-Educational Services	100	(100)			
General Supplies	3,375	(3,375)			
Total Preschool Disabilities - Part-Time	<u>301,310</u>	<u>(299,971)</u>	<u>1,339</u>	<u>1,339</u>	
Preschool Disabilities - Full-Time:					
Salaries of Teachers	188,148	93,121	281,269	148,996	132,273
Other Salaries for Instruction		108,927	108,927	101,726	7,201
Purchased Professional-Educational Services		100	100		100
General Supplies	2,250	3,375	5,625	3,604	2,021
Total Preschool Disabilities - Full-Time	<u>190,398</u>	<u>205,523</u>	<u>395,921</u>	<u>254,326</u>	<u>141,595</u>
Home Instruction:					
Purchased Professional-Educational Services	20,000	2,365	22,365	22,365	
Total Home Instruction	<u>20,000</u>	<u>2,365</u>	<u>22,365</u>	<u>22,365</u>	
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>5,256,430</u>	<u>(155,301)</u>	<u>5,101,129</u>	<u>4,868,360</u>	<u>232,769</u>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	\$ 831,471	\$ (105,591)	\$ 725,880	\$ 699,820	\$ 26,060
Total Basic Skills/Remedial - Instruction	<u>831,471</u>	<u>(105,591)</u>	<u>725,880</u>	<u>699,820</u>	<u>26,060</u>
Bilingual Education - Instruction:					
Salaries of Teachers	213,788	97,053	310,841	310,841	
Purchased Professional-Educational Services	13,604	(562)	13,042	9,973	3,069
Other Purchased Services (400-500 series)	1,200		1,200	844	356
General Supplies	16,535	(900)	15,635	5,737	9,898
Textbooks	10,000		10,000	5,847	4,153
Total Bilingual Education - Instruction	<u>255,127</u>	<u>95,591</u>	<u>350,718</u>	<u>333,242</u>	<u>17,476</u>
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	153,241	24,457	177,698	144,774	32,924
Purchased Services (300-500 series)	11,000		11,000	2,859	8,141
Supplies and Materials	16,750	1,512	18,262	4,882	13,380
Other Objects	20,050	(9,100)	10,950	7,274	3,676
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	<u>201,041</u>	<u>16,869</u>	<u>217,910</u>	<u>159,789</u>	<u>58,121</u>
School-Sponsored Athletics - Instruction:					
Salaries	405,280	4,000	409,280	339,676	69,604
Purchased Services (300-500 series)	150,524	6,001	156,525	120,470	36,055
Supplies and Materials	62,035	47	62,082	57,091	4,991
Other Objects	42,800	(4,004)	38,796	31,219	7,577
Total School-Sponsored Athletics - Instruction	<u>660,639</u>	<u>6,044</u>	<u>666,683</u>	<u>548,456</u>	<u>118,227</u>
TOTAL INSTRUCTION	<u>23,040,890</u>	<u>(115,068)</u>	<u>22,925,822</u>	<u>22,042,899</u>	<u>882,923</u>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Special	\$ 574,250	\$ (246,386)	\$ 327,864	\$ 260,257	\$ 67,607
Tuition to County Voc. School Dist.-Regular	1,086,609	(115,068)	971,541	971,541	
Tuition to County Voc. School Dist.-Special	24,862	(24,862)			
Tuition to Priv. Sch. for the Handicap. W/I State	1,423,344	5,859	1,429,203	1,321,546	107,657
Tuition - State Facilities	40,270		40,270	40,270	
Total Undistributed Expenditures - Instruction	3,149,335	(380,457)	2,768,878	2,593,614	175,264
Undistributed Expenditures - Health Services:					
Salaries	537,110	893	538,003	504,486	33,517
Purchased Professional and Technical Services	29,800		29,800	26,130	3,670
Other Purchased Services (400-500 series)	3,075		3,075	1,137	1,938
Supplies and Materials	25,360		25,360	12,599	12,761
Total Undist. Expenditures - Health Services	595,345	893	596,238	544,352	51,886
Undist. Expend. - Speech, OT, PT, Related Svcs:					
Salaries	715,154	(122,338)	592,816	586,131	6,685
Purchased Professional - Educational Services	30,850	(16,601)	14,249	14,249	
Supplies and Materials	2,256		2,256	1,936	320
Total Undist. Expend. - Speech, OT, PT, Related Svcs	748,260	(138,939)	609,321	602,316	7,005
Undist.Expend.-Other Supp.Serv.Students-Extra.Serv.:					
Salaries	991,699	29,184	1,020,883	1,019,919	964
Purchased Professional - Educational Services	109,241	(13,533)	95,708	41,723	53,985
Supplies and Materials	2,350		2,350	1,586	764
Total Undist. Expend. - Other Supp. Svcs. Students - Extra. Serv.	1,103,290	15,651	1,118,941	1,063,228	55,713

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Guidance:					
Salaries of Other Professional Staff	\$ 1,034,169	\$ 38	\$ 1,034,207	\$ 929,849	\$ 104,358
Salaries of Secretarial and Clerical Assistants	156,940	1,306	158,246	158,246	
Purchased Professional - Educational Services	1,572	2,775	4,347	3,808	539
Other Purchased Prof. and Tech. Services	19,040		19,040	10,570	8,470
Other Purchased Services (400-500 series)	27,050	1,370	28,420	27,465	955
Supplies and Materials	20,879	(3,775)	17,104	15,023	2,081
Other Objects	445		445	254	191
Total Undist Expend. - Guidance	1,260,095	1,714	1,261,809	1,145,215	116,594
Undist. Expend. - Child Study Team:					
Salaries of Other Professional Staff	1,001,378	133,409	1,134,787	1,122,135	12,652
Salaries of Secretarial and Clerical Assistants	115,702	3,100	118,802	118,802	
Purchased Professional - Educational Services	21,793	(445)	21,348	6,620	14,728
Other Purchased Prof. and Tech. Services	30,000	(1,789)	28,211	10,550	17,661
Other Purchased Services (400-500 series)	3,175	2,163	5,338	4,492	846
Supplies and Materials	15,000	(156)	14,844	11,878	2,966
Other Objects	1,200	749	1,949	1,499	450
Total Undist Expend. - Child Study Team	1,188,248	137,031	1,325,279	1,275,976	49,303

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Improv. of Inst. Serv.:					
Salaries of Supervisors of Instruction	\$ 300,998		\$ 300,998	\$ 300,998	
Salaries of Other Professional Staff	657,191	3,385	660,576	650,042	\$ 10,534
Purchased Professional - Educational Services	491	507	998	767	231
Other Purchased Services (400-500 series)	16,155	245	16,400	14,596	1,804
Supplies and Materials	2,100		2,100	571	1,529
Other Objects	10,703	(50)	10,653	9,624	1,029
Total Undist. Expend.-Improv. of Inst. Serv.	987,638	4,087	991,725	976,598	15,127
Undist. Expend.-Edu. Media Serv./Sch. Library:					
Salaries	219,243	369	219,612	209,382	10,230
Salaries of Technology Coordinators	293,385		293,385	291,459	1,926
Supplies and Materials	16,676		16,676	14,402	2,274
Total Undist Expend-Edu. Media Serv./Sch. Library	529,304	369	529,673	515,243	14,430
Undist.Expend.-Instructional Staff Training Services:					
Other Purchased Services (400-500 series)	24,600	(994)	23,606	11,979	11,627
Total Undist.Expend.-Instructional Staff Training Services	24,600	(994)	23,606	11,979	11,627



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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Support Serv.-Gen. Admin.:					
Salaries	\$ 556,376		\$ 556,376	\$ 554,712	\$ 1,664
Legal Services	195,000	\$ (22,585)	172,415	76,003	96,412
Audit Fees	41,000	5,000	46,000	46,000	
Architectural/Engineering Services	108,095		108,095	57,674	50,421
Other Purchased Professional Services	7,300	12,805	20,105	18,619	1,486
Purchased Technical Services	14,197	852	15,049	12,453	2,596
Communications / Telephone	65,500	8,940	74,440	73,146	1,294
BOE Other Purchased Services	5,950	112	6,062	5,336	726
Other Purch. Serv. (400-500 series other than 530 & 585)	119,602	(52,654)	66,948	59,248	7,700
General Supplies	4,750	(1,475)	3,275	2,589	686
BOE In-house training/ Meeting Supplies	1,000		1,000	721	279
Miscellaneous Expenditures	32,160	17,850	50,010	49,194	816
Total Undist. Expend.-Support Serv.-Gen. Admin.	<u>1,150,930</u>	<u>(31,155)</u>	<u>1,119,775</u>	<u>955,695</u>	<u>164,080</u>
Undist. Expend.-Support Serv.-School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	1,415,250	(70,512)	1,344,738	1,230,464	114,274
Salaries of Secretarial and Clerical Assistants	735,933	(41,195)	694,738	654,236	40,502
Unused Vacation Payment to Terminated/Retired Staff		5,723	5,723	5,723	
Purchased Professional and Technical Services	50,334	1,020	51,354	42,586	8,768
Other Purchased Services (400-500 series)	48,634	736	49,370	45,973	3,397
Supplies and Materials	17,850	3,983	21,833	15,754	6,079
Other Objects	11,285	242	11,527	10,990	537
Total Undist. Expend.-Support Serv.-School Adm.	<u>2,279,286</u>	<u>(100,003)</u>	<u>2,179,283</u>	<u>2,005,726</u>	<u>173,557</u>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Central Services:					
Salaries	\$ 774,771		\$ 774,771	\$ 770,940	\$ 3,831
Purchased Professional Services	65,100	(15,000)	50,100	32,100	18,000
Purchased Technical Services	54,863	436	55,299	54,642	657
Miscellaneous Purchased Services (400-500 series other than 594)	8,050	52,412	60,462	56,056	4,406
Supplies and Materials	4,458	1,456	5,914	2,229	3,685
Interest on Lease Purchase Agreements	80,887	305	81,192	81,192	
Other Objects	1,600	415	2,015	2,014	1
Total Undist. Expend. - Central Services	<u>989,729</u>	<u>40,024</u>	<u>1,029,753</u>	<u>999,173</u>	<u>30,580</u>
Undist. Expend. - Admin. Info. Technology:					
Salaries	358,320	4,321	362,641	357,899	4,742
Other Purchased Services (400-500 series)	4,500	(515)	3,985	3,139	846
Supplies and Materials	1,500		1,500	152	1,348
Total Undist. Expend. - Admin. Info. Technology	<u>364,320</u>	<u>3,806</u>	<u>368,126</u>	<u>361,190</u>	<u>6,936</u>
Undist. Expend.-Required Maintenance for School Facilities:					
Salaries	591,578	(10,402)	581,176	579,818	1,358
Unused Vacation Payment to Terminated/Retired Staff		2,427	2,427	2,427	
Cleaning, Repair, and Maintenance Services	529,248	26,901	556,149	553,632	2,517
Lead Testing of Drinking Water	1,790	210	2,000		2,000
General Supplies	225,150	78,283	303,433	293,106	10,327
Total Undist. Expend.- Required Maint. for School Facilities	<u>1,347,766</u>	<u>97,419</u>	<u>1,445,185</u>	<u>1,428,983</u>	<u>16,202</u>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Custodial Services:					
Salaries	\$ 1,717,189	\$ (68,027)	\$ 1,649,162	\$ 1,649,162	
Cleaning, Repair, and Maintenance Services	59,962	(17,839)	42,123	36,769	\$ 5,354
Rental of Land & Bldg. Oth. than Lease Pur. Agrmt.	110,000		110,000	110,000	
Other Purchased Property Services	21,000	(3,500)	17,500	16,290	1,210
Insurance	415,300	1,808	417,108	417,108	
Miscellaneous Purchased Services	6,750	(1,980)	4,770	4,270	500
General Supplies	221,000	(3,890)	217,110	210,285	6,825
Energy (Natural Gas)	545,000	(26,623)	518,377	510,127	8,250
Energy (Electricity)	555,690	849	556,539	488,729	67,810
Energy (Oil)	15,200	5,518	20,718	20,648	70
Energy (Gasoline)	19,700		19,700	18,258	1,442
Other Objects	525		525	125	400
Total Undist. Expend.-Custodial Services	<u>3,687,316</u>	<u>(113,684)</u>	<u>3,573,632</u>	<u>3,481,771</u>	<u>91,861</u>
Care and Upkeep of Grounds:					
Salaries	276,162	26,774	302,936	302,936	
Cleaning, Repair, and Maintenance Services	409,650	40,979	450,629	57,051	393,578
General Supplies	55,000	5,182	60,182	50,652	9,530
Total Care And Upkeep Of Grounds	<u>740,812</u>	<u>72,935</u>	<u>813,747</u>	<u>410,639</u>	<u>403,108</u>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Security:					
Salaries	\$ 242,439	\$ (7,321)	\$ 235,118	\$ 229,649	\$ 5,469
Cleaning, Repair, and Maintenance Services	8,445		8,445	6,515	1,930
General Supplies	52,075	(44,350)	7,725	6,385	1,340
Total Security	<u>302,959</u>	<u>(51,671)</u>	<u>251,288</u>	<u>242,549</u>	<u>8,739</u>
Total Undist. Expend.-oper. And Maint. Of Plant Serv.	<u>6,078,853</u>	<u>4,999</u>	<u>6,083,852</u>	<u>5,563,942</u>	<u>519,910</u>
Undist. Expend.-Student Transportation Serv.:					
Salaries of Non-Instructional Aides	119,662	30,751	150,413	140,696	9,717
Sal. for Pupil Trans. (Bet. Home and Sch)-Reg.	1,222,398	47,882	1,270,280	1,244,248	26,032
Sal. for Pupil Trans. (Oth. than Bet. Home & Sch)	94,312	(77,318)	16,994	8,856	8,138
Other Purchased Professional and Technical Services	23,340	(5,238)	18,102	11,893	6,209
Cleaning, Repair, and Maint. Services	19,290	(4,400)	14,890	9,307	5,583
Lease Purchase Payments - School Buses	131,345	(3,823)	127,522	127,522	
Contract. Serv. - Aid in Lieu of Payments-Nonpublic Studts	122,000	102,736	224,736	221,579	3,157
Contr Serv.-Aid in Lieu of Payments-Charter Sch Stud.	2,000	1,066	3,066	3,066	
Contr Serv.-Aid in Lieu of Payments-Choice Stud.	6,000	3,198	9,198	9,198	
Contract. Serv.(Bet. Home & Sch.)-Vendors	606,812	(606,812)			
Contract. Serv.(Oth. than Bet. Home & Sch.)-Vend.	32,394	21,000	53,394	36,977	16,417
Contract. Serv.(Spl. Ed. Students)-Joint Agrmnts		2,561	2,561	2,561	
Contract. Serv.(Reg. Students)-ESCs & CTSA	482,500	791,212	1,273,712	1,208,048	65,664
Contract. Serv.(Spl. Ed. Students)-ESCs & CTSA	1,100,000	(131,587)	968,413	648,679	319,734
Misc. Purchased Serv. - Transportation	30,258	3,250	33,508	32,823	685
General Supplies	124,500	73,000	197,500	174,162	23,338
Transportation Supplies	88,342	38,413	126,755	118,124	8,631
Other Objects	3,050	3,500	6,550	5,650	900
Total Undist. Expend.-Student Trans. Serv.	<u>4,208,203</u>	<u>289,391</u>	<u>4,497,594</u>	<u>4,003,389</u>	<u>494,205</u>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>ALLOCATED BENEFITS</b>					
Regular Programs - Instruction:					
Unused Sick Payment to Terminated/Retired Staff	\$ 105,518	\$ (4,433)	\$ 101,085	\$ 99,665	\$ 1,420
Total Regular Programs - Instruction	<u>105,518</u>	<u>(4,433)</u>	<u>101,085</u>	<u>99,665</u>	<u>1,420</u>
Special Programs - Instruction:					
Unused Sick Payment to Terminated/Retired Staff	17,512	4,433	21,945	21,146	799
Total Special Programs - Instruction	<u>17,512</u>	<u>4,433</u>	<u>21,945</u>	<u>21,146</u>	<u>799</u>
Health Services:					
Unused Sick Payment to Terminated/Retired Staff	15,968		15,968	15,968	
Total Health Services	<u>15,968</u>		<u>15,968</u>	<u>15,968</u>	
Other Support Services - Speech, OT, PT & Related Svcs:					
Unused Sick Payment to Terminated/Retired Staff	7,634		7,634	7,634	
Total Other Supp Serv - Speech, OT, PT & Related Svcs	<u>7,634</u>		<u>7,634</u>	<u>7,634</u>	
Other Support Services - Students - Extraordinary Services:					
Unused Sick Payment to Terminated/Retired Staff	1,210		1,210	1,210	
Total Other Supp Serv - Students - Extraordinary Serv	<u>1,210</u>		<u>1,210</u>	<u>1,210</u>	
Other Support Services - Guidance:					
Unused Sick Payment to Terminated/Retired Staff	14,033		14,033	14,033	
Total Other Supp Serv - Guidance	<u>14,033</u>		<u>14,033</u>	<u>14,033</u>	

