

***NEW HANOVER TOWNSHIP
BOARD OF EDUCATION
ANNUAL COMPREHENSIVE
FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2023***

ANNUAL COMPREHENSIVE

FINANCIAL REPORT

of

NEW HANOVER TOWNSHIP BOARD OF EDUCATION

WRIGHTSTOWN, NEW JERSEY

For the Fiscal Year Ended June 30, 2023

Prepared by

***New Hanover Township Board of Education
Business Office***

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Secretary, State Board of Education

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
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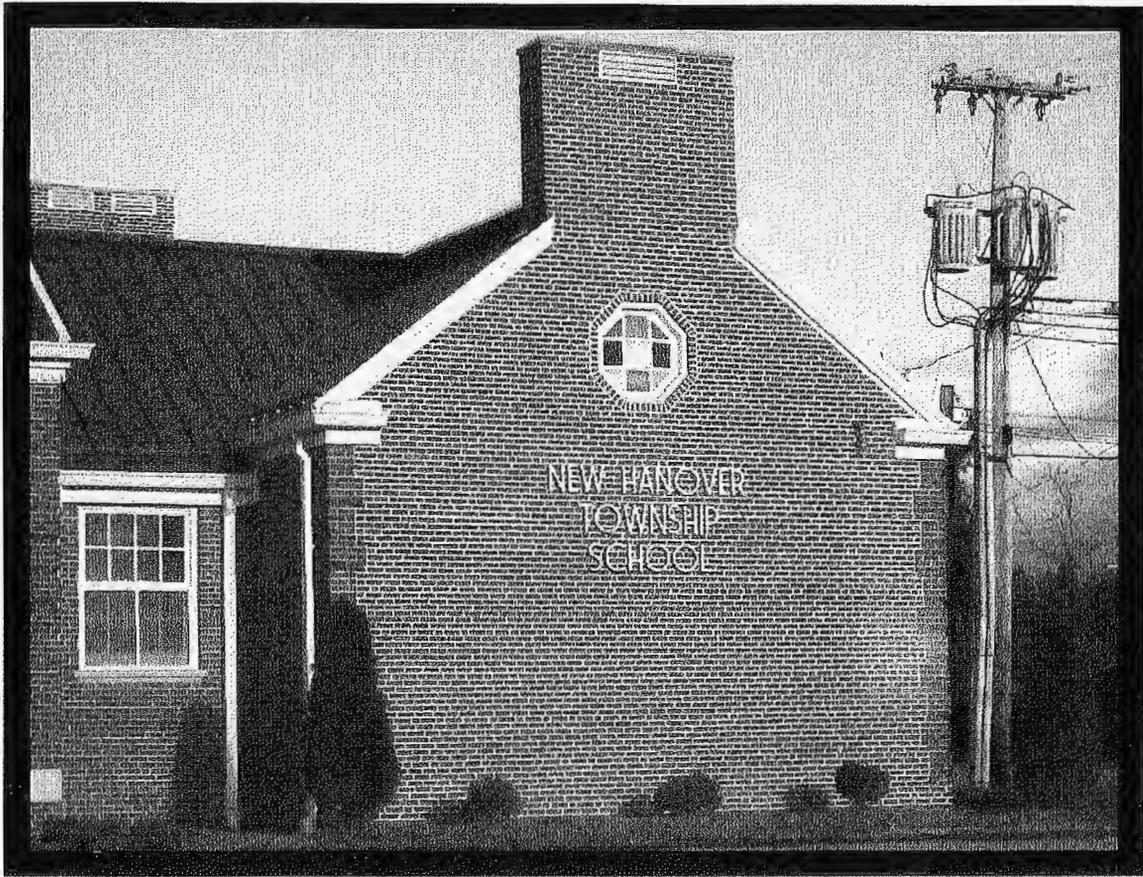
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INTRODUCTORY SECTION

NEW HANOVER TOWNSHIP SCHOOL DISTRICT



(New Hanover Township Elementary School)

NEW HANOVER TOWNSHIP BOARD OF EDUCATION WRIGHTSTOWN, NEW JERSEY COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NEW HANOVER TOWNSHIP SCHOOL DISTRICT
New Hanover Township * Wrightstown Borough

122 Fort Dix Street
 Wrightstown NJ 08562
 609-723-2139

www.newhanover.k12.nj.us

Dr. Scott Larkin, CSA
 Mr. Bernard Biesiada, SBA

Mr. David Bramley, Director of Curriculum, and Instruction/CST Coordinator

December 20, 2023

Honorable President and
 Members of the Board of Education
 New Hanover Township School District
 County of Burlington
 Wrightstown, New Jersey 08562

Dear Board Members/Citizens:

The Comprehensive Annual Financial Report of the New Hanover Township School District (District) for the fiscal year ended June 30, 2023 is hereby submitted in accordance with Governmental Accounting Standards Board Statement 34 and 44. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the New Hanover Township School Board of Education (Board.). To the best of our knowledge and belief, data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

- The Introductory Section includes this transmittal letter, the District's organizational chart, a list of principal officials, and a list of consultants and advisors.
- The Financial Section includes the basic financial statements and schedules, as well as the auditor's report thereon.
- The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.

- The Single Audit Section which states that the District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, “Audits of States, Local Governments and Non-Profit Organizations”, and the state Treasury Circular Letter 04-04 OMB, “Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid”. Information related to this single audit, including the independent auditor’s report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, is included in the single audit section of this report.

SCHOOL DISTRICT ORGANIZATION

The New Hanover Township School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14 and Statement 34. All funds and account groups of the District as included in this report. The New Hanover Township School Board of Education constitutes the District’s reporting entity. It is located next door to Fort Dix and near McGuire Air Force Base.

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular and vocational as well as special education for handicapped students. The District completed the 2022-2023 fiscal year with an average daily enrollment of 178.55 students. Enrollment is defined as students on-roll and students placed out of District. Established in 1939, the District’s school facilities consist of one building, encompassing over 35,582 square feet over one floor, with one gym, and a full-service cafeteria, along with various classrooms.

The District, consisting of the Borough of Wrightstown and the Township of New Hanover, is classified as a consolidated school district. This is different than being classified as a regional school district. While the tax levy percentage to each municipality is set by the County Tax Assessor based on respective equalized value calculations, the District’s Board of Education composition does not require a certain number of representatives from each municipality. Both municipalities vote for common board members.

The district receives students from the Borough of Wrightstown and the Township of New Hanover. Except for students who have special needs requiring outside services, students attend the school in-district through the 8th grade. High School students (grade 9 to 12) attend Bordentown Regional High School via a long-standing send-receive relationship, or they can choose to attend the County Vocational School District. More recently with enactment of the “School Choice” law, students can also choose to attend a choice school in nearby towns.

The Board of Education is comprised of seven members. In general, the Board of Education meets on the third Thursday of the month for regular board meetings, with two meetings per month in February, March, May, August and September, and one meeting per month for other months. When there are two meetings a month, the first meeting is for discussion of agenda items with normally minimal voting actions taken. The second meeting (“action

meeting”) of the month would be when the board votes on the goals and priorities and conducts the business of the Board of Education. All Board meetings are open to the public and begin at 7 p.m. in the school library, unless a time change is needed which is then properly advertised. Also, of note, the Board’s committee format changed in 2013, from individual committees to “a committee of the whole” structure.

The New Hanover Township PTO is very active in the District and provides community support for a variety of programs and activities for the students. Many fundraisers are held throughout the year, with advertising on the District’s website, which helps support many aspects of the school. It is a wonderful community organization who has the students first and foremost.

The current District website of www.newhanover.k12.nj.us is an extensive website that both staff and parents can utilize to find out anything they need to know about the District. Parents can e-mail teachers at any time. Additionally, all staff members have telephone extensions to communicate with parents if that is an easier way to reach them. The district has also purchased subscription to an “instant alert” program which enables further communication to parents/guardians about events at the school.

EDUCATIONAL PROGRAM/REPORTING ENTITY AND ITS SERVICES

As stated earlier, the District completed the 2022-2023 fiscal year with an average daily enrollment of 178.55 students. Enrollment is defined as students on-roll and students placed out of District. The following details the changes in the student enrollment of the District over the past years.

Average Daily Enrollment		
Fiscal Year	Student Enrollment	Percent Change
2022-2023	178.55	-3.32
2021-2022	184.7	9.8
2020-2021	168.2	-4.0
2019-2020	175.31	-6.17
2018-2019	186.84	-.95
2017-2018	187.92	.009
2015-2016	186.76	.57
2014-2015	185.71	-1.47
2013-2014	188.49	.05
2012-2013	188.40	4.46
2011-2012	180	----
2010-2011	181	11
2009-2010	163	.25
2008-2009	161	10

As mentioned, the District provides a full range of educational services appropriate to grade levels Pre-K through 8. The school follows the District-wide goals and educational

approaches to the teaching of children, while maintaining a unique personality that make up that school. All curricula in our District are continually reviewed and update to meet evolving changes to the New Jersey Student Learning Standards (formerly the New Jersey Core Curriculum Content Standards).

Elementary School: Currently the Administrative Team makeup of the district consists of a Superintendent; a Director of Curriculum & Instruction, established in July, 2014 to focus on student achievement. In July 2018, the district ended the contracted Child Study Team Services with North Hanover, with the Director of Curriculum and Instruction undertaking the Director of Child Study Team role. The district retains services of School Business Administrator/Board Secretary on a part time basis. There is also a full time nurse. New programs, such as an afterschool extra help program, and homework club focus on assisting students in their educational studies. Taken together, these new positions have helped the district raise their QSAC (Quality Single Accountability Continuum) scores.

The school is unique in that while it is small, it offers many after school activities and sports programs for all students to participate in. Every winter there is the traditional Holiday Music Concert, and in the spring there is a musical play. Clubs such as Safety Patrol, Yearbook, Student Council, and Junior Beta allow all students to participate in a school activity. The following sports are available for all students-cheerleading, soccer, basketball (both boys and girls). During the school year there are many activities for the students to become involved in.

In the 2022-2023 school year the district continued its full day Pre-K program. Increased Title 1 funds have also allowed for an afterschool and summer program for at risk students. The district provides a theatre camp enrichment program. This program is very successful and plans are in place for future programs during the summer. Together, all programs have allowed the district's test scores to increase. The county office has been very pleased with the hard work that has been invested in the educational program at New Hanover Township School District.

New Jersey Student Learning Standards (formerly the New Jersey Core Curriculum Contents Standards)

New Hanover Township School offers a comprehensive educational program that was developed to meet the needs of all students, whether they are in the need of advanced placement courses, remedial instruction, or something in between. Our instruction and support materials are in line with the New Jersey Student Learning Standards (formerly the New Jersey Core Curriculum Contents Standards). District curricula are under review in order to meet the changes of Common Core Standards and recently imposed changes by the NJ Department of Education. New curriculum was written over the summers of 2014, 2015, 2016, 2017, and 2018 along with purchasing of new textbooks to be aligned to the newly written curriculum.

Staff Development

The New Hanover Township School District provides its teaching staff with many opportunities for professional development.

New teachers have an additional day dedicated to new teacher training. A teacher's manual is given to all new teachers as well as an assigned mentor to provide support throughout the school year.

In the beginning of the year, one full day is dedicated to staff development. The teachers meet in the morning for sessions, have lunch, and then in the afternoon have breakout sessions regarding the training.

During the year there are different days dedicated to staff development. The topics can range from bullying, character education, technology diversification and assessment. The teachers spend the morning in workshops, have lunch and then in the afternoon have breakout sessions to work on their assessments. Faculty members are also afforded, upon board approval, professional development outside of the District.

In 2014-2015 the district implemented Achieve 3000- a self-guided reading assessment program for grades 5-8. This program was so successful in integrating reading and tying into PARCC testing that it has been expanded to start at grade 3.

In 2019-20 the district instituted Responsive Classroom, an evidence-based approach to education that focuses on the strong relationship between academic success and social-emotional learning (SEL). This has been very successful in the district. Additionally, the district is currently working on being named a National School of Character. This multi-year project completed the second step in 2018-2019 towards reaching their goal.

The district continues to stay in compliance with reporting of HIB instances. The Administration works diligently to make all students, board members, and staff aware of such compliance.

Technology:

The District's technology plan was approved and the District is moving forward with Technology. They currently do not have a full time Technology Supervisor, but are very fortunate to have a staff member whose responsibilities include overseeing technology in the District. The district does employ an outside technology consulting company who assists the district with purchasing, support, and maintenance of the information technology within the district. Recently the time allotted was increased for the outside consultant due to increased purchases in technology.

The district budgets funds each year to enhance and upgrade their technology in the district. Additionally, the PTO has been very supportive in purchasing technology for the district.

Business Office

The business office is comprised of a School Business Administrator working with two Administrative Assistants. This office is responsible for the daily running of the district's business and financial operations. Increased workload due to challenges faced from State and Federal mandates, while maintaining current staff levels, continues to be a challenge. The office is continually looking to improve costs efficiencies on behalf of the District.

MAJOR INITIATIVES

Adding onto the summer 2011 multi-million dollar renovation project, in summer 2012 the district renovated all parking lots in the district. The front parking lot, formerly in a U shape with a grass field was renovated to include additional parking spaces, ADA compliance, and a better drainage system. The back parking lot was reconfigured to allow for safer student pick up and drop off. New drainage systems were installed to address some water issues due to the grading of the land. This project has been a success. In summer 2014 the district applied for and received funding for a ROD IV grant. These projects were completed during summer 2015. The main projects were a new front door security vestibule and air conditioning of the gymnasium. There are some minor projects planned, whose fulfillment will be determined based on future circumstances.

The district is currently working on continued projects to steer them into the future of the 79-year-old school district –

- Addressing Choice Schools which are now competing for New Hanover students (and the state aid that goes with each student)
- Balancing the school budget with restrictions in place from the state of NJ.
- Preparing all students for a successful high school education.
- Working on an efficient use of space in the district
- Seeking increased efficiencies in transportation
- Developing a vehicle to gather and analyze multiple student data points
- Enhancing the District's technology infrastructure

ECONOMIC CONDITION AND OUTLOOK

New housing projects in Wrightstown and New Hanover Township will impact district student population moving forward. In Wrightstown, a new development can stabilize the local economy by increasing taxable entities. Joint Base McGuire-Dix-Lakehurst brings consumers to local businesses and helps to drive up community economies. The military base has a direct financial connection to the district in the form of 7002/7003 Impact Aid. The district receives monies from the Federal Government for Impact Aid due to the acreage of the base purchased from the municipalities and the number of military-connected students..

In New Hanover Township, smaller building projects were recently completed. In 2013 the Board of Education approved a demographic study to see where the population is currently at and where it is estimated to be in the next few years. The outcome of the demographic study was a predicted increase of 45 students over the next 5 years. The district discussed the results of the study at a board meeting in spring 2014 and continued to discuss enrollment in September 2015. Enrollment has leveled off and for now, there are no major plans for expansion of the school.

The most significant variable influencing District finances will be the lasting effects of the COVID-19 pandemic including potential decreased tax collections, long-term economic difficulties, and increased population mobility. Such uncertainty creates an environment in which District officials will be challenged to appropriately make fiscal decisions.

INTERNAL CONTROLS

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

As part of the District's single audit, described earlier, tests are made to determine adequacy of the internal control system, including that portion related to federal and state

financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

BUDGETARY CONTROLS

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipalities. Annual appropriated budgets are adopted for the general fund and special revenue funds. 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 at fiscal year-end. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2023.

ACCOUNTING SYSTEM AND REPORTS

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

DEBT ADMINISTRATION

As of June 30, 2023, the District has no debt.

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 provision 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 institute 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.

RISK MANAGEMENT

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

INDEPENDENT AUDIT

State statutes require an annual audit by an independent certified public accountants or registered municipal accountants. The firm of Cannone and Company was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet requirements of the Single Audit Act of 1984, as amended and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the basic financial statements, combining, individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

ACKNOWLEDGEMENTS

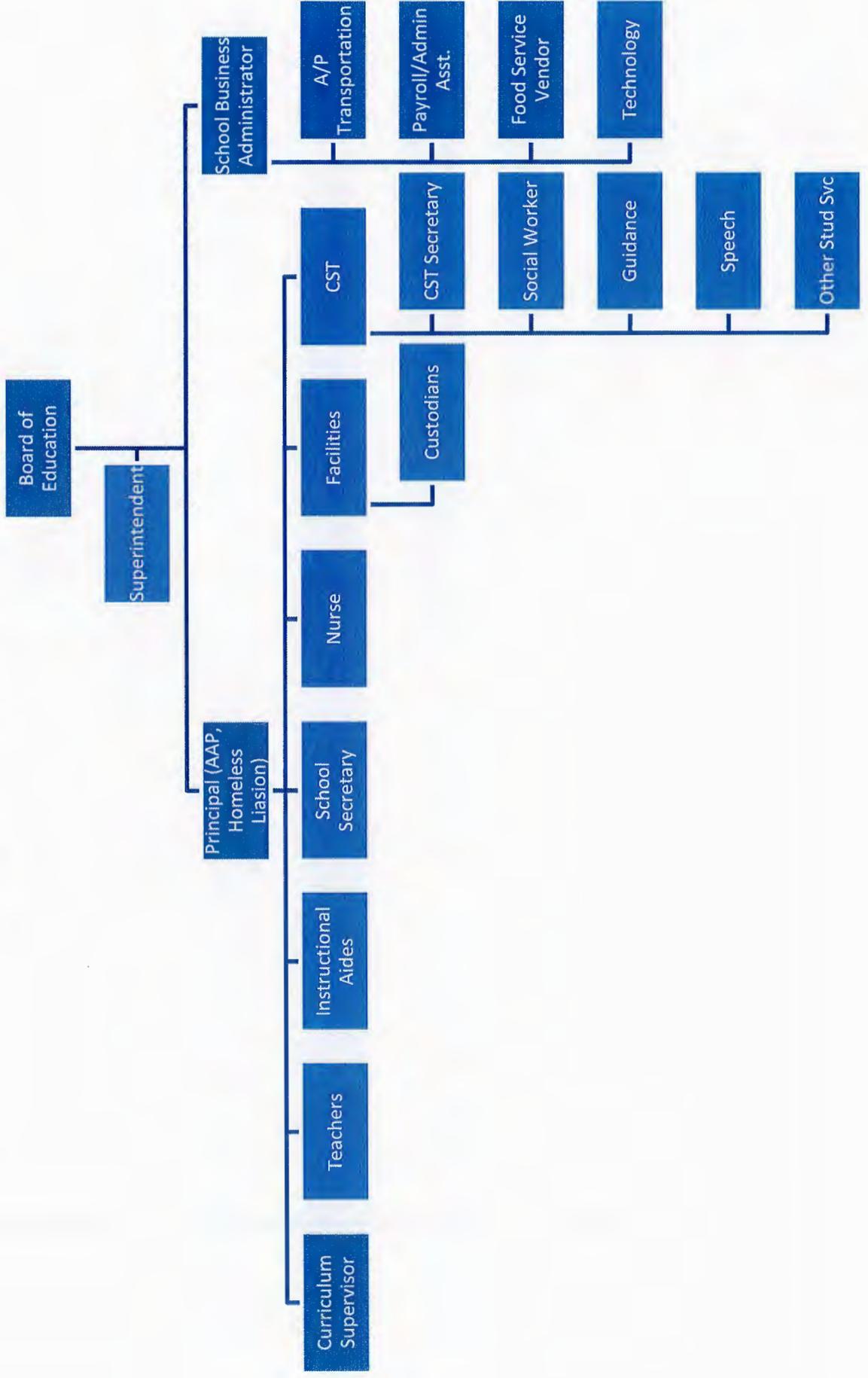
We would like to express our appreciation to the members of the New Hanover Township School Board for their fiscal stewardship on behalf of the citizens and taxpayers of the school district as well as to our financial and other staff for their support and dedicated services without whom we would not be able to serve the students entrusted to us by our communities.

Respectfully submitted,


 Dr. Scott Larkin,
 Superintendent of Schools


 Mr. Bernard Biesiada,
 School Business Administrator/
 Secretary to the Board

New Hanover Township School District Organizational Chart



**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
WRIGHTSTOWN, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2023**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Charles Roohr, President	2023
Carli Haas, Vice President	2024
Cheryl Craig	2024
William Castner	2023
Christina Ford	2025
Robert Swantek	2024
Charles Palmucci	2025

Other Officials

Dr. Scott Larkin, Superintendent

Bernard Biesiada, School Business Administrator/Board Secretary

Schoolwide Solutions, Reconciling Agent

Kenny, Gross, Kovats & Parton, Solicitor

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
WRIGHTSTOWN, NEW JERSEY**

**CONSULTANTS AND ADVISORS
June 30, 2023**

Audit Firm

Cannone & Company, P.A.
485 Morris Avenue
Springfield, NJ 07081

Attorneys

Kenny, Gross, Kovats & Parton
Michael J. Gross
130 Maple Avenue, Building 8
Red Bank, NJ 07701

Official Depositories

TD Bank

Truist

FINANCIAL SECTION

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Certified Public Accountants
485 Morris Avenue, Ste 201
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MEMBER:
American Society of Certified Public Accountants
New Jersey Society of Certified Public Accountants

Independent Auditor's Report

The Honorable President and
Members of the Board of Education
New Hanover Township School District
County of Burlington
Wrightstown, New Jersey

Report on 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 New Hanover Township School District Board of Education, in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the 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 New Hanover Township School District Board of Education, in the County of Burlington, State of New Jersey, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey, the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (the "Uniform Guidance"), the audit requirements of State of New Jersey OMB Circular 15-08 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," 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

and provisions 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles general accepted in the United States of America; this includes 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 Responsibility for the Audit of 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 generally accepted auditing standards, the Uniform Guidance, the State of New Jersey OMB Circular 15-08 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements,

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis and Budgetary Comparison Information on pages 18 through 26 and 78 through 92 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the New Hanover Township School District Board of Education's basic financial statements. The accompanying introductory section, combining fund financial statements, financial schedules and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

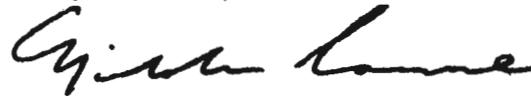
The accompanying introductory section, combining fund financial statements, financial schedules and statistical information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 introductory section, combining fund financial statements, financial schedules and statistical information, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2023, on our consideration of New Hanover Township School District Board of Education'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the New Hanover Township School District Board of Education's internal control over financial reporting and compliance.



