

**SHAMONG TOWNSHIP SCHOOL DISTRICT**

Shamong, New Jersey  
County of Burlington

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



**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**OF THE**

**SHAMONG TOWNSHIP SCHOOL DISTRICT**

**SHAMONG, NEW JERSEY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Prepared by**

**Shamong Township Board of Education  
Finance Department**

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## INTRODUCTORY SECTION

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# SHAMONG TOWNSHIP SCHOOL DISTRICT

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**District Web Page:**  
[www.shamongschools.org](http://www.shamongschools.org)

November 30, 2023

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

Dear Board Members/Citizens:

The Annual Comprehensive Financial Report (ACFR) of the Shamong Township School District for the fiscal year ended June 30, 2023, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Shamong Township School District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the district as of June 30, 2023, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

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

Introductory Section:

Section contains a Letter of Transmittal, Roster of Officials, Consultants and Advisors, and an Organizational Chart.

Financial Section:

Section contains the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements, Required Supplementary Information (RSI) and Other Supplementary Information.

Statistical Section:

Section contains selected financial trends, revenue and debt capacity, demographic, economic and other operating information, generally presented on a multi-year basis.

**Single Audit Section:**

The School District is required to undergo an annual Single Audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB’s Circular 15-08 OMB, “*Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*”. Information related to this Single Audit, including the independent auditor’s report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, are included in the Single Audit Section of this report.

**REPORTING ENTITY AND ITS SERVICES**

The Shamong Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standard Board (GASB) as established by NCGA Statement No. 3. All funds of the School District are included in this report. The School District has no component units.

The School District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular education as well as special education for children with special needs. The School District’s enrollment, as of October 15<sup>th</sup>, for the current and past nine fiscal years are detailed below.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2022-2023	698	0.72%
2021-2022	693	-0.86%
2020-2021	699	-2.65%
2019-2020	718	-3.36%
2018-2019	743	-2.24%
2017-2018	760	-1.94%
2016-2017	775	-3.85%
2015-2016	806	-3.36%
2014-2015	834	-7.54%
2013-2014	902	-0.66%

**ECONOMIC CONDITION AND OUTLOOK**

Shamong is located within the Pinelands Preservation area and development is highly regulated. The community's population has declined slightly. The community has not experienced an increase in businesses, therefore, there has been an increase in residential property taxes to support the local and regional school system.

Housing development is expected to continue for those areas already designated on the Master Plan. There is a need to attract some business and industry to broaden the tax base and give some relief to the homeowners. Shamong is a stable bedroom community and a desired place to reside. The national economic conditions and state budget cuts have not changed the quality of education in the District. The intended \$1.4 million in state aid cuts that have been approved by the Governor of New Jersey will continue to have a negative impact on our budget and make it difficult to balance providing a quality education with decreased state aid.

## **MAJOR INITIATIVES**

Academic: Major initiatives in the area of instruction included:

- 1) Enhance assessments districtwide to include varied methods to measure learning.
- 2) Implementation of direct, explicit, multisensory approach to reading, writing, and Spelling instruction in grade K-2.

Community:

District Wide – On-site graduation, musical concerts, and our after-school activities and clubs. We use our district app, Constant Contact texts, emails, and virtual events to communicate.

IMS- At the elementary school, a variety of events were held including ELL Family Night, the annual book fair, Spring Fling Dance, Art Show, Ice Cream Social Night, Chorus ensemble and performances.

IMMS- At the middle school, Maker space activities, ELL Family Night, annual book fair, Spirit Wars Field Day, 5th Summer Reading Celebration, Summer Open Media Center, Drama club performances, Student Council and Grade Level Dances, Art Show, winter and spring concerts, and athletic events.

Academic Support Funding: Academic Support Funding: The Shamong Foundation for Educational Excellence was formed early in the 2002-2003 school year. Several mini-grants were awarded to teachers over the past year to support unique educational projects, including but not limited to; Band of Birdwatchers, ActiveFloor, Football Frenzy, and Adaptive Mobility.

Facilities: The district was approved through their 22-23 budget to continue projects at both buildings, including but not limited to: concrete, carpeting of classrooms, interior painting, HVAC repairs and upgrades, etc. Dead trees were removed from the district and replaced with young saplings. Interior courtyard at the elementary school was updated for students and teachers to have an outside area to read. Roof and electrical repairs at each building were completed. The basketball court at IMS was refinished and the outdoor basketball court at IMMS was updated and refinished.

## **INTERNAL ACCOUNTING CONTROLS**

Management of the School District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the district are protected from loss, theft and misuse and to ensure that adequate accounting data are completed to allow for the preparation of financial statement in conformity with general accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be delivered; and (2) the valuation of costs and benefits require estimates and judgments by management.

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

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

## **BUDGETARY CONTROLS**

In addition to internal accounting controls, the School District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or included as re-appropriations of fund balance in the subsequent year.

## **ACCOUNTING SYSTEM AND REPORTS**

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

## **OTHER INFORMATION**

### *INDEPENDENT AUDIT*

State statutes require an annual audit by independent certified public accountants. The accounting firm of Holt McNally & Associates, Inc., Certified Public Accounts & Advisors, was appointed by the Board of Education. In addition to meeting the requirements set forth in the State statutes, the audit was also designed to meet the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and combining statements and related major fund supporting 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 Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have accomplished without the efficient and dedicated services of our business office staff.

Respectfully submitted,



Christine Vespe  
Superintendent

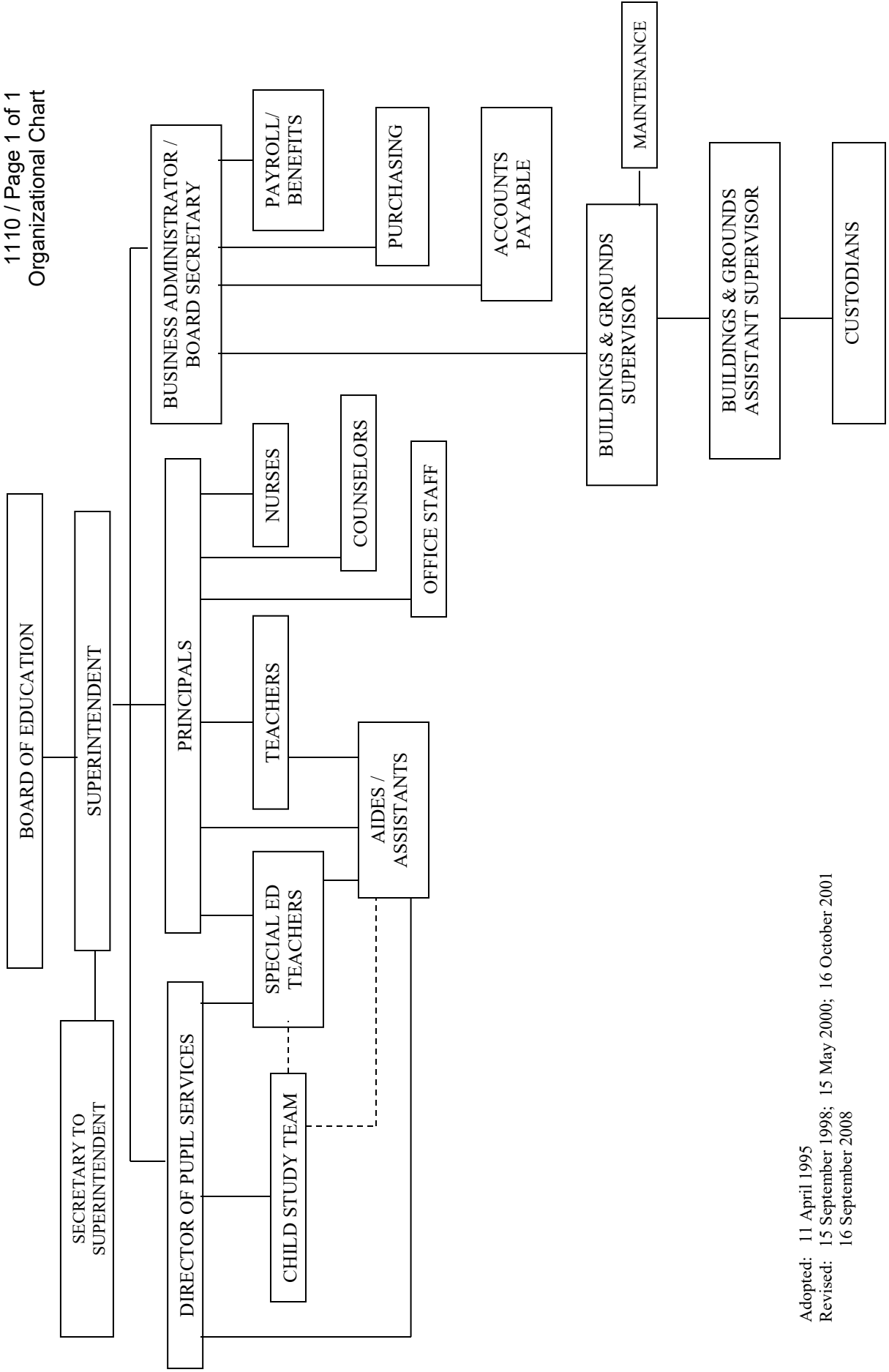


Laura Archer  
School Business Administrator/ot/Board Secretary

# POLICY

## SHAMONG TOWNSHIP BOARD OF EDUCATION

ADMINISTRATION  
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Organizational Chart



Adopted: 11 April 1995  
 Revised: 15 September 1998; 15 May 2000; 16 October 2001  
 16 September 2008

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SHAMONG TOWNSHIP SCHOOL DISTRICT  
295 Indian Mills Road  
Shamong, New Jersey 08088

ROSTER OF OFFICIALS

JUNE 30, 2023

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Melissa Ciliberti, President	2023
Jeffrey Warner, Vice President	2025
Keith Hopson	2025
Anne Ehrke	2023
Frank Locantore	2024

OTHER OFFICIALS

Christine Vespe, Superintendent

Laura Archer, Business Administrator/Board Secretary

Richard Kaz, Treasurer

Frank P. Cavallo, Jr., Solicitor, Parker McCay

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SHAMONG TOWNSHIP SCHOOL DISTRICT  
295 Indian Mills Road  
Shamong, New Jersey 08088

CONSULTANTS AND ADVISORS

AUDIT FIRM

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Holt McNally & Associates, Inc.  
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ATTORNEY

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Republic Bank  
2 Skeet Road  
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FINANCIAL SECTION

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**HOLT MCNALLY & ASSOCIATES**

Certified Public Accountants & Advisors

## INDEPENDENT AUDITOR'S REPORT

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

### 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 Shamong Township School District, 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 Shamong Township School District, 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; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School District, and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to

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continue as a going concern for twelve months beyond the financial statement date, including any current known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 and *Government Auditing Standards* and in accordance with accounting principles and practices prescribed by the Office of School Finance, Department of Education, State of New Jersey will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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, we:

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

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



## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the schedules related to accounting and reporting for pensions and other post-employment benefits, as listed in the table of contents 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.