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Support Services - Child Study Team:					
Unused Sick Payment to Terminated/Retired Staff	\$ 37,012		\$ 37,012	\$ 36,776	\$ 236
Total Other Supp Serv - Child Study Team	<u>37,012</u>		<u>37,012</u>	<u>36,776</u>	<u>236</u>
Educational Media Services - School Library:					
Unused Sick Payment to Terminated/Retired Staff	9,955		9,955	9,759	196
Total Educational Media Services - School Library	<u>9,955</u>		<u>9,955</u>	<u>9,759</u>	<u>196</u>
Support Services - School Administration:					
Unused Sick Payment to Terminated/Retired Staff	9,721		9,721	9,721	
Total Support Services - School Administration	<u>9,721</u>		<u>9,721</u>	<u>9,721</u>	
Support Services - Central Services:					
Unused Sick Payment to Terminated/Retired Staff		\$ 15,000	15,000	15,000	
Total Support Services - Central Services		<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	
Required Maintenance for School Facilities:					
Unused Sick Payment to Terminated/Retired Staff	3,313		3,313	3,052	261
Total Required Maintenance For School Facilities	<u>3,313</u>		<u>3,313</u>	<u>3,052</u>	<u>261</u>
Custodial Services:					
Unused Sick Payment to Terminated/Retired Staff	1,751		1,751	1,751	
Total Custodial Services	<u>1,751</u>		<u>1,751</u>	<u>1,751</u>	

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Student Transportation Services:					
Unused Sick Payment to Terminated/Retired Staff	\$ 1,752		\$ 1,752	\$ 1,752	
Total Student Transportation Services	1,752		1,752	1,752	
<b>TOTAL ALLOCATED BENEFITS</b>	<b>225,379</b>	<b>\$ 15,000</b>	<b>240,379</b>	<b>237,467</b>	<b>\$ 2,912</b>
<b>UNALLOCATED BENEFITS</b>					
Social Security Contributions	1,083,502	76,354	1,159,856	1,111,217	48,639
Other Retirement Contributions - PERS	1,098,931	35,067	1,133,998	1,133,592	406
Workers Compensation	307,371	(40,011)	267,360	236,180	31,180
Health Benefits	6,586,495	75,030	6,661,525	6,630,306	31,219
Tuition Reimbursement	132,500	(31,479)	101,021	97,412	3,609
Other Employee Benefits	299,114	91,549	390,663	385,575	5,088
<b>TOTAL UNALLOCATED BENEFITS</b>	<b>9,507,913</b>	<b>206,510</b>	<b>9,714,423</b>	<b>9,594,282</b>	<b>120,141</b>
<b>ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)</b>					
TPAF Post Retirement Contributions (Non-Budgeted)				2,265,776	(2,265,776)
TPAF Pension Contributions (Non-Budgeted)				8,507,009	(8,507,009)
TPAF Non-Contributory Insurance (Non-Budgeted)				118,025	(118,025)
TPAF Long-Term Disability Insurance (Non-Budgeted)				2,883	(2,883)
Reimbursed TPAF Social Security Contributions				1,748,890	(1,748,890)
<b>TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)</b>				<b>12,642,583</b>	<b>(12,642,583)</b>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<b>9,733,292</b>	<b>221,510</b>	<b>9,954,802</b>	<b>22,474,332</b>	<b>(12,519,530)</b>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
TOTAL UNDISTRIBUTED EXPENDITURES	\$ 34,390,728	\$ 67,927	\$ 34,458,655	\$ 45,091,968	\$ (10,633,313)
TOTAL GENERAL CURRENT EXPENSE	57,431,618	(47,141)	57,384,477	67,134,867	(9,750,390)
<b>CAPITAL OUTLAY</b>					
Special Education - Instruction:					
Multiple Disabilities		6,911	6,911	6,911	
Undistributed:					
Undist. Expend. - Required Maint for School Fac.	313,880	24,225	338,105	338,105	
Undist. Expend. - Care and Upkeep of Grounds		19,837	19,837	19,837	
Undist. Expend.-Student Trans.- Non-Inst. Equip.	216,141	9,463	225,604	225,604	
Total Equipment	530,021	60,436	590,457	590,457	
Facilities Acquisition and Construction Serv.:					
Construction Services	1,700,000		1,700,000	913,500	786,500
Bldgs. Other than Lease Purchase Agreements		92,848	92,848	92,848	
Other Objects	82,055	(82,055)			
Assessment for Debt Service on SDA Funding	94,542		94,542	94,542	
Total Facilities Acquisition and Const. Serv.	1,876,597	10,793	1,887,390	1,100,890	786,500
Assets Acquired Under Leases (Non-Budgeted):					
Regular Programs - Equipment				1,000,000	(1,000,000)
Total Assets Acquired Under Capital Leases (Non-Budgeted)				1,000,000	(1,000,000)
TOTAL CAPITAL OUTLAY	2,406,618	71,229	2,477,847	2,691,347	(213,500)



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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Transfer of Funds to Charter Schools	\$ 93,096	\$ (17,409)	\$ 75,687	\$ 75,687	
	<u>93,096</u>	<u>(17,409)</u>	<u>75,687</u>	<u>75,687</u>	
<b>TOTAL EXPENDITURES</b>	<b>59,931,332</b>	<b>6,679</b>	<b>59,938,011</b>	<b>69,901,901</b>	<b>\$ (9,963,890)</b>
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(5,712,986)	(6,679)	(5,719,665)	(1,600,706)	4,118,959
Other Financing Sources/(Uses):					
Financed Purchases (Non-budgeted)				1,000,000	1,000,000
Local Contrib. - Trans to Special Rev- Inclusion		(240,907)	(240,907)	(240,907)	
		<u>(240,907)</u>	<u>(240,907)</u>	<u>759,093</u>	<u>1,000,000</u>
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(5,712,986)	(247,586)	(5,960,572)	(841,613)	5,118,959
Fund Balance, July 1	12,882,075		12,882,075	12,882,075	
Fund Balance, June 30	<u>\$ 7,169,089</u>	<u>(247,586)</u>	<u>\$ 6,921,503</u>	<u>\$ 12,040,462</u>	<u>\$ 5,118,959</u>

JEFFERSON TOWNSHIP BOARD OF EDUCATION  
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</u>
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Excess Surplus - Restricted For 2024-2025				\$ 891,188	
Excess Surplus - Restricted For 2023-2024				1,662,911	
Capital Reserve				2,256,822	
Maintenance Reserve				242,661	
Unemployment Compensation				655,742	
Assigned Fund Balance:					
Year End Encumbrances				1,230,849	
Designated for Subsequent Year's Expenditures				2,900,000	
Unassigned Fund Balance				2,200,289	
				<u>12,040,462</u>	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis				<u>(797,847)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 11,242,615</u>	