Nicholas A. Cannone
Licensed Public School Accountant
No. CS-02103
Cannone & Company, PA
Certified Public Accountants
Springfield, New Jersey

November 30, 2023

***REQUIRED SUPPLEMENTARY INFORMATION
PART I***

MANAGEMENT'S DISCUSSION AND ANALYSIS

NEW HANOVER TOWNSHIP SCHOOL DISTRICT

New Hanover Township – Wrightstown Borough

122 Fort Dix Street

Wrightstown, NJ 08562

www.newhanover.k12.nj.us

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Principal/Superintendent
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NEW HANOVER TOWNSHIP SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2023 UNAUDITED

This Management's Discussion and Analysis (MD&A) section of New Hanover Township School District's (District) annual financial report for the year ended June 30, 2023 is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 (*Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*) issued in June 1999. Its intent is to (1) explain the various components annual financial statements and (2) provide highlights of the District's financial performance during the above stated fiscal year. Please read it in conjunction with the Transmittal Letter at the beginning of this report and with the District's financial statements and accompanying notes, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- On a district-wide basis [Tables A-1; A-2]:
 - Per Table A-1, net assets of the District exceeded its liabilities by \$7,738,977 versus \$7,636,668 for 2022.
 - Governmental activities in Table A-1 show an increase in unrestricted net position of \$1,084,026 versus \$473,308 for the prior year primarily is attributable to required accounting treatments in the governmental funds.
 - The increase in Table A-2 of \$102,309 in net position primarily attributable to Governmental Activities.
 - Business-type activities, which represents the ongoing food service operations and aftercare operations show an unrestricted net position of \$31,956 for 2023, a slight decline from the \$32,538 reported for 2022.
- On a fund accounting basis [Exhibit B-2]
 - The fund balance of the District's governmental funds in Exhibit B-2 increased by \$67,293, resulting in an ending balance of \$3,217,039 largely from results of operations in the General Fund.
- On a budgetary comparison basis [Exhibit C-1]

After adjusting for "on-behalf payments"¹ of \$869,272, the District's General Fund reported a net \$692,638 favorable variance of actual revenues and expenditures versus the respective amount anticipated and budgeted for the year. This was primarily driven by a net unfavorable expenditure variance (expenses more than budgeted) of (\$287,640) with net revenues contributing a favorable net variance of \$980,278.

¹ On-behalf payments represent reimbursements from New Jersey State for pension, FICA, and related benefit costs incurred by the District; the District records both the reimbursements and the offsetting costs in its financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

The charts below illustrate the relationships of the District's various reports, consisting of a series of financial statements and notes to those statements organized for a reader to better understand New Hanover Township School District as an entire operating entity, followed by an increasingly detailed look at specific financial activity.

<i>Management's Discussion And Analysis</i>	Basic Financial Statements	Required Supplementary Information
District-Wide Financial Statements	Fund Financial Statements	<i>Notes to the Financial Statements</i>
Summary		Detail

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:

- **District-Wide Financial Statements (Statement of Net Assets and Statement of Activities)**

The first two statements are district-wide financial statements that provide both short-term and long-term information about the New Hanover Township's overall financial status.

- **Fund Financial Statements**

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

- 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 New Hanover Township School Board of Education's budget for the year.

**Figure A-1
Major Features of District-Wide and Fund Financial Statements**

	District-Wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District Except Fiduciary funds	The activities of the district that are not proprietary or fiduciary such as special revenue and building maintenance	Activities the district operates like private businesses – Food Services	Instances in which the district administers resources on behalf of someone else such as scholarship programs and student activities monies.
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenues, expenses, and changes in fund net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus.	Accrual accounting and economic resources focus	Accrual Accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, 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 or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term.	All assets and liabilities, both short-term and long-term.
Type of inflow/outflow information.	All revenues and expenses during the year regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.	All revenues and expenses during the year, regardless of when cash is received or paid.

Figure A-1 summarizes the major features of New Hanover Township School’s financial statements, including the portion of New Hanover Township’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights the structure and contents of each of the statements.

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

Reporting the School District as a Whole: Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by New Hanover Township to provide programs and activities, the view of New Hanover Township School, looks at all financial transactions and asks the question, “How did we do financially during 2022-23?” The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting like the accounting used by most private-

sector businesses. These bases of accounting consider all the current year's revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Assets and the Statement of Activities, New Hanover Township School is divided into two district kinds of activities:

- **Governmental Activities** – All of New Hanover Township School's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- **Business-Type Activity** – This service is provided on a charge for goods or services basis to recover expenses of the goods or services provided. The Food Service enterprise fund is reported here.

Reporting New Hanover Township School's Most Significant Funds: Fund Financial Statements

Fund financial reports provide detailed information about New Hanover Township School's funds. The District uses many funds to account for a multitude of financial transactions. New Hanover Township School's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund.

- **Governmental Funds**

The District's activities are reported in governmental funds, which focus on how money flows in and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

District's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

- **Enterprise Fund**

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

As previously mentioned, the Statement of Net Assets provides the perspective of New Hanover Township School as a whole. Net assets may serve over time as a useful indicator of a government's financial position. New Hanover Township's financial position is the product of several 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.

Table 1 provides a summary of New Hanover Township School's net assets for 2023 with comparative amounts for 2022.

**Table A-1
Summary of Net Assets**

	Governmental Type		Business Type		School District		% Change 2022-2023
	Activities		Activities		Totals		
	2023	2022	2023	2022	2023	2022	
Current and other assets	\$ 3,432,311	\$ 3,183,565	\$ 61,844	\$ 53,608	\$3,494,155	\$ 3,240,173	7.26%
Capital Assets – Net	5,214,322	5,275,804	5,782	6,623	5,220,104	5,282,427	-1.17%
Deferred Outflows	175,447	165,668			175,447	165,668	5.90%
Total Assets and Deferred Outflows	\$ 8,822,080	\$ 8,625,037	\$ 67,666	\$ 60,231	\$ 8,889,746	\$ 8,685,268	2.35%
Long-term debt outstanding	98,796	84,050			98,796	84,050	17.15%
Other liabilities	1,051,973	963,045		1505	1,051,973	964,550	9.06%
Deferred Inflows					-	-	
Total liabilities	\$ 1,150,769	\$ 1,061,723	\$ 0	\$1505	\$ 1,150,769	\$ 1,048,600	9.74%
NET POSITION							
Net Investment in Capital Assets	5,208,947	5,264,737	5,782	6,623	5,214,729	5,271,360	-1.07%
Restricted	1,440,222	2,313,205			1,440,222	2,313,205	-37.73%
Unrestricted	1,022,142	473,308	61,884	52,103	1,022,142	525,411	94.54%
Total net position	\$ 7,671,311	\$ 7,577,942	\$ 67,666	\$ 58,726	\$ 7,738,977	\$ 7,636,668	1.33%

Overall, total, net assets increased by \$102,309 for 2023, with total assets and deferred outflows increase \$204,478, total liabilities increasing \$102,169. Key changes were in current and other assets, principally cash and restricted reserves increased \$253,982; capital assets (declined \$62,323); deferred outflows related to the District's allocable share of pension and other retirement benefit costs as a participant in these programs increased \$9,779; and total liabilities increased \$102,169.

Table 2 shows changes in net assets for fiscal year 2023 with comparative amounts for 2022.

**Table A-2
Summary of Changes in Net Assets**

	Governmental		Business-Type		School District		% Change 2020-2021
	Activities		Activities		Totals		
	2022	2023	2022	2023	2022	2023	
REVENUES:	\$5,140,029	\$4,784,023	0	\$	\$5,140,029	\$4,784,023	-6.92%
EXPENSES	\$4,629,702	\$4,690,654	32,538	\$ 8,940	\$4,662,240	\$4,699,594	0.08%
Incr (decr) in net position	\$ 510,327	\$ 93,369	\$ 32,538	\$ 8,940	\$ 542,865	\$ 102,309	-81.15%

While revenues decreased (\$356,006) and expenses increase \$37,354 for the year, with the lesser expenditures provided for the improvement in net position, from \$7,636,668 to \$7,738,977.

Governmental Activities: For both years, revenues essentially consist of property taxes and other Federal, state; and local grants. The major revenue declines were in grants; while the major expense decline was in instructional related costs (activities directly dealing with the teaching of pupils and the interaction thereof).

Business-Type Activities: New Hanover Township's business-type activities consists of its food service program, comprised of charges for services, supplemented by federal and state reimbursements for meals, including payments for free and reduced lunches and breakfast, as well as donated commodities.

Governmental Activities

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

Table A-3
Cost of Services vs Net Cost of Services

	Total Cost of Services		% Change	Net Cost of Services		% Change
	2022	2023	2022-2023	2022	2023	2022-2023
Instruction Related	\$ 1,862,602	\$ 2,019,043	-4.8%	\$ 1,643,238	\$ 1,526,438	-7.10%
Tuition	752,071	999,923	-25.65%	752,071	999,923	32.95%
Stud. & Instr. Rel. Svs	624,874	645,742	7.85%	537,050	473,513	-11.85%
Administrative Services	272,439	279,047	-2.2%	272,439	279,047	2.42%
Maintenance	467,476	441,229	12.8%	467,476	441,229	-5.61%
Transportation	416,371	381,542	13.7%	416,371	381,542	-8.36%
Benefits	1,465,446	1,360,057	-2.8%	541,057	675,662	24.8%
Capital	-	127,421	-100%			00%
Total	\$ 5,861,279	\$ 6,254,004		\$ 4,629,702	\$ 4,690,654	

As shown in the table above, both total cost of services and net cost of services increased.

GENERAL FUND BUDGETING HIGHLIGHTS

All governmental funds (i.e.: general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) incorporate budgets that are prepared according to New Jersey and/or Federal statutory guidelines and record transactions using the modified accrual basis of accounting. The District's most significant fund is its General Fund which is used to account for all resource inflows and outflows used to conduct the core operations of the District and that are not otherwise designated for any other special purposes. Table A-4 below, abstracted from Exhibit C-1, provides a summary of the General Fund's budget versus actual for fiscal years 2022 and 2023.

**Table A-4
Summary of General Fund**

	Fiscal Year 6/30/2022			Fiscal Year 6/30/2023		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues-Local Sources	\$ 1,867,682	\$ 1,874,597	\$ 6,915	\$ 1,904,425	\$ 1,977,771	\$ 73,526
Revenues-State Sources	2,550,567	2,347,436	928,969	2,039,551	2,908,823	869,272
Revenues-Federal Sources	656,500	687,351	30,851	656,500	693,980	37,480
Total Revenues	\$ 5,074,649	\$ 6,041,384	\$ 966,735	\$ 4,600,296	\$ 5,580,574	\$ 980,278
			-			-
Expenditures-Programs & Instruction	\$ 1,466,639	\$ 1,361,142	\$ 105,496	\$ 1,863,151	\$ 1,529,186	\$ (333,965)
Expenditures-Support & Admin	3,672,365	4,148,936	476,571	3,528,379	3,421,284	107,095
Expenditures-Capital Outlay	116,580	11,580	105,000	116,634	116,534	-
Capital Leases (non-budgeted)		-	-		-	-
Total Expenditures	\$ 5,255,584	\$ 5,521,658	\$ (266,074)	\$ 5,304,277	\$ 5,591,917	\$ 692,638
Other Financing Sources (Uses)		-		-		-
Excess (Deficiency)	\$ (180,935)	\$ 519,726	\$ 700,661	\$ (703,981)	\$ (11,343)	\$ 692,638

Actual results were more favorable to budget; with favorable variances of \$700,661 for 2022 and \$692,638 for 2023. Each year's results were primarily driven by net favorable revenue variances (meaning actual revenues were more than budgeted).

As shown in Exhibit C-1, the ending fund balance of the General Fund was \$3,325,351 at June 30, 2023, versus \$3,336,694 at June 30, 2022.

Capital Assets

Table A-5 shows comparative information on the District's capital assets, which primarily consist of its land, building, and machinery, for 2022 and 2023.

Table A-5
Summary of Capital Assets
(Net of Depreciation)

	Governmental		Business Type		Total		% Change 2021-2022
	Activities		Activities		School District		
	2022	2023	2022	2023	2022	2023	
Land	\$ 90,000	\$ 90,000			\$ 90,000	\$ 90,000	0.00%
Construction in Progress	-	-	-	-	-	-	-
Site Improvements	145,000	145,000			145,000	145,000	0.00%
Buildings	9,621,148	9,726,102			9,621,148	9,726,102	1.09%
Machinery & Equipment	361,039	374,035	44,844	44,844	405,883	418,879	3.20%
Gross	9,982,187	10,100,137	44,844	44,844	10,027,031	10,144,981	1.17%
Less: Accumulated Depreciation	(5,040,804)	(4,979,322)	(38,221)	(39,062)	(5,079,025)	(5,018,384)	-1.19%
Net Capital Assets	\$ 5,275,804	\$ 5,214,322	\$ 6,623	\$ 5,782	\$ 5,282,427	\$ 5,220,104	-1.17%

The decrease is primarily related to depreciation charges of \$180,273 representing an estimate of the assets' annual costs consumed for the fiscal year.

Debt Administration

Table A-6 shows comparative information on the District's long-term obligations.

Table A-6
Outstanding Long-Term Debt

	Total School District		Total % Change 2022-2023
	2022	2023	
General Obligation Bonds			
Capital Leases	11,067	5,662	-48.83%
Deferred PERS Pension Payment	2,439	0	-100%
Compensated Absences	77,794	100,499	29.18%
Net Pension Liability			
Total	\$ 91,300	\$ 106,161	16.27%

The District has no outstanding long term bond obligations in either year. Its major debt, Compensated Absences, is the anticipated cost of unused sick and /or vacation benefits that would be paid in a scenario of all staff retiring and/or terminating at the end of the District's fiscal year.

FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was aware of no existing outstanding litigations or other circumstances that could significantly affect the District's financial health in the future. However, existing and/or proposed State and/or Federal legislation(s) are always a concern for their potential impact on New Jersey school districts' budgets in the face of continued increasing cost challenges. Illustrations of such challenges include limitations on school districts' undesignated surplus levels and their general fund tax levy growth, both benchmarked to 2%, along with recent change in New Jersey State's approach for distributing aid to school districts going forward. With respect to the latter, the Districts anticipates seeing lower State aid for the foreseeable future. In addition to these concerns, no one can be certain of the long effects of the COVID-19 pandemic. Together, these factors create an environment in which District officials will be challenged to appropriately make educational and fiscal decisions.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of New Hanover Township School District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, contact the Business Office at New Hanover Township School, 122 Fort Dix Street, Wrightstown NJ 08562; (609) 723-2139; or visit the District website at www.newhanover.k12.nj.us

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

The statement of net assets and the statement of activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

New Hanover Township Board of Education
Statement of Net Position
06/30/23

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 1,426,343	\$ 53,982	\$ 1,480,325
Investments			-
Receivables, governmental entities	493,352	3,417	496,769
Other receivables (net)		1,154	1,154
Inventory		3,331	3,331
Restricted assets:			-
Cash and cash equivalents	915,627		915,627
Capital reserve account - cash	591,545		591,545
Right to use assets, net (note 5)	5,444		5,444
Capital assets, net (Note 4):	5,214,322	5,782	5,220,104
Deferred outflows of resources related to pensions	175,447		175,447
Total Assets	<u>8,822,080</u>	<u>67,666</u>	<u>8,889,746</u>
LIABILITIES			
Cash Overdraft			-
Accounts payable	3,000		3,000
Accrued Interest Expense			-
Payroll Deductions Payable	68,293		68,293
Payable to federal government			-
Deferred income	135,535		135,535
Deferred inflows of resources related to pensions	172,832		172,832
Pension liability - PERS - non current	672,313		672,313
Noncurrent liabilities (Note 5):			
Due within one year	5,986		5,986
Due beyond one year	92,810		92,810
Total liabilities	<u>1,150,769</u>	<u>-</u>	<u>1,150,769</u>
NET ASSETS			
Invested in capital assets, net of related debt	5,208,947	5,782	5,214,729
Restricted for:			
Debt service	-		-
Unemployment Compensation	-		-
Workers' Compensation			
Scholarships			
Student Activities	1,343		1,343
Capital projects	591,545		591,545
Other purposes	847,334		847,334
Unrestricted	1,022,142	61,884	1,084,026
Total net assets	<u>\$ 7,671,311</u>	<u>\$ 67,666</u>	<u>\$ 7,738,977</u>

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

New Hanover Township Board of Education
 Statement of Activities
 For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular	\$ 1,131,492				\$ (1,131,492)		\$ (1,131,492)
Special education	792,862		492,605		(300,257)		(300,257)
Other special instruction	94,689				(94,689)		(94,689)
Vocational					-		-
Other instruction					-		-
Nonpublic school programs					-		-
Adult/continuing education programs					-		-
Support services:							
Tuition	999,923				(999,923)		(999,923)
Student and instruction related services	645,742	5,776	155,566 *	10,887	(473,513)		(473,513)
Other Administrative Services							
Student & instruction related services	123,204				(123,204)		(123,204)
School administrative services	80,871				(80,871)		(80,871)
General and business administrative services					-		-
Central Services	74,972				(74,972)		(74,972)
Plant operations and maintenance	441,229				(441,229)		(441,229)
Pupil transportation	381,542				(381,542)		(381,542)
Personal Services - Employee Benefits					-		-
Business and other support services							
Compensated absences	13,799				(13,799)		(13,799)
Pension plan expense	(100,499)				100,499		100,499
Special schools					-		-
Food service					-		-
Unallocated amortization	5,445				(5,445)		(5,445)
Unallocated benefits	1,360,057		869,272		(490,785)		(490,785)
Unallocated depreciation	179,432				(179,432)		(179,432)
Total governmental activities	<u>6,224,760</u>	<u>5,776</u>	<u>1,517,443</u>	<u>10,887</u>	<u>(4,690,654)</u>	<u>-</u>	<u>(4,690,654)</u>
Business-type activities:							
Food Service	<u>122,754</u>	<u>26,180</u>	<u>105,514</u>	<u>-</u>	<u>-</u>	<u>8,940</u>	<u>8,940</u>
Total business-type activities	<u>122,754</u>	<u>26,180</u>	<u>105,514</u>	<u>-</u>	<u>-</u>	<u>8,940</u>	<u>8,940</u>
Total primary government	<u>\$ 6,347,514</u>	<u>\$ 31,956</u>	<u>\$ 1,622,957</u>	<u>\$ 10,887</u>	<u>\$ (4,690,654)</u>	<u>\$ 8,940</u>	<u>\$ (4,681,714)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes, net					1,865,179		\$ 1,865,179
Taxes levied for debt service							-
Federal and State aid not restricted					2,809,420		2,809,420
Interest and Investment Earnings - Unrestricted							-
Interest and Investment Earnings - Restricted							-
Investment Earnings							-
Miscellaneous Income					112,592		112,592
Adjustments:							
PERS payment					611		611
Fixed Assets Adjustment					(9,471)		(9,471)
Capital Lease Payments					5,692		5,692
Recording of Right to Use Assets							-
Total general revenues, special items, extraordinary items and transfers					<u>4,784,023</u>	<u>-</u>	<u>4,784,023</u>
Change in Net Assets					<u>93,369</u>	<u>8,940</u>	<u>102,309</u>

New Hanover Township Board of Education
 Statement of Activities
 For the Year Ended June 30, 2023

Functions/ Programs	Net (Expense) Revenues and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
Net Assets—beginning	7,574,942	61,726	7,636,668
Net Assets—ending	<u>\$ 7,668,311</u>	<u>\$ 70,666</u>	<u>\$ 7,738,977</u>

FUND FINANCIAL STATEMENTS

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

GOVERNMENTAL FUNDS

New Hanover Township Board of Education
Balance Sheet
Governmental Funds
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>
ASSETS					
Cash and cash equivalents	1,719,929	(293,586)			1,426,343
Investments					0
Receivables, net					0
Receivables- Intergovernmental (other)					0
Receivables - State	59,888				59,888
Receivables - Federal		433,464			433,464
Interest receivable on investments					0
Inventory					0
Restricted cash and cash equivalents	1,507,172				1,507,172
Other assets					0
	<u>3,286,989</u>	<u>139,878</u>	<u>0</u>	<u>0</u>	<u>3,426,867</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	3,000				3,000
Scholarships Payable					0
Payroll Deduct and Withholdngs Payable	68,293				68,293
Unemploymt Compens Claims Payable					0
Accrued Interest					0
Interfund payable		3,000			3,000
Payable to federal government					0
Payable to state government					0
Payable to local government					0
Deferred revenue		135,535			135,535
Total liabilities	<u>71,293</u>	<u>138,535</u>	<u>0</u>	<u>0</u>	<u>209,828</u>
Fund Balances:					
Restricted Fund Balance:					
Reserve for Capital Reserve	591,545				591,545
Maintenance Reserve	131,462				131,462
Impact Aid Reserve	715,872				715,872
Unemployment Compensation					0
Scholarships					0
Student Activities		1,343			1,343
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures					0
Reserve for Excess Surplus	307,968				307,968
Assigned Fund Balance:					
Unreserved - Designated for Subsequent Year's Expenditures	544,263				544,263
Unreserved - Designated for Impact Aid Reserve					0
Unreserved - Designated for Maintenance Reserve	55,000				55,000
Committed Fund Balance					
Reserve for encumbrances	26,731				26,731
Unreserved, reported in:					
General fund	842,855				842,855
Special Revenue fund					0
Debt service fund					0
Capital projects fund					0
Permanent fund					0
Total Fund balances	<u>3,215,696</u>	<u>1,343</u>	<u>0</u>	<u>0</u>	<u>3,217,039</u>
Total liabilities and fund balances	<u>3,286,989</u>	<u>139,878</u>	<u>0</u>	<u>0</u>	

**New Hanover Township Board of Education
Balance Sheet
Governmental Funds
June 30, 2023**

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

The net pension liability for PERS is not due and payable in the current period and is not reported in the governmental funds	\$ (672,313)
Deferred outflows and inflows or resources related to pensions are applicable to future periods and therefore are not reported in the funds:	
Deferred outflows of resources related to pensions	\$ 175,447
Deferred inflows of resources related to pensions	\$ (172,832)
Right to use assets in governmental activities are not reported in the funds. The cost of these assets is \$16,334 and the accumulated amortization is \$10,890. (See Note 5).	5,444
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$10,335,137 and the accumulated depreciation is \$5,120,815 (See Note 4)	5,214,322
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (see Note 5)	<u>(98,796)</u>
Net assets of governmental activities	<u><u>\$ 7,668,311</u></u>

The accompanying notes to financial statements are an integral part of this statement.

Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	\$ 1,865,179				\$ 1,865,179
Transportation Fees					-
Rental Facilities					-
Interest on Investments	*				-
Other Unrestricted Miscellaneous Revenue	-				\$ -
Tuition charges					-
Miscellaneous	112,592	5,776			118,368
Total - Local Sources	1,977,771	5,776	-	-	1,983,547
State sources	2,984,712	53,970			3,038,682
Federal sources	693,980	605,088			1,299,068
Total revenues	5,656,463	664,834	-	-	6,321,297
EXPENDITURES					
Current:					
Regular instruction	1,131,492	-			1,131,492
Special education instruction	303,004	489,858			792,862
Other special instruction	94,689				94,689
Vocational education					-
Other instruction					-
Nonpublic school programs					-
Adult/continuing education programs					-
Support services and undistributed costs:					-
Tuition	999,923				999,923
Student & instruction related services	484,400	161,342			645,742
School administrative services	80,871				80,871
General administrative services	123,204				123,204
Central services	74,972				74,972
Administrative information technology					-
Plant operations and maintenance	441,229				441,229
Pupil transportation	381,542				381,542
Undistributed expenditures - Food Services					-
Unallocated benefits	1,360,057				1,360,057
Special schools					-
ARRA - Equalization Stabilization Fund (ESF)					-
ARRA - Government Services Fund (GSF)					-
Transfer to charter school					-
Debt service:					-
Principal					-
Interest and other charges					-
Capital outlay	116,534	10,887			127,421
Total expenditures	5,591,917	662,087	-	-	6,254,004
Excess (Deficiency) of revenues over expenditures	64,546	2,747	-	-	67,293
OTHER FINANCING SOURCES (USES)					
Capital leases (non-budgeted)					-
Withdrawal from Capital Reserve	-				-
Transfers in - Food Service					-
Transfers out					-
Total other financing sources and uses	-	-	-	-	-
Net change in fund balances	64,546	2,747	-	-	67,293
Fund balance—July 1	3,151,150	(1,404)	-	-	3,149,746
Prior Period Adjustment		-			-
Fund balance—June 30	\$ 3,215,696	\$ 1,343	\$ -	\$ -	\$ 3,217,039

The accompanying notes to financial statements are an integral part of this statement.

**New Hanover Township Board of Education
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2023**

Total net change in fund balances - governmental funds (from B-2)		67,293
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.		
Depreciation expense	\$ (179,432)	
Fixed assets adjustment	(9,471)	
Capital outlays	<u>127,421</u>	\$ (61,482)
Right to use assets are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets are allocated over their term as amortization expense.		
Recording of Right to Use Assets	-	
Amortization expense	<u>(5,445)</u>	(5,445)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets:		
Repayment of Bond Principal		
Retirement of Bonds Outstanding	<u> </u>	\$ -
Payment of long-term liabilities is an expenditure in the governmental funds and reduces long-term liabilities in the statement of net assets.		
Capital Lease Payments	\$ 5,692	
Voluntary Separation of Service Program Payments	<u>611</u>	\$ 6,303
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:		
Increase in Pension Liability	(163,824)	
Increase in Deferred Outflows	9,779	
Increase in Deferred Inflows	<u>254,544</u>	\$ 100,499
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.		
Proceeds from issuance of long-term debt		
Refunds - bond insurance		
Acceptance of Voluntary Separation Program		
Capital lease proceeds	<u> </u>	\$ -
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 (+).		
Prior year accrued interest on long term debt which was paid in the current year		
Increase in compensated absences payable	<u>(13,799)</u>	\$ (13,799)
Change in net assets of governmental activities		<u><u>\$ 93,369</u></u>

PROPRIETARY FUNDS

**New Hanover Township Board of Education
Statement of Net Position
Proprietary Funds
June 30, 2023**

	Business-type Activities - Enterprise Funds	
	Food Service	Totals
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 53,982	53,982
Investments		-
Interfund receivable	3,000	3,000
Other receivables	4,571	4,571
Inventories:		
Commodities	2,113	-
Regular	1,218	-
Total current assets	64,884	61,553
Noncurrent assets:		
Furniture, machinery & equipment	44,844	44,844
Less accumulated depreciation	(39,062)	(39,062)
Total noncurrent assets	5,782	5,782
Total assets	70,666	67,335
LIABILITIES		
Current liabilities:		
Accounts payable	-	-
Unearned Revenue	-	-
Interfund payable	-	-
Deposits payable	-	-
Compensated absences	-	-
Total current liabilities	-	-
Noncurrent Liabilities:		
Compensated absences	-	-
Total noncurrent liabilities	-	-
Total liabilities	-	-
NET ASSETS		
Invested in capital assets net of related debt	5,782	5,782
Restricted for:		
Capital projects		-
Unrestricted	64,884	64,884
Total net assets	\$ 70,666	\$ 70,666

New Hanover Township Board of Education
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	Business-type Activities - Enterprise Fund	
	Food Service	Total Enterprise
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	\$ 24,871	24,871
Daily sales - non-reimbursable programs	1,309	1,309
Special functions	-	-
Deductions from employees' salaries	-	-
Total operating revenues	<u>26,180</u>	<u>26,180</u>
Operating expenses:		
Cost of sales - reimburseable programs	31,719	31,719
Cost of sales - non-reimburseable programs	6,497	6,497
Salaries	40,849	40,849
Employee benefits	-	-
Purchased property service	-	-
Other purchased professional services	-	-
Cleaning, repair and maintenance services	-	-
Management Fees	11,000	11,000
Rentals	-	-
Insurance	5,343	5,343
Uniforms	-	-
General supplies	-	-
Miscellaneous expense	3,306	3,306
Depreciation	841	841
Food distribution program Expense	23,199	23,199
Total Operating Expenses	<u>122,754</u>	<u>122,754</u>
Operating income (loss)	<u>(96,574)</u>	<u>(96,574)</u>
Nonoperating revenues:		
State sources:		
State school lunch program	1,232	1,232
Other State Aid	-	-
Federal sources:		
National school lunch	43,172	43,172
School breakfast program	14,933	14,933
Special milk program	-	-
Supply Chain Assistance Funding	22,978	22,978
Food Distribution Program	23,199	23,199
Interest and investment revenue	-	-
Subsidy Operating - General Fund	-	-
Total nonoperating revenues	<u>105,514</u>	<u>105,514</u>
Income (loss) before contributions & transfers	<u>8,940</u>	<u>8,940</u>
Capital contributions	-	-
Change in net assets	<u>8,940</u>	<u>8,940</u>
Total net assets—beginning	61,726	61,726
Total net assets—ending	<u>\$ 70,666</u>	<u>\$ 70,666</u>

New Hanover Township Board of Education
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Business-type Activities -	
	Food	Total
	Service	Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ (105,140)	\$ (105,140)
Payments to employees		-
Payments for employee benefits		-
Payments to suppliers		-
Net cash provided by (used for) operating activities	<u>(105,140)</u>	<u>(105,140)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	1,232	1,232
Federal Sources	104,282	104,282
Operating subsidies and transfers from other funds		-
Net cash provided by (used for) non-capital financing activities	<u>105,514</u>	<u>105,514</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Change in capital contributions		-
Purchases of capital assets		-
Gain/Loss on disposition of fixed assets (proceeds)		-
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends		-
Proceeds from sale/maturities of investments		-
Net cash provided by (used for) investing activities	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	374	374
Balances—beginning of year	53,608	53,608
Balances—end of year	<u>53,982</u>	<u>53,982</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	(96,574)	(96,574)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities		-
Depreciation and net amortization	841	841
Purchase of Fixed Assets		-
(Increase) decrease in accounts receivable, net	(4,571)	(4,571)
(Increase) decrease in inventories	(3,331)	(3,331)
(Increase) decrease in other current assets		-
Increase (decrease) in accounts payable		-
Increase (decrease) in unearned income	(1,505)	(1,505)
Increase (decrease) in due to general fund		-
Total adjustments	<u>(8,566)</u>	<u>(8,566)</u>
Net cash provided by (used for) operating activities	<u>\$ (105,140)</u>	<u>\$ (105,140)</u>

FIDUCIARY FUNDS

NOT APPLICABLE

NOTES TO THE FINANCIAL STATEMENTS

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the New Hanover Township School District Board of Education 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 accompanying financial statements present the financial position of the District and the various funds and fund types, the result of operations of the District and the various fund and fund types, and the cash flows of the proprietary funds. The financial statements are presented as of June 30, 2023.

A. Reporting Entity:

New Hanover Township School District Board of Education is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the District functions independently through a Board of Education (Board). The Board is comprised of nine members appointed to three-year terms.

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular, vocational, as well as special education for handicapped youngsters.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include educational services to grade levels Pre-K through 8. 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, Basis of Accounting:

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

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

District-wide Statements: The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of net assets presents the financial condition of the governmental and business-type activity of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the School District.

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

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types."

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued):

Governmental Fund Types

General Fund: The general fund is the general operating fund of the District and is used to account for all expendable financial resources except those required to be accounted for in another fund.

Special Revenue Fund: The District accounts for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes in the special revenue funds.

Capital Projects Fund: The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

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

Proprietary Fund Type

Enterprise (Food Service) Fund: The enterprise fund accounts for all revenues and expenses pertaining to 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.

Fiduciary Fund Types

Trust and Agency Funds: The trust and agency funds are used to account for assets held by the District on behalf of outside parties, including other governments, or on behalf of other funds within the District.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued):

Nonexpendable Trust Fund: A nonexpendable trust fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal.

Agency Funds (Payroll and Student Activities Fund): Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

Expendable Trust Funds: Expendable trust funds are used to account for the assets that the District holds whose principal and income may be expended in the course of their designated operations so that they are depleted by the end of their designated life.

C. Basis of Accounting:

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

District-wide, Proprietary, and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued):

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. 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. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

It is the District's policy, that when an expenditure is incurred 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 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 budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. 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.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgets/Budgetary Control (Continued):

All budget amendments must be approved by School Board resolution. Budget amendments were made during the year ended June 30, 2023.

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

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

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgets/Budgetary Control (Continued):

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) "revenues"	\$ 5,580,574	\$ 796,224
Adjust for State Aid Payment:		
Add: Prior Year Payment	185,544	2,922
Less: Current Year Payment	(109,655)	
Adjust for Encumbrances:		
Add: Prior Year Encumbrances		1,223
Less: Current Year Encumbrances		(135,535)
Total Revenues (GAAP Basis)	<u>\$ 5,656,463</u>	<u>\$ 664,834</u>
Uses/outflows of resources		
Actual amounts (budgetary) "total outflows"	\$ 5,591,917	\$ 796,399
Adjustments:		
Add: Prior Year Encumbrances		1,223
Less: Current Year Encumbrances		(135,535)
Total Expenditures (GAAP Basis)	<u>\$ 5,591,917</u>	<u>\$ 662,087</u>

E. 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 reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

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.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Short-term Interfund Receivables/Payables:

Short-term interfund receivables/payables represents 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.

G. Inventories and Prepaid Expenses:

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

H. Fixed Assets:

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The School District does not possess any infrastructure. The capitalization threshold used by school districts in the State of New Jersey is \$2,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method under the half-year convention over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Buildings	50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office & computer equipment	5-10
Instructional equipment	10
Grounds equipment	15

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Fixed Assets (continued):

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

I. Accrued Salaries and Wages:

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

J. Compensated Absences:

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policies. Upon termination, employees are paid for accrued vacation. 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.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Compensated Absences (Continued):

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave that is expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments. Salary-related payments for the employer's share of social security and Medicare taxes, as well as pension contributions, are included.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

K. Deferred Revenue:

Deferred revenue in the special revenue fund represents cash which has been received but not yet earned.

L. Accrued Liabilities and Long-Term Obligations:

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Net Assets:

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

N. Fund Balance Reserves:

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances.

O. Memorandum Only - Total Columns:

Total columns are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Jersey School Districts are limited as to the types of investments and types of financial institutions they may invest in. *N.J.S.J8A: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 loss of funds on deposit with a failed banking institution in New Jersey.

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

P. Tuition Receivable/Payable:

Tuition charges are established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined. These adjustments are recorded upon certification by the State Board of Education, which is normally three years following the contract year.

Accordingly, the tuition rate adjustments for the years 2020-2021 have been certified and finalized. Tuition charges for the years subsequent to the years 2020-2021 have been estimated and projected based on calculated tuition costs per pupil and number of students.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

Investments are stated at cost, which approximates market. 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 Statement No. 40, *Governmental Accounting Standards Board Deposit and Investment Risk Disclosures*, 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 those permitted under state statute as detailed below and on the following page.

A. Deposits:

New Jersey statutes require that school districts deposit public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation (FDIC), the Savings Association Insurance Fund, or by any other agency of the United States that insure deposits. 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; or

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%.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

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

A. Deposits (Continued):

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

The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature or are to be redeemed within one year, except that up to 25% of the Fund may be invested in eligible securities which mature within two years; provided, however, that the average maturity of all investments in the Fund shall not exceed one year. Collateralization of Fund investments is generally not required. "Other Than State" participants contribute one tenth of one percent per year of the value of the aggregate units owned by them to establish a Reserve Fund, which is supplemented by the proportional interest of "Other Than State" participants in gains on investment transactions realized.

The Reserve Fund is available to cover losses of "Other Than State" participants occasioned by the bankruptcy of an issuer of an investment held by the Fund and losses on sales of securities

B. Investments:

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

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.
- Government money market mutual funds.
- Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- Bonds or other obligations of the school district or local unit of which the school district is a part.
- Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments, New Jersey State Department of Treasury.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

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

B. Investments (Continued):

- Local government investment pools.
- New Jersey State Cash Management Fund.
- Repurchase agreements of fully collateralized securities, subject to special conditions.

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

	<u>Cash and Cash Equivalents</u>
Checking, Savings and Money Management	\$ 2,987,497
NJ Cash Management Account	<u>0</u>
	<u>\$ 2,987,497</u> =====

All of the balances were covered by either the federal depository insurance or by a collateral pool maintained by the banks as required by New Jersey statutes.

Risk Category

All bank deposits, as of the balance sheet date, are entirely insured or collateralized by a collateral pool maintained by public depositories as required by the Governmental Unit Deposit Program Act. In general, bank deposits are classified as to credit risk by three categories described below:

Category 1 – Insured or collateralized with securities held by the Board or by its agent in the Board's name.

Category 2 – Collateralized with securities held by the pledging public depository's trust department or agent in the Board's name.

Category 3 – Uncollateralized including any deposits that are collateralized with securities held by the pledging public depository, or by its trust department or agent, but not in the Board's name.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2023**

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

B. Investments (Continued):

As of June 30, 2023, the Board has funds invested and on deposit in checking accounts, Money Market/Statement Savings, New Jersey Cash Management Account. These funds constitute “deposits with financial institutions” as defined by GASB Statement No. 3 and are summarized as follows:

<u>Risk Category</u>	<u>Amount</u>
1	\$ 2,987,497
2	None
3	<u>None</u>
	\$ 2,987,497
	=====

NOTE 3. GOVERNMENTAL UNIT DEPOSIT PROTECTION ACT (GUDPA)

The District has deposited cash in 2023 with an approved public fund depository qualified under the provisions of the Government Unit Deposit Protection Act. In addition to savings and checking accounts the District invests monies in certificates of deposits.

The Governmental Unit Deposit Protection Act P.L. 1970, Chapter 236, was passed to afford protection against bankruptcy or default by a depository. C.17:9-42 provides that no governmental unit shall deposit funds in a public depository unless such funds are secured in accordance with this act. C.17:9-42 provides that every public depository having public funds on deposit shall, as security for such deposits, maintain eligible collateral having a market value at least equal to either (1) 5% of the average daily balance of collected public funds on deposit during the 6 month period ending on the next preceding valuation date (June 30 or December 31) or (2) at the election of the depository, at least equal to 5% of the average balance of collected public funds on deposit on the first, eighth, fifteenth, and twenty-second days of each month in the 6 month period ending on the next preceding valuation date (June 30 or December 31). No public depository shall be required to maintain any eligible collateral pursuant to this act as security for any deposit or deposits of any governmental unit to the extent such deposits are insured by F.D.L.C. or any other U.S. agency which insures public depository funds.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

NOTE 3. GOVERNMENTAL UNIT DEPOSIT PROTECTION ACT (GUDPA)
(Continued)

No public depository shall at any time receive and hold on deposit for any period in excess of 15 days public funds of a governmental unit(s) which, in the aggregate, exceed 75% of the capital funds of the depository, unless such depository shall, in addition to the security required to be maintained under the paragraph above, secure such excess by eligible collateral with a market value at least equal to 100% of such excess.

In the event of a default, the Commissioner of Banking within 20 days after the default occurrence shall ascertain the amount of public funds on deposit in the defaulting depository and the amounts covered by federal deposit insurance and certify the amounts to each affected governmental unit. Within 10 days after receipt of the certification, each unit shall furnish to the Commissioner verified statements of its public deposits. The Commissioner shall ascertain the amount derived or to be derived from the liquidation of the collateral maintained by the defaulting depository and shall distribute such proceeds pro rata among the governmental units to satisfy the net deposit liabilities to such units.

If the proceeds of the sale of the collateral are insufficient to pay in full the liability to all affected governmental units, the Commissioner shall assess the deficiency against all other public depositories having public funds on deposit determined by a formula determined by law. All sums collected by the Commissioner shall be paid to the governmental units having deposits in the defaulting depository in the proportion that the net deposit liability to each such governmental unit bears to the aggregate of the net deposit liabilities to all such governmental units.

All public depositories are required to furnish information and reports dealing with public funds on deposit every six months, June 30th and December 31st, with the Commissioner of Banking. Any public depository which refuses or neglects to give any information so requested may be excluded by the Commissioner from the right to receive public funds for deposit until such time as the Commissioner shall acknowledge that such depository has furnished the information requested.

Upon review and approval of the Certification Statement that the public depository complies with statutory requirements, the Commissioner issues forms approving the bank as a municipal depository. The District should request copies of these approval forms semiannually to assure that all depositories are complying with requirements.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

NOTE 4. CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements/ Adjustments</u>	<u>Ending Balance</u>
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
Land	90,000	-	-	90,000
Land Improvements	145,000			145,000
Total capital assets not being depreciated	<u>235,000</u>	<u>-</u>	<u>-</u>	<u>235,000</u>
<i>Capital assets being depreciated:</i>				
Building and building improvements	9,621,148	104,954		9,726,102
Machinery and equipment	361,039	12,996		374,035
Totals at historical cost	<u>9,982,187</u>	<u>117,950</u>	<u>-</u>	<u>10,100,137</u>
Less accumulated depreciation for :				
Building, Improvements, and Equipment	4,941,383	179,432		5,120,815
Total	<u>4,941,383</u>	<u>179,432</u>	<u>-</u>	<u>5,120,815</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>5,040,804</u>	<u>(61,482)</u>	<u>-</u>	<u>4,979,322</u>
Governmental activity capital assets, net	<u>\$ 5,275,804</u>	<u>\$ (61,482)</u>	<u>\$ -</u>	<u>\$ 5,214,322</u>
Business-type activities:				
<i>Capital assets being depreciated:</i>				
Equipment	\$ 44,844	\$ -	\$ -	\$ 44,844
Less accumulated depreciation	38,221	841		\$ 39,062
Enterprise fund capital assets, net	<u>\$ 6,623</u>	<u>\$ (841)</u>	<u>\$ -</u>	<u>\$ 5,782</u>

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

NOTE 4. CAPITAL ASSETS (Continued)

On January 11, 2001, the NJ State Department of Education announced that effective July 1, 2001, the capitalization threshold used by school districts in the State of New Jersey is increased to \$2,000. The previous threshold was \$500. Applying the higher capitalization threshold retroactively (removal of old assets from the General Fixed Assets Account Group) will be permitted by the State regulations in situations where (1) the assets have been fully depreciated, or (2) the assets have exceeded their useful lives. The retirement of machinery and equipment is due to the retroactive application of the higher threshold of equipment capitalization. That is, the District has removed from their records assets with a historical cost greater than \$500 but not greater than \$2,000 that were fully depreciated or had exceeded their useful lives.