## **Supplementary Information**

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

## **Other Information**

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2023 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Respectfully submitted,

**HOLT MCNALLY & ASSOCIATES, INC.**

*Certified Public Accountants & Advisors*

David McNally  
Certified Public Accountant  
Public School Accountant, No. 2616

Medford, New Jersey  
November 30, 2023

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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

As management of the Shamong Township School District, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

**Overview of the Basic Financial Statements**

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components:

- 1) Government-Wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements**

The *government-wide financial statements* are designed to provide the reader with a broad overview of the financial activities in a manner similar to a private-sector business. The government-wide financial statements include the statement of net position and the statement of net activities.

The *statement of net position* presents information about all of the School District's assets and liabilities. The difference between the assets plus deferred outflows or resources and liabilities plus deferred inflows of resources is reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the net position of the School District changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenditures are reported in this statement even though the resulting cash flows may be recorded in a future period.

Both of the government-wide financial statements distinguish functions of the School District that are supported from taxes and intergovernmental revenues (*governmental activities*) and other functions that are intended to recover most of their costs from user fees and charges (*business-type activities*). Governmental activities consolidate governmental funds including the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund. Business-type activities reflect the Food Service Fund.

**Fund Financial Statements**

*Fund financial statements* are designed to demonstrate compliance with financial-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. All of the funds of the School District are divided into two categories: *governmental funds* and *proprietary funds*.

*Governmental funds* account for essentially the same information reported in the governmental activities of the government-wide financial statements. However, unlike the government-wide financial statements,

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

**Overview of the Basic Financial Statements (continued)**  
**Fund Financial Statements (continued)**

the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financial requirements in the near term.

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The School District maintains four individual governmental funds. The major funds are the General Fund, the Special Revenue Fund, the Capital Projects Fund, and the Debt Service Fund. They are presented separately in the fund financial statements.

The School District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and the Debt Service Fund. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with budgetary requirements.

*Proprietary funds* are used to present the same functions as the business-type activities presented in the government-wide financial statements. The School District maintains one type of proprietary fund – the Enterprise Fund. The fund financial statements of the enterprise fund provides the same information as the government-wide financial statements, only in more detail.

The School District's one enterprise fund (Food Service Fund) is listed individually and is considered to be a major fund.

**Notes to the Basic Financial Statements**

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

**Financial Analysis of the School District**

Recall that the Statement of Net Position provides the perspective of the school district as a whole (governmental and business-type activities). Net position may serve over time as a useful indicator of a government's financial position.

The School District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt and other long-term liabilities, the acquisition and disposal of capital assets, and the depreciation of capital assets.

As described in Note 1 to the financial statements "Adopted Accounting Pronouncements", the district has adopted the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, for the year ended June 30, 2023. The adoption of this principle had no material effect on the district's financial position.

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

**Financial Analysis of the School District (continued)**

Table 1 provides a summary of the School Districts net position for the fiscal years 2023 compared to fiscal year 2022.

**Table 1**  
**Summary of Net Position**

	June 30, <u>2023</u>	June 30, <u>2022</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Current & Other Assets	\$ 7,770,120	\$ 6,770,313	\$ 999,807	14.8%
Capital Assets, Net	9,323,238	9,958,619	(635,381)	-6.4%
Total Assets	<u>17,093,358</u>	<u>17,366,510</u>	<u>364,426</u>	<u>2.1%</u>
Deferred Outflow of Resources	<u>505,899</u>	<u>354,513</u>	<u>151,386</u>	<u>42.7%</u>
Current and other Liabilities	332,353	295,741	36,612	12.4%
Noncurrent Liabilities	3,612,691	3,309,232	303,459	9.2%
Total Liabilities	<u>3,945,044</u>	<u>3,604,973</u>	<u>340,071</u>	<u>9.4%</u>
Deferred Inflow of Resources	<u>631,517</u>	<u>1,642,450</u>	<u>(1,010,933)</u>	<u>-61.6%</u>
Net Position:				
Net Investment in Capital Assets	8,579,356	8,867,694	(288,338)	-3.3%
Restricted	6,807,605	6,867,824	(60,219)	-0.9%
Unrestricted (Deficit)	<u>(2,364,265)</u>	<u>(3,261,918)</u>	<u>897,653</u>	<u>-27.5%</u>
Total Net Position	<u>\$ 13,022,696</u>	<u>\$ 12,473,600</u>	<u>\$ 549,096</u>	<u>4.4%</u>

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

**Financial Analysis of the School District as a Whole (continued)**

Table 2 shows the changes in net position for fiscal year 2023 compared to fiscal year 2022.

**Table 2**  
**Summary of Changes in Net Position**

	June 30, <u>2023</u>	June 30, <u>2022</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
<b>Revenues:</b>				
Program Revenues:				
Charges for Services	\$ 51,081	\$ 68,045	\$ (16,964)	-24.9%
Operating Grants & Contributions	1,995,854	3,678,418	(1,682,564)	-45.7%
General Revenues:				
Property Taxes	10,423,648	10,094,656	328,992	3.3%
Federal & State Aid	3,462,144	3,776,890	(314,746)	-8.3%
Other General Revenues	369,130	329,250	39,880	12.1%
Special Items:				
Gain/(Loss) on Capital Asset Adjustment	(7,512)	-	(7,512)	100.0%
Food Service	282,523	-	282,523	100.0%
Total Revenues	<u>16,576,868</u>	<u>17,947,259</u>	<u>(1,370,391)</u>	<u>-7.6%</u>
<b>Function/Program Expenses:</b>				
Regular Instruction	3,970,830	4,000,127	(29,297)	-0.7%
Special Education Instruction	1,602,765	1,738,155	(135,390)	-7.8%
Other Instruction	334,079	319,241	14,838	4.6%
Tuition	194,642	151,585	43,057	28.4%
Health Services	170,345	159,165	11,180	7.0%
Student & Instruction Related Services	1,216,387	1,301,410	(85,023)	-6.5%
Educational Media Services	310,448	298,449	11,999	4.0%
General Administrative	382,281	375,402	6,879	1.8%
School Administrative Services	511,463	499,648	11,815	2.4%
Central Services	276,818	277,254	(436)	-0.2%
Plant Operations & Maintenance	1,377,183	1,355,050	22,133	1.6%
Pupil Transportation	895,020	750,228	144,792	19.3%
Unallocated Benefits	2,412,151	3,281,523	(869,372)	-26.5%
On Behalf TPAF Pension and Social				
Security Contributions	1,266,570	1,121,435	145,135	12.9%
Interest & Other Charges	56,392	61,268	(4,876)	-8.0%
Unallocated Depreciation	767,361	771,079	(3,718)	-0.5%
Food Service	283,037	329,832	(46,795)	-14.2%
Total Expenses	<u>16,027,772</u>	<u>16,790,851</u>	<u>(763,079)</u>	<u>-4.5%</u>
Change In Net Position	549,096	1,156,408	(607,312)	-52.5%
Net Position - Beginning	12,473,600	11,317,192	1,156,408	10.2%
Net Position - Ending	<u>\$ 13,022,696</u>	<u>\$ 12,473,600</u>	<u>\$ 549,096</u>	<u>4.4%</u>



**SHAMONG TOWNSHIP SCHOOL DISTRICT**  
**Management’s Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2023**  
**(Unaudited) (Continued)**

**Governmental Activities**

During the fiscal year 2023, the net position of governmental activities increased by \$549,610 or 4%. The primary reasons for the increase was savings in unallocated benefits due to renewal rates less than budgeted percentage amounts, increase in operating grants & contributions due to a school health insurance fund surplus that was due to the district, and a decrease in special education instruction costs due to budget reduction from outsourcing aides and assistants.

The assets and deferred outflows of the primary government activities exceeded liabilities and deferred inflows by \$12,954,300, with an unrestricted deficit balance of \$(2,432,248). The deficit in unrestricted net position is primarily due to accounting treatment for compensated absences payable, GASB 68 net pension liability, and the last 2 state aid payments. In addition, state statutes prohibit school districts from maintaining more than 2% of its adopted budget as unassigned fund balance.

The School District’s governmental activities unrestricted net position had GASB 68 pension not been implemented would have been as follows:

**Table 3**  
**GASB 68 Effect on Unrestricted Net Position**

Unrestricted Net Position (With GASB 68)	\$ (2,432,248)
Add back: PERS Pension Liability	2,649,770
Less: Deferred Outflows related to pensions	(505,899)
Add back: Deferred Inflows related to pensions	631,517
Unrestricted Net Position (Without GASB 68)	\$ 343,140

**Business-type Activities**

During the fiscal year 2023, the net position of business-type activities decreased by \$(514) or 1%. This is due to discontinuation of all meals served qualifying as free lunch and reimbursed by the State.

The assets and deferred outflows of the business-type activities exceeded liabilities and deferred inflows by \$68,396.

**General Fund Budgeting Highlights**

Final budgeted revenues was \$13,842,517, which was \$26,920 higher than the original budget. Excluding nonbudgeted revenues, the School District’s actual revenues exceeded budgeted revenues by \$366,475.

Final budgeted appropriations was \$14,956,671, which was an increase of \$240,573 from the original budget. The increase is due to prior year reserve for encumbrances, which increase the budget appropriations in the subsequent fiscal year’s budget. Excluding nonbudgeted revenues, the School District’s budget appropriations exceeded actual expenditures by \$1,162,347.

The School District’s general fund balance – budgetary basis (Exhibit C-1) was \$7,834,657 at June 30, 2023, an increase of \$419,124 from the prior year.

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

**Governmental Funds**

At the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$7,611,168, an increase of \$334,831 from the prior year.

*General fund* - During the current fiscal year, the fund balance of the School District's general fund increased by \$457,578 or 6%, to \$7,535,940 at June 30, 2023, compared to an increase of \$699,003 in the fund balance in the prior fiscal year.

*Special revenue fund* – During the current fiscal year, the fund balance of the School District's special revenue fund increased by \$7,254, to \$46,983 at June 30, 2023, compared to a decrease in the fund balance of \$4,583 in the prior fiscal year.

*Capital projects fund* - During the current fiscal year, the fund balance of the School District's capital projects fund decreased by \$130,000 or (82%), to \$28,245 at June 30, 2023, compared to a decrease of \$130,000 in the fund balance in the prior fiscal year. The primary factor(s) affecting the change in fund balance of the capital projects fund is as follows:

- Transfer of budgeted fund balance to General Fund

*Debt service fund* – During the current fiscal year, the fund balance of the School District's debt service fund decreased by \$1, to \$0 at June 30, 2023.

**Proprietary Funds**

*Food service fund* - During the current fiscal year, the net position of the School District's food service fund decreased by \$514 or (1%), to \$68,396 at June 30, 2023, compared to an increase of \$81,914 in the net position in the prior fiscal year. The primary factor(s) affecting the change in net position of the food service fund is as follows:

- In the prior fiscal year, all lunches served were reimbursed by the State under the National School Lunch Program as a result of COVID-19.