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Federal Sources	\$ 2,419,962	\$ (33,530)	\$ 2,386,432	\$ 1,947,189	\$ (439,243)
State Sources		1,102,402	1,102,402	1,102,402	
Local Sources		584,846	584,846	548,502	(36,344)
<b>Total Revenues</b>	<b>2,419,962</b>	<b>1,653,718</b>	<b>4,073,680</b>	<b>3,598,093</b>	<b>(475,587)</b>
<b>OTHER FINANCING SOURCES:</b>					
Transfer in - Board Contribution - General Fund		240,907	240,907	240,907	
<b>Total Revenue and Other Financing Sources</b>	<b>2,419,962</b>	<b>1,894,625</b>	<b>4,314,587</b>	<b>3,839,000</b>	<b>(475,587)</b>
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Salaries of Teachers	550,000	359,974	909,974	808,704	101,270
Other Salaries for Instruction	125,000	95,144	220,144	173,115	47,029
Other Purchased Services	600,000	158,126	758,126	642,356	115,770
General Supplies	150,000	28,125	178,125	167,428	10,697
<b>Total Instruction</b>	<b>1,425,000</b>	<b>641,369</b>	<b>2,066,369</b>	<b>1,791,603</b>	<b>274,766</b>
<b>Support Services</b>					
Salaries of Other Professional Staff	369,962	177,287	547,249	430,082	117,167
Personal Service - Employee Benefits	75,000	77,789	152,789	118,408	34,381
Purchased Professional - Educational Services		19,874	19,874	17,249	2,625
Purchased Professional - Technical Services		70,892	70,892	68,378	2,514
Other Purchased Services	500,000	352,698	852,698	811,426	41,272
Supplies and Materials	50,000	(19,871)	30,129	29,128	1,001
Non-Instructional Equipment		25,036	25,036	24,224	812
Scholarships Awarded		14,750	14,750	14,750	
Student Activities		498,457	498,457	497,408	1,049
<b>Total Support Services</b>	<b>994,962</b>	<b>1,216,912</b>	<b>2,211,874</b>	<b>2,011,053</b>	<b>200,821</b>
<b>Total Expenditures</b>	<b>2,419,962</b>	<b>1,858,281</b>	<b>4,278,243</b>	<b>3,802,656</b>	<b>475,587</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ -0-</b>	<b>\$ 36,344</b>	<b>\$ 36,344</b>	<b>\$ 36,344</b>	<b>\$ -0-</b>

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 68,301,195	\$ 3,598,093
Differences - Budgetary to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and Revenue on the Budgetary Basis but not on the GAAP Basis.		
Current Year Encumbrances		(374,323)
Prior Year Encumbrances		312,632
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	903,429	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(797,847)</u>	<u>(103,448)</u>
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 68,406,777</u>	<u>\$ 3,432,954</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 69,901,901	\$ 3,802,656
Differences - Budget to GAAP		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, not in the Year the Supplies are Received for Financial Reporting Purposes.		
Current Year Encumbrances		(374,323)
Prior Year Encumbrances		312,632
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 69,901,901</u>	<u>\$ 3,740,965</u>

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2023 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Budget amendments/transfers must be made by Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are not substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary intergration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

The General Fund and Special Revenue Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last state aid payments for the current year. Since the State is recording the last state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

SCHOOL LEVEL SCHEDULES  
(NOT APPLICABLE)

SPECIAL REVENUE FUND

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

	Title I	Elementary and Secondary Education Act Title II	Title III	Title IV	Emergent and Capital Maintenance Needs
<b>REVENUE:</b>					
Federal Sources	\$ 113,852	\$ 50,348	\$ 2,000	\$ 11,092	\$ 61,259
State Sources					
Local Sources					
<b>Total Revenue</b>	<u>113,852</u>	<u>50,348</u>	<u>2,000</u>	<u>11,092</u>	<u>61,259</u>
<b>OTHER FINANCING SOURCES:</b>					
Transfer in - Board Contribution - General Fund					
<b>Total Revenue and Other Financing Sources</b>					
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	113,852	50,348		11,092	
Other Salaries for Instruction					
Other Purchased Services					
General Supplies					
<b>Total Instruction</b>	<u>113,852</u>	<u>50,348</u>		<u>11,092</u>	
Support Services:					
Salaries of Other Professional Staff					
Personal Service - Employee Benefits					
Purchased Professional - Educational Services			2,000		36,410
Purchased Professional - Technical Services					625
Other Purchased Services					24,224
Supplies and Materials					
Non-Instructional Equipment					
Scholarships Awarded					
Student Activities					
<b>Total Support Services</b>			<u>2,000</u>		<u>61,259</u>
<b>Total Expenditures</b>	<u>\$ 113,852</u>	<u>\$ 50,348</u>	<u>\$ 2,000</u>	<u>\$ 11,092</u>	<u>\$ 61,259</u>

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

	Preschool Education Aid	IDEA		Education Stabilization Fund		
		Basic	Preschool	Learning Acceleration	CRRSA	
					Mental Health	
REVENUE:						
Federal Sources	\$ 1,034,483	\$ 642,356	\$ 33,365	\$ 39,625	\$ 13,725	
State Sources						
Local Sources						
Total Revenue	1,034,483	642,356	33,365	39,625	13,725	
OTHER FINANCING SOURCES:						
Transfer in - Board Contribution - General Fund	240,907					
Total Revenue and Other Financing Sources	1,275,390					
EXPENDITURES:						
Instruction:						
Salaries of Teachers	386,965		33,365		37,027	
Other Salaries for Instruction	165,743					
Other Purchased Services		642,356				
General Supplies	159,370			1,398		
Total Instruction	712,078	642,356	33,365	38,425		
Support Services:						
Salaries of Other Professional Staff	430,082					
Personal Service - Employee Benefits	115,565					
Purchased Professional - Educational Services	17,249					
Purchased Professional - Technical Services				393		13,725
Other Purchased Services	416			807		
Supplies and Materials						
Non-Instructional Equipment						
Scholarships Awarded						
Student Activities						
Total Support Services	563,312			1,200		13,725
Total Expenditures	\$ 1,275,390	\$ 642,356	\$ 33,365	\$ 39,625	\$ 13,725	



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

	Education Stabilization Aid			
	Additional Compensatory Special Education and Related Services	American Rescue Plan Accelerated Learning Coaching and Educator Support	Evidence Based Summer Learning and Enrichment	CRRSA Beyond the School Day
REVENUE:				
Federal Sources	\$ 36,697	\$ 885,584	\$ 40,000	\$ 15,763
State Sources				
Local Sources				
Total Revenue	<u>36,697</u>	<u>885,584</u>	<u>40,000</u>	<u>15,763</u>
OTHER FINANCING SOURCES:				
Transfer in - Board Contribution - General Fund				
Total Revenue and Other Financing Sources				
EXPENDITURES:				
Instruction:				
Salaries of Teachers	19,300	94,589	37,157	15,763
Other Salaries for Instruction	7,372	9,246	37,157	15,763
Other Purchased Services				
General Supplies				
Total Instruction	<u>26,672</u>	<u>94,589</u>	<u>37,157</u>	<u>15,763</u>
Support Services:				
Salaries of Other Professional Staff			2,843	
Personal Service - Employee Benefits				
Purchased Professional - Educational Services				
Purchased Professional - Technical Services			52,260	
Other Purchased Services	10,025	763,489	279	
Supplies and Materials		27,506	997	
Non-Instructional Equipment				
Scholarships Awarded				
Student Activities				
Total Support Services	<u>10,025</u>	<u>790,995</u>	<u>2,843</u>	
Total Expenditures	<u>\$ 36,697</u>	<u>\$ 885,584</u>	<u>\$ 40,000</u>	<u>\$ 15,763</u>

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

	Climate Awareness Education Grant	Student Activities	Scholarship	Total
REVENUE:				
Federal Sources	\$ 6,660			\$ 1,947,189
State Sources		\$ 529,818	\$ 18,684	1,102,402
Local Sources				548,502
Total Revenue	6,660	529,818	18,684	3,598,093
OTHER FINANCING SOURCES:				
Transfer in - Board Contribution - General Fund				240,907
Total Revenue and Other Financing Sources				3,839,000
EXPENDITURES:				
Instruction:				
Salaries of Teachers				808,704
Other Salaries for Instruction				173,115
Other Purchased Services				642,356
General Supplies	6,660			167,428
Total Instruction	6,660			1,791,603
Support Services:				
Salaries of Other Professional Staff				430,082
Personal Service - Employee Benefits				118,408
Purchased Professional - Educational Services				17,249
Purchased Professional - Technical Services				68,378
Other Purchased Services				811,426
Supplies and Materials				29,128
Non-Instructional Equipment				24,224
Scholarships Awarded			14,750	14,750
Student Activities		497,408		497,408
Total Support Services		497,408	14,750	2,011,053
Total Expenditures	\$ 6,660	\$ 497,408	\$ 14,750	\$ 3,802,656

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

District-Wide Total

	Budgeted	Actual	Variance
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 386,965	\$ 386,965	
Other Salaries for Instruction	165,743	165,743	
General Supplies	159,370	159,370	
Total instruction	712,078	712,078	
Support services:			
Salaries of Other Professional Staff	430,082	430,082	
Personal Services - Employee Benefits	115,565	115,565	
Purchased Professional - Educational Services	17,249	17,249	
Other Purchased Professional Services	416	416	
Total support services	563,312	563,312	
Total expenditures	\$ 1,275,390	\$ 1,275,390	\$ -0-

SUMMARY OF LOCATION TOTALS

Total Revised 2022-23 Preschool Education Allocation	\$ 1,034,483
Add: Budgeted Transfer from General Fund	240,907
Total Preschool Education Aid Funds Available for 2022-23 Budget	1,275,390
Less: 2022-23 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	(1,275,390)
Available & Unbudgeted Preschool Aid Funds as of June 30, 2023	-0-
Add: 2022-23 Unexpended Preschool Education Aid	\$ -0-
2022-23 Preschool Education Aid Carryover Budgeted in 2023-24	\$ -0-

CAPITAL PROJECTS FUND

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

Revenue and Other Financing Sources:	
Interest on Investments	\$ 23,378
Total Revenue and Other Financing Sources	<u>23,378</u>
Expenditures:	
Architectural/Engineering Services	9,300
Construction Services	1,217,342
Supplies and Materials	6,045
Total Expenditures	<u>1,232,687</u>
Other Financing Uses:	
Transfer to Debt Service Fund	<u>(23,378)</u>
Total Other Financing Uses	<u>(23,378)</u>
Deficit of Revenue and Other Financing Sources Under Expenditures and Other Financing Uses	(1,209,309)
Fund Balance - Beginning of Year	<u>1,725,727</u>
Fund Balance - End of Year	<u>\$ 493,040</u>
Recapitulation:	
Restricted for Year-End Encumbrances	\$ 21,984
Restricted Fund Balance	<u>471,056</u>
Fund Balance per Governmental Funds (GAAP)	<u>\$ 493,040</u>

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
UPGRADING OF EXISTING FACILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenue and Other Financing Sources:				
Bond Proceeds	\$ 9,935,000		\$ 9,935,000	\$ 9,935,000
Total Revenue and Other Financing Sources	<u>9,935,000</u>		<u>9,935,000</u>	<u>9,935,000</u>
Expenditures:				
Legal Services	35,971		35,971	35,971
Architectural/Engineering Services	461,106	\$ 9,300	470,406	516,675
Other Purchased Professional and Technical Services	141,990		141,990	141,990
Construction Services	6,303,699	1,217,342	7,521,041	7,797,373
Supplies and Materials	935,565	6,045	941,610	942,991
Equipment	330,942		330,942	500,000
Total Expenditures	<u>8,209,273</u>	<u>1,232,687</u>	<u>9,441,960</u>	<u>9,935,000</u>
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 1,725,727</u>	<u>\$ (1,232,687)</u>	<u>\$ 493,040</u>	<u>\$ -0-</u>

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bonds Authorized Date	11/29/2018
Original Authorized Cost	\$ 9,935,000
Revised Authorized Cost	9,935,000
Percentage Completion	95.04%
Original Target Completion Date	6/30/2021
Revised Target Completion Date	6/30/2024

PROPRIETARY FUNDS

JEFFERSON TOWNSHIP BOARD OF EDUCATION  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF NET POSITION  
JUNE 30, 2023

## ASSETS:

## Current Assets:

Cash and Cash Equivalents	\$ 247,680
Intergovernmental Accounts Receivable:	
Federal	61,462
State	2,871
Other Accounts Receivable	18,237
Interfund Receivable - General Fund	21,435
Inventories	14,921

Total Current Assets	<u>366,606</u>
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## Non-Current Assets:

Capital Assets	767,337
Less: Accumulated Depreciation	<u>(575,346)</u>

Total Non-Current Assets	<u>191,991</u>
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Total Assets	<u>558,597</u>
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## LIABILITIES:

Accounts Payable - Vendors	54,364
Unearned Revenue - Prepaid Sales	18,667
Unearned Revenue - Donated Commodities	<u>1,098</u>

Total Liabilities	<u>74,129</u>
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## NET POSITION:

Investment in Capital Assets	191,991
Unrestricted	<u>292,477</u>

Total Net Position	<u>\$ 484,468</u>
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JEFFERSON TOWNSHIP BOARD OF EDUCATION  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF REVENUE, EXPENSES  
AND CHANGES IN FUND NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

## Operating Revenue:

## Local Sources:

Daily Sales - Reimbursable Programs	\$ 569,348
Daily Sales - Non-reimbursable Programs	232,551
Special Events	14,211
Miscellaneous Revenue	2,516
	<hr/>