Depreciation expense was charged to functions as follows:

Instruction	
Student and Instruction - Related Services	-
School Administrative Related Services	-
General and Business Administrative Services	-
Central Services	-
Administrative Information Technology	-
Plant Operations and Maintenance	-
Pupil Transportation	-
Business and Other Support Services	-
Unallocated	179,432
Total	<u>\$ 179,432</u>

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

NOTE 5. GENERAL LONG-TERM DEBT

During the fiscal year ended June 30, 2023, the following changes occurred in liabilities reported in the general long-term debt account group:

	Balance 7/1/2022	Issued	Retired	Balance 6/30/2023	Amounts Due Within One Year
Capital Lease Payable	\$ 11,067		\$ 5,692	\$ 5,375	\$ 5,375
PERS Payment Deferral	2,439		611	1,828	611
Compensated Absences Payable	77,794	13,799		91,593	
	<u>\$ 91,300</u>	<u>\$ 13,799</u>	<u>\$ 6,303</u>	<u>\$ 98,796</u>	<u>\$ 5,986</u>

A. Bonds Payable:

As of June 30, 2023, the District did not have any outstanding bonds.

B. Bonds Authorized But Not Issued:

As of June 30, 2023, the District authorized but not used bonds.

C. Public Employees' Retirement System (PERS) Payment Deferral:

On March 17, 2009, P.L. 2009, c.19 (S-21) was signed into legislation and provided regular and vocational school districts the option of deferring fifty percent (50%) of the school district's 2008-09 regular PERS pension liability. School districts that elected to defer the pension liability were required to begin repaying the deferred amount over fifteen (15) years, starting in April of 2012. The amount to be paid will fluctuate based on the pension system investment earnings on the unfunded liability. At any time, however, upon requesting a payoff amount from the Division of Pensions and Benefits, a school district may pay off the deferred amount. The deferral of the aforementioned PERS payment was only an option for the 2008-09 fiscal year. Commencing in the fiscal year June 30, 2010 and beyond, the full annual PERS pension liability will be required to be budgeted and paid.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

NOTE 5. GENERAL LONG-TERM DEBT (Continued)

C. Public Employees' Retirement System (PERS) Payment Deferral (Continued):

On April 30, 2009, the School District adopted a resolution electing to defer fifty percent (50%) of the April 2009 payment, equaling a total deferral of \$9,160.00. The following is a schedule for the payment of the PERS deferral, based on an interest rate of 8.25%. N.J.S.A. 43:15A-25b requires the use of "regular interest" when the actuary calculates the amortization of the unfunded accrued liability of the pension system, which is set by the State Treasurer (N.J.S.A. 43: 15A-6n) and currently is 8.25%.

<u>Fiscal Year Ending June 30,</u>	<u>Deferral Payment</u>	<u>Payment</u>	<u>Total Projected Payment</u>
2024-2026	2,441	547	2,988
2027-2029			-
Total	<u>2,441</u>	<u>547</u>	<u>2,988</u>

D. Finance Leases Payable:

The District is leasing several copiers under finance leases. The following is a schedule of the future minimum lease payments under these finance leases and the net minimum lease payments at June 30, 2023.

Year Ending June 30,	<u>Total</u>
2024	5,502
2025	
Total Minimum Lease Payments	<u>5,502</u>
Less: Amount Representing Interest	<u>(127)</u>
Net Minimum Lease Payments	<u>5,375</u>

GASB No. 87, Leases, requires the disclosure of information regarding the accounting for leases and application of principles which should be applied by lessees to report useful information to users of financial statements about the amount, timing and uncertainty of cash flows arising from a lease.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

NOTE 5. GENERAL LONG-TERM DEBT (Continued)

D. Finance Leases Payable (Continued):

A summary of total lease costs and other lease information for the year ended June 30, 2022 follows:

	<u>6/30/2023</u>
<u>Total Lease Cost:</u>	
Finance lease cost:	
Amortization of the right-of-use assets	\$ 5,445
Interest on lease obligations	<u>561</u>
Total lease cost	\$ 6,006 =====
Weighted-average remaining lease term:	
Finance Leases	2.0 years
Weighted-average discount rate:	
Finance Leases	6.22 %

The implicit rate of the District was utilized to calculate the fair value of the leases, when available. Otherwise, the District's incremental borrowing rate was used.

Other lease information is provided in this report on Exhibit I-2, Statement of Obligations under Capital Leases.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

NOTE 6. PENSION PLANS

Plan Descriptions

All required employees of the District are covered by either the Public Employees' Retirement System (PERS) or the Teachers' Pension and Annuity Fund (TPAF) which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

Teachers' Pension and Annuity Fund (TPAF)

The TPAF was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The TPAF is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related noncontributing employers.

Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the DOE who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS)

The PERS was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The PERS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another State-administered retirement system or other state or local jurisdiction.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

NOTE 6. PENSION PLANS (Continued)

Plan Descriptions (Continued)

Public Employees' Retirement System (PERS)(Continued)

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 PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For the year ended June 30, 2023, the District recognized pension expense of \$11,857 consisting of employer contributions of \$56,179 and non-employer contributions of (\$44,322). At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 4,852	\$ 4,279
Changes of assumptions	2,083	100,672
Net difference between projected and actual earnings on pension plan investments	27,826	-
Changes in proportion and differences between District contributions and proportionate share of contributions	140,686	67,881
District contributions subsequent to the measurement date	-	
Total:	<u>\$ 175,447</u>	<u>\$ 172,832</u>

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

NOTE 6. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

\$0 reported as deferred outflows of resources related to pensions resulting from school district, charter school, or renaissance school project contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2023, the plan measurement date is June 30, 2022) will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:		
2023	\$	(57,670)
2024	\$	(29,381)
2025	\$	(14,329)
2026	\$	31,260
2027	\$	<u>(69)</u>
Total	\$	<u><u>(70,189)</u></u>

Additional Information

Collective balances at December 31, 2021 and 2022 are as follows:

	<u>12/31/2021</u>	<u>12/31/2022</u>
Collective deferred outflows of resources	\$ 165,668	\$ 175,447
Collective deferred inflows of resources	427,376	172,832
Collective net pension liability	508,489	672,313
District's Proportion	<u>0.0043%</u>	<u>0.0045%</u>

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

NOTE 6. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF)

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 Teachers Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For the year ended June 30, 2023, the District recognized pension expense of \$215,999 and revenue of \$215,999 for support provided by the State. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 108,689	\$ 19,051
Changes of assumptions	467,963	3,019,397
Net difference between projected and actual earnings on pension plan investments	182,081	-
Changes in proportion and differences between District contributions and proportionate share of contributions	18,507	-
District contributions subsequent to the measurement date	-	-
Total:	<u>\$ 777,240</u>	<u>\$ 3,038,448</u>

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

NOTE 6. PENSION PLANS (Continued)

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

\$0 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2023	\$ (413,599)
2024	\$ (594,813)
2025	\$ (521,287)
2026	\$ (234,794)
2027	\$ (256,316)
Thereafter	<u>\$ (262,537)</u>
Total	<u>\$ (2,283,346)</u>

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

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.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

NOTE 6. PENSION PLANS (Continued)

Significant Legislation

During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by $\frac{1}{2}$ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Districts' normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits, accordingly, the pension costs for TPAF and PERS were reduced.

Contribution Requirements

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

During the fiscal year ended June 30, 2023, the State of New Jersey contributed \$748,675 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$120,597 during the year ended June 30, 2023 for the employer's share of Social Security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

NOTE 7. POST-RETIREMENT BENEFITS

General Information about the OPEB Plan

State Health Benefit State Retired Employees Plan

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

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

NOTE 7. POST-RETIREMENT BENEFITS (Continued)

General Information about the OPEB Plan (Continued)

State Health Benefit State Retired Employees Plan (Continued)

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

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

Total OPEB Liability

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASB No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education/board of trustees. Note that actual numbers are published in the NJ State's ACFR on the Office of Management and Budget webpage: <https://www.nj.gov/treasury/omb/fr.shtml>.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2021 actuarial valuation reported by the State in the State's most recently issued ACFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary Increases	<u>TPAF/ABP</u>	<u>PERS</u>
	2.75 – 4.25%	2.75 – 6.55%
	Based on	Based on
	service years	service years

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

NOTE 7. POST-RETIREMENT BENEFITS (Continued)

General Information about the OPEB Plan (Continued)

Total OPEB Liability (Continued)

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

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

Health Care Trend Assumptions

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

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

NOTE 7. POST-RETIREMENT BENEFITS (Continued)

General Information about the OPEB Plan (Continued)

Total OPEB Liability (Continued)

Discount rate

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

Changes in the Total OPEB Liability reported by the State of New Jersey:

	<u>Increase/Decrease Net OPEB Liability</u>
Balance Recognized at June 30, 2022 (Based on June 30, 2021 Measurement Date)	\$ 60,007,650,970
Changes Recognized for the Measurement Year	
Service Cost	\$ 2,770,618,025
Interest on the Total OPEB Liability	1,342,187,139
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	1,399,200,736
Changes of Assumptions	(13,586,368,097)
Gross Benefit Payments	-
Contributions From the Employer	(1,286,825,807)
Contributions From the Employee	-
Net Investment Income	-
Administrative Expense	-
Net Changes	<u>\$ (9,361,188,004)</u>
Balance Recognized at June 30, 2023 (Based on 06/30/2022 Measurement Date)	\$ 50,646,462,966

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

NOTE 7. POST-RETIREMENT BENEFITS (Continued)

Total OPEB Liability (Continued)

The State's total OPEB liability attributable to the District: \$ 51,700,210.

Changes of assumptions and other inputs reflect a change in the discount rate from 2.21% percent in 2021 to 3.54% percent in 2022.

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

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

<u>At 1% decrease (2.54%)</u>	<u>At discount rate (3.54%)</u>	<u>At 1% increase (4.54 %)</u>
\$ 59,529,589,697	50,646,462,966	42,527,080,995

Sensitivity of Total Nonemployer OPEB Liability to changes in the healthcare trend rate:

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

<u>1% decrease</u>	<u>Healthcare cost trend rate</u>	<u>1% increase</u>
\$ 41,862,397,291	50,646,462,966	62,184,866,635

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

For the year ended June 30, 2022, the board of education recognized OPEB expense of \$394,888 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75 and in which there is a special funding situation.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

NOTE 7. POST-RETIREMENT BENEFITS (Continued)

Total OPEB Liability (Continued)

In accordance with GASB No. 75, the Monmouth Regional High School District's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2022, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	<u>Deferred Outflows Of Resources</u>	<u>Deferred inflows Of Resources</u>
Changes in proportion	\$ 2,296,602,137	\$ (2,296,602,137)
Difference between expected and actual experience	\$ 9,042,402,619	\$ (15,462,950,679)
Changes of assumptions or other inputs	\$ 8,765,620,577	\$ (17,237,289,230)
Total	<u>\$ 20,104,625,333</u>	<u>\$ (34,996,842,046)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB will be recognized in OPEB expense as follows:

Measurement Period Ending June 30,	
2023	\$ (2,517,151,602)
2024	\$ (2,517,151,602)
2025	\$ (2,517,151,602)
2026	\$ (2,175,449,761)
2027	\$ (1,243,951,140)
Total Thereafter	<u>\$ (3,921,361,006)</u>
	<u>\$ (14,892,216,713)</u>

For the fiscal year ended June 30, 2023, the State of New Jersey contributed on behalf of the District \$155,704 to the TPAF for post-retirement medical benefits.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

NOTE 8. INTERFUND RECEIVABLES AND PAYABLES

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

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund		\$ 3,000
Special Revenue Fund		
Capital Projects Fund		
Debt Service Fund		
Enterprise Fund	\$ 3,000	
Trust and Agency Fund		
	<u>\$3,000</u>	<u>\$3,000</u>

These amounts represent temporary advances between the various funds.

NOTE 9. CONTINGENCIES

The District receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2020-2021 fiscal year were subject to the Single Audit Act of 1984 and New Jersey OMB Circular 04-04 which mandates that grant revenues and expenditures be audited in conjunction with the Board's annual audit. Substantially, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. Further, the School Child Nutrition Program is a recipient of federal (USDA) reimbursements and is subject to certain related federal regulations. The federal reimbursements are subject to subsequent audit and interpretation by the New Jersey Department of Education. The Board and management do not believe such an audit would result in material amounts of disallowed costs.

NOTE 10. LITIGATION

There is no litigation, pending litigation, claims, contingent liabilities, unasserted claims or assessments or statutory violations which involve the Board of Education and which might materially affect the financial position of the District, as of the date of this report except for the following:

In 2022, one of the Board's neighboring property owners filed suit against the Board in the Chancery Division of the Superior Court, seeking equitable relief of an easement

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

over the Board's lands to use as a driveway. Monetary damages were not sought. Although that matter has been dismissed without prejudice pending the completion of the sale of the neighbor's property to the Board, due diligence connected with that sale has yet to take place.

NOTE 11. COMPENSATED ABSENCES

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. 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.

The liability for vested compensated absences of the governmental fund types is recorded in the general long-term account group. The current portion of the compensated absences balance of the governmental funds is not considered material to the applicable funds total liabilities, and therefore, is not shown separately from the long-term liability balance of compensated absences.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees.

Compensated absences will be paid from the fund from which the employees' salaries are paid.

NOTE 12. DEFERRED COMPENSATION

The Board offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b). The plan, which is administered by a benefits management company, permits participants to defer a portion of their salary until future years. Amounts deferred under the plan are not available to employees until termination, retirement, death or unforeseeable emergency. The Board has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The Board offers several plan administrators for its employees to utilize.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

NOTE 13. RISK MANAGEMENT

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

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

New Jersey Unemployment Compensation Insurance – The District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Contributory Method”. Under this plan, the District and its employees contribute to the New Jersey Unemployment Trust Fund for benefits paid to its former employees. The District remits quarterly the amounts due to the State.

Joint Insurance Pool – The School District is a member of the Burlington and Camden County Educator’s Insurance Consortium, a sub-fund of the New Jersey School Boards Association Insurance Group. The Fund provides its members with the following coverages:

Property – Blanket Building & Grounds	Electronic Data Processing
Equipment Breakdown	Crime
Comprehensive General Liability	Automotive Liability
Worker’s Comprehensive & Employer’s Liability	School Leaders Errors & Omissions Liability

Annual contributions to the Fund are determined by the Fund’s Board of Trustees. The School District is jointly and personally liable for claims insured by the Fund and its members during the period of its membership, including liability for supplemental assessments, if necessary. The Fund’s Board of Trustees may authorize refunds to its members in any fund year for which contributions exceed the amount necessary to fund all obligations for that year.

The Fund publishes its own financial report for the year ended June 30, 2023, which can be obtained from the following address:

New Jersey School Boards Association Insurance Group
450 Veterans Drive
Burlington, NJ 08016

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

NOTE 14. CALCULATION OF EXCESS SURPLUS

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the end of the fiscal year of June 30 if a required minimum amount is not appropriated as budgeted fund balance in their subsequent year's budget. The Excess Fund Balance at June 30, 2023 is \$307,968. The Excess Fund Balance at June 30, 2022 was \$0.

NOTE 15. SBITAs

Pursuant to paragraph 60-61 of GASB Statement No. 96 for disclosure requirements related to subscription-based information technology arrangements (SBITAs) School districts, charter schools and renaissance school projects should disclose in notes to financial statements the following information about its SBITAs (which may be grouped for purposes of disclosure) other than short-term SBITAs: A general description of its SBITAs, including the basis, terms, and conditions on which variable payments not included in the measurement of the subscription liability are determined; the total amount of subscription assets, and the related accumulated amortization, disclosed separately from other capital assets; the amount of outflows of resources recognized in the reporting period for variable payments not previously included in the measurement of the subscription liability; the amount of outflows of resources recognized in the reporting period for other payments, such as termination penalties, not previously included in the measurement of the subscription liability; principal and interest requirements to maturity, presented separately, for the subscription liability for each of the five subsequent fiscal years and in five-year increments thereafter and commitments under SBITAs before the commencement of the subscription term; the components of any loss associated with an impairment .

For the year under audit, there were no SBITAs applicable.

NOTE 16. 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 17. OTHER

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

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

NOTE 18. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the New Hanover Township Board of Education by inclusion of \$1 on October 19, 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 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-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Beginning Balance, July 1, 2022	\$ 591,545
Increased by:	
Interest Earnings	-
Transfers	
	<hr/>
Ending Balance, June 30, 2023	<u>\$ 591,545</u>

NOTE 19. ECONOMIC DEPENDENCY

The District 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, could have an effect on the District's programs and activities.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

NOTE 20. GASB #54 – FUND BALANCE DISCLOSURES

In accordance with Government Accounting Standards Board 54, Fund Balance Reporting and Governmental Fund Type Definitions, the New Hanover Board of Education classifies governmental fund balances as follows:

- Non-spendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because legal or contractual constraints.
- Restricted - includes fund balance amounts that are constrained for specific purposes which are externally imposed by external parties, constitutional provision or enabling legislation.
- Committed - includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.
- Assigned - includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Business Administrator.
- Unassigned - includes balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

General Fund – Of the \$3,325,351 General Fund fund balance at June 30, 2023, \$307,968 is restricted for excess surplus – current year; \$1,438,879 is restricted for other purposes. \$26,731 is committed for other purposes; \$544,263 is assigned as designated for subsequent year's expenditures, \$55,000 is assigned and designated for the Maintenance Reserve and \$952,510 is unassigned.

NOTE 21. FEDERAL IMPACT AID RESERVE

As permitted by P.L.2015, c.46 which amended N.J.S.A. 18A:7F-41 a federal impact reserve account was established by the New Hanover Township Board of Education by a transfer of \$650,000 on 6/9/17 by board resolution for the amount of federal impact aid funds - general fund - received during the current fiscal year for use as general fund expenditures in subsequent fiscal years. The Federal Impact Aid - General Reserve Account is maintained in the general fund and its activity is included in the general fund annual budget.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

NOTE 21. FEDERAL IMPACT AID RESERVE (Continued)

The activity of the Federal Impact Aid Reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022	\$ 1,115,372
Increased by:	
Interest Earnings	
Transfers	-
Decreased by:	
Assigned to Fund Balance	399,500
Ending Balance, June 30, 2023	<u>\$ 715,872</u>

NOTE 22. ESTIMATES

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

NOTE 23. SUBSEQUENT EVENTS

The New Hanover Township Board of Education has evaluated subsequent events occurring after June 30, 2023 through the date of November 30, 2023, which is the date the financial statements were available to be issued. The District has determined there are no material subsequent events needed to be disclosed.