**Capital Assets**

The School District's capital assets for its governmental and business-type activities as of June 30, 2023, totaled \$9,323,238 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements and equipment. There was a net decrease in the School District's investment in capital assets for the current fiscal year in the amount of \$635,382. This decrease is primarily due to the current year depreciation. Table 4 shows fiscal 2023 balances compared to 2022.

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

**Capital Assets (continued)**

**Table 4**  
**Summary of Capital Assets**

<u>Capital Asset (Net of Depreciation):</u>	June 30, <u>2023</u>	June 30, <u>2022</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Land	\$ 1,068,766	\$ 1,068,766	\$ -	0.0%
Building and Improvements	6,790,217	7,395,936	(605,719)	-8.2%
Equipment	1,464,254	1,493,917	(29,663)	-2.0%
	<u>\$ 9,323,237</u>	<u>\$ 9,958,619</u>	<u>\$ (635,382)</u>	-6.4%
 Depreciation Expense	 <u>\$ 768,061</u>	 <u>\$ 772,837</u>		

Depreciation expense for the year was \$768,061. Additional information on the School District's capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

**Debt Administration**

**Long-term debt** – At the end of the current fiscal year, the School District had total bonded debt outstanding of \$529,000, which is a decrease of \$160,000 from the prior year.

Additional information on the School District's long-term obligations can be found in the notes to the basic financial statements (Note 7) of this report.

**Factors on the School District's Future**

It is the opinion of the Superintendent and School Business Administrator that the Shamong Township School District is presently in good financial condition. However, the major concern of the District is state aid which has been and will continue to decrease over the next years. The School District is proud of its community support, the support of the Home & School Association and the Shamong Foundation for Educational Excellence.

Shamong Township is primarily a rural, residential community with very few commercial ratables; thus it becomes the responsibility of homeowners to contribute the majority of the tax burden. The increase in the School District's operating budget mostly due to contractual salaries, capital improvements, and special education and the lack of adequate state funding and federal revenues will inevitably result in increased property taxes.

In conclusion, the Shamong Township School District has committed itself to financial excellence for many years. The School District's system for financial planning, budgeting and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenges of the future, primarily the decrease in state aid due to S2 Legislation.

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

**Contacting the School Districts Financial Management**

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Mrs. Laura Archer, School Business Administrator/Board Secretary, at the Shamong Board of Education, 295 Indian Mills Road, Shamong, New Jersey 08088.

BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS
Cash & Cash Equivalents	\$ 2,942,472	\$ 87,209	\$ 3,029,681
Restricted Cash & Cash Equivalents	4,500,602	-	4,500,602
Receivables, Net (Note 4)	228,536	4,555	233,091
Internal Balances	(2,545)	2,545	-
Inventory	-	6,746	6,746
Capital Assets, Net (Note 5)			
Non-Depreciable	1,068,766	-	1,068,766
Depreciable	8,254,059	413	8,254,472
<b>Total Assets</b>	<b>16,991,890</b>	<b>101,468</b>	<b>17,093,358</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows Related to Pensions (Note 8)	505,899	-	505,899
<b>Total Deferred Outflows of Resources</b>	<b>505,899</b>	<b>-</b>	<b>505,899</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>17,497,789</b>	<b>101,468</b>	<b>17,599,257</b>
<b>LIABILITIES</b>			
Cash Deficit	-	33,072	33,072
Accrued Interest	7,648	-	7,648
Internal Balances	-	-	-
Accounts Payable	57,571	-	57,571
Due to Other Governments	233,736	-	233,736
Unearned Revenue	326	-	326
Noncurrent Liabilities (Note 7):			
Due Within One Year	350,256	-	350,256
Due Beyond One Year	3,262,435	-	3,262,435
<b>Total Liabilities</b>	<b>3,911,972</b>	<b>33,072</b>	<b>3,945,044</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows Related to Pensions (Note 8)	631,517	-	631,517
<b>Total Deferred Inflows of Resources</b>	<b>631,517</b>	<b>-</b>	<b>631,517</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>4,543,489</b>	<b>33,072</b>	<b>4,576,561</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	8,578,943	413	8,579,356
Restricted For:			
Capital Projects	4,100,839	-	4,100,839
Emergency Reserve	200,000	-	200,000
Maintenance Reserve	145,042	-	145,042
Unemployment Compensation	82,966	-	82,966
Student Activities	46,983	-	46,983
Excess Surplus	2,231,775	-	2,231,775
Unrestricted	(2,432,248)	67,983	(2,364,265)
<b>Total Net Position</b>	<b>\$ 12,954,300</b>	<b>\$ 68,396</b>	<b>\$ 13,022,696</b>

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

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

FUNCTIONS/PROGRAMS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION					TOTALS
	EXPENSES	PROGRAM REVENUES		GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS			
<b>Governmental Activities:</b>						
<b>Instruction:</b>						
Instruction - Regular Programs	\$ 3,970,830	\$ -	\$ -	\$ (3,970,830)	\$ -	\$ (3,970,830)
Special Education	1,602,765	-	384,175	(1,218,590)	-	(1,218,590)
Other Special Instruction	216,042	-	-	(216,042)	-	(216,042)
Other Instruction	118,037	-	-	(118,037)	-	(118,037)
<b>Support Services:</b>						
Tuition	194,642	-	-	(194,642)	-	(194,642)
Health Services	170,345	-	-	(170,345)	-	(170,345)
Student & Instruction Related Services	1,216,387	51,081	80,124	(1,085,182)	-	(1,085,182)
<b>Educational Media Services/School</b>						
Library	310,448	-	-	(310,448)	-	(310,448)
General Administrative Services	382,281	-	-	(382,281)	-	(382,281)
School Administrative Services	511,463	-	-	(511,463)	-	(511,463)
Central Services	276,818	-	-	(276,818)	-	(276,818)
Plant Operations & Maintenance	1,377,183	-	-	(1,377,183)	-	(1,377,183)
Pupil Transportation	895,020	-	-	(895,020)	-	(895,020)
Employee Benefits	2,412,151	-	230,160	(2,181,991)	-	(2,181,991)
<b>On Behalf TPAF Pension and Social</b>						
Security Contributions	1,266,570	-	1,266,570	-	-	-
Interest and Charges on Long-Term Debt	56,392	-	34,825	(21,567)	-	(21,567)
Unallocated Depreciation	767,361	-	-	(767,361)	-	(767,361)
<b>Total Governmental Activities</b>	<b>15,744,735</b>	<b>51,081</b>	<b>1,995,854</b>	<b>(13,697,800)</b>	<b>-</b>	<b>(13,697,800)</b>
<b>Business-Type Activities:</b>						
Food Service	283,037	179,462	102,561	-	(1,014)	(1,014)
<b>Total Business-Type Activities</b>	<b>283,037</b>	<b>179,462</b>	<b>102,561</b>	<b>-</b>	<b>(1,014)</b>	<b>(1,014)</b>
<b>Total Primary Government</b>	<b>\$ 16,027,772</b>	<b>\$ 230,543</b>	<b>\$ 2,098,415</b>	<b>(13,697,800)</b>	<b>(1,014)</b>	<b>(13,698,814)</b>
<b>General Revenues:</b>						
<b>Taxes:</b>						
Property Taxes, Levied for General Purposes				10,326,110	-	10,326,110
Property Taxes, Levied for Debt Service				97,538	-	97,538
Federal & State Aid Unrestricted				3,426,662	-	3,426,662
Federal & State Aid Restricted				35,482	-	35,482
Tuition Received				12,000	-	12,000
Miscellaneous Income				357,130	500	357,630
Capital Asset Adjustment				(7,512)	-	(7,512)
<b>Total General Revenues, Special Items, Extraordinary Items &amp; Transfers</b>				<b>14,247,410</b>	<b>500</b>	<b>14,247,910</b>
<b>Change In Net Position</b>				<b>549,610</b>	<b>(514)</b>	<b>549,096</b>
<b>Net Position - Beginning</b>				<b>12,404,690</b>	<b>68,910</b>	<b>12,473,600</b>
<b>Net Position - Ending</b>				<b>\$ 12,954,300</b>	<b>\$ 68,396</b>	<b>\$ 13,022,696</b>

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

## B. Fund Financial Statements

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Governmental Funds

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

ASSETS	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTALS
Cash & Cash Equivalents	\$ 2,882,528	\$ 23,205	\$ 36,739	\$ 2,942,472
Accounts Receivable:				
Federal	-	15,987	-	15,987
State	163,809	-	-	163,809
Other	40,623	8,117	-	48,740
Interfund	8,494	-	-	8,494
Restricted Cash & Cash Equivalents	4,500,602	-	-	4,500,602
<b>Total Assets</b>	<b>\$ 7,596,056</b>	<b>\$ 47,309</b>	<b>\$ 36,739</b>	<b>\$ 7,680,104</b>
<b>LIABILITIES &amp; FUND BALANCES</b>				
Liabilities:				
Payroll Deduction and Withholdings Payable	57,571	-	-	57,571
Interfund Payable	2,545	-	8,494	11,039
Unearned Revenue	-	326	-	326
<b>Total Liabilities</b>	<b>60,116</b>	<b>326</b>	<b>8,494</b>	<b>68,936</b>
Fund Balances:				
Restricted:				
Maintenance Reserve	145,042	-	-	145,042
Emergency Reserve	200,000	-	-	200,000
Capital Reserve	4,072,594	-	-	4,072,594
Capital Projects	-	-	28,245	28,245
Debt Service	-	-	-	-
Unemployment Compensation	82,966	-	-	82,966
Student Activities	-	46,983	-	46,983
Excess Surplus - Current Year	1,031,775	-	-	1,031,775
Excess Surplus Designated for Subsequent Year's Expenditures	1,200,000	-	-	1,200,000
Assigned:				
Designated for Subsequent Year's Expenditures	306,619	-	-	306,619
Other Purposes	1,819	-	-	1,819
Unassigned	495,125	-	-	495,125
<b>Total Fund Balances</b>	<b>7,535,940</b>	<b>46,983</b>	<b>28,245</b>	<b>7,611,168</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$ 7,596,056</b>	<b>\$ 47,309</b>	<b>\$ 36,739</b>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$24,940,991 and the accumulated depreciation is \$15,618,166.	9,322,825
Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the funds.	(125,618)
Accrued interest payable is not recorded in the fund financial Statements due to the fact that the payables are not due in the period.	(7,648)
Accrued pension contributions for the June 30, 2023 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.	(233,736)
Long-term liabilities, including net pension liability, bonds payable, bond premium, lease purchases, post retirement liability and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(3,612,691)