## Total Operating Revenue

818,626

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## Operating Expenses:

Cost of Sales - Reimbursable Programs	398,970
Cost of Sales - Non-Reimbursable Programs	162,960
Salaries, Benefits & Payroll Taxes	535,014
Supplies, Insurance & Other Costs	62,555
Management Fee	68,775
Miscellaneous Expenditures	50,871
Depreciation Expense	33,795
	<hr/>

## Total Operating Expenses

1,312,940

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## Operating Loss

(494,314)

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## Non-Operating Revenue:

## Local Sources:

Interest Income	8,466
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## State Sources:

State School Breakfast Program	528
State School Lunch Program	12,814

## Federal Sources:

Pay Check Protection Plan Reimbursement from Food Service Management Contractor	37,759
National School Lunch Program	252,007
School Breakfast Program	30,901
Other Nutrition Programs -	
Supply Chain Assistance Program	139,926
Local Food for Schools Cooperative Program	1,397
Food Distribution Program	87,166
	<hr/>

## Total Non-Operating Revenue

570,964

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## Change in Net Position

76,650

## Net Position - Beginning of Year

407,818

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## Net Position - End of Year

\$ 484,468

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JEFFERSON TOWNSHIP BOARD OF EDUCATION  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 831,120
Payments to Food Service Vendor	(1,253,140)
Net Cash Used for Operating Activities	<u>(422,020)</u>
Cash Flows Used for Capital and Related Financing Activities:	
Purchase of Capital Assets	(110,559)
Net Cash Used for Capital and Related Financing Activities	<u>(110,559)</u>
Cash Flows from Investing Activities:	
Local Sources:	
Interest Income	8,466
Net Cash Provided by Investing Activities	<u>8,466</u>
Cash Flows from Noncapital Financing Activities:	
State Sources:	
State School Lunch Program	13,224
Federal Sources:	
Pay Check Protection Plan Reimbursement from Food Service Management Contractor	37,759
National School Lunch Program	475,633
Net Cash Provided by Noncapital Financing Activities	<u>557,517</u>
Net Increase in Cash and Cash Equivalents	33,404
Cash and Cash Equivalents, July 1	<u>214,276</u>
Cash and Cash Equivalents, June 30	<u>\$ 247,680</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (494,314)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	33,795
Federal Food Distribution Program	87,166
Changes in Assets and Liabilities:	
(Increase)/Decrease in Other Accounts Receivable	1,189
(Increase)/Decrease in Inventories	(4,165)
Increase/(Decrease) in Accounts Payable	(58,094)
Increase/(Decrease) in Unearned Revenue - Prepaid Sales	11,305
Increase/(Decrease) in Unearned Revenue - Donated Commodities	1,098
Net Cash Used for Operating Activities	<u>\$ (422,020)</u>

Noncash Investing and Financing Activities:

The Food Service Enterprise Fund received and utilized commodities from the Federal Food Distribution Program valued at \$88,264 and \$87,166, respectively, the fiscal year ended June 30, 2023.

FIDUCIARY ACTIVITIES  
NOT APPLICABLE

LONG-TERM LIABILITIES

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS

Maturities of Bonds  
 Outstanding

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Matured	Balance June 30, 2022	Balance June 30, 2023	
			Date	Amount					
Refunding School Bonds - Series 2012	7/19/2011	\$ 12,785,000				\$ 1,525,000	\$ 1,525,000		
Referendum School Bonds - Series 2018		9,935,000	9/15/2023	\$ 325,000	3.250%	325,000	8,960,000	\$ 8,635,000	
			9/15/2024	325,000	3.250%				
			9/15/2025	325,000	3.250%				
			9/15/2026	325,000	3.250%				
			9/15/2027	325,000	3.250%				
			9/15/2028	650,000	3.250%				
			9/15/2029	650,000	3.375%				
			9/15/2030	650,000	3.375%				
			9/15/2031	650,000	3.375%				
			9/15/2032	650,000	3.500%				
Refunding School Bonds - Series 2021		9,050,000	9/15/2033	650,000	3.500%		8,870,000	8,690,000	
			9/15/2034	635,000	3.500%				
			9/15/2035	625,000	4.000%				
			9/15/2036	625,000	4.000%				
			9/15/2037	625,000	4.000%				
			9/15/2038	600,000	4.000%				
		3/17/2021	9,050,000	9/15/2023	1,700,000	0.525%	180,000	8,870,000	8,690,000
				9/15/2024	1,715,000	0.702%			
			9/15/2025	1,735,000	1.077%				
			9/15/2026	1,760,000	1.277%				
			9/15/2027	1,780,000	1.581%				
							<u>\$ 19,355,000</u>	<u>\$ 2,030,000</u>	<u>\$ 17,325,000</u>

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES

<u>Item</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance June 30, 2022</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance June 30, 2023</u>
Buses (2)	1.119%	\$ 220,000	\$ 109,582		\$ 54,486	\$ 55,096
Various Capital Equipment and Vehicles	2.398%	1,000,000	1,000,000		251,847	748,153
Various Capital Equipment and Vehicles	4.120%	1,000,000		<u>\$ 1,000,000</u>		<u>1,000,000</u>
			<u>\$ 1,109,582</u>	<u>\$ 1,000,000</u>	<u>\$ 306,333</u>	<u>\$ 1,803,249</u>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 2,247,441		\$ 2,247,441	\$ 2,247,441	
State Sources:					
Debt Service State Aid Support	216,498		216,498	216,498	
Total Revenue	2,463,939		2,463,939	2,463,939	
EXPENDITURES:					
Regular Debt Service:					
Interest	440,531		440,531	440,531	
Redemption of Principal	2,030,000		2,030,000	2,030,000	
Total Regular Debt Service	2,470,531		2,470,531	2,470,531	
Total Expenditures	2,470,531		2,470,531	2,470,531	
Excess/(Deficit) of Revenues Over/Under Expenditures	(6,592)		(6,592)	(6,592)	
OTHER FINANCING SOURCES/(USES):					
Transfers In - Capital Projects Fund				23,378	\$ 23,378
Total Other Financing Sources				23,378	23,378
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures	(6,592)		(6,592)	16,786	23,378
Fund Balance, July 1	12,749		12,749	12,749	
Fund Balance, June 30	\$ 6,157	\$ -0-	\$ 6,157	\$ 29,535	\$ 23,378
<u>Recapitulation of Fund Balance:</u>					
Restricted for Subsequent Year's Expenditures 2023-2024				\$ 6,157	
Restricted for Subsequent Year's Expenditures 2024-2025				23,378	
				\$ 29,535	

**STATISTICAL SECTION**  
**(UNAUDITED)**

This part of the District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District's overall financial health.

**Contents**

**Exhibit**

**Financial Trends**

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

J-1 thru J-5

**Revenue Capacity**

These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.

J-6 thru J-9

**Debt Capacity**

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

J-10 thru J-13

**Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.

J-14 thru J-15

**Operating Information**

These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

J-16 thru J-20

**Sources:** Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial report for the relevant year.



JEFFERSON TOWNSHIP SCHOOL DISTRICT  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
UNAUDITED

	June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 30,289,965	\$ 32,927,468	\$ 34,700,172	\$ 35,545,516	\$ 37,344,518	\$ 30,052,866	\$ 35,869,963	\$ 37,614,099	\$ 40,395,818	\$ 44,996,647
Restricted	1,321,280	823,422	712,513	959,590	582,028	1,607,492	4,407,940	8,219,295	10,598,552	6,522,933
Unrestricted/(Deficit)	(1,091,440)	(17,869,065)	(18,037,753)	(19,368,770)	(19,442,571)	(12,135,938)	(17,108,188)	(15,987,849)	(14,594,779)	(10,263,235)
Total Governmental Activities Net Position	\$ 30,519,805	\$ 15,881,825	\$ 17,374,932	\$ 17,136,336	\$ 18,483,975	\$ 19,524,420	\$ 23,169,715	\$ 29,845,545	\$ 36,399,591	\$ 41,256,345
<b>Business-type Activities</b>										
Investment in Capital Assets	\$ 78,078	\$ 89,119	\$ 78,235	\$ 61,557	\$ 77,433	\$ 59,184	\$ 46,671	\$ 67,856	\$ 115,227	\$ 191,991
Unrestricted	154,516	153,504	206,062	196,788	148,134	131,732	48,202	123,085	292,591	292,477
Total Business-type Activities Net Position	\$ 232,594	\$ 242,623	\$ 284,297	\$ 258,345	\$ 225,567	\$ 190,916	\$ 94,873	\$ 190,941	\$ 407,818	\$ 484,468
<b>District-wide</b>										
Net Investment in Capital Assets	\$ 30,368,043	\$ 33,016,587	\$ 34,778,407	\$ 35,607,073	\$ 37,421,951	\$ 30,112,050	\$ 35,916,634	\$ 37,681,955	\$ 40,511,045	\$ 45,188,638
Restricted	1,321,280	823,422	712,513	959,590	582,028	1,607,492	4,407,940	8,219,295	10,598,552	6,522,933
Unrestricted/(Deficit)	(936,924)	(17,715,561)	(17,831,691)	(19,171,982)	(19,294,437)	(12,004,206)	(17,059,986)	(15,864,764)	(14,302,188)	(9,970,758)
Total District Net Position	\$ 30,752,399	\$ 16,124,448	\$ 17,659,229	\$ 17,394,681	\$ 18,709,542	\$ 19,715,336	\$ 23,264,588	\$ 30,036,486	\$ 36,807,409	\$ 41,740,813

Source: Jefferson School District Financial Reports

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
CHANGE IN NET POSITION, LAST TEN FISCAL YEARS  
UNAUDITED

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 22,240,036	\$ 24,769,520	\$ 29,871,502	\$ 32,985,040	\$ 31,351,750	\$ 30,288,556	\$ 29,155,982	\$ 29,849,752	\$ 25,889,262	\$ 26,627,666
Special Education	6,173,831	6,987,773	8,109,773	9,090,484	8,540,678	8,379,283	8,902,984	8,802,185	8,276,268	8,160,560
Other Special Education	1,138,351	1,483,116	1,742,187	1,660,408	1,347,777	1,172,722	1,173,001	1,254,944	1,250,367	1,665,545
Other Instruction	988,435	1,127,240	1,382,045	1,459,397	1,357,989	1,380,364	1,345,961	866,935	1,015,498	945,825
Support Services:										
Tuition	3,400,450	3,265,227	2,633,093	2,686,644	3,366,431	3,466,834	3,591,379	2,968,115	2,444,043	2,593,614
Student & Instruction Related Services	9,641,690	11,032,073	10,027,155	10,333,513	10,314,566	12,054,255	11,046,236	8,539,808	9,958,142	10,277,855
General Administrative Services	1,280,889	1,357,670	1,259,968	1,533,903	1,524,568	1,385,345	1,345,794	1,327,333	1,406,967	1,464,663
School Administrative Services	2,615,881	2,929,060	3,813,932	4,322,382	4,201,504	4,152,097	4,275,131	3,818,280	3,338,763	3,094,769
Central Services	1,000,149	1,178,682	1,297,648	1,465,796	1,368,037	1,531,485	1,606,337	1,223,212	1,325,821	1,407,031
Administrative Information Technology	621,298	847,993	540,867	557,737	572,223	330,943	344,228	347,805	370,961	361,190
Plant Operations and Maintenance	6,517,758	6,579,930	6,050,721	7,075,728	6,709,926	7,053,846	6,717,168	5,710,129	6,721,134	6,485,075
Pupil Transportation	3,840,374	3,925,512	3,511,439	3,892,271	3,254,401	3,950,910	3,826,202	2,687,758	4,123,210	4,561,327
Unallocated Depreciation	379,568	379,568	469,058	469,058	469,058	470,009	470,009	470,009	470,009	470,009
Charter Schools	47,458	94,542	64,130	62,781	92,116	13,248	13,803	44,729	153,643	75,687
Interest on Long-term Debt	759,297	721,896	680,956	593,881	570,658	686,606	848,811	580,304	324,390	501,568
Capital Outlay	74,710	58,681	94,542	94,542	94,542	94,542	94,542	94,542	94,542	94,542
Total Governmental Activities Expenses	60,720,175	66,738,483	71,549,016	78,283,565	75,136,224	76,411,045	74,757,568	68,585,840	67,163,020	68,786,926