***REQUIRED SUPPLEMENTARY INFORMATION
PART II***

BUDGETARY COMPARISON SCHEDULES

**New Hanover Township Board of Education
Budgetary Comparison Schedule
General Fund
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>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,865,179	-	\$ 1,865,179	\$ 1,865,179	\$ -
Transportation Fees From Other LEAs		-			-
Rental Facilities		-			-
Tuition		-			-
Interest Income - Other		-			-
Other Restricted Miscellaneous Revenues		-			-
Unrestricted Miscellaneous Revenues	38,996	-	38,996	112,592	73,596
Interest Earned on Capital Reserve Funds.	50	-	50	-	(50)
Interest Earned on Maintenance Reserve Funds.	20	-	20	-	(20)
Total - Local Sources	<u>1,904,245</u>	<u>-</u>	<u>1,904,245</u>	<u>1,977,771</u>	<u>73,526</u>
State Sources:					
Categorical Special Education Aid	152,726	-	152,726	152,726	-
Categorical Transportation Aid	161,552	-	161,552	161,552	-
Categorical Security Aid	78,055	-	78,055	78,055	-
Equalization Aid	1,574,394	-	1,574,394	1,574,394	-
Extraordinary Aid -Current Year		-			-
Military Impact Aid	72,824	-	72,824	72,824	-
Maintenance of Equity (MOEQ)		-			-
Non Public Transportation Aid		-			-
Other State Aid		-			-
TPAF Post-Retirement Medical (On-Behalf - Non-Budgeted)		-		155,704	155,704
Teacher's Pension & Annuity Fund (On-Behalf - Non-Budgeted)		-		592,713	592,713
Teacher's Pension & Annuity Fund-Non Contrib(On-Behalf - Non-Budgeted)		-		258	258
TPAF Social Security (Reimbursed - Non-Budgeted)		-		120,597	120,597
Total State Sources	<u>2,039,551</u>	<u>-</u>	<u>2,039,551</u>	<u>2,908,823</u>	<u>869,272</u>
Federal Sources:					
Impact Aid	656,500	-	656,500	693,980	37,480
Education Jobs Fund		-			-
Total - Federal Sources	<u>656,500</u>	<u>-</u>	<u>656,500</u>	<u>693,980</u>	<u>37,480</u>
Total Revenues	<u>4,600,296</u>	<u>-</u>	<u>4,600,296</u>	<u>5,580,574</u>	<u>980,278</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Local Contrib. - Trans to Special Rev - Regular		-			-
Preschool - Salaries of Teachers	35,343	-	35,343	11,879	23,464
Kindergarten - Salaries of Teachers	132,306	-	132,306	91,373	40,933
Grades 1-5 - Salaries of Teachers	648,970	-	648,970	472,724	176,246
Grades 6-8 - Salaries of Teachers	363,545	-	363,545	337,191	26,354
Grades 9-12 - Salaries of Teachers		-			-
Regular Programs - Home Instruction:					
Salaries of Teachers	1,500	-	1,500		1,500
Purchased Professional-Educational Services		-			-
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	126,600	4,721	131,321	131,321	-
Purchased Professional-Educational Services		-			-
Purchased Technical Services	40,000	(7,255)	32,745	17,382	15,363
Other Purchased Services (400-500 series)	31,000	(10,332)	20,668	2,750	17,918
General Supplies	62,000	26,724	88,724	66,872	21,852
Textbooks	40,000	(40,000)			-
Other Objects		-			-
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>1,481,264</u>	<u>(26,142)</u>	<u>1,455,122</u>	<u>1,131,492</u>	<u>323,630</u>

**New Hanover Township Board of Education
 Budgetary Comparison Schedule
 General Fund
 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>
SPECIAL EDUCATION - INSTRUCTION					
Cognitive - Mild:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Cognitive - Mild	-	-	-	-	-
Cognitive - Moderate:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Cognitive - Moderate	-	-	-	-	-
Learning and/or Language Disabilities:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Learning and/or Language Disabilities	-	-	-	-	-
Visual Impairments:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Visual Impairments	-	-	-	-	-
Auditory Impairments:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Auditory Impairments	-	-	-	-	-
Behavioral Disabilities:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Behavioral Disabilities	-	-	-	-	-

**New Hanover Township Board of Education
 Budgetary Comparison Schedule
 General Fund
 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>
Multiple Disabilities:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Multiple Disabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Resource Room/Resource Center:					
Salaries of Teachers	180,888	122,116	303,004	303,004	-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Resource Room/Resource Center	<u>180,888</u>	<u>122,116</u>	<u>303,004</u>	<u>303,004</u>	<u>-</u>
Autisim:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Autisim	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Preschool Disabilities - Part-Time:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Preschool Disabilities - Part-Time	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Preschool Disabilities - Full-Time:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Preschool Disabilities - Full-Time	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Home Instruction:					
Purchased Professional-Educational Services		-			-
Total Home Instruction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

New Hanover Township Board of Education
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Cognitive - Severe:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Cognitive - Severe	-	-	-	-	-
TOTAL SPECIAL EDUCATION - INSTRUCTION	180,888	122,116	303,004	303,004	-
Basic Skills/Remedial - Instruction					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Basic Skills/Remedial - Instruction	-	-	-	-	-
Bilingual Education - Instruction					
Salaries of Teachers	64,743	1,735	66,478	66,477	1
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies	1,950	(110)	1,840		1,840
Textbooks		-			-
Other Objects		-			-
Total Bilingual Education - Instruction	66,693	1,625	68,318	66,477	1,841
School-Spon. Cocurricular Actvts. - Inst.					
Salaries	19,280	(7,215)	12,065	3,570	8,495
Purchased Services (300-500 series)		4,109	4,109	4,109	-
Supplies and Materials	10,000	(584)	9,416	9,416	-
Other Objects		1,517	1,517	1,517	-
Transfers to Cover Deficit (Agency Funds)		-			-
Total School-Spon. Cocurricular Actvts. - Inst.	29,280	(2,173)	27,107	18,612	8,495
School-Spon. Athletics - Inst.					
Salaries of Teachers	9,548	52	9,600	9,600	-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total School-Spon. Athletics - Inst.	9,548	52	9,600	9,600	-
Other Instructional Programs - Instruction					
Salaries		-			-
Purchased Services (300-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
Transfers to Cover Deficit (Agency Funds)		-			-
Total Other Instructional Programs - Instruction	-	-	-	-	-
Total Instruction	1,767,673	95,478	1,863,151	1,529,186	333,965

**New Hanover Township Board of Education
Budgetary Comparison Schedule
General Fund
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>
Undistributed Expenditures - Instruction:					
Tuition to CSSD & Regional Day Schools	271,357	270,612	541,969	541,969	-
Tuition to Private Schools for the Disabled - Within State		-			-
Tuition to Private Schools for the Disabled & Oth LEAs-Spl - o/s NJ		-			-
Tuition -County Voc School Dist.-Regular	84,157	(5,741)	78,416	78,416	-
Tuition -County Voc School Dist.-Special		-			-
Tuition - State Facilities		-			-
Tuition - Other		-			-
Tuition - Other LEAs Within State-Regular	218,035	54,050	272,085	272,085	-
Tuition - Other LEAs Within State-Special	187,608	(80,155)	107,453	107,453	-
Total Undistributed Expenditures - Instruction:	<u>761,157</u>	<u>238,766</u>	<u>999,923</u>	<u>999,923</u>	<u>-</u>
Undistributed Expend. - Attendance & Social Work					
Salaries		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
Total Undistributed Expend. - Attendance & Social Work	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Undist. Expend. - Health Services					
Salaries	68,145	(15,990)	52,155	52,155	-
Purchased Professional and Technical Services	1,400	(1,400)			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials	3,000	-	3,000	2,929	71
Other Objects		-			-
Total Undistributed Expenditures - Health Services	<u>72,545</u>	<u>(17,390)</u>	<u>55,155</u>	<u>55,084</u>	<u>71</u>
Undist. Expend. - Other Supp. Serv. Students - Related Serv.					
Salaries of Other Professional Staff		-			-
Purchased Professional - Educational Services	65,000	(8,871)	56,129	56,129	-
Supplies and Materials	300	-	300	284	16
Total Undist. Expend. - Other Supp. Serv. Students - Related Serv.	<u>65,300</u>	<u>(8,871)</u>	<u>56,429</u>	<u>56,413</u>	<u>16</u>
Undist. Expend. - Other Supp. Serv. Students - Extra. Serv.					
Salaries		-			-
Purchased Professional - Educational Services	60,000	(60,000)			-
Supplies and Materials		-			-
Total Undist. Expend. - Other Supp. Serv. Students - Extra. Serv.	<u>60,000</u>	<u>(60,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Undist. Expend. - Guidance					
Salaries of Other Professional Staff		-			-
Salaries of Secretarial and Clerical Assistants		-			-
Other Salaries		-			-
Purchased Professional - Educational Services		-			-
Other Purchased Prof. and Tech. Services	10,000	(10,000)			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials	2,000	(2,000)			-
Other Objects		-			-
Total Undist. Expend. - Guidance	<u>12,000</u>	<u>(12,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	65,176	429	65,605	65,605	-
Salaries of Secretarial and Clerical Assistants		-			-
Purchased Professional Educational Services		46,367	46,367	46,367	-
Other Purchased Prof and Tech Services	55,000	(54,718)	282		282
Misc. Purch Serv (400 - 500 series o/than resid costs)		-			-
Supplies and Materials	2,000	(965)	1,035	472	563
Other Objects		-			-
Total Undist. Expend. - Child Study Teams	<u>122,176</u>	<u>(8,887)</u>	<u>113,289</u>	<u>112,444</u>	<u>845</u>

New Hanover Township Board of Education
Budgetary Comparison Schedule
General Fund
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>
Undist. Expend. - Improvement of Inst. Serv.					
Salaries of Supervisor of Instruction	146,443	(18,963)	127,480	127,480	-
Salaries of Other Professional Staff	2,575	(2,575)	-	-	-
Salaries of Secr and Clerical Assist.	61,087	5,578	66,665	66,665	-
Other Salaries	-	-	-	-	-
Purchased Prof- Educational Services	-	-	-	-	-
Other Purch Prof. and Tech. Services	-	-	-	-	-
Other Purch Services (400-500)	-	-	-	-	-
Supplies and Materials	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Undist. Expend. - Improvement of Inst. Serv.	<u>210,105</u>	<u>(15,960)</u>	<u>194,145</u>	<u>194,145</u>	<u>-</u>
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	62,876	1,188	64,064	64,064	-
Other Purchased Prof. and Tech. Services	1,000	-	1,000	813	187
Other Purchased Services (400-500 series)	-	-	-	-	-
Supplies and Materials	4,000	(4,000)	-	-	-
Other Objects	-	-	-	-	-
Total Undist. Expend. - Edu. Media Serv./Sch. Library	<u>67,876</u>	<u>(2,812)</u>	<u>65,064</u>	<u>64,878</u>	<u>187</u>
Undist. Expend. - Instructional Staff Training Serv.					
Salaries of Supervisors of Instruction	-	-	-	-	-
Salaries of Other Professional Staff	-	-	-	-	-
Salaries of Secretarial and Clerical Assist	-	-	-	-	-
Other Salaries	-	-	-	-	-
Purchased Professional - Educational Serv	-	-	-	-	-
Other Purchased Prof. and Tech. Services	-	-	-	-	-
Other Purchased Services (400-500 series)	11,000	(9,562)	1,438	1,438	-
Supplies and Materials	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Undist. Expend. - Instructional Staff Training Serv.	<u>11,000</u>	<u>(9,562)</u>	<u>1,438</u>	<u>1,438</u>	<u>-</u>
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	55,826	13,174	69,000	69,000	-
Legal Services	10,000	13,554	23,554	12,813	10,741
Audit Fees	21,100	(2,000)	19,100	19,100	-
Architectural/Engineering Services	-	5,000	5,000	3,438	1,562
Other Purchased Professional Services	-	-	-	-	-
Communications/Telephone	12,000	1,854	13,854	13,854	-
BOE Other Purchased Services	500	(500)	-	-	-
Other Purchased Services (400-500 series)	2,000	(2,000)	-	-	-
Other Purchased Prof. and Tech. Services	-	-	-	-	-
Rental	-	-	-	-	-
Travel	-	-	-	-	-
Supplies and Materials	-	-	-	-	-
General Supplies	1,500	(476)	1,024	496	527
BOE In house Training/Meeting Supplies	-	-	-	-	-
BOE Membership Dues and Fees	2,300	2,203	4,503	4,503	-
Judgements Against The School Distric	-	-	-	-	-
Miscellaneous Expenditures	2,400	(2,203)	197	-	197
Total Undist. Expend. - Supp. Serv. - General Admin.	<u>107,626</u>	<u>28,605</u>	<u>136,231</u>	<u>123,204</u>	<u>13,028</u>
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	53,680	15,320	69,000	69,000	-
Salaries of Other Professional Staff	-	-	-	-	-
Salaries of Secretarial and Clerical Assistants	12,143	-	12,143	11,871	272
Other Salaries	-	-	-	-	-
Purchased Professional and Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
Supplies and Materials	-	-	-	-	-
Rental	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Undist. Expend. - Support Serv. - School Admin.	<u>65,823</u>	<u>15,320</u>	<u>81,143</u>	<u>80,871</u>	<u>272</u>

**New Hanover Township Board of Education
Budgetary Comparison Schedule
General Fund
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>
Undist. Expend. - Central Services					
Salaries	67,018	2,009	69,027	69,027	-
Purchased Professional Services	47,000	(35,152)	11,848	2,760	9,088
Purchased Technical Services	40,400	(23,328)	17,072		17,072
Miscellaneous Purchased Services		-			-
Supplies and Materials	3,000	185	3,185	3,185	-
Interest on Current Loans		-			-
Miscellaneous	500	(185)	315		-
Miscellaneous Expenditures		-			-
Total Undist. Expend. - Central Services	<u>157,918</u>	<u>(56,471)</u>	<u>101,447</u>	<u>74,972</u>	<u>26,160</u>
Undist. Expend. - Admin. Info. Tech.					
Salaries		-			-
Purchased Technical Services		-			-
Supplies and Materials		-			-
Total Undist. Expend. - Admin. Info. Tech.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Undist. Expend. - Required Maint.- School Facilities					
Salaries	30,375	0	30,375	30,375	-
Salaries of Secretarial and Clerical Assistants		-			-
Other Salaries		-			-
Purchased Professional and Technical Services		-			-
Cleaning, Repair and Maintenance Services	96,016	7,518	103,534	97,752	5,783
Other Purchased Property Services		-			-
Insurance		-			-
Miscellaneous Purchased Services-Rental		-			-
General Supplies	5,000	4,769	9,769	1,572	8,196
Energy (Energy and Electricity)		-			-
Other Objects		-			-
Total Undist. Expend. - Required Maint.- School Facilities	<u>131,391</u>	<u>12,287</u>	<u>143,678</u>	<u>129,699</u>	<u>13,979</u>
Undist. Expend. - Custodial Services					
Salaries	85,840	56,362	142,202	142,202	-
Salaries of Secretarial and Clerical Assistants		-			-
Other Salaries		-			-
Purchased Professional and Technical Services	5,000	(5,000)			-
Cleaning, Repair and Maintenance Services	34,400	(17,969)	16,431	16,431	-
Other Purchased Property Services	15,000	(5,678)	9,322	9,322	-
Insurance	34,298	(2,814)	31,484	31,484	-
Miscellaneous Purchased Services-Rental		-			-
General Supplies	16,000	4,899	20,899	14,745	6,154
Energy-Natural Gas	25,000	(25,000)			-
Energy-Electricity	85,635	11,448	97,083	97,083	-
Energy-Gasoline	250	13	263	263	-
Other Objects		-			-
Total Undist. Expend. - Other Oper. & Maint. Of Plant	<u>301,423</u>	<u>16,261</u>	<u>317,684</u>	<u>311,529</u>	<u>6,154</u>
Undist. Expend. - Care & Upkeep of Grounds					
Salaries		-			-
General Supplies		-			-
Total Undist. Expend. - Care & Upkeep of Grounds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Undist. Expend. - Oper. And Maint. Of Plant Serv.	<u>432,814</u>	<u>28,548</u>	<u>461,362</u>	<u>441,229</u>	<u>20,133</u>
Undist. Expend. - Security					
Salaries		-			-
Purchased Professional and Technical Services		-			-
Total Undist. Expend. - Security	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**New Hanover Township Board of Education
Budgetary Comparison Schedule
General Fund
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>
Undist. Expend. - Student Transportation Serv.					
Management Fees - ESC & CTSA Transportation Programs		-			-
Salaries for pupil trans - (Between Home and School) - Reg	29,526	429	29,955	29,955	-
Salaries for pupil trans - (Between Home and School) - Sp Ed		-			-
Salaries for pupil trans - (Other than Bet. Home and School)		-			-
Lease Purchase Payments - School Buses		-			-
Contract Services - (Other than Bet. Home and School) - Vendors	5,000	(5,000)			-
Contract Services - (Between Home and School) - Vendors	164,597	(42,308)	122,289	122,289	-
Contract Services - (Between Home and School) - Joint		68,220	68,220	68,220	-
Contract Services - (Special Ed Stds) - Vendors	171,663	(56,585)	115,078	115,078	-
Contract Services - (Special Ed Stds) - Joint		-			-
Contract Services - (Reg Ed Stds) - ESCs & CTSA		-			-
Contract Services - (Special Ed Stds) - ESCs & CTSA		-			-
Contract Services - Aid in Lieu Of Pymts-NonPub Sch	37,000	(3,000)	34,000	34,000	-
Miscellaneous Purchased Services-Transportation	5,000	7,000	12,000	12,000	-
Supplies and Materials		-			-
Transportation Supplies		-			-
Other Objects		-			-
Total Undist. Expend. - Student Transportation Serv.	<u>412,786</u>	<u>(31,244)</u>	<u>381,542</u>	<u>381,542</u>	<u>-</u>
Undist. Expend. - Business and Other Support Serv.					
Salaries		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Interest on Current Loans		-			-
Total Undist. Expend. - Business and Other Support Serv.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Undist. Expend. - Food Services					
Transfers to Cover Deficit (Enterprise Fund)	20,000	-	20,000		20,000
Total Undist. Expend. - Food Services	<u>20,000</u>	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>
UNALLOCATED BENEFITS					
Group Insurance		-			-
Social Security Contributions	40,000	80,632	120,632	49,592	71,041
T.P.A.F. Contributions - ERIP		-			-
Other Retirement Contributions - PERS	42,500	(42,231)	269	269	-
Other Retirement Contributions - Deferred PERS	5,500	(500)	5,000		5,000
Other Retirement Contributions - Regular	2,500	500	3,000	931	2,069
Unemployment Compensation	10,000	70	10,070	8,716	1,354
Workmen's Compensation	26,238	(71)	26,168	20,364	5,804
Health Benefits	670,617	(184,331)	486,286	410,913	75,373
Tuition Reimbursement	6,000	-	6,000		6,000
Other Employee Benefits		-			-
TOTAL UNALLOCATED BENEFITS	<u>803,355</u>	<u>(145,930)</u>	<u>657,425</u>	<u>490,785</u>	<u>166,640</u>
On-behalf TPAF Pension Contributions (non-budgeted)		-		592,713	(592,713)
On-behalf TPAF Pension Contributions-Non Contrib (non-budgeted)		-		258	(258)
On-behalf TPAF OPEB (Post Retire. Medical) Contributions (non-budgeted)		-		155,704	(155,704)
Reimbursed TPAF Social Security Contributions (non-budgeted)		-		120,597	(120,597)
TOTAL ON-BEHALF CONTRIBUTIONS	<u>-</u>	<u>-</u>	<u>-</u>	<u>869,272</u>	<u>(869,272)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	<u>803,355</u>	<u>(145,930)</u>	<u>657,425</u>	<u>1,360,057</u>	<u>(702,632)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>3,382,481</u>	<u>(57,888)</u>	<u>3,324,593</u>	<u>3,946,198</u>	<u>(621,920)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>5,150,154</u>	<u>37,590</u>	<u>5,187,744</u>	<u>5,475,384</u>	<u>(287,640)</u>

**New Hanover Township Board of Education
Budgetary Comparison Schedule
General Fund
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>
CAPITAL OUTLAY					
Equipment					
Regular Programs - Instruction:					
Instruction		-			-
Grades 1-5		-			-
Grades 6-8		-			-
Grades 9-12		-			-
Home Instruction		-			-
Special Education - Instruction:					
Cognitive - Mild		-			-
Cognitive - Moderate		-			-
Learning and/or Language Disabilities		-			-
Visual Impairments		-			-
Auditory Impairments		-			-
Behavioral Disabilities		-			-
Multiple Disabilities		-			-
Resource Room/Resource Center		-			-
Autism		-			-
Preschool Disabilities - Part-Time		-			-
Preschool Disabilities - Full-Time		-			-
Cognitive - Severe		-			-
Basic Skills/Remedial - Instruction		-			-
Bilingual Education - Instruction		-			-
Vocational Programs - Local - Instruction		-			-
School-Sponsored and Other Instructional Program		-			-
Undistributed Expenditures - Instruction		-			-
Undist.Expend.-Support Serv.-Students - Reg.		-			-
Undist.Expend.-Support Serv.-Related & Extra		-			-
Undist.Expend.-Non-Instructional Services		-			-
Undistributed Expenditures - General Admin.		-			-
Undistributed Expenditures - School Admin.		-			-
Undistributed Expenditures - Central Services		-			-
Undistributed Expenditures - Operation of Plant Services		-			-
Undistributed Expenditures - Admin Info Tech		-			-
Schools Buses - Regular		-			-
Special Schools (All Programs)		-			-
Total Equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Facilities Acquisition and Construction Services					
Construction Services		104,954	104,954	104,954	-
Architectural/Engineering Services		-			-
Other Purchased Prof. Service		-			-
Assessment for Debt Service on SDA Funding	11,580	-	11,580	11,580	-
Lease Purchase Agreements		-			-
Total Facilities Acquisition and Construction Services	<u>11,580</u>	<u>104,954</u>	<u>116,534</u>	<u>116,534</u>	<u>-</u>
Assets Acquired Under Capital Leases (non-budgeted)					
Undistributed Expenditures:					
Capital Leases		-			-
Assets Acquired Under Capital Leases (non-budgeted)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Interest Deposit to Capital Reserve		-			-
TOTAL CAPITAL OUTLAY	<u>11,580</u>	<u>104,954</u>	<u>116,534</u>	<u>116,534</u>	<u>-</u>

New Hanover Township Board of Education
 Budgetary Comparison Schedule
 General Fund
 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>
SPECIAL SCHOOLS					
Summer School - Instruction					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Summer School - Instruction	-	-	-	-	-
Summer School - Support Services					
Salaries		-			-
Personal Services - Employee Benefits		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
Total Summer School - Support Services	-	-	-	-	-
Total Summer School	-	-	-	-	-
Other Special Schools - Instruction					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Other Special Schools - Instruction	-	-	-	-	-
Other Special Schools - Support Services					
Salaries		-			-
Personal Services - Employee Benefits		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
Total Other Special Schools - Support Services	-	-	-	-	-
Total Other Special Schools	-	-	-	-	-
Accred. Even./Adult H.S./Post-Grad.-Inst.					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Accred. Even./Adult H.S./Post-Grad.-Inst.	-	-	-	-	-
Accred. Even./Adult H.S./Post-Grad.-Supp. Service					
Salaries		-			-
Personal Services - Employee Benefits		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
Total Accred. Even./Adult H.S./Post-Grad.-Supp. Service	-	-	-	-	-
Total Accred. Even./Adult H.S./Post-Grad.	-	-	-	-	-