Net Position of Governmental Activities \$ 12,954,300

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

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

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS
Revenues:					
Local Sources:					
Local Tax Levy	\$ 10,326,110	\$ -	\$ -	\$ 97,538	\$ 10,423,648
Tuition	12,000	-	-	-	12,000
Miscellaneous	352,674	59,198	4,456	-	416,328
Total Local Sources	10,690,784	59,198	4,456	97,538	10,851,976
State Sources	6,708,914	15,965	-	34,825	6,759,704
Federal Sources	-	475,699	-	-	475,699
Total Revenues	17,399,698	550,862	4,456	132,363	18,087,379
Expenditures:					
Current:					
Instruction - Regular Programs	3,998,330	-	-	-	3,998,330
Special Education	1,218,590	384,175	-	-	1,602,765
Other Special Instruction	216,042	-	-	-	216,042
Other Instruction	118,037	-	-	-	118,037
Support Services:					
Tuition	194,642	-	-	-	194,642
Attendance and Social Work Services	39,247	-	-	-	39,247
Health Services	170,345	-	-	-	170,345
Student & Instruction Related Services	1,053,189	123,951	-	-	1,177,140
Educational Media Services/School					
Library	310,448	-	-	-	310,448
General Administrative Services	382,281	-	-	-	382,281
School Administrative Services	511,463	-	-	-	511,463
Central Services	276,818	-	-	-	276,818
Plant Operations & Maintenance	1,418,016	-	-	-	1,418,016
Pupil Transportation	895,020	-	-	-	895,020
Employee Benefits	5,964,854	-	-	-	5,964,854
Capital Outlay	269,905	35,482	-	-	305,387
Debt Service:					
Principal	-	-	-	160,000	160,000
Interest & Other Charges	39,138	-	-	22,865	62,003
Total Expenditures	17,076,365	543,608	-	182,865	17,802,838
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	323,333	7,254	4,456	(50,502)	284,541
Other Financing Sources/(Uses):					
Lease-Purchase Agreement Proceeds	50,290	-	-	-	50,290
Operating Transfers In -	134,456	-	-	50,501	184,957
Operating Transfers (Out) -	(50,501)	-	(134,456)	-	(184,957)
Total Other Financing Sources/(Uses)	134,245	-	(134,456)	50,501	50,290
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses	457,578	7,254	(130,000)	(1)	334,831
Fund Balances July 1	7,078,362	39,729	158,245	1	7,276,337
Fund Balances June 30	\$ 7,535,940	\$ 46,983	\$ 28,245	\$ -	\$ 7,611,168

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



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

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ 334,831

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	\$ (767,361)	
Capital Asset Adjustment	(7,512)	
Capital Outlays	<u>140,192</u>	(634,681)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. 160,000

District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities. 508,988

Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due.

Accrued Interest Prior Year	10,567	
Accrued Interest Current Year	<u>(7,648)</u>	2,919

In the statement of activities, the reduction for lease purchases should not be an expenditure. Thus the change in Net Position will differ from the change in fund balance by the cost of the asset removed.

Retirement of Financed Purchases		183,238
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Deferred charges on Refunding of Debt and premiums from refunded debt issuances are recorded when incurred in the governmental funds but are accrued and expensed over time in the statement of activities.

Amortization of Bond Premium		2,692
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Increase of compensated absences is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.

Current Year	(219,039)	
Prior Year	<u>210,662</u>	(8,377)

Change in Net Position of Governmental Activities \$ 549,610

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

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## Proprietary Funds

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**SHAMONG TOWNSHIP SCHOOL DISTRICT  
ENTERPRISE FUND  
COMBINING SCHEDULE OF NET POSITION  
AS OF JUNE 30, 2023**

ASSETS	FOOD SERVICE
Current Assets:	
Cash & Cash Equivalents	\$ 87,209
Accounts Receivable:	
State	142
Federal	2,741
Other	1,672
Interfund	2,545
Inventories	<u>6,746</u>
Total Current Assets	<u>101,055</u>
Noncurrent Assets:	
Furniture, Machinery & Equipment	63,622
Less: Accumulated Depreciation	<u>(63,209)</u>
Total Capital Assets	<u>413</u>
Total Assets	<u>101,468</u>
LIABILITIES	
Unearned Revenue	<u>33,072</u>
Total Liabilities	<u>33,072</u>
NET POSITION	
Net Investment in Capital Assets	413
Unrestricted	<u>67,983</u>
Total Net Position	<u><u>\$ 68,396</u></u>

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

**SHAMONG TOWNSHIP SCHOOL DISTRICT  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUES  
EXPENSES AND CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	FOOD SERVICE FUND
Operating Revenues:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 104,246
Daily Sales - Nonreimbursable Programs	75,216
Miscellaneous	500
	179,962
Total Operating Revenue	179,962
Operating Expenses:	
Cost of Sales - Reimbursable Programs	59,330
Cost of Sales - Nonreimbursable Programs	43,885
Salaries & Benefits	133,561
Miscellaneous Expenses	17,070
Management Fee	23,400
Supplies and Materials	5,091
Depreciation	700
	283,037
Total Operating Expenses	283,037
Operating Income/(Loss)	(103,075)
Nonoperating Revenues (Expenses):	
State Sources:	
State School Lunch Program	2,357
State School Reduced Lunch Program	762
State School Reduced Breakfast Program	4
Federal Sources:	
National School Lunch Program	57,358
Healthy Hunger-Free Kids Act	3,034
National School Breakfast Program	2,457
Supply Chain Assistance Program	16,986
Food Distribution Program	19,603
	102,561
Total Nonoperating Revenues/(Expenses)	102,561
Change in Net Position	(514)
Total Net Position - Beginning	68,910
Total Net Position - Ending	\$ 68,396

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

**SHAMONG TOWNSHIP SCHOOL DISTRICT  
ENTERPRISE FUND  
COMBINING SCHEDULE OF CASH FLOWS  
FOR FISCAL YEAR ENDED JUNE 30, 2023**

	FOOD SERVICE FUND
Cash Flows From Operating Activities:	
Receipts from Customers	\$ 178,290
Payments to Employees	(133,561)
Payments to Suppliers	<u>(169,081)</u>
Net Cash Provided/(Used) by Operating Activities	<u>(124,352)</u>
Cash Flows From Noncapital Financing Activities:	
State Sources	3,489
Federal Sources	<u>152,890</u>
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>156,379</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	32,027
Balances - Beginning of Year	<u>55,182</u>
Balances - End of Year	<u><u>\$ 87,209</u></u>

**Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities**

Operating Income/(Loss)	\$ (103,075)
Adjustments to Reconcile Operating Income/(Loss) to	
Net Cash Provided/(Used For) Operating Activities:	
Depreciation & Net Amortization	700
(Increase)/Decrease in Other A/R	(1,672)
(Increase)/Decrease in Interfund A/R	-
Increase/(Decrease) in Accounts Payable	(21,127)
(Increase)/Decrease in Inventories	<u>822</u>
Net Cash Provided/(Used) by Operating Activities	<u><u>\$ (124,352)</u></u>

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

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SHAMONG TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023

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# SHAMONG TOWNSHIP SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

### Note 1. Summary of Significant Accounting Policies

#### **Basis of Presentation**

The financial statements of the Shamong Township School District (hereafter referred to as the “School District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

#### **Reporting Entity**

The Shamong Township School District is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three members’ terms expire each year. The purpose of the School District is to educate students in grades kindergarten through eighth at its three schools. The School District has an approximate enrollment at June 30, 2023 of 698 students.

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

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

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

#### **Component Units**

GASB Statement No. 14. The Financial Reporting Entity, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, GASB Statement No. 61, *The Financial Reporting Entity: Omnis - an amendment of GASB Statements No. 14 and No. 34*, GASB Statement No. 80, *Blending Requirements for certain component units – and Amendment of GASB Statement No. 14* and GASB Statement No. 90, *Majority Equity Interests – An amendment of GASB Statements No. 14 and No. 61*. The District had no component units as of or for the year ended June 30, 2023.

#### **Basis of Accounting, Measurement Focus and Financial Statement Presentation**

The accounts of the School District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

# SHAMONG TOWNSHIP SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023 (continued)

### Note 1. Summary of Significant Accounting Policies (continued):

#### **Government-Wide Financial Statements**

The School District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the School District accompanied by a total column.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the School District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the School District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

#### **Governmental Fund Financial Statements**

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule (Exhibit B-3) is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The School District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The School District's deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the School District, are property tax and intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

#### **Proprietary Fund Financial Statements**

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service funds balances and activities have been combined with the governmental activities in the Government-Wide financial statements.

# SHAMONG TOWNSHIP SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023 (continued)

### Note 1. Summary of Significant Accounting Policies (continued):

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

### **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the School District’s enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, charges for services, licenses, and interest on notes receivable associated with the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period

# SHAMONG TOWNSHIP SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023 (continued)

### Note 1. Summary of Significant Accounting Policies (continued):

for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available when cash is received.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Food Service Fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, employee salaries and benefits, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the School District's policy to use restricted resources first, then unrestricted resources as they are needed.

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component unit. Although internal service funds are reported as a proprietary fund in the fund financial statements, it is incorporated into governmental activities in the government-wide financial statements. The School District does not maintain any internal service funds.

The School District reports the following major governmental funds:

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

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

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

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

**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).

# SHAMONG TOWNSHIP SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023 (continued)

### Note 1. Summary of Significant Accounting Policies (continued):

**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.

The School District reports the following major proprietary funds:

**Food Service Fund** – This fund accounts for the revenues and expenses pertaining to the School District’s cafeteria operations.

During the course of operations, the School District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

### **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. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the School District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

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

# SHAMONG TOWNSHIP SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023 (continued)

### Note 1. Summary of Significant Accounting Policies (continued):

GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

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

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the General Fund Budgetary Comparison Schedules and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the School District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

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

Open encumbrances in the special revenue fund for which the School District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or as unearned revenue at fiscal year-end.

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

### Cash and Cash Equivalents

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

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

Additionally, the School 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



**SHAMONG TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023 (continued)**

**Note 1. Summary of Significant Accounting Policies (continued):**

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, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

**Tuition Payable/Receivable**

Tuition rates for the fiscal year end June 30, 2023 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

**Inventories**

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

**Interfund Receivables/Payables**

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the School District and that are due within one year. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal Balances.

**Capital Assets**

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation. The School District has established a threshold of \$2,000 for capitalization of depreciable assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the School District are depreciated or amortized using the straight-line method over the following estimated lives:

Equipment & Vehicles	3 – 20 Years
Buildings	30 – 50 Years
Improvements	10 – 50 Years
Software	5 – 7 Years

**Compensated Absences**

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

# SHAMONG TOWNSHIP SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023 (continued)

### Note 1. Summary of Significant Accounting Policies (continued):

District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The entire compensated absences liability is reported on the government-wide financial statements and proprietary fund financial statements. Compensated absences liability is not recorded in the governmental funds. Instead expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of resignations or retirements.

#### **Unearned Revenue**

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

#### **Accrued Liabilities and Long-Term Obligations**

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

#### **Accounting Estimates**

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

#### **Interfund Activity**

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

#### **Deferred Outflows and Deferred Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

# SHAMONG TOWNSHIP SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023 (continued)

### Note 1. Summary of Significant Accounting Policies (continued):

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time.