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
CHANGE IN NET POSITION, LAST TEN FISCAL YEARS  
UNAUDITED

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Business-type Activities:</b>										
Food Service	\$ 1,160,071	\$ 1,136,352	\$ 1,179,383	\$ 1,251,597	\$ 1,225,160	\$ 1,203,822	\$ 956,774	\$ 722,763	\$ 1,480,760	\$ 1,312,940
Total Business-type Activities Expense	1,160,071	1,136,352	1,179,383	1,251,597	1,225,160	1,203,822	956,774	722,763	1,480,760	1,312,940
Total District Expenses	61,880,246	67,874,835	72,728,399	79,535,162	76,361,384	77,614,867	75,714,342	69,308,603	68,643,780	70,099,866
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition)	714,925	730,368	194,621	184,805	275,451	254,013	450,073	404,126	474,538	422,122
Student & Instruction Related Services								154,254	436,614	548,502
Operating Grants and Contributions	20,884,439	27,151,109	30,582,566	35,401,476	32,132,368	32,575,083	31,041,693	27,752,131	24,913,052	23,434,725
Capital Grants and Contributions	97,275									
Total Governmental Activities Program Revenues	21,696,639	27,881,477	30,777,187	35,586,281	32,407,819	32,829,096	31,491,766	28,310,511	25,824,204	24,405,349
Business-type Activities:										
Charges for Services										
Food Service	842,745	845,742	895,294	876,047	850,596	849,257	602,033	36,114	167,817	818,626
Operating Grants and Contributions	302,821	300,217	319,548	348,720	339,779	316,881	257,709	782,604	1,529,477	562,498
Capital Grants and Contributions			5,794							
Total Business-type Activities Program Revenues	1,145,566	1,145,959	1,220,636	1,224,767	1,190,375	1,166,138	859,742	818,718	1,697,294	1,381,124
Total District Program Revenues	22,842,205	29,027,436	31,997,823	36,811,048	33,598,194	33,995,234	32,351,508	29,129,229	27,521,498	25,786,473
Net (Expense)/Revenue	(39,023,536)	(38,857,006)	(40,771,829)	(42,697,284)	(42,728,405)	(43,581,949)	(43,265,802)	(40,275,329)	(41,338,816)	(44,381,577)
Governmental Activities	(14,505)	9,607	41,253	(26,830)	(34,785)	(37,684)	(97,032)	95,955	216,534	68,184
Business-type Activities	(39,038,041)	(38,847,399)	(40,730,576)	(42,724,114)	(42,763,190)	(43,619,633)	(43,362,834)	(40,179,374)	(41,122,282)	(44,313,393)
Total District-wide Net Expense										

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
CHANGE IN NET POSITION, LAST TEN FISCAL YEARS  
UNAUDITED

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 37,311,253	\$ 38,389,377	\$ 39,409,587	\$ 40,197,779	\$ 41,487,430	\$ 42,317,179	\$ 43,163,523	\$ 44,287,305	\$ 45,173,051	\$ 46,076,512
Taxes Levied for Debt Service	1,943,459	1,955,274	1,855,967	1,967,331	1,862,707	1,872,257	2,379,325	2,216,116	2,186,676	2,247,441
Unrestricted Grants and Contributions	81,429	134,405	761,653	166,221	535,074	84,234	314,305	296,701	272,080	281,904
Investment Earnings	1,471	556	679	2,337	5,676	96,558	147,419	30,128	13,941	62,015
Miscellaneous Income	316,078	332,214	237,050	125,020	185,157	252,166	90,360	120,909	247,114	570,459
Total Governmental Activities	39,653,690	40,811,826	42,264,936	42,458,688	44,076,044	44,622,394	46,094,932	46,951,159	47,892,862	49,238,331
Business-type Activities:										
Miscellaneous/Investment Earnings	366	422	421	878	2,007	3,033	989	113	343	8,466
Total Business-type Activities	366	422	421	878	2,007	3,033	989	113	343	8,466
Total District-wide	39,654,056	40,812,248	42,265,357	42,459,566	44,078,051	44,625,427	46,095,921	46,951,272	47,893,205	49,246,797
Change in Net Position:										
Governmental Activities	630,154	1,954,820	1,493,107	(238,596)	1,347,639	1,040,445	2,829,130	6,675,830	6,554,046	4,856,754
Business-type Activities	(14,139)	10,029	41,674	(25,952)	(32,778)	(34,651)	(96,043)	96,068	216,877	76,650
Total District	\$ 616,015	\$ 1,964,849	\$ 1,534,781	\$ (264,548)	\$ 1,314,861	\$ 1,005,794	\$ 2,733,087	\$ 6,771,898	\$ 6,770,923	\$ 4,933,404

Source: Jefferson School District Financial Reports

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
 FUND BALANCES, GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
 UNAUDITED

	June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Restricted	\$ 1,218,693	\$ 720,834	\$ 712,511	\$ 959,588	\$ 582,026	\$ 1,497,827	\$ 3,996,043	\$ 7,896,139	\$ 8,605,386	\$ 5,709,324
Assigned	284,723	480,886	858,301	1,312,842	1,760,366	1,268,694	1,001,807	639,847	1,990,287	4,130,849
Unassigned								1,317,187	1,382,973	1,402,442
Total General Fund	\$ 1,503,416	\$ 1,201,720	\$ 1,570,812	\$ 2,272,430	\$ 2,342,392	\$ 2,766,521	\$ 4,997,850	\$ 9,853,173	\$ 11,978,646	\$ 11,242,615
All Other Governmental Funds										
Restricted	\$ 102,587	\$ 102,588	\$ 2	\$ 2	\$ 2	\$ 8,096,784	\$ 3,588,743	\$ 2,648,996	\$ 1,993,166	\$ 813,609
Unassigned/(Deficit)	(160,692)	(597,972)								(103,448)
Total All Other Governmental Funds	\$ 102,587	\$ (495,384)	\$ 2	\$ 2	\$ 2	\$ 8,096,784	\$ 3,588,743	\$ 2,648,996	\$ 1,993,166	\$ 710,161

Source: Jefferson School District Financial Reports

JEFFERSON 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	\$ 39,254,712	\$ 40,344,651	\$ 41,265,554	\$ 42,165,110	\$ 43,350,137	\$ 44,189,436	\$ 45,542,848	\$ 46,503,421	\$ 47,359,727	\$ 48,323,953
Tuition Charges	75,753	246,096	193,942	184,805	275,451	254,013	450,073	404,126	474,538	422,122
Interest Earnings	8,702	6,607	679	2,337	5,676	6,055	147,419	30,128	13,941	62,015
Miscellaneous	233,094	80,067	237,729	125,020	185,157	342,669	90,360	307,728	683,728	1,118,961
State Sources	20,898,355	21,352,737	22,891,095	22,924,636	23,866,609	24,366,430	24,134,495	24,060,426	23,773,299	22,445,172
Federal Sources	879,713	964,701	946,913	895,848	1,027,079	1,109,667	1,010,897	1,443,008	2,877,566	1,954,825
<b>Total Revenue</b>	<b>61,718,045</b>	<b>61,350,329</b>	<b>62,994,859</b>	<b>66,297,756</b>	<b>68,710,109</b>	<b>70,268,270</b>	<b>71,376,092</b>	<b>72,748,837</b>	<b>75,182,799</b>	<b>74,327,048</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	15,840,961	15,807,583	16,526,811	16,425,830	17,214,473	17,172,144	16,374,273	16,181,749	17,955,220	18,085,983
Special Education Instruction	4,300,155	4,316,703	4,096,891	4,156,059	4,733,768	4,787,726	5,050,810	5,255,890	5,685,704	5,565,227
Other Special Instruction	791,269	914,967	920,618	771,875	680,200	627,824	630,245	644,038	733,234	1,033,062
Other Instruction	748,526	776,960	795,666	798,770	783,621	853,597	822,096	561,433	708,403	708,245
<b>Support Services:</b>										
Tuition	3,400,450	3,265,227	3,379,206	3,386,791	3,366,431	3,466,834	3,591,379	2,795,626	2,444,043	2,593,614
Student & Instruction Related Services	6,482,871	6,643,029	7,046,642	6,811,119	7,354,597	7,638,253	6,981,369	6,366,194	6,583,864	6,732,445
General Administration	855,718	846,799	857,398	1,074,111	1,065,091	903,671	816,543	939,463	923,858	955,695
School Administrative Services	2,143,474	2,214,246	2,281,092	2,319,121	2,452,091	2,433,178	2,497,249	2,269,351	2,241,988	2,015,447
Central Services	711,890	756,521	833,656	866,409	897,052	924,667	950,747	890,284	965,645	1,014,173
Administrative Information Technology	482,182	524,680	540,867	557,737	572,223	330,943	344,228	347,805	370,961	361,190
Plant Operations and Maintenance	5,410,850	4,980,629	5,077,553	5,793,731	5,751,061	5,457,898	4,966,225	4,842,917	5,445,965	5,568,745
Pupil Transportation	3,283,839	3,143,386	3,417,578	3,619,644	3,533,082	3,888,962	3,733,526	2,841,627	3,747,676	4,005,141
Employee Benefits	14,713,221	15,258,160	16,412,686	16,696,396	17,436,088	19,154,705	20,098,414	21,117,189	21,896,801	22,236,865
Charter Schools	47,458	58,681	64,130	62,781	92,116	13,248	13,803	44,729	153,643	75,687
Capital Outlay	2,474,956	2,226,107	1,192,058	1,112,543	2,179,100	2,156,453	4,964,356	1,405,922	2,372,988	3,924,034
Debt Service:										
Principal	1,160,000	1,210,000	1,250,000	1,310,000	1,225,000	1,285,000	1,670,000	1,725,000	1,965,000	2,030,000
Interest and Other Charges	827,106	790,156	751,806	700,331	637,707	587,256	963,706	824,044	518,163	440,531
<b>Total Expenditures</b>	<b>61,402,610</b>	<b>63,624,926</b>	<b>63,733,834</b>	<b>66,463,248</b>	<b>69,973,701</b>	<b>71,682,359</b>	<b>74,468,969</b>	<b>69,053,261</b>	<b>74,713,156</b>	<b>77,346,084</b>
<b>Excess (Deficiency) of Revenues</b>	<b>315,435</b>	<b>(2,274,597)</b>	<b>(738,975)</b>	<b>(165,492)</b>	<b>(1,263,592)</b>	<b>(1,414,089)</b>	<b>(3,092,877)</b>	<b>3,695,576</b>	<b>469,643</b>	<b>(3,019,036)</b>
Over (Under) Expenditures										

JEFFERSON 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
Other Financing Sources (Uses)										
School Bonds Issued						\$ 9,935,000				
School Bonds Defeased								\$ 9,050,000		
School Bond Deferred Interest								(8,415,000)		
School Bond Issuance Costs								(494,510)		
Transfers In								(140,490)		
Transfers Out	\$ 413,345	\$ 1,275,539	\$ 10,563			109,662	\$ 76,536	6,592	\$ 6,157	\$ 264,285
Capital Leases (non-budgeted)	(413,345)	(1,275,539)	(10,563)			(109,662)	(76,536)	(6,592)	(6,157)	(264,285)
Total Other Financing Sources (Uses)	1,567,500		773,224	\$ 867,110	\$ 1,333,554	9,935,000	-0-	220,000	1,000,000	1,000,000
	1,567,500	-0-	773,224	867,110	1,333,554	-0-	-0-	220,000	1,000,000	1,000,000
Net Change in Fund Balances	\$ 1,882,935	\$ (2,274,597)	\$ 34,249	\$ 701,618	\$ 69,962	\$ 8,520,911	\$ (3,092,877)	\$ 3,915,576	\$ 1,469,643	\$ (2,019,036)
Debt Service as a Percentage of Noncapital Expenditures	3.49%	3.37%	3.31%	3.17%	2.83%	2.77%	3.94%	3.92%	3.55%	3.48%

Source: Jefferson School District Financial Reports

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ending June 30,	Tuition	Interest on Investments	Other Miscellaneous	Total
2014	75,753	8,702	262,382	346,837
2015	246,096	6,607	80,067	332,770
2016	194,621	679	237,050	432,350
2017	191,942	2,337	125,020	319,299
2018	275,451	5,676	185,157	466,284
2019	254,013	6,055	233,007	493,075
2020	450,073	70,883	90,360	611,316
2021	404,126	22,412	122,033	548,571
2022	474,538	7,784	247,114	729,436
2023	422,122	378,813	230,283	1,031,218