**New Hanover Township Board of Education
Budgetary Comparison Schedule
General Fund
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>
Adult Education-Local-Instruction					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Adult Education-Local-Instruction	-	-	-	-	-
Adult Education-Local -Support Serv.					
Salaries		-			-
Personal Services - Employee Benefits		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
Total Adult Education-Local -Support Serv.	-	-	-	-	-
Total Adult Education-Local	-	-	-	-	-
Vocational Evening-Local-Instruction					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Vocational Evening-Local-Instruction	-	-	-	-	-
Vocational Evening-Local-Support Serv.					
Salaries		-			-
Personal Services - Employee Benefits		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
Total Vocational Evening-Local-Support Serv.	-	-	-	-	-
Total Vocational Evening-Local	-	-	-	-	-
Even.-Sch.-Foreign-Born-Local-Inst.					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Even.-Sch.-Foreign-Born-Local-Inst.	-	-	-	-	-
Even.-Sch.-Foreign-Born-Local-Sup. Serv.					
Salaries		-			-
Personal Services - Employee Benefits		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects (rounding)		-			-
Total Even.-Sch.-Foreign-Born-Local-Sup. Serv.	-	-	-	-	-
Total Even.-Sch.-Foreign-Born-Local	-	-	-	-	-
TOTAL SPECIAL SCHOOLS	-	-	-	-	-
Transfer of Funds to Charter Schools/ROUNDING		-			-
TOTAL EXPENDITURES	5,161,734	142,543	5,304,277	5,591,917	(287,640)

New Hanover Township Board of Education
Budgetary Comparison Schedule
General Fund
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>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(561,438)	(142,543)	(703,981)	(11,343)	692,638
Other Financing Sources(Uses):					
Withdrawal from Capital Reserve				-	
Capital Leases (non-budgeted)		-		-	-
Total Other Financing Sources:	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(561,438)	(142,543)	(703,981)	(11,343)	692,638
Fund Balance, July 1	3,336,694	-	3,336,694	3,336,694	-
Fund Balance, June 30	<u>\$ 2,775,256</u>	<u>\$ (142,543)</u>	<u>\$ 2,632,713</u>	<u>\$ 3,325,351</u>	<u>\$ 692,638</u>

Recapitulation of Fund Balance:

Restricted Fund Balance:

Reserve for Capital Reserve	591,545
Maintenance Reserve	131,462
Tuition Reserve	-
Impact Aid General Fund Reserve	715,872
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	
Reserve for Excess Surplus	307,968
Unemployment Compensation	

Committed Fund Balance:

Reserve for encumbrances	26,731
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Assigned Fund Balance:

Unreserved - Designated for Subsequent Year's Expenditures	544,263
Unreserved - Designated for Impact Aid Reserve	
Unreserved - Designated for Maintenance Reserve	55,000

Unrestricted Fund Balance

952,510

3,325,351

Reconciliation to Governmental Funds Statements (GAAP):

Last State Aid Payment not recognized on GAAP basis	(109,655)
Fund Balance per Governmental Funds (GAAP)	<u>\$ 3,215,696</u>

- * Include interest earnings on the unemployment compensation bank account
- ** Include interest earnings on the flexible benefits bank account
- ** Represents Unemployment Fund Net Position as of June 30, 2020

**New Hanover Township Board of Education
 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
REVENUES:					
Local Sources	\$ -	5,000	\$ 5,000	\$ 5,776	\$ 776
State Sources	51,048	-	51,048	51,048	-
Federal Sources	135,069	1,596,287	1,731,356	739,400	991,956
Total Revenues	186,117	1,601,287	1,787,404	796,224	992,732
EXPENDITURES:					
Instruction					
Salaries of Teachers	186,117	1,601,287	1,787,404	449,145	(449,145)
Other Salaries for Instruction	0		0	-	-
Other Salaries					-
Purchased Professional - Educational Services					-
Purchased Professional and Technical Services				34,123	(34,123)
Supplies and Materials					-
Other Purchased Services (400-500 series)				87,300	(87,300)
General Supplies				53,602	(53,602)
Textbooks					-
Tuition					-
Other Objects					-
Total Instruction	186,117	1,601,287	1,787,404	624,170	1,163,234
Support Services					
Salaries of Other Professional Staff					-
Salaries of Secretaries & Clerical Assistants				15,000	(15,000)
Other Salaries					-
Personal Services - Employee Benefits				87,453	(87,453)
Purchased Professional Services				3,469	(3,469)
Other Purchased Professional Services				5,165	(5,165)
Purchased Technical Services				44,304	(44,304)
Rentals					-
Contracted Services Transportation					-
Tuition					-
Travel					-
Other Purchased Services (400-500 series)					-
Supplies & Materials					-
Scholarships Awarded					-
Student Activities				5,951	(5,951)
Other Objects					-
Total Support Services	-	-	-	161,342	(161,342)

**New Hanover Township Board of Education
 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
EXPENDITURES (CONT'D.)					
Facilities Acquisition and Construction Services:					
Buildings		-			-
Instructional Equipment		-		10,887	(10,887)
Noninstructional Equipment		-			-
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,887</u>	<u>(10,887)</u>
Transfer to Charter School					-
Total Expenditures	<u>186,117</u>	<u>1,601,287</u>	<u>1,787,404</u>	<u>796,399</u>	<u>991,005</u>
Other Financing Sources (Uses)					
Transfer in from General Fund		-			-
Transfer Out to Whole School Reform (General Fund)		-			-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Outflows	<u>186,117</u>	<u>1,601,287</u>	<u>1,787,404</u>	<u>796,399</u>	<u>991,005</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(175)</u>	<u>\$ 175</u>
Fund Balance, July 1				<u>1,518</u>	
Fund Balance, June 30				<u>\$ 1,343</u>	
Recapitulaton					
Restricted					
Scholarships				\$ -	
Student Activities				<u>1,518</u>	
Total Fund Balance				<u>\$ 1,518</u>	

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

**New Hanover Township Board of Education
Required Supplementary Information
Budgetary Comparison Schedule
Note to RSI
For the Fiscal Year Ended June 30, 2023**

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

		General Fund		Special Revenue Fund
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue"				
from the budgetary comparison schedule	[C-1]	\$ 5,580,574	[C-2]	\$ 796,224
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized:				
Current year		(109,655)		(135,535)
Prior year		185,544		1,223
State aid payment recognized for budgetary purposes, not recognized for GAAP statements				
Prior year state aid payment recognized for GAAP purposes in current year				2,922
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	\$ 5,656,463	[B-2]	\$ 664,834
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	5,591,917	[C-2]	796,399
Differences - budget to GAAP				
The district budgets for claims and compensated absences only to the extent expected to be paid, rather than on the modified accrual basis.				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized:				
Current year				(135,535)
Prior year				1,223
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.				
Net transfers (outflows) to general fund				-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	\$ 5,591,917	[B-2]	\$ 662,087

***REQUIRED SUPPLEMENTARY INFORMATION
PART III***

***SCHEDULES RELATED TO ACCOUNTING AND REPORTING
FOR PENSIONS (GASB 68)***

New Hanover Township Board of Education
Schedules of Required Supplementary Information
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
PERS
Last Nine Fiscal Years*

	<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>
District's proportion of the net pension liability	0.0044%	0.0046%	0.0043%	0.4300%	0.0024%	0.0039%	0.0034%	0.0043%	0.0045%
District's proportionate share of the net pension liability	\$ 825,459	\$1,032,956	\$ 1,276,518	\$ 1,022,155	\$ 860,483	\$ 699,284	\$ 599,962	\$508,489	\$ 672,313
District's covered employee payroll	\$ 309,658	\$ 402,744	\$ 349,034	\$ 278,302	\$ 270,182	\$ 312,771	\$ 325,940	\$336,195	\$ 364,946
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	269.17%	256.58%	365.73%	367.29%	318.48%	223.58%	184.07%	151.25%	184.22%
Plan fiduciary net position as a percentge of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	62.91%

*This schedule does not contain ten years of information since GASB #68 was implemented during the fiscal year ending June 30, 2015.

**New Hanover Township Board of Education
Schedules of Required Supplementary Information
SCHEDULE OF DISTRICT CONTRIBUTIONS
PERS
Last Nine Fiscal Years***

	<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>
Contractually required contribution	\$ 36,346	\$ 39,561	\$ 38,290	\$ 39,882	\$ 24,199	\$ 37,750	\$ 37,564	\$ 50,268	\$ 56,179
Contributions in relation to the contractually required contribution	<u>\$ (36,346)</u>	<u>\$ (39,561)</u>	<u>\$ (38,290)</u>	<u>\$ (39,882)</u>	<u>\$ (24,199)</u>	<u>\$ (37,750)</u>	<u>\$ (37,564)</u>	<u>\$ (50,268)</u>	<u>\$ (56,179)</u>
Contribution deficiency (excess)	<u>\$ -</u>								
District's covered employee payroll	\$ 309,658	\$ 402,744	\$ 349,034	\$ 278,302	\$ 270,182	\$ 312,771	\$ 325,940	\$ 336,195	\$ 364,946
Contributions as a percentage of its covered-employee payroll	11.73%	9.82%	10.98%	14.33%	8.96%	12.07%	11.52%	14.95%	15.39%

*This schedule does not contain ten years of information since GASB #68 was implemented during the fiscal year ending June 30, 2015.

New Hanover Township Board of Education
Schedules of Required Supplementary Information
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
TPAF
Last Nine Fiscal Years*

	2015	2016	2017	2018	2019	2020	2021	2022	2022
District's proportion of the net pension liability	0.0132%	0.0138%	0.0144%	0.0165%	0.0172%	0.0167%	0.0165%	0.0157%	0.0156%
State's proportionate share of the net pension liability attributable to the District	\$7,074,208	\$ 8,750,849	\$ 11,358,251	\$ 11,095,951	\$ 10,958,144	\$ 10,274,241	\$ 10,871,014	\$ 7,524,729	\$ 8,025,872
District's covered employee payroll	\$1,583,511	\$ 1,823,578	\$ 1,756,096	\$ 1,724,404	\$ 1,754,253	\$ 1,842,573	\$ 1,723,508	\$ 1,669,775	\$ 1,640,554
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	446.74%	479.88%	646.79%	643.47%	624.66%	557.60%	630.75%	450.64%	489.22%
Plan fiduciary net position as a percentge of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%

*This schedule does not contain ten years of information since GASB #68 was implemented during the fiscal year ending June 30, 2015.

***SCHEDULES RELATED TO ACCOUNTING AND REPORTING
FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS***

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
PUBLIC EMPLOYEE'S RETIREMENT SYSTEM AND
TEACHERS' PENSION AND ANNUITY FUND**

	2018	2019	2020	2021	2022	2023
Total OPEB Liability						
Service Cost	359,139	299,602	265,491	285,397	530,403	406,591
Interest Cost	224,058	262,573	238,364	196,763	227,003	210,322
Changes of Benefit Terms					(9,314)	0
Differences between Expected and Actual Experiences		(859,977)	(976,804)	2,447,016	(1,841,597)	899,379
Changes of Assumptions	(894,585)	(685,516)	80,815	1,828,225	8,633	(2,128,998)
Member Contributions	6,065	5,521	4,932	5,281	5,803	6,683
Gross Benefit Payments	(164,712)	(159,735)	(166,382)	(174,241)	-178814	(208,330)
Net Change in Total OPEB Liability	(470,035)	(1,137,532)	(553,584)	4,588,441	(1,257,883)	(814,353)
Total OPEB Liability - Beginning	7,581,300	7,111,265	5,973,733	5,420,149	10,008,590	8,750,707
Total OPE Liability - Ending	7,111,265	5,973,733	5,420,149	10,008,590	8,750,707	7,936,354
Covered-Employee Payroll	2,105,130	2,002,706	2,155,344	2,049,448	2,005,970	2,005,500
Total OPEB Liability as a Percentage of Covered Employee Payroll	337.81%	298.28%	251.47%	488.36%	436.23%	395.73%

*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District should present information for those years for which information is available.

OTHER SUPPLEMENTARY INFORMATION

SCHOOL BASED BUDGET SCHEDULES

NOT APPLICABLE

***SPECIAL REVENUE FUND
DETAIL STATEMENTS***

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

New Hanover Township Board of Education
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2023

	Title I Part A	Title I Part A Carryover	Title IV	Title II	Title IV Part A	I.D.E.A. Part B Basic	I.D.E.A. Part B Carryover	Preschool Education Aid	APR ESSER III	APR ESSER III EBCBSD	ESSER Cares Grant	CRRSA ESSER II Learning Acceleration	CRRSA ESSER II	Student Activity Fund	Total
REVENUES															
Local Sources														\$ 5,776	5,776
State Sources								51,048							51,048
Federal Sources	109,857		8,634		87,300				259,891	8,748	9,716	24,407	230,847		739,400
Total Revenues	109,857	-	-	8,634	-	87,300	-	51,048	259,891	8,748	9,716	24,407	230,847	5,776	796,224
EXPENDITURES:															
Instruction:															
Salaries of Teachers	62,998							51,048	104,252				230,847		449,145
Other Salaries for Instruction															-
Purchased Professional - Educational Services															-
Purchased Professional and Technical Services											9,716	24,407			34,123
Other Purchased Services (400-500 series)						87,300									87,300
General Supplies									53,602						53,602
Tuition															-
Other Objects															-
Total instruction	62,998	-	-	-	-	87,300	-	51,048	157,854	-	9,716	24,407	230,847	-	624,170
Support services:															
Salaries of Other Professional Staff															-
Salaries -Support Staff									15,000						15,000
Other Salaries															-
Personal Services - Employee Benefits	46,859								31,846	8,748					87,453
Tuition															-
Purchased Professional Services						3,469									3,469
Other Purchased Professional Services						5,165									5,165
Purchased Technical Services									44,304						44,304
Supplies and Materials															-
Student Activities														5,951	5,951
Travel															-
Other Purchased Services (400-500 series)															-
Other Objects															-
Total support services	46,859	-	-	8,634	-	-	-	-	91,150	8,748	-	-	-	5,951	161,342

New Hanover Township Board of Education
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2023

	Title I Part A	Title I Carryover	Title IV	Title II	Title IV Part A	I.D.E.A. Part B Basic	I.D.E.A. Part B Carryover	Preschool Education Aid	APR ESSER III	APR ESSER III EBCBSD	ESSER Cares Grant	CRRSA ESSER II Learning Acceleration	CRRSA ESSER II	Student Activity Fund	Total
EXPENDITURES (CONT'D):															
Facilities acquisition and const. serv.:															
Buildings															-
Instructional Equipment									10,887						10,887
Noninstructional Equipment															-
Total facilities acquisition and const. serv.	-	-	-	-	-	-	-	-	10,887	-	-	-	-	-	10,887
Transfer to Charter Schools															-
Total Expenditures	109,857	-	-	8,634	-	87,300	-	51,048	259,891	8,748	9,716	24,407	230,847	5,951	796,399
Other Financing Sources (Uses)															
Transfer In from General Fund															-
Contribution to Whole School Reform															-
Total Outflows	109,857	-	-	8,634	-	87,300	-	51,048	259,891	8,748	9,716	24,407	230,847	5,951	796,399
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-	-	-	(175)	(175)
Fund Balance, July 1															\$ 1,518
Fund Balance (Deficit), June 30															<u>\$ 1,343</u>

**New Hanover Township Board of Education
Special Revenue Fund
Schedule of Preschool Education Aid Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2023**

	Budget	Actual	Variance
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 51,048	\$ 51,048	\$ -
Total instruction	51,048	51,048	-
Total Expenditures	\$ 51,048	\$ 51,048	\$ -

CALCULATION OF BUDGET & CARRYOVER

Total 2022-2023 Preschool Education Aid Allocation	\$ 51,048
Add: Actual ECPA Carryover (June 30, 2023)	
Add: Budgeted Transfer from the General Fund 2022-23	
Less: Adjustment to Carryover	
Total Preschool Education Aid Funds Available for 2022-23 Budget	51,048
Less: 2022-23 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	-
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2023	-
Less: 2022-23 Commissioner-approved Transfer to the General Fund	
Add: June 30, 2022 Unexpended Preschool Education Aid Funds	
2022-2023- Actual Carryover - Preschool Education Aid Funds	\$ -
2021-2022 Preschool Education Aid Funds Carryover Budgeted in 2021-2022	-

***CAPITAL PROJECTS FUND
DETAIL STATEMENTS***

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

NOT APPLICABLE

***PROPRIETARY FUNDS
DETAIL STATEMENTS***

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

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

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

***FIDUCIARY FUNDS
DETAIL STATEMENTS***

NOT APPLICABLE

LONG-TERM DEBT SCHEDULES

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

NEW HANOVER TOWNSHIP BOARD OF EDUCATION
COUNTY OF BURLINGTON
GENERAL LONG-TERM DEBT ACCOUNT GROUP
STATEMENT OF OBLIGATIONS UNDER CAPITAL LEASES
June 30, 2023

Series	Amount of Original Issue	Amount Outstanding July 1, 2022	Issued Current Year	Retired Current Year	Amount Outstanding June 30, 2023
Savin Pro 8200S, MP5055SP and MP401SPF Digital Copiers	\$ 28,666	\$ <u>11,067</u>	\$ _____	\$ <u>5,692</u>	\$ <u>5,375</u>
		\$ <u>11,067</u>	\$ <u>0</u>	\$ <u>5,692</u>	\$ <u>5,375</u>

STATISTICAL SECTION

INTRODUCTION TO THE STATISTICAL SECTION

**New Hanover Township Board of Education
Introduction to the Statistical Section**

<u>Contents</u>	<u>Page</u>
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.	101-107
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	108-114
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.	115-118
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.	119-120
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	121-125

FINANCIAL TRENDS

NEW HANOVER TOWNSHIP BOARD OF EDUCATION
Net Assets by Component,
Last ten fiscal years
(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Invested in capital assets, net of related debt	\$ 6,311,711	\$ 6,200,240	\$ 6,304,829	\$ 6,123,053	\$ 5,961,135	\$ 5,754,779	\$ 5,563,566	\$ 5,432,745	\$ 5,264,737	\$ 5,208,947
Restricted (Deficit)	4,793,948	3,972,374	4,033,376	3,279,239	2,852,672	2,908,895	3,211,308	1,943,784	1,839,897	1,440,222
Unrestricted (Deficit)	714,163	173,760	(903,647)	(962,787)	(864,699)	(1,042,071)	(1,454,636)	(311,914)	473,308	1,022,142
Total governmental activities net assets	\$ 11,819,822	\$ 10,346,374	\$ 9,434,558	\$ 8,439,505	\$ 7,949,108	\$ 7,621,603	\$ 7,320,238	\$ 7,064,615	\$ 7,577,942	\$ 7,671,311
Business-type activities										
Invested in capital assets, net of related debt	\$ 10,665	\$ 7,544	\$ 5,582	\$ -	\$ -	\$ 9,386	\$ 8,545	\$ 7,464	\$ 6,623	\$ 5,782
Restricted										
Unrestricted	3,881	2,775	16,164	29,834	37,037	9,969	13,085	21,724	52,103	61,884
Total business-type activities net assets	\$ 14,546	\$ 10,319	\$ 21,746	\$ 29,834	\$ 37,037	\$ 19,355	\$ 21,630	\$ 29,188	\$ 58,726	\$ 67,666
District-wide										
Invested in capital assets, net of related debt	\$ 6,322,376	\$ 6,207,784	\$ 6,310,411	\$ 6,123,053	\$ 5,961,135	\$ 5,764,165	\$ 5,572,111	\$ 5,440,209	\$ 5,271,360	\$ 5,214,729
Restricted (Deficit)	4,793,948	3,972,374	4,033,376	3,279,239	2,852,672	2,908,895	3,211,308	1,943,784	1,839,897	1,440,222
Unrestricted (Deficit)	718,044	176,535	(887,483)	(932,953)	(827,662)	(1,032,102)	(1,441,551)	(290,190)	525,411	1,084,026
Total district net assets	\$ 11,834,368	\$ 10,356,693	\$ 9,456,304	\$ 8,469,339	\$ 7,986,145	\$ 7,640,958	\$ 7,341,668	\$ 7,093,803	\$ 7,636,668	\$ 7,738,977