#### **Bond Premiums, Discounts and Issuance Costs**

In the government-wide financial statements and in the proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

#### **Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position of the Public Employees' Retirement System (PERS) and Teacher's Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's fiduciary net position have been determined on the same basis as they are reported by the plans. 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.

#### **Fund Balance**

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the School District classifies governmental fund balances as follows:

- **Non-spendable** – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted** – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Committed** – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2023.

**SHAMONG TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023 (continued)**

**Note 1. Summary of Significant Accounting Policies (continued):**

- Assigned – This classification includes amounts that are constrained by the School District’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the School District’s policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the School District’s policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

**Net Position**

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

- Net Investment in Capital Assets – This components represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.
- Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

**Impact of Recently Issued Accounting Principles**

**Adopted Accounting Pronouncements**

The following GASB Statements became effective for the fiscal year ended June 30, 2023:

Statement No. 96, *Subscription-Based Information Technology Arrangements*. Statement No. 96 establishes a single approach to accounting and financial reporting for subscription-based information technology arrangements for government end users. Statement No. 96 is effective for reporting periods beginning after June 15, 2022. The adoption of this pronouncement had no material effect on the financial statements.

**SHAMONG TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023 (continued)**

**Note 1. Summary of Significant Accounting Policies (continued):**

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future years as shown below:

Statement No. 101, *Compensated Absences*. Statement No. 101 aligns the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Statement No. 101 is effective for reporting periods beginning after December 15, 2023. Management has not yet determined the potential impact on the District’s financial statements.

**Note 2. Deposits and Investments**

**Deposits**

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2023, the School District’s bank balance of \$7,870,807 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$ 7,668,572
Uninsured and Uncollateralized	<u>202,235</u>
	<u>\$ 7,870,807</u>

**Investments**

The School District had no investments at June 30, 2023.

**Note 3. Reserve Accounts**

**Capital Reserve**

A capital reserve account was established by the Shamong Township School District by inclusion of \$100,000 in the original 1995-1996 annual capital outlay budget, which was certified for taxes, for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital

**SHAMONG TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023 (continued)**

**Note 3. Reserve Accounts (continued):**

reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a School

District may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A School District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant *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	\$ 4,122,945
Increased by:	
Interest Earnings	<u>150</u>
Decreased by:	
Budget Withdrawals	<u>(50,501)</u>
Ending Balance, June 30, 2023	<u>\$ 4,072,594</u>

The June 30, 2023 LRFP balance of local support costs of uncompleted capital projects at June 30, 2023 is \$17,674,055. The withdrawals from the capital reserve were for use in a DOE approved facilities project, consistent with the School District's Long Rang Facilities Plan.

**Maintenance Reserve**

Shamong Township School District established a Maintenance Reserve Account for the accumulation of Funds for use as maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Beginning Balance, July 1, 2022	\$ 145,028
Increased by:	
Interest Earnings	<u>14</u>
Ending Balance, June 30, 2023	<u>\$ 145,042</u>

**Emergency Reserve**

The emergency reserve account is used to accumulate funds in accordance with *N.J.S.A. 18A:7F-41c(1)* to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or

**SHAMONG TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023 (continued)**

**Note 3. Reserve Accounts (continued):**

1 percent of the general fund budget not to exceed \$1 million. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. The department has defined year end for the purpose of depositing surplus into reserve accounts as an amount approved by the district board of education between June 1 and June 30.

Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of 4 percent. GASBS No. 54 requires the further categorization of the emergency reserve account balance on the *Governmental Funds Balance Sheet* (Exhibit B-1). The emergency reserve has significant externally imposed restrictions on its withdrawal and should be categorized as “Restricted” fund balance. The same categorization is applicable to the *General Fund Budgetary Comparison Schedule* (Exhibit C-1)

Ending Balance, June 30, 2023 and 2022 \$ 200,000

**Note 4. Accounts Receivable**

Accounts receivable at June 30, 2023 consisted of accounts and intergovernmental grants. All state and federal receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the School District’s individual major funds, in the aggregate, are as follows:

<u>Description</u>	<u>Governmental Funds</u>			<u>Proprietary Funds</u>	
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Activities</u>	<u>Food Service Fund</u>	<u>Total Business-Type Activities</u>
Federal Awards	\$ -	\$ 15,987	\$ 15,987	\$ 2,741	\$ 2,741
State Awards	163,809	-	163,809	142	142
Other	40,623	8,117	48,740	-	-
<b>Total</b>	<u>\$ 204,432</u>	<u>\$ 24,104</u>	<u>\$ 228,536</u>	<u>\$ 2,883</u>	<u>\$ 2,883</u>

**SHAMONG TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023 (continued)**

**Note 5. Capital Assets**

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

	Balance July 1, <u>2022</u>	<u>Additions</u>	Retirements and Transfers	Balance June 30, <u>2023</u>
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 1,068,766	\$ -	\$ -	\$ 1,068,766
Total Capital Assets not being depreciated	<u>1,068,766</u>	<u>-</u>	<u>-</u>	<u>1,068,766</u>
Capital Assets being depreciated:				
Buildings and Improvements	21,439,896	62,402	-	21,502,298
Equipment	2,331,809	77,790	(39,672)	2,369,927
Total Capital Assets being depreciated	<u>23,771,705</u>	<u>140,192</u>	<u>(39,672)</u>	<u>23,872,225</u>
Less: Accumulated Depreciation:				
Buildings and Improvements	(14,043,960)	(668,122)	-	(14,712,082)
Equipment	(839,005)	(99,239)	32,160	(906,084)
Total Accumulated Depreciation	<u>(14,882,965)</u>	<u>(767,361)</u>	<u>32,160</u>	<u>(15,618,166)</u>
Total Capital Assets being depreciated, net	<u>8,888,740</u>	<u>(627,169)</u>	<u>(7,512)</u>	<u>8,254,059</u>
Total Governmental Activities Capital Assets, net	<u>\$ 9,957,506</u>	<u>\$ (627,169)</u>	<u>\$ (7,512)</u>	<u>\$ 9,322,825</u>
	Balance July 1, <u>2022</u>	<u>Additions</u>	Retirements and Transfers	Balance June 30, <u>2023</u>
<b>Business-Type Activities:</b>				
Equipment	\$ 63,622	\$ -	\$ -	\$ 63,622
	<u>63,622</u>	<u>-</u>	<u>-</u>	<u>63,622</u>
Less: Accumulated Depreciation:				
Equipment	(62,509)	(700)	-	(63,209)
	<u>(62,509)</u>	<u>(700)</u>	<u>-</u>	<u>(63,209)</u>
Total Business-Type Activities Capital Assets, net	<u>\$ 1,113</u>	<u>\$ (700)</u>	<u>\$ -</u>	<u>\$ 413</u>

Depreciation expense was not allocated among the various functions/programs of the School District.



**SHAMONG TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023 (continued)**

**Note 6. Interfund Receivables, Payables and Transfers**

Individual fund receivables/payables balances at June 30, 2023 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 8,494	\$ 2,545
Capital Projects Fund	-	8,494
Food Service Fund	2,545	-
	<u>\$ 11,039</u>	<u>\$ 11,039</u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

Interfund transfers during the year were as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 134,456	\$ 50,501
Capital Projects Fund	-	134,456
Debt Service Fund	50,501	-
	<u>\$ 184,957</u>	<u>\$ 184,957</u>

**Note 7. Long-Term Obligations**

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

	<u>Balance July 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2023</u>	<u>Balance Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 689,000	\$ -	\$ 160,000	\$ 529,000	\$ 170,000
Financed Purchases	390,940	-	183,238	207,702	147,435
Unamortized Bond Premiums	9,872	-	2,692	7,180	-
Compensated Absences	210,662	8,377	-	219,039	-
Net Pension Liability	2,008,758	641,012	-	2,649,770	-
	<u>\$ 3,309,232</u>	<u>\$ 649,389</u>	<u>\$ 345,930</u>	<u>\$ 3,612,691</u>	<u>\$ 317,435</u>

For governmental activities, the bonds payable are liquidated from the School District's debt service fund. Compensated absences and net pension liability are liquidated by the general fund.

**Bonds Payable**

The voters of the municipality through referendums authorize bonds in accordance with State Law. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the

**SHAMONG TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023 (continued)**

**Note 7. Long-Term Obligations (continued):**

School District are general obligation bonds. At June 30, 2023, bonds payable consisted of the following individual issues:

On August 26, 2010, the School District issued \$1,999,000 of School Bonds with interest rates ranging from 3.125% to 3.500%. The bonds mature on February 15, 2026.

Principal and interest due on the outstanding bonds is as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 170,000	\$ 15,103	\$ 185,103
2025	180,000	9,303	189,303
2026	179,000	3,133	182,133
	<u>\$ 529,000</u>	<u>\$ 27,539</u>	<u>\$ 556,539</u>

**Bonds Authorized But Not Issued:**

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

**Financed Purchases**

The School District financed various capital equipment with terms ranging from 4 to 5 years. At June 30, 2023, lease purchases consisted of the following individual issues:

On February 25, 2020, the School District entered into a lease purchase agreement for capital equipment in the amount of \$500,000 with an interest rate of 1.967%. The term of the lease purchase is four years.

On May 5, 2021, the School District entered into a lease purchase agreement for capital equipment in the amount of \$100,000 with an interest rate of 3.325%. The term of the lease purchase is five years.