Source: Jefferson Township School District records



JEFFERSON TOWNSHIP SCHOOL DISTRICT  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,  
LAST TEN YEARS  
UNAUDITED

Year Ended December 31,	Vacant Land	Residential	Farm (Qualified)	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	School Tax Rate <sup>b</sup>	County Equalized Value
2013	\$ 57,050,000	\$ 2,253,149,200	\$ 7,380,500	\$ 175,968,200	\$ 4,876,100	\$ 21,576,700	\$ 2,520,000,700	\$ 4,707,731	\$ 2,524,708,431	\$ 1.587	\$ 2,610,466,533
2014	54,056,900	2,207,950,900	7,373,000	178,885,300	5,196,100	21,724,300	2,475,186,500	4,707,731	2,479,894,231	1.607	2,566,355,757
2015	55,693,500	2,233,384,000	7,014,000	184,890,200	5,196,100	22,217,400	2,508,395,200	100	2,508,395,300	1.627	2,614,818,405
2016	54,449,200	2,285,534,600	6,787,100	186,018,900	5,205,200	22,443,700	2,560,438,700	100	2,560,743,500	1.633	2,623,759,511
2017	52,018,300	2,279,787,000	6,749,200	186,255,700	5,196,200	22,736,800	2,552,743,200	100	2,553,047,900	1.633	2,683,895,422
2018	52,760,500	2,363,980,700	7,419,300	194,130,800	5,250,100	23,995,500	2,647,536,900	100	2,647,537,000	1.654	2,675,339,196
2019	53,375,600	2,454,727,000	7,612,000	200,594,600	5,340,900	25,006,300	2,746,656,400	100	2,746,656,500	1.628	2,740,252,289
2020	55,989,800	2,526,909,600	7,561,900	201,967,400	5,470,800	25,466,800	2,823,366,300	100	2,823,366,400	1.641	2,771,996,732
2021	56,398,700	2,536,552,300	6,855,000	204,096,600	5,541,900	25,821,600	2,835,266,100	100	2,835,266,200	1.659	2,800,655,493
2022	53,239,100	2,548,818,000	7,640,900	203,157,300	5,541,900	25,862,200	2,844,523,500	100	2,844,523,600	1.699	2,911,116,772

Source: 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 of assessed valuation.

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN YEARS  
UNAUDITED  
*(rate per \$100 of assessed value)*

Year Ended December 31,	Jefferson School District			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Direct Rate			Jefferson Township	Morris County	
	Basic Rate <sup>a</sup>	General Obligation Debt <sup>b</sup>	Total Direct			
2013	1.508	0.079	1.587	0.698	0.257	2.542
2014	1.529	0.078	1.607	0.773	0.264	2.644
2015	1.554	0.073	1.627	0.785	0.262	2.674
2016	1.557	0.076	1.633	0.794	0.262	2.689
2017	1.563	0.070	1.633	0.808	0.273	2.714
2018	1.584	0.070	1.654	0.788	0.263	2.705
2019	1.543	0.085	1.628	0.776	0.261	2.665
2020	1.563	0.078	1.641	0.765	0.255	2.661
2021	1.583	0.077	1.659	0.741	0.257	2.657
2022	1.620	0.079	1.699	0.809	0.263	2.771

Source: Municipal Tax Collector and School Business Administrator

Note:

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

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

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

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
 UNAUDITED

	2022		2013	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value
City of Newark	\$ 20,894,600	0.73%	Newark Watershed Conserv. & Devel. Corp.	\$ 18,145,700
Ridge Plaza LLC	19,385,900	0.68%	Kite New Jersey, LLC	16,000,000
757 Route 15 Realty	7,806,900	0.27%	Sebastian/Parsippany, LP	7,317,300
Seneca Gardens LLC	7,540,100	0.27%	Gelormino Associates	7,184,800
Gelormino Associates	7,513,700	0.26%	Seneca Gardens LLC	6,714,900
Fifteen South Plaza	6,922,200	0.24%	Fifteen South Plaza	5,692,400
Leifken Brothers Marinas LLC	6,792,200	0.24%	Bowling Green Golf Club, Inc.	4,707,731
RLM Development Corp	4,012,100	0.14%	Verizon - NJ Property Tax Dept	4,322,100
Seretis Properties LLC	3,732,800	0.13%	Individual Taxpayer #1	3,488,900
Good Kids Holdings LLC	3,669,800	0.13%	Individual Taxpayer #2	3,227,500
<b>Total</b>	<b>88,270,300</b>	<b>3.10%</b>	<b>Total</b>	<b>76,801,331</b>
				<b>3.04%</b>

Source: Municipal Tax Assessor

JEFFERSON 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 <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	\$ 39,254,712	\$ 39,254,712	100.00%	-0-
2015	40,344,651	40,344,651	100.00%	-0-
2016	41,265,554	41,265,554	100.00%	-0-
2017	42,165,110	42,165,110	100.00%	-0-
2018	43,350,137	43,350,137	100.00%	-0-
2019	44,189,436	44,189,436	100.00%	-0-
2020	45,542,848	45,542,848	100.00%	-0-
2021	46,503,421	46,503,421	100.00%	-0-
2022	47,359,727	47,359,727	100.00%	-0-
2023	48,323,953	48,323,953	100.00%	-0-

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

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

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

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Financed Purchases				
2014	\$ 20,425,000	\$ 2,218,145		\$ 22,643,145	1.26%	1,063.56
2015	19,215,000	1,635,457		20,850,457	1.11%	981.43
2016	17,965,000	1,796,467		19,761,467	1.02%	933.02
2017	16,655,000	1,848,841		18,503,841	0.94%	877.04
2018	15,430,000	2,367,969		17,797,969	0.87%	849.79
2019	24,080,000	1,617,960		25,697,960	1.25%	1,241.27
2020	22,410,000	887,105		23,297,105	1.11%	1,130.32
2021	21,320,000	502,911		21,822,911	0.99%	1,064.79
2022	19,355,000	1,109,582		20,464,582	0.93%	997.45
2023	17,325,000	1,803,249		19,128,249	0.87%	932.31

Source: Jefferson School District Financial Reports

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

- a See Exhibit J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

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

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
2014	\$ 20,425,000		\$ 20,425,000	0.81%	\$ 959.37
2015	19,215,000		19,215,000	0.77%	904.45
2016	17,965,000		17,965,000	0.72%	848.21
2017	16,655,000		16,655,000	0.65%	789.41
2018	15,430,000		15,430,000	0.60%	736.73
2019	24,080,000		24,080,000	0.91%	1,163.12
2020	22,410,000		22,410,000	0.82%	1,087.28
2021	21,320,000		21,320,000	0.76%	1,040.25
2022	19,355,000		19,355,000	0.68%	943.36
2023	17,325,000		17,325,000	0.61%	844.42

Source: Jefferson School District Financial Reports

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

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2022  
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Jefferson Township	\$ 19,977,336	100.00%	\$ 19,977,336
Morris County General Obligation Debt	253,387,955	2.88%	7,302,495
Subtotal, overlapping debt			27,279,831
Jefferson Township School District Direct Debt			17,325,000
Total direct and overlapping debt			\$ 44,604,831

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

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Jefferson Township. This process recognizes that, when considering the District's ability to issue and repay long-term, 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 unit.

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

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2023

	Equalized valuation basis
	2022
\$ 3,092,881,918	2021
2,899,341,548	2020
2,786,583,399	
<u>\$ 8,778,806,865</u>	
<u>\$ 2,926,268,955</u>	
\$ 117,050,758	
<u>17,325,000</u>	
<u>\$ 99,725,758</u>	

Average equalized valuation of taxable property

Debt limit (4% of average equalization value)

Net bonded school debt

Legal debt margin

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 109,130,287	\$ 105,620,837	\$ 104,392,629	\$ 105,298,880	\$ 106,015,195	\$ 107,241,833	\$ 108,444,819	\$ 110,095,886	\$ 112,662,891	\$ 117,050,758
Total net debt applicable to limit	20,425,000	19,215,000	17,965,000	16,655,000	15,430,000	24,080,000	22,410,000	21,320,000	19,355,000	17,325,000
Legal debt margin	<u>\$ 88,705,287</u>	<u>\$ 86,405,837</u>	<u>\$ 86,427,629</u>	<u>\$ 88,643,880</u>	<u>\$ 90,585,195</u>	<u>\$ 83,161,833</u>	<u>\$ 86,034,819</u>	<u>\$ 88,775,886</u>	<u>\$ 93,307,891</u>	<u>\$ 99,725,758</u>
Total net debt applicable to the limit as a percentage of debt limit	18.72%	18.19%	17.21%	15.82%	14.55%	22.45%	20.66%	19.36%	17.18%	14.80%

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

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



JEFFERSON TOWNSHIP SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED

Year	Township Population <sup>a</sup>	Township Personal Income <sup>b</sup>	Morris County Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2014	\$ 21,290	\$ 1,794,470,230	\$ 84,287	7.50%
2015	21,245	1,875,891,010	88,298	5.90%
2016	21,180	1,932,717,360	91,252	5.40%
2017	21,098	1,973,591,312	93,544	4.50%
2018	20,944	2,036,678,336	97,244	4.10%
2019	20,703	2,052,495,420	99,140	3.60%
2020	20,611	2,107,000,697	102,227	9.50%
2021	20,495	2,208,684,665	107,767	6.20%
2022	20,517	2,211,055,539	107,767 *	3.80%
2023	20,517 **	2,211,055,539 ***	107,767 *	N/A

\* - Latest Morris County per capita personal income available (2021) was used for calculation purposes.

\*\* - Latest population data available (2022) was used for calculation purposes.

\*\*\* - Latest per capital personal income available (2021) and latest population data available (2022) was used for calculation purposes.

N/A - Information Unavailable

Source:

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

<sup>b</sup> Personal Income has been estimated based upon the municipal population and per capita personal income presented

<sup>c</sup> Per Capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

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

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS - COUNTY OF MORRIS  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

Employer	2022		2013		Percentage of Total Employment
	Employees	Percentage of Total Employment	Employer	Employees	
Atlantic Health System	7,642	3.28%	Novartis	6,200	2.42%
Picatinny Arsenal	6,000	2.58%	Picatinny Arsenal	5,841	2.28%
Novartis	5,200	2.23%	Atlantic Health System	5,576	2.18%
Bayer	3,483	1.50%	ADP	1,947	0.76%
Barclays	2,560	1.10%	County of Morris	1,838	0.72%
ADP	2,400	1.03%	Saint Clare's Health System	1,662	0.65%
Accenture	1,826	0.78%	Wyndham Worldwide Corporation	1,546	0.60%
Honeywell	1,704	0.73%	BASF Corporation	1,500	0.59%
St. Clare's Health System	1,638	0.70%	Accenture	1,498	0.59%
County of Morris	1,469	0.63%	Chilton Memorial	1,440	0.56%
Total	<u>33,922</u>	<u>14.56%</u>	Total	<u>29,048</u>	<u>11.35%</u>
Total County Labor Force	<u>232,958</u>			<u>255,907</u>	

Source: Morris County Treasurer's Office.

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

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Instruction										
Regular	222.3	214.0	208.4	197.0	198.6	202.6	183.7	178.5	167.4	185.0
Special education	62.1	64.5	71.3	97.9	60.5	61.0	61.2	58.7	60.6	58.5
Other special education	66.0	67.0	83.6	50.7	66.2	72.8	72.1	72.8	73.6	75.0
Support Services:										
Student & instruction related services	70.1	31.5	39.0	47.8	66.9	74.8	67.1	64.3	64.5	64.0
School administrative services	23.5	23.5	24.5	24.9	24.4	25.0	24.5	21.0	21.2	24.5
General and business administrative services	4.1	20.2	20.2	20.2	22.2	16.6	17.5	17.0	17.0	16.5
Plant operations and maintenance	43.9	37.6	42.4	44.1	45.7	46.0	44.9	46.9	41.9	46.5
Pupil transportation	19.5	39.6	20.4	20.5	21.9	27.3	22.0	21.3	34.1	35.4
Other support services	15.0	44.0			1.0	1.0			0.5	17.6
<b>Total</b>	<b>526.5</b>	<b>541.9</b>	<b>509.6</b>	<b>503.1</b>	<b>507.3</b>	<b>527.1</b>	<b>493.0</b>	<b>480.4</b>	<b>480.8</b>	<b>523.0</b>

Source: District Personnel Records

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year	Pupil/Teacher Ratio											
	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil <sup>d</sup>	Percentage Change	Teaching Staff	Elementary	Middle School	High School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
2014	3,352	\$ 59,162,864	\$ 17,650	3.52%	284	1:19	1:13	1:13	3,285.4	3,145.6	-1.63%	95.74%
2015	3,245	59,507,571	18,338	3.90%	279	1:15	1:10	1:10	3,208.8	3,062.5	-2.33%	95.44%
2016	3,158	62,250,794	19,712	7.49%	267	1:13	1:11	1:11	3,073.7	2,940.8	-4.21%	95.68%
2017	3,126	63,340,374	20,262	2.79%	277	1:13	1:11	1:11	3,007.0	2,876.0	-2.17%	95.64%
2018	2,987	67,140,915	22,478	10.93%	271	1:12	1:11	1:10	2,992.1	2,858.0	-0.50%	95.52%
2019	2,928	67,653,640	23,106	2.79%	263	1:12	1:11	1:10	2,826.7	2,694.4	-5.53%	95.32%
2020	2,624	66,870,907	25,484	10.29%	245	1:12	1:10	1:10	2,568.0	2,539.2	-9.15%	98.88%
2021	2,655	65,098,295	24,519	-3.79%	237	1:12	1:11	1:10	2,537.7	2,458.5	-1.18%	96.88%
2022	2,851	66,540,621	23,339	-4.81%	241	1:11	1:10	1:12	2,501.6	2,363.5	-1.42%	94.48%
2023	2,529	70,951,519	28,055	20.21%	243.5	1:12	1:12	1:12	2,503.7	2,353.5	0.08%	94.00%

Sources: Jefferson Township School District records

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- 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).
- d Cost per pupil is the sum of operating expenditures divided by enrollment. This cost per pupil may be different from the State's cost per pupil calculations.