Source: School District Financial Reports

NEW HANOVER TOWNSHIP BOARD OF EDUCATION
Changes in Net Assets/Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities										
Instruction										
Regular	\$ 2,056,945	\$ 2,232,690	\$ 2,371,121	\$ 2,461,432	\$ 2,406,921	\$ 2,314,866	\$ 1,461,179	\$ 1,680,046	\$ 1,361,142	\$ 1,131,492
Special education	274,523	302,044	465,231	530,880	508,797	530,788	258,500	183,108	388,567	792,862
Other special education										
Vocational										
Other instruction	137,260	116,125	150,315	86,446	85,281	93,521	106,595	93,770	112,893	94,689
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Instruction	1,174,787	1,185,617	1,331,632	1,036,253	768,327	723,451	851,167	1,011,190	752,071	999,923
Student & instruction related services	537,148	635,242	588,257	648,074	633,794	643,846	584,922	579,382	624,874	645,742
General and Business Administrative services	173,639	138,115	115,647	118,222	118,252	132,613	108,431	110,719	113,763	123,204
School Administrative services	121,960	166,125	173,683	181,086	179,688	200,536	51,407	77,031	79,275	80,871
Central Services	210,117	236,214	246,067	277,248	223,300	249,020	71,473	90,841	79,401	74,972
Administrative information technology	8,508									
Plant operations and maintenance	544,560	535,468	569,338	628,894	625,072	617,525	373,151	414,264	467,476	441,229
Improvement of instructional staff										
Pupil transportation	261,831	323,897	459,139	550,918	526,723	512,714	374,721	366,175	416,371	381,542
Unallocated Benefits							1,542,000	1,423,009	1,418,316	1,360,057
Compensated absences		(67)			(7,815)	3,098	13,271	(24,950)	(12,470)	13,799
Compensated absences - unallocated	2,825									
Proportionate share of pension plan expense		40,495			25,927	366	(30,470)	(69,323)	(127,507)	(100,499)
Unallocated amortization									5,445	5,445
Transfer to Food Service	15,810							20,000		
Unallocated depreciation							182,230	179,427	181,662	179,432
Total governmental activities expenses	5,519,913	5,911,965	6,470,430	6,519,453	6,094,267	6,022,344	5,948,577	6,134,689	5,861,279	6,224,760
Business-type activities:										
Food service	127,607	125,691	126,970	125,207	125,659	120,712	104,052	123,735	151,751	122,754
Enrichment Program										
Total business-type activities expense	127,607	125,691	126,970	125,207	125,659	120,712	104,052	123,735	151,751	122,754
Total district expenses	\$ 5,647,520	\$ 6,037,656	\$ 6,597,400	\$ 6,644,660	\$ 6,219,926	\$ 6,143,056	\$ 6,052,629	\$ 6,258,424	\$ 6,013,030	\$ 6,347,514
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)										
Special Education					\$ 32,211	\$ 8,947		\$ 736	\$ 8,800	\$ 5,776
Plant Operations and Maintenance										
Pupil transportation										
Central and other support services										
Operating grants and contributions	601,944	592,690	627,130	723,911	758,164	826,163	1,744,969	1,037,317	1,222,777	1,517,443
Capital grants and contributions										10,887
Total governmental activities program revenues	601,944	592,690	627,130	723,911	790,375	835,110	1,744,969	1,038,053	1,231,577	1,534,106
Business-type activities:										
Charges for services										
Food service	\$ 45,546	\$ 49,177	\$ 50,351	\$ 46,005	\$ 61,725	\$ 33,129	\$ 35,966	\$ 16,125	\$ 10,861	\$ 26,180
Enrichment Program										
Operating grants and contributions	86,627	80,904	85,934	81,164	80,154	76,616	56,766	95,168	173,428	105,514
Capital grants and contributions			120,491	-						
Total business type activities program revenues	132,173	130,081	256,776	127,169	141,879	109,745	92,732	111,293	184,289	131,694
Total district program revenues	\$ 734,117	\$ 722,771	\$ 883,906	\$ 851,080	\$ 932,254	\$ 944,855	\$ 1,837,701	\$ 1,149,346	\$ 1,415,866	\$ 1,665,800

NEW HANOVER TOWNSHIP BOARD OF EDUCATION
Changes in Net Assets/Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net (Expense)/Revenue										
Governmental activities	\$ (4,917,969)	\$ (5,319,275)	\$ (5,843,300)	\$ (5,795,542)	\$ (5,303,892)	\$ (5,187,234)	\$ (4,203,608)	\$ (5,096,636)	\$ (4,629,702)	\$ (4,690,654)
Business-type activities	4,566	4,390	129,806	1,962	16,220	(10,967)	(11,320)	(12,442)	32,538	8,940
Total district-wide net expense	\$ (4,913,403)	\$ (5,314,885)	\$ (5,713,494)	\$ (5,793,580)	\$ (5,287,672)	\$ (5,198,201)	\$ (4,214,928)	\$ (5,109,078)	\$ (4,597,164)	\$ (4,681,714)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 1,623,750	\$ 1,623,750	\$ 1,656,225	\$ 1,656,225	\$ 1,689,350	\$ 1,723,138	\$ 1,756,600	\$ 1,792,752	\$ 1,828,607	\$ 1,865,179
Taxes levied for debt service										
Unrestricted grants and contributions	3,054,046	3,081,993	3,116,399	3,103,195	3,101,505	3,129,837	2,159,793	2,956,417	3,246,413	2,809,420
Payments in lieu of taxes										
Investment earnings		50	50	50	17,310	28,167				
Miscellaneous income	13,921	19,405	1,945	44,996	1,898	20,957	19,397	63,137	45,990	112,592
Cancellation of receivables/payables										
Transfers										
Other Adjustments	(11,642)	(887,988)	38,486	2,200	(5,636)	(49,085)	(19,952)	28,632	19,019	(3,168)
Total governmental activities	4,680,075	3,837,210	4,813,105	4,806,666	4,804,427	4,853,014	3,915,838	4,840,938	5,140,029	4,784,023
Business-type activities:										
Investment earnings										
Miscellaneous Income										
Transfers										
Total business-type activities	-	20,000	-	-						
Total district-wide	\$ 4,680,075	\$ 3,837,210	\$ 4,813,105	\$ 4,806,666	\$ 4,804,427	\$ 4,853,014	\$ 3,915,838	\$ 4,860,938	\$ 5,140,029	\$ 4,784,023
Change in Net Assets										
Governmental activities	\$ (237,894)	\$ (1,482,065)	\$ (1,030,195)	\$ (988,876)	\$ (499,465)	\$ (334,220)	\$ (287,770)	\$ (255,698)	\$ 510,327	\$ 93,369
Business-type activities	4,566	4,390	129,806	1,962	16,220	(10,967)	(11,320)	7,558	32,538	8,940
Total district	\$ (233,328)	\$ (1,477,675)	\$ (900,389)	\$ (986,914)	\$ (483,245)	\$ (345,187)	\$ (299,090)	\$ (248,140)	\$ 542,865	\$ 102,309

Source: School District Financial Reports

NEW HANOVER TOWNSHIP BOARD OF EDUCATION
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Reserved	\$ 4,793,948	\$ 4,219,165	\$ 4,033,376	\$ 3,279,239	\$ 2,639,050	\$ 2,342,879	\$ 2,342,879	\$ 1,943,379	\$ 1,838,379	\$ 1,746,847
Committed		-	-	-	91,507	114,862	80,219	28,371	142,544	26,731
Assigned	23,305	13,092	34,675	60,099	213,622	451,154	428,210	483,210	561,508	599,263
Unreserved	805,519	711,709	69,502	69,714	141,301	53,220	(2,680)	172,449	608,719	842,855
Total general fund	\$ 5,622,772	\$ 4,943,966	\$ 4,137,553	\$ 3,409,052	\$ 3,085,480	\$ 2,962,115	\$ 2,848,628	\$ 2,627,409	\$ 3,151,150	\$ 3,215,696
All Other Governmental Funds										
Reserved, reported in:										
Capital projects fund										
Special revenue fund								\$ 405	1,518	1,343
Debt service fund										
Committed, reported in:										
Capital projects fund										
Unreserved, reported in:										
Special revenue fund	(4,454)	(5,879)	(5,487)	(7,054)	(3,528)	(5,174)	(6,054)	(4,926)	(2,922)	
Capital projects fund		217,067								
Debt service fund										
Permanent fund										
Total all other governmental funds	\$ (4,454)	\$ 211,188	\$ (5,487)	\$ (7,054)	\$ (3,528)	\$ (5,174)	\$ (6,054)	\$ (4,521)	\$ (1,404)	\$ 1,343

Source: School District Financial Reports

NEW HANOVER TOWNSHIP BOARD OF EDUCATION
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year Ending June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
Local Tax Levy	\$ 1,865,179	\$ 1,828,607	\$ 1,792,752	\$ 1,756,600	\$ 1,723,138	\$ 1,689,350	\$ 1,656,225	\$ 1,656,225	\$ 1,623,750	\$ 1,623,750
Tuition Charges					8,947	32,211				
Transportation Fees										
Interest Earnings			13,111		28,167	17,310	50	50	50	
Other Local Revenue	112,592	54,790	50,026	19,397	20,957	1,898	44,963	1,946	20,154	49,672
State sources	2,984,712	3,514,673	3,025,733	3,070,720	3,121,553	3,018,806	2,952,979	2,987,477	2,771,400	2,717,645
Federal sources	693,980	954,517	667,665	834,042	834,447	840,863	874,127	876,543	902,534	902,594
Total revenue	5,656,463	6,352,587	5,549,287	5,680,759	5,737,209	5,600,438	5,528,344	5,522,241	5,317,888	5,293,661
Expenditures										
Instruction:										
Regular	1,131,492	1,361,142	1,421,578	1,461,179	1,367,399	1,480,614	1,531,147	1,492,166	1,451,857	1,361,038
Special	303,004	388,567	183,108	258,500	378,055	357,010	410,059	365,591	180,156	162,401
Other-Special	94,689	112,893	93,770	106,595	93,521	85,281	86,466	150,315	116,125	137,260
Other										
School-Sponsored/Other Instructional										
Total Instruction	1,529,185	1,862,602	1,698,456	1,826,274	1,838,975	1,922,905	2,027,672	2,008,072	1,748,138	1,660,699
Undistributed:										
Tuition	999,923	752,071	1,011,190	851,167	723,451	768,327	1,036,253	1,331,632	1,185,617	1,174,787
Student and Instruction Related Services	484,400	624,874	547,241	584,922	643,846	633,794	648,074	588,257	635,242	537,148
Instruction										
Support Services-Students										
Support Services-Instructional Staff										
General Administration	123,204	113,763	110,719	108,431	108,804	94,641	94,058			
School Administration	80,871	79,275	77,031	51,407	47,802	49,825	48,183	45,812	48,808	42,073
Other Administration								92,010	116,785	154,019
Central Services	74,972	79,401	90,841	71,473	94,639	87,703	120,818	94,947	105,760	102,329
Admin. Information Technology								388		8,508
Operations and Maintenance	441,229	467,476	414,264	373,151	390,513	397,982	400,225	343,283	318,817	313,304
Improvement of Instructional Staff										
Student Transportation	381,542	416,371	366,175	374,721	486,210	510,304	526,754	435,890	302,567	242,211
Business and Other Support Services:										
Employee Benefits										
Other										
Food Services			20,000		-					15,810
Unallocated Benefits	1,360,057	1,418,316	1,423,009	1,542,000	1,497,388	1,438,607	1,350,816	946,875	922,401	829,986
On-behalf TPAF Pension Contributions								253,249	193,682	147,800
Reimbursed TPAF Social Security										
Contributions								123,187	121,087	109,801
Total Undistributed	3,946,198	3,951,547	4,060,470	3,957,272	3,992,653	3,981,183	4,225,181	4,255,530	3,950,766	3,677,776
Capital Outlay:	116,534	11,580	11,580	11,580	59,258	16,396	12,492	281,727	111,385	30,458
Total Capital Outlay	116,534	11,580	11,580	11,580	59,258	16,396	12,492	281,727	111,385	30,458
Special Schools										
Total General Fund Expenditures	5,591,917	5,825,729	5,770,506	5,795,126	5,890,886	5,920,484	6,265,345	6,545,329	5,810,289	5,368,933

NEW HANOVER TOWNSHIP BOARD OF EDUCATION
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year Ending June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Special Revenue:										
Federal										
State										
Other										
Total Special Revenue Expenditures	-	-	-	-	-	-	-	-	-	-
Debt Service Expenditures:										
Principal										
Interest and Other Charges										
Total Debt Service Expenditures	-	-	-	-	-	-	-	-	-	-
Total Governmental Fund Expenditures	\$ 5,591,917	\$ 5,825,729	\$ 5,770,506	\$ 5,795,126	\$ 5,890,886	\$ 5,920,484	\$ 6,265,345	\$ 6,545,329	\$ 5,810,289	\$ 5,368,933
Excess (Deficiency) of revenues over (under) expenditures	64,546	526,858	(221,219)	(114,367)	(153,677)	(320,046)	(737,001)	(1,023,088)	(492,401)	(75,272)
Other Financing sources (uses)										
Proceeds from borrowing										
Capital leases (non-budgeted)					28,666				29,237	
Proceeds from refunding										
Payments to escrow agent										
Adjustment										
Accounts Receivable/Payable Canceled										
Transfers in							6,933	75,801	233,685	596,236
Transfers out								(75,801)	(233,685)	(596,236)
Total other financing sources (uses)	-	-	-	-	28,666	-	6,933	-	29,237	-
Net change in fund balances	\$ 64,546	\$ 526,858	\$ (221,219)	\$ (114,367)	\$ (125,011)	\$ (320,046)	\$ (730,068)	\$ (1,023,088)	\$ (463,164)	\$ (75,272)
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: District records

Notes: Noncapital expenditures are total expenditures less capital outlay.
Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005.
Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

Exhibit J-5

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING**

<u>Fiscal Year Ended June 30,</u>	<u>Interest Income</u>	<u>Prior Year Refunds</u>	<u>Miscellaneous</u>	<u>Annual Totals</u>
2014			13,921	13,921
2015	50		19,405	19,455
2016	50		1,946	1,996
2017	50		44,963	45,013
2018	17,310		1,898	19,208
2019	28,167		20,957	49,124
2020			19,397	19,397
2021			50,026	50,026
2022			45,990	45,990
2023			112,592	112,592

Source: District Records

REVENUE CAPACITY

Exhibit J-6

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 UNAUDITED**

New Hanover Township

<u>Year Ended June 30,</u>	<u>Net Assessed Valuations</u>	<u>Estimated Full Cash Valuations</u>	<u>Percentage of Net Assessed to Estimated Full Cash Valuations</u>
2014	62,026,574	70,439,357	88.06%
2015	60,508,768	80,362,839	75.29%
2016	60,841,800	82,638,973	73.62%
2017	60,841,800	89,400,547	68.06%
2018	62,830,700	89,865,026	69.92%
2019	62,830,700	89,865,026	69.92%
2020	64,714,900	90,423,539	71.57%
2021	64,733,200	99,680,989	64.94%
2022	64,380,000	105,606,228	60.96%
2023	63,917,500	114,056,924	56.04%

Source: Municipal Tax Assessor

Exhibit J-6a

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 UNAUDITED**

Wrightstown

<u>Year Ended June 30,</u>	<u>Net Assessed Valuations</u>	<u>Estimated Full Cash Valuations</u>	<u>Percentage of Net Assessed to Estimated Full Cash Valuations</u>
2014	26,290,850	39,768,992	66.11%
2015	26,219,850	35,666,236	73.51%
2016	25,947,576	34,712,697	74.75%
2017	25,947,576	38,611,895	67.20%
2018	39,053,950	42,042,780	92.89%
2019	39,053,950	42,042,780	92.89%
2020	38,970,140	44,181,169	88.21%
2021	39,026,150	43,932,827	88.83%
2022	38,769,240	46,837,688	82.77%
2023	39,105,300	54,110,004	72.27%

Source: Municipal Tax Assessor

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
PER \$100 OF ASSESSED VALUATION
LAST TEN FISCAL YEARS
UNAUDITED**

New Hanover Township

Fiscal Year Ended June 30,	District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Township New Hanover	Burlington County	
2014	1.653	0.000	1.653	0.000	0.434	2.087
2015	1.882	0.000	1.882	0.000	0.550	2.432
2016	1.903	0.000	1.903	0.000	0.550	2.453
2017	1.921	0.000	1.921	0.000	0.673	2.594
2018	1.856	0.000	1.856	0.000	0.668	2.524
2019	1.865	0.000	1.865	0.000	0.693	2.558
2020	1.850	0.000	1.850	0.000	0.647	2.497
2021	1.969	0.000	1.969	0.000	0.698	2.667
2022	2.009	0.000	2.009	0.000	0.710	2.719
2023	N/A	N/A	N/A	N/A	N/A	N/A

Source: Municipal Tax Assessor

Note: N/A Not Available

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
PER \$100 OF ASSESSED VALUATION
LAST TEN FISCAL YEARS
UNAUDITED**

Wrightstown

Fiscal Year Ended June 30,	District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Wrightstown	Burlington County	
2014	2.206	0.000	2.206	1.149	0.578	3.933
2015	1.901	0.000	1.901	1.209	0.564	3.674
2016	1.847	0.000	1.847	1.356	0.545	3.748
2017	1.186	0.000	1.186	0.000	1.307	2.493
2018	1.384	0.000	1.384	0.000	1.394	2.778
2019	1.406	0.000	1.406	0.000	1.372	2.778
2020	1.485	0.000	1.485	0.000	1.458	2.943
2021	1.419	0.000	1.419	0.000	1.488	2.907
2022	1.432	0.000	1.432	0.000	1.566	2.998
2023	N/A	N/A	N/A	N/A	N/A	N/A

Source: Municipal Tax Assessor

Note: N/A Not Available

Exhibit J-8

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF PRINCIPAL TAXPAYERS
FOR YEAR ENDED DECEMBER 31, 2023**

New Hanover Township

<u>Block</u>	<u>Lot</u>	<u>Assessed Valuation 2023</u>	<u>As a % of District's Net Assessed Valuation</u>
1	4	2,000,000	3.09%
2.01	8.03	1,528,800	2.36%
1	7	1,200,000	1.85%
1	14	750,400	1.16%
2.01	6.05	658,400	1.02%
1	1	609,400	0.94%
2.02	7.03	572,500	0.88%
2.01	8.06	521,800	0.81%
2.01	8.02	501,000	0.77%
1	11.25	451,600	0.70%
Total		\$ <u><u>8,793,900</u></u>	<u><u>13.58%</u></u>

Source: Municipal Tax Assessor

Exhibit J-8a

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF PRINCIPAL TAXPAYERS
FOR YEAR ENDED DECEMBER 31, 2023**

Wrightstown

<u>Block</u>	<u>Lot</u>	<u>Owner</u>	<u>Assessed Valuation 2023</u>	<u>As a % of District's Net Assessed Valuation</u>
		LCL WRIGHTSTOWN	\$ 2,454,000	6.29%
		WRIGHTSTOWN PARTNERS LLC	1,950,000	5.00%
		WRIGHTSTOWN PLAZA LLC	1,517,500	3.89%
		AHMAD & SONS LLC	1,500,000	3.84%
		BELL ATLANTIC	670,000	1.72%
		SHOTTER BIG PIE LLC	629,300	1.61%
		THEODOROPOULOS	627,100	1.61%
		MCDONALDS CORP	611,300	1.57%
		DCM A6	553,200	1.42%
		KITHIRA PROPERTIES LLC	548,700	1.41%
			<hr/>	
Total			\$ <u>11,061,100</u>	<u>28.34%</u>

Exhibit J-9

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
MUNICIPAL PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
UNAUDITED**

<u>Year Ended June 30,</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Tax Levy Collected</u>
2014	1,623,750	1,623,750	100.00%
2015	1,623,750	1,623,750	100.00%
2016	1,656,225	1,656,225	100.00%
2017	1,656,225	1,656,225	100.00%
2018	1,689,350	1,689,350	100.00%
2019	1,723,138	1,723,138	100.00%
2020	1,757,600	1,757,600	100.00%
2021	1,792,752	1,792,752	100.00%
2022	1,828,607	1,828,607	100.00%
2023	1,865,179	1,865,179	100.00%

Source: Municipal Tax Collector

DEBT CAPACITY

NEW HANOVER TOWNSHIP BOARD OF EDUCATION
Ratios of Outstanding Debt by Type
Last ten fiscal years

Fiscal Year Ended June 30,	Governmental Activities				PERS Payment Deferral	Total District	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Capital Leases	Compensated Absences Payable					
2014	-	7,670	100,364		7,327	115,361	0.03%	15
2015	-	26,687	100,297		6,716	133,700	0.03%	19
2016	-	21,354	106,325		6,105	133,784	0.03%	17
2017	-	16,021	106,660		5,494	128,175	0.03%	16
2018	-	10,688	98,845		4,883	114,416	0.03%	15
2019	-	27,006	101,943		4,272	133,221	0.02%	14
2020	-	21,828	115,214		3,661	140,703	0.03%	18
2021	-	16,334	90,264		3,050	109,648	0.02%	14
2022	-	11,067	77,794		2,439	91,300	0.02%	11
2023	-	5,375	91,593		1,828	98,796	0.02%	12

Source: School District Financial Reports

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

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
RATIO OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED**

<u>Fiscal Year Ended June 30,</u>	<u>Net Bonded Debt</u>	<u>Ratio of Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt per Capita</u>
2014	0	0	0
2015	0	0	0
2016	0	0	0
2017	0	0	0
2018	0	0	0
2019	0	0	0
2020	0	0	0
2021	0	0	0
2022	0	0	0
2023	0	0	0

Source: Data regarding school district population was given by school district officials.

Note: Assessed valuations were provided by the Abstract of Ratables, County Board of Taxation.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
 COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
 FOR FISCAL YEAR ENDED JUNE 30, 2023
 UNAUDITED**

N/A

Net Direct Debt of School District as of June 30, 2023			\$	-
Net Overlapping Debt of School District:				
County of Burlington - Township's share	\$			
Estimated % applicable		0.000%		-
				<hr style="border: 0.5px solid black;"/>
Total Direct and Overlapping Bonded Debt as of June 30, 2023			\$	<hr style="border: 1.5px solid black;"/>

N/A = Not Available

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS**

Legal Debt Margin Calculation for Fiscal Year Ended June 30, 2023										
	Year	Total	New Hanover	Wrightstown						
	2023	168,166,928	114,056,924	54,110,004						
	2022	152,443,916	105,606,228	46,837,688						
	2021	143,613,816	99,680,989	43,932,827						
	Total	<u>464,224,660</u>	<u>319,344,141</u>	<u>144,880,519</u>						
Average Equalized Valuation of Taxable Property		154,741,553	106,448,047	48,293,506						
Debt Limit (3% of Average Equalization Value)		<u>4,642,247</u> *								
Legal Debt Margin		<u>4,642,247</u>								
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Debt Limit	\$ 3,364,244	\$ 3,435,793	\$ 3,613,932	\$ 3,613,932	\$ 3,772,719	\$ 3,806,020	\$ 3,978,500	\$ 4,134,564	\$ 4,306,624	\$ 4,642,247
Total Net Debt Applicable to Limit										
Legal Debt Margin	<u>3,364,244</u>	<u>3,435,793</u>	<u>3,613,932</u>	<u>3,613,932</u>	<u>3,772,719</u>	<u>3,806,020</u>	<u>4,134,864</u>	<u>4,134,564</u>	<u>4,306,624</u>	<u>4,642,247</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of the Treasury, Division of Taxation. [2020 Abstract of Ratables]

Note: * Limit set by NJSA 18A:24-19 for a 9 through 12 district; other percent limits would be applicable for other district types.