The following is a schedule of future minimum lease payments under the lease purchase agreements, and the present value of the net minimum loan payments at June 30, 2023 are:

<u>June 30,</u>	
2024	\$ 151,964
2025	21,440
2026	21,440
2027	21,440
Total Minimum Payments	216,284
Less: Amount Representing Interest	(8,582)
Present Value of Minimum Payments	\$ 207,702

SHAMONG TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023 (continued)

Note 8. Pension Plans

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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

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

**Contributions** - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2022, the State's pension contribution was less than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded

**SHAMONG TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023 (continued)**

**Note 8. Pension Plans (continued)**

**A. Public Employees' Retirement System (PERS) (continued)**

liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

**Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources** - At June 30, 2022, the School District reported a liability of \$2,649,770 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2021, to the measurement date of June 30, 2022. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2022. The School District's proportion measured as of June 30, 2022, was 0.01756%, which was an increase of 0.00060% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the School District recognized full accrual pension expense/(benefit) of (\$287,571) in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2022 measurement date. At June 30, 2023 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b>Deferred Outflows of Resources</b>		<b>Deferred Inflows of Resources</b>
Differences between Expected and Actual Experience	\$ 19,125	\$	16,865
Changes of Assumptions	8,210		396,775
Net Difference between Projected and Actual Earnings on Pension Plan Investments	109,672		-
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	135,156		217,877
School District Contributions Subsequent to Measurement Date	233,736		-
	<b>\$ 505,899</b>	<b>\$</b>	<b>631,517</b>

SHAMONG TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023 (continued)

Note 8. Pension Plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

\$233,736 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is based on the amount payable to the State due April 1, 2024 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending</b> <b><u>Dec 31,</u></b>	<b><u>Amount</u></b>
2023	\$ (295,260)
2024	(150,425)
2025	(73,359)
2026	160,043
2027	<u>(352)</u>
	<u>\$ (359,354)</u>

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

**SHAMONG TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023 (continued)**

**Note 8. Pension Plans (continued)**

**A. Public Employees' Retirement System (PERS) (continued)**

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

**SHAMONG TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023 (continued)**

**Note 8. Pension Plans (continued)**

**A. Public Employees' Retirement System (PERS) (continued)**

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

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2027	2.85 - 6.55% Based on Years of Service
Thereafter	2.75 - 6.55% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	
PERS	Pub-2010 General Classification Headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2018 - June 30, 2021

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

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

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

**SHAMONG TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023 (continued)**

**Note 8. Pension Plans (continued)**

**A. Public Employees' Retirement System (PERS) (continued)**

asset class included in PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.37%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	100.00%	

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate** - The following presents the School District's proportionate share of the net pension liability as of June 30, 2023, calculated using the discount rate of 7.00% as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:



**SHAMONG TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023 (continued)**

**Note 8. Pension Plans (continued)**

**A. Public Employees' Retirement System (PERS) (continued)**

	<b>1% Decrease <u>(6.00%)</u></b>	<b>Current Discount Rate <u>(7.00%)</u></b>	<b>1% Increase <u>(8.00%)</u></b>
District's Proportionate Share of the Net Pension Liability	<u>\$ 2,862,773</u>	<u>\$ 2,649,770</u>	<u>\$ 1,456,750</u>

**Additional Information** - The following is a summary of the collective balances of the local group at June 30, 2023 and 2022:

**Balances at June 30, 2023 and June 30, 2022**

	<u>6/30/2023</u>	<u>6/30/2022</u>
Actuarial valuation date (including roll forward)	June 30, 2022	June 30, 2021
Collective Deferred Outflows of Resources	\$ 1,164,738,169	\$ 2,347,583,337
Collective Deferred Inflows of Resources	8,339,123,762	7,849,949,467
Collective Net Pension Liability	11,972,782,878	16,435,616,426
District's portion of the Plan's total Net Pension Liability	0.017558%	0.016957%

**B. Teachers' Pension and Annuity Fund (TPAF)**

**Plan Description** - The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Annual Comprehensive Financial Report (ACFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010

SHAMONG TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023 (continued)

**Note 8. Pension Plans (continued)**

**B. Teachers' Pension and Annuity Fund (TPAF) (continued)**

- 4 Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

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

**Contributions** - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2022, the State's pension contribution was less than the actuarial determined amount.

As mentioned previously, the employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A 18:66-33*. Therefore, the School District is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the School District does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers.

**Pension Liability and Pension Expense** - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2022 was \$29,127,518. The School District's proportionate share was \$-0-.

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The State's proportionate share of the net pension liability associated with the School District was based on projection of the State's long-term contributions to the pension plan associated with the School District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2022, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.05645%, which was a decrease of .00113% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the School District recognized \$783,903 in on-behalf pension expense and revenue in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2022 measurement date.

**SHAMONG TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023 (continued)**

**Note 8. Pension Plans (continued)**

**B. Teachers' Pension and Annuity Fund (TPAF) (continued)**

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

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2027	2.85 - 6.55% Based on Years of Service
Thereafter	2.75 - 6.55% Based on Years of Service
Investment Rate of Return	7.00%

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

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

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

**SHAMONG TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023 (continued)**

**Note 8. Pension Plans (continued)**

**B. Teachers' Pension and Annuity Fund (TPAF) (continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.37%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00 % as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate** – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 7.00% as well as what the State's proportionate share of the net pension liability, attributable to the School District's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**SHAMONG TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023 (continued)**

**Note 8. Pension Plans (continued)**

**B. Teachers' Pension and Annuity Fund (TPAF) (continued)**

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	34,152,634	29,127,518	24,894,489
	<u>\$ 34,152,634</u>	<u>\$ 29,127,518</u>	<u>\$ 24,894,489</u>

**Pension Plan Fiduciary Net Position** - 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.

**Additional Information** – The following is a summary of the collective balances of the local group at June 30, 2023 and 2022:

**Balances at June 30, 2023 and June 30, 2022**

	<u>6/30/2023</u>	<u>6/30/2022</u>
Actuarial valuation date (including roll forward)	June 30, 2022	June 30, 2021
Collective Deferred Outflows of Resources	\$ 5,004,259,312	\$ 6,373,530,834
Collective Deferred Inflows of Resources	19,682,774,794	27,363,797,906
Collective Net Pension Liability	51,676,587,303	48,165,991,182
District's portion of the Plan's total Net Pension Liability	0.05645%	0.05759%

**C. Defined Contribution Plan (DCRP)**

**Plan Description** - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of N.J.S.A. 43:15C-1 et seq. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;
- Employees enrolled in the Public Employees' Retirement System (PERS) or Teachers' Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits;

## SHAMONG TOWNSHIP SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023 (continued)

#### Note 8. Pension Plans (continued)

##### C. Defined Contribution Plan (DCRP) (continued)

- Employees enrolled in the Police and Firemen's Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits;
- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually. The minimum salary in 2021 is \$8,400 and is subject to adjustment in future years.
- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per week for State employees, or 32 hours per week for local government or local education employees.

**Contributions** - The contribution policy is set by N.J.S.A. 43:15C-3 and requires active members and contribution employers. When enrolled in the DCRP, members are required to contribute 5.5% of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3% contribution from the School District.

For the year ended June 30, 2023, employee contributions totaled \$2,409 and the School District recognized pension expense of \$1,314.

#### Note 9. Other Post-Retirement Benefits

##### General Information about the OPEB Plan

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

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

**SHAMONG TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023 (continued)**

**Note 9. Other Post-Retirement Benefits (continued)**

years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree’s annual retirement benefit and level of coverage.

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

**Basis of Presentation**

The Schedule presents the State of New Jersey’s obligation under NJSA 52:14-17.32f. The Schedule does not purport to be a complete presentation of the financial position or changes in financial position of the State Health Benefit Local Education Retired Employees Plan or the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles.

Such preparation requires management of the State of New Jersey to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**Total Nonemployer OPEB Liability**

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

Total Nonemployer OPEB Liability:	\$	50,646,462,966			
			<b>TPAF/ABP</b>	<b>PERS</b>	<b>PFRS</b>
Salary Increases:			2.75 - 4.25%	2.75 - 6.55%	3.25 - 16.25%
			based on years of service	based on years of service	based on years of service

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

## SHAMONG TOWNSHIP SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023 (continued)

#### **Note 9. Other Post-Retirement Benefits (continued)**

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of actuarial experience studies for the periods July 1, 2018 – June 30, 2021.

**OPEB Obligation and OPEB Expense** - The State's proportionate share of the total Other Post Employment Benefits Obligations, attributable to the School District as of June 30, 2022 was \$34,546,481. The School District's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2022, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The State's proportionate share of the OPEB Obligation associated with the District was based on projection of the State's long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2022, the State proportionate share of the OPEB Obligation attributable to the School District was 0.06821%, which was an increase of 0.00011% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the State of New Jersey recognized an OPEB expense in the amount of \$229,459 for the State's proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2022 measurement date.

#### **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 seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2023 through 2024 are reflected. For PPO the trend is initially -1.99% in fiscal year 2023, decreasing to -5.86% in fiscal year 2024 and increases to 4.50% after 11 years. For HMO the trend is initially -3.54% in fiscal year 2023, decreasing to -8.15% in fiscal year 2024 and increases to 4.50% after 11 years. For prescription drug benefits, the initial trend rate is 8.00% and decreases to 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

#### **Discount Rate**

The discount rate for June 30, 2022 was 3.54%. This represents the municipal bond 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.

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

The following presents the total nonemployer OPEB liability as of June 30, 2022, 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:



**SHAMONG TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023 (continued)**

**Note 9. Other Post-Retirement Benefits (continued)**

	<b>June 30, 2022</b>		
	At 1% Decrease (2.54%)	At Discount Rate (3.54%)	At 1% Increase (4.54%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 40,605,754	\$ 34,546,481	\$ 29,690,276
State of New Jersey's Total Non- employer Liability	\$ 59,529,589,697	\$ 50,646,462,966	\$ 43,527,080,995

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

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

	<b>June 30, 2022</b>		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 28,554,778	\$ 34,546,481	\$ 42,416,947
State of New Jersey's Total Nonemployer OPEB Liability	\$ 41,862,397,291	\$ 50,646,462,966	\$ 62,184,866,635

\* See Healthcare Cost Trend Assumptions for details of rates.

**Additional Information**

Collective balances of the Local Group at June 30, 2022 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion Differences between Expected & Actual Experience	\$ -	\$ -
Change in Assumptions	9,042,402,619	(15,462,950,679)
Contributions Made in Fiscal Year	\$ 8,765,620,577	\$ (17,237,289,309)
Year Ending 2022 After June 30, 2021 Measurement Date **	TBD	-

**SHAMONG TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023 (continued)**

**Note 9. Other Post-Retirement Benefits (continued)**

\*\* Employer Contributions made after June 30, 2022 are reported as a deferred outflow of resources, but are not amortized in expense.

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

Fiscal Year Ending June 30,	
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)
Thereafter	<u>(3,921,361,006)</u>
	<u>\$ (14,892,216,713)</u>

**Plan Membership**

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

	<u>June 30, 2021</u>
Active Plan Members	213,148
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	<u>151,669</u>
	<u>364,817</u>

**Changes in the Total OPEB Liability**

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2022 (measurement date June 30, 2021) is as follows:

**Total OPEB Liability**

Service Cost	\$ 2,770,618,025
Interest Cost	1,342,187,139
Difference Between Expected & Actual Experience	1,399,200,736
Change in Benefit Tiers	-
Changes of Assumptions	(13,586,368,097)
Contributions: Member	42,650,252
Gross Benefit Payments	<u>(1,329,476,059)</u>
Net Change in Total OPEB Liability	(9,361,188,004)
Total OPEB Liability (Beginning)	<u>60,007,650,970</u>
Total OPEB Liability (Ending)	<u>\$ 50,646,462,966</u>
Total Covered Employee Payroll	\$ 14,753,355,408
Net OPEB Liability as a Percentage of Payroll	343%

**SHAMONG TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023 (continued)**

**Note 10. On-Behalf Payments for Fringe Benefits and Salaries**

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers’ Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2023, the on-behalf payments for normal costs, post-retirement medical costs, and non-contributory insurance were \$2,216,591, \$582,293 and \$701, respectively.

**Note 11. Risk Management**

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

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

The following is a summary of School District contributions, reimbursements to the State for benefits paid and the ending balance of the School District’s trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>School District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022-2023	\$ -	\$ -	\$ -	\$ 82,966
2021-2022	-	-	-	82,966
2020-2021	-	10,588	-	82,966

**Property and Liability Insurance** – The School 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 Comprehensive Annual Financial Report.