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
UNAUDITED

District Building	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Ellen T. Briggs School (1955)										
Square Feet	33,828	33,828	33,828	33,828	33,828	33,828	33,828	33,828	33,828	33,828
Capacity (students)	270.62	270.62	270.62	270.62	270.62	270.62	270.62	270.62	270.62	270.62
Enrollment	328	313	288	288	288	282	221	224	190	210
Cozy Lake School (1962)										
Square Feet	35,776	35,776	35,776	35,776	35,776	35,776	35,776	35,776	35,776	35,776
Capacity (students)	286.21	286.21	286.21	286.21	286.21	286.21	286.21	286.21	286.21	286.21
Enrollment	241	234	206	206	173	165	163	163	217	232
Milton School (1950)										
Square Feet	22,052	22,052	22,052	22,052	22,052	22,052	22,052	22,052	22,052	22,052
Capacity (students)	176.42	176.42	176.42	176.42	176.42	176.42	176.42	176.42	176.42	176.42
Enrollment	148	157	159	159	159	166	136	135	-	-
Stanilek School (1962)										
Square Feet	65,304	65,304	65,304	65,304	65,304	65,304	65,304	65,304	65,304	65,304
Capacity (students)	453.60	453.60	453.60	453.60	453.60	453.60	453.60	453.60	453.60	453.60
Enrollment	381	368	345	345	345	281	270	272	326	308
White Rock School (1969)										
Square Feet	65,684	65,684	65,684	65,684	65,684	65,684	65,684	65,684	65,684	65,684
Capacity (students)	424.80	424.80	424.80	424.80	424.80	424.80	424.80	424.80	424.80	424.80
Enrollment	380	382	388	388	388	326	270	269	365	387
Middle School (1969)										
Square Feet	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000
Capacity (students)	653.40	653.40	653.40	653.40	653.40	653.40	653.40	653.40	653.40	653.40
Enrollment	813	788	765	765	765	729	631	630	562	576
High School (1962)										
Square Feet	235,851	235,851	235,851	235,851	235,851	235,851	235,851	235,851	235,851	235,851
Capacity (students)	1,264.80	1,264.80	1,264.80	1,264.80	1,264.80	1,264.80	1,264.80	1,561.93	1,561.93	1,264.80
Enrollment	1,004	1,003	1,007	1,007	1,007	973	951	962	921	866
Other										
Administration Building										
Square Feet	12,144	12,144	12,144	12,144	12,144	12,144	12,144	12,144	12,144	12,144
Transportation										
Square Feet	400	400	400	400	400	400	400	400	400	400
Maintenance Offices										
Square Feet	2,500	2,500	2,500	2,500	2,500	2,500	3,200	3,200	3,200	3,200
Number of Schools at June 30, 2023										
Elementary = 5										
Middle School = 1										
High School = 1										

Note - The Drummond School was decommissioned as a school in 2011. The school was renovated as Board of Education offices.

Source: Jefferson Township School District Facilities Office

Note: Year of original construction is shown in parentheses.  
Enrollment is based on the annual October district count.

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
 SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
 LAST TEN FISCAL YEARS  
UNAUDITED

School Facilities	Projects #	Fiscal Year Ended June 30,									
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Jefferson Township High School	N/A	\$ 486,669	\$ 507,645	\$ 827,769	\$ 1,012,177	\$ 799,085	\$ 520,435	\$ 540,872	\$569,976	\$577,292	\$635,948
Arthur Stanlick School	N/A	79,592	83,023	172,213	210,578	181,176	186,294	172,086	177,137	189,198	208,422
Cozy Lake School	N/A	132,462	138,171	99,518	121,688	329,647	170,882	126,002	74,029	67,509	74,368
Ellen T. Briggs School	N/A	92,406	96,389	85,059	104,008	83,363	58,008	66,268	72,794	102,366	112,767
Jefferson Township Middle School	N/A	177,719	185,379	205,606	251,410	151,398	234,351	131,058	144,555	149,838	165,063
Milton School	N/A	29,867	31,154	158,932	194,338	51,495	69,156	46,988	65,776	70,521	77,686
White Rock School	N/A	215,825	225,127	175,864	215,043	151,294	118,316	135,303	142,111	140,458	154,729
		<u>\$ 1,214,540</u>	<u>\$ 1,266,888</u>	<u>\$ 1,724,961</u>	<u>\$ 2,109,242</u>	<u>\$ 1,747,458</u>	<u>\$ 1,357,442</u>	<u>\$ 1,218,577</u>	<u>\$ 1,246,378</u>	<u>\$ 1,297,182</u>	<u>\$ 1,428,983</u>

Source: Jefferson Township School District records

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2023  
UNAUDITED

	Coverage	Deductible
School Alliance Insurance Fund:		
Property - Blanket Building and Contents Including		
Boiler and Building Personal Property	\$ 500,000,000	\$ 2,500
Inland Marine - Auto Physical Damage		1,000
School Alliance Insurance Fund:		
General Liability		
Each Occurrence	5,000,000	
General Aggregate	Agreed upon membership	
Prod/Completed Operating		
Personal Injury		
Fire Damage	2,500,000	
Medical Expense Limit (Excluding students)	10,000	
Automobile Coverage	5,000,000	occurrence
Combined Single Limit		
Hired/Non Owned		
Enviromental Impairment Liability		
Excludes mold/fungi/fungus/legionnala	Fund Aggregate	10,000
	1,000,000/25,000,000	
Crime Coverage		
Blanked Dishonesty Bond	Inside/Outside	1,000
	50,000	
	500,000	
Boiler and Machinery	1,000,000,000	2,500
Excess Liability (AL/GL)	5,000,000	
School Board Legal	5,000,000	15,000
Worker's Compensation - NJPIP	Statutory	
Employer's Liability	5,000,000	
Supplemental Indemnity	Statutory	
Bond for School Business Administrator	Selective Insurance	300,000
Bond for Treasurer of School Monies	Selective Insurance	300,000
Student Accident	6,000,000	All students & activities

Source: Jefferson Township School District Records.

SINGLE AUDIT SECTION





Mount Arlington, NJ  
 Newton, NJ  
 Bridgewater, NJ

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Independent Member  
 BKR International

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

Independent Auditors' Report

The Honorable President and Members  
 of the Board of Education  
 Jefferson Township School District  
 Lake Hopatcong, New Jersey

We have audited, in accordance with the 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 prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office"), 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 Jefferson Township School District, in the County of Morris (the "District") as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 10, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

The Honorable President and Members  
of the Board of Education  
Jefferson Township School District  
Page 2

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District'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*.

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

October 10, 2023  
Mount Arlington, New Jersey

NISIVOCCIA LLP

*Raymond A Sarinelli*

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Raymond Sarinelli  
Licensed Public School Accountant #2549  
Certified Public Accountant



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Report on Compliance For Each Major Federal and State Program;  
 Report on Internal Control Over Compliance Required by the Uniform Guidance and NJOMB 15-08

Independent Auditors' Report

The Honorable President and Members  
 of the Board of Education  
 Jefferson Township School District  
 Lake Hopatcong, New Jersey

**Report on Compliance for Each Major Federal and State Program**

***Opinion on Each Major Federal and State Program***

We have audited the Jefferson Township School District's (the District'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 District's major federal and state programs for the fiscal year ended June 30, 2023. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

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

***Basis for Opinion on Each Major Federal and State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Our responsibilities under those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 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 District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

The Honorable President and Members  
of the Board of Education  
Jefferson Township School District  
Page 2

### ***Responsibilities of Management for Compliance***

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

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. 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 District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08, we

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

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

### **Report on Internal Control Over Compliance**

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

The Honorable President and Members  
of the Board of Education  
Jefferson Township School District  
Page 3

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

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

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

October 10, 2023  
Mount Arlington, New Jersey

NISIVOCCIA LLP

*Raymond A Sarinelli*

Raymond Sarinelli  
Licensed Public School Accountant #2549  
Certified Public Accountant

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

Federal Grantor/Pass Through Grantor/Program Title/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance Unearned Revenue/(Accounts Receivable) 6/30/2022	Cash Received	Budgetary Expenditures	Balance Unearned Revenue/(Accounts Receivable) 6/30/2023	Amount Paid to Subrecipients
U.S. Department of Agriculture Passed-through State Department of Agriculture: Child Nutrition Cluster: Federal Food Distribution Program Total Food Distribution Program	10.555	N/A	7/1/22-6/30/23	\$ 88,264		\$ 88,264	\$ (87,166)	\$ 1,098	
School Breakfast Program	10.553	N/A	7/1/22-6/30/23	30,901		23,795	(30,901)	(7,106)	
National School Lunch Program	10.555	N/A	7/1/22-6/30/23	252,007		197,651	(252,007)	(54,356)	
COVID 19 - Seamless Summer Option - School Breakfast	10.553	N/A	7/1/21-6/30/22	169,814	\$ (24,145)	24,145			
COVID 19 - Seamless Summer Option - Lunch	10.555	N/A	7/1/21-6/30/22	1,208,612	(119,620)	119,620			
Supply Chain Assistance Funding (Round 1 & 2)	10.555	N/A	1/1/22-9/30/23	113,398		113,398	(113,398)		
Supply Chain Assistance Funding (Round 3)	10.555	N/A	10/1/22-9/30/24	26,528		26,528	(26,528)		
Local Food for School Cooperative Program	10.555	N/A	7/1/22-6/30/23	1,397	(143,765)	506,534	(1,397)	(61,462)	
Total Child Nutrition Cluster							(424,231)		
Total U.S. Department of Agriculture					(143,765)	594,798	(511,397)	(60,364)	
Passed-through State Department of Education: General Fund: U.S. Department of Health and Human Services: Medicaid Cluster: Medicaid Reimbursement	93.778	N/A	7/1/22-6/30/23	65,406		65,406	(65,406)		
Total General Fund						65,406	(65,406)		
Special Revenue Fund: U.S. Department of Education: Passed-through State Department of Education: Elementary and Secondary Education Act Consolidated Grant:									
Title I	84.010	ESEA552023	7/1/22-9/30/23	114,152		108,303	(113,852)	(5,549)	
Total Title I						108,303	(113,852)	(5,549)	
Title IIA	84.367	ESEA552023	7/1/22-9/30/23	50,348		47,831	(50,348)	(2,517)	
Title IIA	84.367	ESEA552022	7/1/21-9/30/22	62,311	(4,992)	4,992			
Total Title IIA					(4,992)	52,823	(50,348)	(2,517)	
Title III	84.365	ESEA552023	7/1/22-9/30/23	9,795		2,000	(2,000)		
Total Title III						2,000	(2,000)		
Title IV	84.424	ESEA552023	7/1/22-9/30/23	11,092	(11,962)	8,083	(11,092)	(3,009)	
Title IV	84.424	ESEA552022	7/1/21-9/30/22	27,773	(11,962)	11,962			
Total Title IV					(11,962)	20,045	(11,092)	(3,009)	
Special Education Cluster: ID.E.A. Part B, Basic ID.E.A. Part B, Preschool ID.E.A. Part B, Preschool ID.E.A. Part B, Preschool COVID-19 ID.E.A. Part B, Basic - ARP COVID-19 ID.E.A. Part B, Preschool - ARP Total Special Education Cluster	84.027 84.173 84.173 84.027X 84.173X	FT-5520-23 FT-5520-23 FT-5520-22 FT-5520-22 FT-5520-22	7/1/22-9/30/23 7/1/22-9/30/23 7/1/21-9/30/22 7/1/21-9/30/22 7/1/21-9/30/22	642,356 33,365 33,904 40,000 45,000		619,814 30,114 5,703 6,301 663,574	(642,356) (33,365) (5,703) (6,301) (675,721)	(22,542) (3,251) (5,703) (6,301) (25,793)	