DEMOGRAPHIC AND ECONOMIC INFORMATION

Exhibit J-14

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED**

<u>Year Ended June 30,</u>	<u>Unemployment Rate</u>	<u>Burlington County Per Capita Income</u>	<u>Estimated School District Population (as of July 1)</u>
2013	7.40%	51,638	7,918
2014	9.80%	51,638	8,056
2015	9.30%	53,747	8,078
2016	7.60%	55,227	8,129
2017	6.50%	56,812	7,491
2018	6.00%	59,659	8,033
2019	5.00%	62,120	7,808
2020	8.90%	63,605	8,046
2021	7.80%	67,154	6,509
2022	3.40%	69,496	6,207

Source: Per Capita Income of County of Burlington from the U.S. Department of Commerce.
School District Population from the U.S. Bureau of the Census, Population Division.

Exhibit J-15

NEW HANOVER TOWNSHIP BOARD OF EDUCATION
Principal Employers,
Current Year

	<u>2023</u>		
<u>Employer</u>	<u>Employees</u>	<u>Rank [Optional]</u>	<u>Percentage of Total Municipal Employment</u>
N/A	N/A	N/A	N/A
	<u>-</u>		<u>0.00%</u>

Note: N/A = Not Available

OPERATING INFORMATION

NEW HANOVER TOWNSHIP BOARD OF EDUCATION
Full-time Equivalent District Employees by Function/Program,
For the Year Ended June 30, 2023

<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	21	23	24	21	18	20	15	15	15	15
Special education	1	1	1	1	6	6	9	9	9	9
Other special education										
Vocational										
Other instruction										
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Student & instruction related services	1	13	13	13	9	8	8	8	8	8
General administration	1	1	1	1	1	1	1	1	1	1
School administrative services	2	2	2	2	2	2	2	2	2	2
Other administrative services										
Business administrative service					2	2	2	2	2	2
Central services										
Administrative Information Technology										
Plant operations and maintenance	2	2	2	2	1	2	3	3	3	3
Pupil transportation										
Other support services										
Special Schools										
Food Service										
Child Care										
Total	<u>28</u>	<u>42</u>	<u>43</u>	<u>41</u>	<u>39</u>	<u>41</u>	<u>40</u>	<u>40</u>	<u>40</u>	<u>40</u>

Source: District Personnel Records

N/A - Not Available

NEW HANOVER TOWNSHIP BOARD OF EDUCATION
 Operating Statistics,
 Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2014	193	4,773,609	\$ 24,734	-13.48%	25	7.72	-	-	188.5	175.6	0.05%	93.14%
2015	184	5,698,904	\$ 30,972	11.97%	25	7.30	-	-	185.7	174.9	-1.47%	94.17%
2016	192	5,852,859	\$ 30,484	-1.58%	28	6.86	-	-	186.8	176.7	0.57%	94.63%
2017	191	5,414,129	\$ 28,346	-7.01%	25.2	7.58	-	-	186.2	175.1	-0.29%	94.01%
2018	202	5,137,546	\$ 25,433	-10.28%	24.4	8.28	-	-	187.9	176.8	0.91%	94.06%
2019	194	5,250,899	\$ 27,066	6.42%	25	7.76	-	-	188.4	175.1	0.27%	92.90%
2020	200	5,308,908	\$ 26,545	-1.93%	25	7.10	-	-	175.3	167.7	-6.96%	95.66%
2021	201	5,440,277	\$ 27,066	1.96%	25	6.72	-	-	168.2	157.3	-4.05%	93.52%
2022	201	5,012,731	\$ 24,939	-7.86%	20	10.00	-	-	178.6	166.6	5.89%	93.28%
2023	196	5,475,384	\$ 27,936	12.02%	20	9.80	-	-	178.6	166.6	5.89%	93.29%

Source: 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).

NEW HANOVER TOWNSHIP BOARD OF EDUCATION
School Building Information
Last Ten Fiscal Years

District Building

	<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>
Elementary Schools:										
New Hanover Elementary (1939) - Additions in 1979 and 2001										
Square Feet	37,443	37,443	37,443	37,443	37,443	37,443	37,443	37,443	37,443	37,443
Capacity (students)	396	396	396	396	396	396	396	396	396	396
Enrollment	163	193	184	192	191	202	202	186	201	196
Number of Schools at June 30, 2022										
Elementary School	1									

Source: District Facilities Office
 October 15, Enrollment data

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions.

Exhibit J-19

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
General Fund
Schedule Of Required Maintenance For School Facilities
Last ten fiscal years**

**UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES**

	*School Facilities	<u>New Hanover Elementary School</u>
2014		92,733
2015		97,269
2016		92,999
2017		99,707
2018		126,164
2019		155,467
2020		122,564
2021		143,532
2022		150,078
2023		129,699
Total School Facilities		\$ 1,210,212

Note: *School Facilities as Defined Under EFCFA.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6:24-1.3)

Exhibit J-20

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
INSURANCE SCHEDULE
June 30, 2023
UNAUDITED**

<u>Type of Policy</u>	<u>Coverage Limits</u>	<u>Deductible</u>
School Package Policy-New Jersey School Board Association Insurance Group		
Blanket Real & Personal Property	\$ 13,947,300	\$ 1,000
Blanket Extra Expenses	\$ 5,000,000	\$ 10,000
Blanket Valuable Papers	\$ 10,000,000	\$ 1,000
Boiler & Machinery-Property Damage	Property Limit	\$ 1,000
Boiler & Machinery-Extra Expense	\$ 10,000,000	\$ 1,000
Environmental Package	\$ 1,000,000	Varies
Cyber Liability	\$2.0M per member/ \$10.0M policy aggregate	
Crisis Management	\$ 1,000,000	
Crime/Employee Dishonesty	Various- From \$25.0K to \$250.0K	Varies: \$500 to \$1,000
Electronic Data Processing Coverage, including mechanical breakdown, flood; earthquake	\$ 300,000	\$ 1,000
General Liability	\$ 16,000,000	
Workers Compensation	Statutory	
Employee Liability--various	\$ 3,000,000	
Student Accident Insurance-Base Policy	\$ 1,000,000	None
Student Accident Insurance-Excess	\$ 5,000,000	\$ 25,000
School Board Liability	Varies--Up to \$16.0K / \$3.0K	\$ 5,000
Surety Bonds: Business Administrator/ Board Secretary	\$ 175,000	
Automobile Liability--Hired & Non-Owned Auto	\$ 16,000,000	

Source: District records.

SINGLE AUDIT SECTION

MEMBER:
American Society of Certified Public Accountants
New Jersey Society of Certified Public Accountants

K-1

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

November 30, 2023

The Honorable President and
Members of the Board of Education
New Hanover Township
County of Burlington
Wrightstown, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of New Hanover Township School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise New Hanover Township School District's basic financial statements, and have issued our report thereon dated November 30, 2023.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable

possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

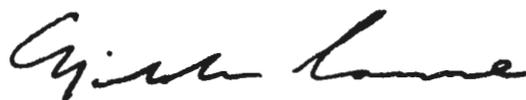
Compliance and Other Matters

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

Purpose of this Report

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

This report is intended for the information of the management of the New Hanover Township School District Board of Education, the New Jersey State Department of Education (the cognizant audit agency) and other state and federal awarding agencies. However, this report is a matter of public record and its distribution is not limited.



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New Jersey Society of Certified Public Accountants

K-2

Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the U.S. Uniform Guidance and Schedule of Expenditures of State Financial Assistance as required by New Jersey OMB Circular 15-08

November 30, 2023

The Honorable President and
Members of the Board of Education
New Hanover Township Board of Education
County of Burlington
Wrightstown, New Jersey

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal and State Program

We have audited the Board of Education of the New Hanover Township School District, in the County of Burlington, compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* and the *New Jersey OMB Circular 15-08 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 New Hanover Township School District Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion of Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 *the New Jersey OMB State Grant Compliance Supplement*. Our responsibilities under those standards, the Uniform Guidance and the New Jersey OMB State Grant Compliance Supplement 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.

Responsibility 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.

Auditor's Responsibility 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 generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the New Jersey OMB State Grant Compliance Supplement will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal or state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance and the New Jersey OMB State Grant Compliance Supplement, we:

- Exercise professional judgement 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 the New Jersey OMB State Grant Compliance Supplement, 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 program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal 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 program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibility 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 Uniform Guidance and the New Jersey State Aid/Grant Compliance Supplement, and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and the New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Accordingly, this report is not suitable for any other purpose.



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NEW HANOVER TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal Grantor/ Pass-through Grantor Program Title	Federal CFDA Number	Federal Award Identification Number	Grant Period	Award Amount	Balance at June 30, 2022			Carryover Amount/ Walkover	Prior Year Accounts Payable/ Receivable Canceled	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year Balances	Balance at June 30, 2023		
					Deferred Revenue	Accounts Receivable	Due to Grantor							Deferred Revenue	(Accounts Receivable)	Due to Grantor
U.S. Department of Defense																
Passed-through State Department of Education:																
General Fund:																
Impact Aid P.L. 103-382	84.041	N/A	07/01/22-06/30/23	\$ 693,980	\$	\$	\$	\$	\$ 693,980	\$ (693,980)	\$	\$	\$	\$	\$	
Total U.S. Dept. of Education - General Fund					0	0	0	0	0	693,980	(693,980)	0	0	0	0	
U.S. Department of Agriculture																
Passed-through State Department of Education:																
Enterprise Fund:																
Food Distribution Program	10.550	N/A	07/01/22-06/30/23	23,199					23,199	(23,199)						
National School Lunch Program	10.555	231NJ304N1099	07/01/22-06/30/23	43,173					40,584	(43,173)				(2,589)		
National School Breakfast Program	10.553	231NJ304N1099	07/01/22-06/30/23	14,933					14,176	(14,933)				(757)		
Supply Chain Assistance (Round 1 and 2)	10.555	231NJ344N8903	10/01/22-09/30/24	16,569		0			16,569	(16,569)						
Supply Chain Assistance (Round 3)	10.555	221NJ344N8903	01/01/22-09/30/23	6,409					6,409	(6,409)						
Total U.S. Department of Agriculture					0	0	0	0	0	100,937	(104,283)	0	0	0	(3,346)	0
U.S. Department of Education																
Passed-through State Department of Education:																
Special Revenue Fund:																
Title I - Part A	84.010	S010A220030	09/01/22- 8/31/23	109,857					57,718	(109,857)					(52,139)	
Title I - Part A	84.010	S010A210030	09/01/19- 8/31/22	68,678		(17,430)			17,430	0						
Title I - Part A	84.010	S010A200030	09/01/20- 8/31/21	129,170		(47,915)			47,915							
Title II - Part A	84.367A	S367A220029	09/01/22-08/31/23	12,963					837	(8,634)					(7,797)	
Title II - Part A	84.367A	S367A210029	09/01/20-08/31/22	9,600		(3,097)			3,097							
Title II - Part A	84.367A	S367A200029	09/01/20-08/31/21	26,875		(76)						76				
Title IV - Part A	84.369A	S369A210031	09/01/21-08/31/22	12,000		(1,528)			1528							
Title IV - Part A	84.369A	S369A200031	09/01/20-08/31/21	23,739		(9,005)						9,005				
I.D.E.A. Basic 192/193	84.027A	H027A220100	09/01/22-08/31/23	87,300					87,300	(87,300)						
I.D.E.A. Basic 192/193	84.027A	H027A210100	09/01/21-08/31/22	76,479		(76,479)			76,479							
I.D.E.A. Basic 192/193	84.027A	H027A200100	09/01/20-08/31/21	81,631		(1,513)			1,513							
ESSER Cares Grant	84.425D	S425D200027	03/13/20-09/30/23	68,327		(4,603)			14,319	(9,716)						
ARP - ESSER III - EBCBSD	84.425U	S425U200027	03/13/20-09/30/23	40,000		(19,440)			28,188	(8,748)						
ARP - ESSER III -	84.425U	S425U200027	03/13/20-09/30/23	872,157		(24,840)			170,738	(259,891)				(113,993)		
CRRSA - ESSER III - Learning Acceleration	84.425U	S425U200027	03/13/20-09/30/23	25,000		(593)			2,593	(24,407)				(22,407)		
CRRSA-ESSER II	84.425D	S425D200027	03/13/20-09/30/23	388,068		(65,698)			59,417	(230,847)				(237,128)		
Total U.S. Dept. of Ed. - Special Revenue Fund					0	(272,217)	0	0	0	569,072	(739,400)	9,081	0	0	(433,464)	0
Total Federal Financial Assistance					\$ 0	\$ (272,217)	\$ 0	0	0	\$ 1,363,989	\$ (1,537,863)	\$ 9,081	\$ 0	\$ 0	\$ (436,810)	\$ 0

comparing notes to schedules of financial assistance.

NEW HANOVER TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Grantor/Program Title	Grant or State Project Number	Grant Period	Balance at July 1, 2022			Prior Year Accounts Payable/ Receivable Canceled	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year's Balances	Balance at June 30, 2023			Memo	
			Award Amount	Deferred Revenue (Accounts Receivable)	Due to Grantor						GAAP Budgetary Deferred Revenue	GAAP Budgetary (Accounts Receivable)	Due to Grantor	Budgetary Receivables	Cumulative Total Expenditures
State Department of Education															
General Fund:															
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	\$ 161,552	\$	\$	\$	\$ 145,397	\$ (161,552)	\$	\$	\$	\$ (16,155)	\$	\$ (16,155)	\$ 161,552
Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	161,552	(16,155)			16,155					\$	\$	\$	\$ 161,552
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	152,726					(152,726)				\$	\$	(15,272)	152,726
Special Education Aid	22-495-034-5120-089	7/1/21-6/30/22	152,726	(15,273)			15,273							(15,272)	152,726
Equalization Aid	23-495-034-5120-078	7/1/22-6/30/23	1,574,394				1,464,739	(1,574,394)				\$	\$	(116,395)	1,574,394
Equalization Aid	22-495-034-5120-078	7/1/21-6/30/22	1,623,397	(133,472)			133,472							(116,395)	1,623,397
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	78,055				70,250	(78,055)				\$	\$	(7,805)	78,055
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	78,055	(7,805)			7,805							(7,805)	78,055
Maintenance of Equity(MOEQ)	22-495-034-5120-128	7/1/20-6/30/21	435,567			(435,567)									435,567
Military Impact Aid	23-495-034-5120-114	7/1/22-6/30/23	72,824				63,907	(72,824)				\$	\$	(7,282)	72,824
Military Impact Aid	22-495-034-5120-114	7/1/21-6/30/22	99,170	(9,917)			9,917							(7,282)	99,170
Non-Public Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	1,248					(1,248)				\$	\$	(1,248)	1,248
Non-Public Transportation Aid	22-495-034-5120-014	7/1/22-6/30/22	4,580			(4,580)								(1,248)	4,580
On Behalf - Teacher's Pension and Annuity Fund	23-495-034-5094-002	7/1/22-6/30/23					592,713	(592,713)							649,409
On Behalf - Teacher's Pension and Annuity Fund - Post Retirement Medical	23-495-034-5094-001	7/1/22-6/30/23													151,728
On Behalf - Teacher's Pension and Annuity Fund - Non-Contributory Insurance	23-495-034-5094-004	7/1/22-6/30/23													0
TPAF Social Security Aid	22-495-034-5094-003	7/1/21-6/30/22	122,971	(6,029)			6,029	(258)						0	122,971
TPAF Social Security Aid	23-495-034-5094-003	7/1/22-6/30/23	120,597				115,211	(120,597)				\$	\$	(5,386)	120,597
Total General Fund				\$ (188,651)	\$ 0	\$ (440,147)	\$ 2,796,830	\$ (2,910,071)	\$ 0	\$ 0	\$ 0	\$ (169,543)	\$ 0	\$ (169,543)	\$ 5,640,551
Special Revenue Fund:															
N.J. Nonpublic Aid:															
Preschool Education Aid	23-495-034-5120-086	7/1/22-6/30/23	51,048				51,048	(51,048)				\$	\$	0	51,048
Preschool Education Aid	22-495-034-5120-086	7/1/21-6/30/22	29,218	(2,922)			2,922							0	29,218
Total Special Revenue Fund				\$ (2,922)	\$ 0	\$ 0	\$ 53,970	\$ (51,048)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 80,266
Enterprise Fund:															
National School Lunch Program (State)	23-100-010-3350-023	7/1/22-6/30/23	1,154				1,086	(1,154)				\$	\$	(68)	1,154
National School Breakfast Program (State)	23-100-010-3350-023	7/1/22-6/30/23	78				74	(78)				\$	\$	(4)	78
Total Enterprise Fund				\$ 0	\$ 0	\$ 0	\$ 1,160	\$ (1,232)	\$ 0	\$ 0	\$ 0	\$ (72)	\$ 0	\$ (72)	\$ 1,232
Total State Financial Assistance				\$ (191,573)	\$ 0	\$ (440,147)	\$ 2,851,960	\$ (2,962,351)	\$ 0	\$ 0	\$ 0	\$ (169,615)	\$ 0	\$ (169,615)	\$ 5,722,049
Less State Financial Assistance not Subject to New Jersey OMB Circular 04-04															
On Behalf - Teacher's Pension and Annuity Fund	20-495-034-5094-002							(592,713)							
On Behalf - Teacher's Pension and Annuity Fund - Post Retirement Medical	20-495-034-5094-001							(155,704)							
On Behalf - Teacher's Pension and Annuity Fund - Non-Contributory Insurance	20-495-034-5094-004							(258)							
Total State Financial Assistance Subject to New Jersey OMB Circular 04-04								\$ (2,213,676)							

See accompanying notes to schedules of financial assistance.

K-5

NEW HANOVER TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
 JUNE 30, 2023

NOTE 1. GENERAL

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the Board of Education, New Hanover Township School District. The Board of Education is defined in Note 1(A) to the Board's general purpose financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies is included on the schedule of federal financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of financial assistance are presented using the modified accrual basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting and those recorded in the special revenue fund, which are presented using the budgetary basis of accounting. These bases of accounting are described in Notes 1 to the Board's general purpose financial statements.

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the Board's general purpose financial statements. The general purpose financial statements present the special revenue fund on both a GAAP basis and a budgetary basis. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The net adjustment to reconcile from the budgetary basis to the GAAP basis for the General Fund is \$75,889 and for the Special Revenue Fund is (\$131,390) Financial assistance revenues are reported in the Board's general purpose financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 693,980	\$ 2,984,712	\$ 3,678,692
Special Revenue Fund	605,088	53,970	\$ 659,058
Food Service	104,282	1,232	\$ 105,514
Total Financial Assistance	<u>\$ 1,403,350</u>	<u>\$ 3,039,914</u>	<u>\$ 4,443,264</u>

NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2023

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2023. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2023.

**NEW HANOVER TOWNSHIP SCHOOL DISTRICT
BOARD OF EDUCATION
COUNTY OF BURLINGTON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Section I - Summary of Auditor's Results

Financial Statements

(Reference - Section .516 and .518 of Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards)

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- 1. Material weakness(es) identified? _____ yes no
- 2. Significant Deficiencies identified? _____ yes none reported

Noncompliance material to basic financial statements noted? _____ yes no

Federal Awards

Internal control over major programs: Unmodified

- 1. Material weakness(es) identified? _____ yes no
- 2. Significant Deficiencies identified? _____ yes none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 Section .516(a) of Uniform Guidance? _____ yes no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
84.041	PL 103-382 Federal Impact Aid

Dollar threshold used to distinguish between type A and type B programs: (518) \$750,000

Auditee qualified as low-risk auditee? _____ yes _____ no

**NEW HANOVER TOWNSHIP SCHOOL DISTRICT
BOARD OF EDUCATION
COUNTY OF BURLINGTON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

State Awards

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

Auditee qualified as low risk auditee? yes no

Internal Control over major programs:

1) Material weakness(es) identified? yes no

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

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

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

Identification of major programs:

<u>State Grant Number</u>	<u>Name of State Program</u>
<u>23-495-034-5120-014</u>	• Transportation Aid (State Aid Public Cluster)
<u>23-495-034-5120-078</u>	• Equalization Aid (State Aid - Public Cluster)
<u>23-495-034-5120-084</u>	• Security Aid (State Aid - Public Cluster)
<u>23-495-034-5120-089</u>	• Special Education Aid (State Aid - Public Cluster)

**NEW HANOVER TOWNSHIP SCHOOL DISTRICT
BOARD OF EDUCATION
COUNTY OF BURLINGTON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Section II - Schedule of Financial Statement Findings

Not Applicable

**NEW HANOVER TOWNSHIP SCHOOL DISTRICT
BOARD OF EDUCATION
COUNTY OF BURLINGTON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

Not Applicable

**NEW HANOVER TOWNSHIP SCHOOL DISTRICT
BOARD OF EDUCATION
COUNTY OF BURLINGTON
SUMMARY OF SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

None

Follow-up on Prior Year Findings

In accordance with Government Auditing Standards, our procedures included a review of all prior year recommendations.

The District had no prior year audit findings.