**Joint Insurance Pool** – The School District also participates in the Burlington County Joint Insurance Fund and, public entity risk pool. The Pool provides its members with the following coverage:

Property – Blanket Building & Grounds Environmental Impairment Liability School Board Legal Liability Employers Liability	General & Automobile Liability Workers’ Compensation Excess Liability Comprehensive Crime Coverage
--	---

**Note 12. Contingencies**

**State and Federal Grantor Agencies** - The School District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the School District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2023 may be impaired. In the opinion of the School District, there are no significant contingent liabilities

**SHAMONG TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023 (continued)**

**Note 12. Contingencies (continued)**

relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

**Litigation** – The School District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the School Districts’ attorney that resolution of these matters will not have a material adverse effect on the financial condition of the School District.

**Economic Dependency** – The School 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 School District’s programs and activities.

**Note 13. Deferred Compensation**

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

The Vanguard Group  
Lincoln Investment Planning  
AXA Equitable

**Note 14. Compensated Absences**

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

School District employees are granted varying amount of vacation and sick leave in accordance with the School District’s personnel policies. Upon termination, employees are paid for accrued vacation. The School District 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 School District for the unused sick leave in accordance with School Districts’ agreements with the various employee unions.

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. At June 30, 2023, the liability for compensated absences reported on the government-wide Statement of Net Position was \$219,039.

**Note 15. Tax Abatements**

As defined by the Governmental Accounting Standards Board (GASB) Statement No. 77, a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the

**SHAMONG TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023 (continued)**

**Note 15. Tax Abatements (continued)**

county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

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

**Note 16. Calculation of Excess Surplus**

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. New Jersey school districts are required to reserve General Fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2023 was \$1,031,775.

**Note 17. Fund Balances**

**General Fund** – Of the \$7,535,940 General Fund balance at June 30, 2023, \$4,072,594 has been restricted for the Capital Reserve Account; \$145,042 has been restricted for the Maintenance Reserve Account; \$200,000 has been restricted for the emergency reserve; \$82,966 has been restricted for Unemployment Compensation, \$1,031,775 is restricted for current year excess surplus; \$1,200,000 is restricted for prior year excess surplus – designated for subsequent year's expenditures, \$306,619 as been assigned to excess surplus designated for subsequent year's expenditures; \$1,819 has been assigned for other purposes, and \$495,125 is unassigned.

**Special Revenue Fund** – Of the \$46,983 Special Revenue Fund balance at June 30, 2023, \$46,983 is restricted for student activities.

**Capital Projects Fund** – Of the \$28,245 Capital Projects Fund balance at June 30, 2023, \$28,245 is restricted for future capital projects approved by the School District.

**Note 18. Deficit in Net Position**

**Unrestricted Net Position** – The School District's governmental activities had a deficit in unrestricted net position in the amount of \$2,432,248 at June 30, 2023. The deficit is caused by the implementation of GASB 68 which requires the School District to report their proportionate share of the net pension liability for the Public Employee's Retirement System (PERS) as of June 30, 2023.

**Note 19. Subsequent Events**

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2023 and November 30, 2023, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items other than the following have come to the attention of the School District that would require disclosure.

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REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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

ACCOUNT NUMBERS	JUNE 30, 2023				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
<b>Revenues:</b>						
<b>Local Sources:</b>						
Local Tax Levy	10-1210	\$ 10,326,110	\$ -	\$ 10,326,110	\$ 10,326,110	\$ -
Tuition from Other LEAs	10-1320	30,000	-	30,000	-	(30,000)
Tuition from Other Sources	10-1340	-	-	-	12,000	12,000
Interest Earned on Maintenance Reserve	10-1XXX	14	-	14	14	-
Interest Earned on Capital Reserve Funds	10-1XXX	150	-	150	150	-
Unrestricted Miscellaneous Revenue	10-1XXX	183,184	-	183,184	325,590	142,406
Restricted Miscellaneous Revenue	10-1XXX	-	26,920	26,920	26,920	-
<b>Total Local Sources</b>		<b>10,539,458</b>	<b>26,920</b>	<b>10,566,378</b>	<b>10,690,784</b>	<b>124,406</b>
<b>State Sources:</b>						
Equalization Aid	10-3176	2,332,180	-	2,332,180	2,332,180	-
Categorical Transportation Aid	10-3121	191,437	-	191,437	191,437	-
Categorical Special Education Aid	10-3132	507,214	-	507,214	507,214	-
Categorical Security Aid	10-3177	65,308	-	65,308	65,308	-
Extraordinary Aid	10-3131	50,000	-	50,000	94,768	44,768
Supplemental Stabilization Aid	10-3246	-	-	-	176,013	176,013
Nonpublic School Transportation Reimbursement	10-3190	-	-	-	12,792	12,792
Family Crisis Transportation Aid	10-31xx	-	-	-	8,496	8,496
<b>Nonbudgeted:</b>						
On-Behalf TPAF Post-Retirement Medical Contributions		-	-	-	582,293	582,293
On-Behalf TPAF Pension Contributions		-	-	-	2,216,591	2,216,591
On-Behalf TPAF Long-Term Disability Ins Contributions		-	-	-	701	701
Reimbursed TPAF Social Security Contributions		-	-	-	482,667	482,667
<b>Total State Sources</b>		<b>3,146,139</b>	<b>-</b>	<b>3,146,139</b>	<b>6,670,460</b>	<b>3,524,321</b>
<b>Total Revenues</b>		<b>13,685,597</b>	<b>26,920</b>	<b>13,712,517</b>	<b>17,361,244</b>	<b>3,648,727</b>
<b>Expenditures:</b>						
<b>Current Expense:</b>						
<b>Instruction - Regular Programs:</b>						
<b>Salaries of Teachers:</b>						
Preschool/Kindergarten	11-110-100-101	281,197	-	281,197	275,313	5,884
Grades 1 - 5	11-120-100-101	2,014,350	-	2,014,350	1,930,179	84,171
Grades 6 - 8	11-130-100-101	1,337,178	260	1,337,438	1,315,482	21,956
Home Instruction	11-150-100-101	8,000	-	8,000	-	8,000
<b>Regular Programs - Undistributed Instruction:</b>						
Unused Sic Payment to Terminated/Retired Staff	11-190-100-299	130	(130)	-	-	-
Purchased Professional/Educational Services	11-190-100-320	414,298	-	414,298	185,617	228,681
Purchased Technical Services	11-190-100-340	164,627	(11,078)	153,549	144,374	9,175
Other Purchased Services (400-500 series)	11-190-100-500	1,400	-	1,400	750	650
General Supplies	11-190-100-610	146,419	15,156	161,575	143,800	17,775
Textbooks	11-190-100-640	51,175	(3,922)	47,253	2,815	44,438
Other Objects	11-190-100-800	260	-	260	-	260
<b>Total Regular Programs - Instruction</b>		<b>4,419,034</b>	<b>286</b>	<b>4,419,320</b>	<b>3,998,330</b>	<b>420,990</b>
<b>Resource Room/ Resource Center:</b>						
Salaries of Teachers	11-213-100-101	1,083,082	(25,044)	1,058,038	1,057,827	211
General Supplies	11-213-100-610	3,000	(1,558)	1,442	1,426	16
Textbooks	11-213-100-640	450	-	450	450	-
<b>Total Resource Room</b>		<b>1,086,532</b>	<b>(26,602)</b>	<b>1,059,930</b>	<b>1,059,703</b>	<b>227</b>

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

ACCOUNT NUMBERS	JUNE 30, 2023				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Special Education - Autism						
Salaries of Teachers	11-214-100-101	59,133	29,000	88,133	88,133	-
General Supplies	11-214-100-610	2,000	(200)	1,800	1,787	13
Total Preschool Disabilities - Part-Time		61,133	28,800	89,933	89,920	13
Preschool Disabilities - Full-Time:						
Salaries of Teachers	11-216-100-101	66,964	3,461	70,425	68,425	2,000
General Supplies	11-216-100-600	550	-	550	542	8
Total Preschool Disabilities - Full-Time		67,514	3,461	70,975	68,967	2,008
Total Special Education		1,215,179	5,659	1,220,838	1,218,590	2,248
Basic Skills/Remedial:						
Salaries of Teachers	11-230-100-101	223,819	(4,241)	219,578	215,111	4,467
General Supplies	11-230-100-610	1,000	-	1,000	931	69
Total Basic Skills/Remedial		224,819	(4,241)	220,578	216,042	4,536
School Sponsored Cocurricular Activities:						
Salaries	11-401-100-100	62,437	-	62,437	52,047	10,390
Supplies & Materials	11-401-100-600	3,592	52	3,644	2,603	1,041
Other Objects	11-401-100-800	1,500	294	1,794	1,144	650
Total School Sponsored Cocurricular Activities		67,529	346	67,875	55,794	12,081
School Sponsored Athletics:						
Salaries	11-402-100-100	64,562	(1)	64,561	59,648	4,913
Purchased Services	11-402-100-500	5,586	(346)	5,240	2,179	3,061
Supplies & Materials	11-402-100-600	124	-	124	-	124
Other Objects	11-402-100-800	510	-	510	416	94
Total School Sponsored Athletics		70,782	(347)	70,435	62,243	8,192
Total Other Instructional Programs		138,311	(1)	138,310	118,037	20,273
Total - Instruction		5,997,343	1,703	5,999,046	5,550,999	448,047
Undistributed Expenditures:						
Instruction:						
Tuition to CSSD & Regional Day Schools	11-000-100-565	-	109,303	109,303	109,303	-
Tuition to Private School for The Handicap	11-000-100-567	162,814	(77,475)	85,339	85,339	-
Total Instruction		162,814	31,828	194,642	194,642	-
Attendance and Social Work Services						
Salaries	11-000-211-100	25,676	-	25,676	25,676	-
Purchased Professional & Technical Services	11-000-211-300	15,000	(1,127)	13,873	13,571	302
Total Attendance and Social Work Services		40,676	(1,127)	39,549	39,247	302
Health Services:						
Salaries	11-000-213-100	158,527	3,331	161,858	161,270	588
Purchased Professional & Technical Services	11-000-213-300	5,000	1,120	6,120	6,120	-
Supplies and Materials	11-000-213-600	3,273	(318)	2,955	2,955	-
Other Objects	11-000-213-800	1,020	(825)	195	-	195
Total Health Services		167,820	3,308	171,128	170,345	783
Related Services:						
Salaries	11-000-216-100	117,126	4,436	121,562	120,950	612
Purchased Professional/Educational Services	11-000-216-320	138,350	27,360	165,710	131,333	34,377
Supplies & Materials	11-000-216-600	800	830	1,630	1,382	248
Total Related Services		256,276	32,626	288,902	253,665	35,237