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

Federal Grantor/Pass Through Grantor/Program Title/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance Unearned Revenue/(Accounts Receivable) 6/30/2022	Cash Received	Budgetary Expenditures	Balance Unearned Revenue/(Accounts Receivable) 6/30/2023	Amount Paid to Subrecipients
Education Stabilization Fund									
COVID-19 CARES - Emergency Relief Fund	84.425D	N/A	3/13/20-9/30/23	\$ 200,040	\$ (1,716)	\$ 1,716			
COVID-19 CRRSA ESSER II	84.425D	N/A	3/13/20-9/30/23	828,849	(99,770)	99,770	\$ (39,625)	\$ (6,125)	
COVID-19 CRRSA Learning Acceleration	84.425D	N/A	3/13/20-9/30/23	53,191	(215)	33,500	(13,725)		
COVID-19 CRRSA Mental Health	84.425D	N/A	3/13/20-9/30/23	45,000	(661,150)	1,172,835	(885,584)	(373,899)	
COVID-19 ESSER III - ARP	84.425U	N/A	3/13/20-9/30/24	1,862,785	(739)	56,961	(62,782)	(6,560)	
COVID-19 Accelerated Learning - ARP	84.425U	N/A	3/13/20-9/30/24	210,613	(12,281)	28,044	(15,763)		
COVID-19 Beyond the School Day - ARP	84.425U	N/A	3/13/20-9/30/24	40,000	(10,875)	10,875	(40,000)		
COVID-19 Mental Health - ARP	84.425U	N/A	3/13/20-9/30/24	45,000		40,000			
COVID-19 Evidenced Based Summer Learning Enrichment - ARP	84.425U	N/A	3/13/20-9/30/24	40,000					
Total Education Stabilization Fund				4,000	(786,746)	1,457,641	(1,057,479)	(386,584)	
U.S. Department of Treasury Passed-through State Department of Education:									
COVID-19 Additional or Compensatory Special Education and Related Services	21.027	N/A	7/1/22-6/30/23	36,697	(198,179)	12,234	(36,697)	(24,463)	
COVID-19 Additional or Compensatory Special Education and Related Services	21.027	N/A	7/1/21-6/30/22	203,621	(198,179)	203,621	(36,697)	5,442	
Total U.S. Department of Treasury				203,621	(198,179)	215,855	(36,697)	(19,021)	
Total Special Revenue Fund					(1,015,525)	2,518,241	(1,947,189)	(442,473)	
Total Federal Awards					\$ (1,159,290)	\$ 3,178,445	\$ (2,523,992)	\$ (502,837)	\$ -0-

N/A: Not Available/Applicable

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Budgetary Balance (Accounts Receivable) 6/30/2022	Cash Received	Budgetary Expenditures	Balance 6/30/2023 GAAP (Accounts Receivable)	Memo	
								Budgetary Unearned Revenue	Budgetary Receivable
<b>General Fund</b>									
<b>NJ Department of Education:</b>									
Equalization Aid	23-495-034-5120-078	7/1/22-6/30/23	\$ 3,554,702	\$ 3,127,049	\$ (3,554,702)	\$ (427,653)	\$	\$	\$ 3,554,702
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	636,026	559,508	(636,026)	(76,518)			636,026
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	2,137,733	1,880,550	(2,137,733)	(257,183)			2,137,733
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	303,337	266,844	(303,337)	(36,493)			303,337
Non-Public Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	63,024	1,254,846	(63,024)	(63,024)	1,007,260		63,024
Stabilization Aid	23-495-034-5120-078	7/1/22-6/30/23	1,254,846	1,254,846	(247,586)				247,586
Extraordinary Aid	23-495-034-5120-044	7/1/22-6/30/23	442,960		(442,960)				442,960
Reimbursed TPAF Social Security Contributions	23-495-034-5120-078	7/1/22-6/30/23	1,254,846						
Equalization Aid	23-495-034-5095-003	7/1/22-6/30/23	1,748,890	1,576,183	(1,748,890)	(172,707)			1,748,890
Transportation Aid	22-495-034-5120-078	7/1/21-6/30/22	6,194,985	603,611					6,194,985
Special Education Aid	22-495-034-5120-014	7/1/21-6/30/22	636,026	61,971					636,026
Security Aid	22-495-034-5120-089	7/1/21-6/30/22	2,137,733	208,291					2,137,733
Non-Public Transportation Aid	22-495-034-5120-084	7/1/21-6/30/22	303,337	29,556					303,337
Extraordinary Aid	22-495-034-5120-014	7/1/21-6/30/22	64,285	(64,285)					64,285
Securing Our Childrens Future Bond Act Reimbursed TPAF Social Security Contributions	22-495-034-5120-044	7/1/21-6/30/23	518,835	518,835					518,835
On-Behalf TPAF Post Retirement Contribution	22-495-034-5095-003	7/1/21-6/30/22	68,303	161,151	(92,848)				161,151
On-Behalf TPAF Pension Contribution	23-495-034-5094-001	7/1/22-6/30/23	1,784,904	90,831					1,784,904
On-Behalf TPAF Non-Contributory Insurance	23-495-034-5094-002	7/1/22-6/30/23	2,265,776	2,265,776	(2,265,776)				2,265,776
On-Behalf TPAF Long-Term Disability Insurance	23-495-034-5094-004	7/1/22-6/30/23	8,507,009	8,507,009	(8,507,009)				8,507,009
Total General Fund State Aid			118,025	118,025	(118,025)				118,025
Debt Service Aid Type II	23-100-034-5120-124	7/1/22-6/30/23	2,883	2,883	(2,883)				2,883
Total Debt Service Aid			(1,645,683)	21,297,204	(20,120,799)	(678,691)	1,007,260	(1,476,538)	31,829,207
Special Revenue Fund:			216,498	216,498	(216,498)				216,498
Emergent and Capital Maintenance Needs Grant	N/A	7/1/22-6/30/23	61,259	61,259	(61,259)				61,259
Climate Awareness Education Grant	23-100-034-51063-359	7/1/22-6/30/23	6,660	6,660	(6,660)				6,660
Preschool Education Expansion Aid Grant	23-495-034-5120-086	7/1/22-6/30/23	1,034,483	931,035	(1,034,483)			(103,448)	1,034,483
Total Special Revenue Fund			998,954	998,954	(1,102,402)			(103,448)	1,102,402
Total NJ Department of Education			(1,645,683)	22,512,656	(21,439,699)	(678,691)	1,007,260	(1,579,986)	33,148,107



JEFFERSON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Budgetary Balance (Accounts Receivable) 6/30/2022	Cash Received	Budgetary Expenditures	Balance 6/30/2023 (GAAP (Accounts Receivable))	Memo	
								Budgetary Unearned Revenue	Budgetary Receivable
New Jersey Department of Agriculture:									
Food Service Fund:									
School Lunch Program - State	23-100-010-3350-023	7/1/22-6/30/23	\$ 12,814	\$ (12,814)	\$ 10,070	\$ (2,744)	\$ (2,744)	\$ (2,744)	\$ 12,814
School Breakfast Program - State	23-100-010-3350-021	7/1/22-6/30/23	528	(528)	401	(127)	(127)	(127)	528
COVID 19 - Seamless Summer Option	22-100-010-3350-023	7/1/21-6/30/22	28,395	(2,753)	2,753				28,395
Total NJ Department of Agriculture			<u>13,224</u>	<u>(13,342)</u>	<u>13,224</u>	<u>(2,871)</u>	<u>(2,871)</u>	<u>(2,871)</u>	<u>41,737</u>
Total State Awards Subject to Single Audit Determination			\$ 22,525,880	\$ (21,453,041)	\$ 22,525,880	\$ (681,562)	\$ (681,562)	\$ (1,582,857)	\$ 33,189,844
Less: State Awards Not Subject to Single Audit Major Program Determination									
On-Behalf TPAF Pension System Contributions:									
On-Behalf TPAF Post Retirement Contributions	23-495-034-5094-001	7/1/22-6/30/23	(2,265,776)						
On-Behalf TPAF Pension Contributions	23-495-034-5094-002	7/1/22-6/30/23	(8,507,009)						
On-Behalf TPAF Non-Contributory Insurance	23-495-034-5094-004	7/1/22-6/30/23	(118,025)						
On-Behalf TPAF Long-Term Disability Insurance	23-495-034-5094-004	7/1/22-6/30/23	(2,883)						
Subtotal - On-Behalf TPAF Pension System Contributions			<u>10,893,693</u>						
Total State Awards Subject to Single Audit Major Program Determination			<u>\$ (10,559,348)</u>						
N/A - Not Available									

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Jefferson Township School District Board of Education under programs of the federal and state governments for the fiscal year ended June 30, 2023. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented on the accrual basis of accounting. These bases of accounting are described in Note 1 to the District's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last two state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last two state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. The special revenue fund also does not recognize the June state aid payments in the current year. Grant revenue in the capital projects fund is recognized on the budgetary basis in the year of award while on a GAAP basis revenue is recognized based on grant expenditures and when reimbursement requests are submitted.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$105,582 for the General Fund and (\$61,691) for the Special Revenue Fund. See Note 1D 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 revenue are reported on the Board's basic financial statements on a GAAP basis as presented on the following page:

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 65,406	\$ 21,233,641	\$21,299,047
Special Revenue Fund	1,889,419	995,033	2,884,452
Debt Service Fund		216,498	216,498
Enterprise Fund - Food Service	<u>511,397</u>	<u>13,342</u>	<u>524,739</u>
Total Awards	<u>\$ 2,466,222</u>	<u>\$22,458,514</u>	<u>\$24,924,736</u>

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. OTHER

Revenue and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2023.

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

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' 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*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major federal and state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance Required by the Uniform Guidance and NJ OMB 15-08*.
- The auditor's report on compliance for the major federal and state programs for the District expresses an unmodified opinion on all major federal and state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's programs tested as major federal and state programs for the current fiscal year consisted of the following awards:

<u>State:</u>	<u>State Grant Number/ Assist. Listing Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
Equalization Aid	23-495-034-5120-078	7/1/22-6/30/23	\$ 3,554,702	\$ 3,554,702
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	2,137,733	2,137,733
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	303,337	303,337
Stabilization Aid	23-495-034-5120-078	7/1/22-6/30/24	1,254,846	247,586
Reimbursed TPAF Social Security Contribution	23-495-034-5095-003	7/1/22-6/30/23	1,748,890	1,748,890
Preschool Education Aid	23-495-034-5120-086	7/1/22-6/30/23	1,034,483	1,034,483

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

Summary of Auditors' Results (Cont'd):

	<u>State Grant Number/ Assist. Listing Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>Federal:</u>				
Education Stabilization Fund				
COVID-19 CRRSA Learning Acceleration	84.425D	3/13/20-9/30/23	\$ 53,191	\$ 39,625
COVID-19 CRRSA Mental Health	84.425D	3/13/20-9/30/23	45,000	13,725
COVID-19 ESSER III - ARP	84.425U	3/13/20-9/30/24	1,862,785	885,584
COVID-19 Accelerated Learning - ARP	84.425U	3/13/20-9/30/24	210,613	62,782
COVID-19 Beyond the School Day-ARP	84.425U	3/13/20-9/30/24	40,000	15,763
COVID-19 Evidence Based Summer Learning Enrichment	84.425U	3/13/20-9/30/24	40,000	40,000
- The threshold used for distinguishing between Type A and Type B programs was \$750,000 for federal and state grants.				
- The District was not determined to be a "low-risk" auditee for both federal and state programs.				

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

Findings and Questioned Costs for Federal Awards:

- The audit did not disclose any findings or questioned costs for federal awards as defined in 2 CFR 200.516(a) of the Uniform Guidance.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in 2 CFR 200.516(a) of the Uniform Guidance and New Jersey's OMB Circular 15-08.

JEFFERSON TOWNSHIP SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Status of Prior Year Findings:

The District had no prior year audit findings.