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

ACCOUNT NUMBERS	JUNE 30, 2023			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET			
<b>Extra Services:</b>						
Purchased Professional/Educational Services	11-000-217-320	10,300	-	10,300	7,425	2,875
Supplies & Materials	11-000-217-600	3,600	-	3,600	2,637	963
<b>Total Extra Services</b>		<b>13,900</b>	<b>-</b>	<b>13,900</b>	<b>10,062</b>	<b>3,838</b>
<b>Other Support Services - Students - Regular:</b>						
Salaries of Other Professional Staff	11-000-218-104	187,600	913	188,513	188,513	-
Purchased Professional/Educational Services	11-000-218-390	2,000	(913)	1,087	600	487
Supplies & Materials	11-000-218-600	400	-	400	-	400
<b>Total Other Support Services - Students - Regular</b>		<b>190,000</b>	<b>-</b>	<b>190,000</b>	<b>189,113</b>	<b>887</b>
<b>Other Support Services - Students - Special Services:</b>						
Salaries of Other Professional Staff	11-000-219-104	391,683	(2,472)	389,211	388,114	1,097
Salaries of Secretarial & Clerical Assistants	11-000-219-105	66,072	253	66,325	66,325	-
Purchased Professional/Educational Other Purchased Services	11-000-219-500	13,500	(900)	12,600	5,792	6,808
Supplies and Materials	11-000-219-600	8,075	(830)	7,245	5,920	1,325
Other Objects	11-000-219-800	1,200	-	1,200	1,101	99
<b>Total Other Support Services - Students - Special Services</b>		<b>480,530</b>	<b>(3,949)</b>	<b>476,581</b>	<b>467,252</b>	<b>9,329</b>
<b>Improvement of Instruction:</b>						
Salary of Other Professional Staff	11-000-221-104	132,138	2,231	134,369	129,688	4,681
Other Purch Services (400-500 series)	11-000-221-500	2,500	-	2,500	605	1,895
Supplies and Materials	11-000-221-600	700	(450)	250	34	216
Other Objects	11-000-221-800	1,050	-	1,050	845	205
<b>Total Improvement of Instruction</b>		<b>136,388</b>	<b>1,781</b>	<b>138,169</b>	<b>131,172</b>	<b>6,997</b>
<b>Educational Media Services/School Library:</b>						
Salaries	11-000-222-100	303,660	1,597	305,257	305,256	1
Other Purchased Services	11-000-222-500	3,600	(1,597)	2,003	-	2,003
Supplies and Materials	11-000-222-600	6,065	-	6,065	5,192	873
<b>Total Instructional Staff Training Services</b>		<b>313,325</b>	<b>-</b>	<b>313,325</b>	<b>310,448</b>	<b>2,877</b>

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

	ACCOUNT NUMBERS	JUNE 30, 2023			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
<b>Instructional Staff Training:</b>						
Purchased Professional/Educational Services	11-000-223-320	-	800	800	-	800
Other Purchased Services (400-500 Series)	11-000-223-500	4,400	(3,031)	1,369	350	1,019
Supplies & Materials	11-000-223-600	250	(25)	225	-	225
Other Objects	11-000-223-800	1,100	475	1,575	1,575	-
<b>Total Instructional Staff Training</b>		<b>5,750</b>	<b>(1,781)</b>	<b>3,969</b>	<b>1,925</b>	<b>2,044</b>
<b>Support Services General Administration:</b>						
Salaries	11-000-230-100	256,976	186	257,162	257,162	-
Legal Services	11-000-230-331	13,726	4,303	18,029	14,788	3,241
Audit Services	11-000-230-332	25,000	6,000	31,000	31,000	-
Architectural/Engineering Services	11-000-230-334	2,500	(2,500)	-	-	-
Other Purchased Professional Services	11-000-230-339	10,200	(3,892)	6,308	6,235	73
Communications/Telephone	11-000-230-530	28,800	1,406	30,206	30,206	-
BOE Other Purchased Services	11-000-230-585	2,900	2,800	5,700	4,119	1,581
Other Purchased Services	11-000-230-590	22,667	(4,000)	18,667	18,313	354
General Supplies	11-000-230-610	3,000	2,587	5,587	4,784	803
Judgements	11-000-230-820	-	963	963	-	963
Miscellaneous Expenditures	11-000-230-890	7,890	2,600	10,490	8,841	1,649
BOE Membership Dues & Fees	11-000-230-895	7,400	(424)	6,976	6,833	143
<b>Total Support Services General Administration</b>		<b>381,059</b>	<b>10,029</b>	<b>391,088</b>	<b>382,281</b>	<b>8,807</b>
<b>Support Services School Administration:</b>						
Salaries of Principals & Assistant Principals	11-000-240-103	325,546	(665)	324,881	323,922	959
Salaries of Secretarial & Clerical Assistants	11-000-240-105	176,296	665	176,961	175,136	1,825
Purchased Professional & Technical Services	11-000-240-300	7,000	-	7,000	6,200	800
Other Purchased Services	11-000-240-500	5,000	-	5,000	470	4,530
Supplies & Materials	11-000-240-600	5,085	(999)	4,086	2,376	1,710
Other Objects	11-000-240-800	2,700	999	3,699	3,359	340
<b>Total Support Services School Administration</b>		<b>521,627</b>	<b>-</b>	<b>521,627</b>	<b>511,463</b>	<b>10,164</b>
<b>Support Services Central Services:</b>						
Salaries	11-000-251-100	247,906	-	247,906	247,903	3
Purchased Technical Services	11-000-251-340	4,820	2,069	6,889	6,889	-
Misc. Purchased Services (400-500)	11-000-251-592	4,700	625	5,325	4,621	704
Supplies and Materials	11-000-251-600	3,608	(274)	3,334	2,396	938
Miscellaneous Expenditures	11-000-251-890	2,125	1,923	4,048	3,888	160
<b>Total Support Services Central Services</b>		<b>263,159</b>	<b>4,343</b>	<b>267,502</b>	<b>265,697</b>	<b>1,805</b>
<b>Administrative Information Technology:</b>						
Salaries	11-000-252-100	11,121	-	11,121	11,121	-
Other Purchased Services	11-000-252-500	1,000	(340)	660	-	660
Other Objects	11-000-252-800	500	(425)	75	-	75
<b>Total Administrative Information Technology</b>		<b>12,621</b>	<b>(765)</b>	<b>11,856</b>	<b>11,121</b>	<b>735</b>
<b>Total Central Services &amp; Admin IT</b>		<b>275,780</b>	<b>3,578</b>	<b>279,358</b>	<b>276,818</b>	<b>2,540</b>
<b>Required Maintenance for School Facilities:</b>						
Salaries	11-000-261-100	123,623	(2,909)	120,714	119,144	1,570
Cleaning, Repair & Maintenance Services	11-000-261-420	194,025	(33,391)	160,634	145,666	14,968
General Supplies	11-000-261-610	22,000	-	22,000	16,596	5,404
<b>Total Required Maintenance for School Facilities</b>		<b>339,648</b>	<b>(36,300)</b>	<b>303,348</b>	<b>281,406</b>	<b>21,942</b>

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

	ACCOUNT NUMBERS	JUNE 30, 2023			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
<b>Custodial Services:</b>						
Salaries	11-000-262-100	663,248	(10,494)	652,754	646,455	6,299
Purchased Professional/Technical	11-000-262-300	17,000	(4,858)	12,142	6,300	5,842
Cleaning, Repair & Maintenance Services	11-000-262-420	15,000	(12,754)	2,246	1,863	383
Other Purchased Property Svc.	11-000-262-490	22,154	(407)	21,747	21,440	307
Insurance	11-000-262-520	34,151	-	34,151	34,151	-
Miscellaneous Purchased Services	11-000-262-590	2,500	(1,167)	1,333	768	565
General Supplies	11-000-262-610	120,300	2,989	123,289	92,069	31,220
Energy (Natural Gas)	11-000-262-621	105,500	-	105,500	89,096	16,404
Energy (Electricity)	11-000-262-622	202,000	-	202,000	180,135	21,865
Other Objects	11-000-262-800	2,200	5,393	7,593	7,593	-
<b>Total Custodial Services</b>		<b>1,184,053</b>	<b>(21,298)</b>	<b>1,162,755</b>	<b>1,079,870</b>	<b>82,885</b>
<b>Security:</b>						
Purchased Professional/Technical	11-000-266-300	-	57,600	57,600	56,740	860
<b>Total Security</b>		<b>-</b>	<b>57,600</b>	<b>57,600</b>	<b>56,740</b>	<b>860</b>
<b>Student Transportation Services:</b>						
Salaries - Pupil Transportation Coordinator	11-000-270-162	49,631	-	49,631	49,629	2
Purchased Professional & Technical Services	11-000-270-350	5,000	(5,000)	-	-	-
Other Purchased Professional & Technical Services	11-000-270-390	1,800	(603)	1,197	1,197	-
Contracted Services - Aide in Lieu of Payments - NonPublic School	11-000-270-503	35,000	9,117	44,117	43,362	755
Contracted Services - (Between Home & School) Vendors	11-000-270-511	514,282	80,590	594,872	592,560	2,312
Contracted Services - (Other Than Between Home & School) Vendors	11-000-270-512	16,406	600	17,006	10,230	6,776
Contracted Services - CTSA's Special	11-000-270-518	220,700	(28,563)	192,137	192,137	-
Misc. Purchased Services - Transportation	11-000-270-593	10,000	(519)	9,481	5,905	3,576
<b>Total Student Transportation Services</b>		<b>852,819</b>	<b>55,622</b>	<b>908,441</b>	<b>895,020</b>	<b>13,421</b>
<b>Unallocated Benefits - Employee Benefits:</b>						
Social Security Contributions	11-000-291-220	129,100	11,836	140,936	140,936	-
PERS - Other Retirement	11-000-291-241	418,070	(3,514)	414,556	221,417	193,139
Workmen's Compensation	11-000-291-260	64,423	-	64,423	64,423	-
Health Benefits	11-000-291-270	2,227,711	59,961	2,287,672	2,016,969	270,703
Tuition Reimbursements	11-000-291-280	31,000	-	31,000	17,987	13,013
Other Employee Benefits	11-000-291-290	223,176	-	223,176	209,430	13,746
Unused Sick Payment to Term/Ret Staff	11-000-291-299	19,396	1,820	21,216	11,440	9,776
<b>Total Unallocated Benefits - Employee Benefits</b>		<b>3,112,876</b>	<b>70,103</b>	<b>3,182,979</b>	<b>2,682,602</b>	<b>500,377</b>
<b>Nonbudgeted:</b>						
On-Behalf TPAF Post-Retirement Medical Contributions		-	-	-	582,293	(582,293)
On-Behalf TPAF Pension Contributions		-	-	-	2,216,591	(2,216,591)
On-Behalf TPAF Long-Term Disability Ins Contributions		-	-	-	701	(701)
Reimbursed TPAF Social Security Contributions		-	-	-	482,667	(482,667)
<b>Total Undistributed Expenditures</b>		<b>8,435,341</b>	<b>202,020</b>	<b>8,637,361</b>	<b>11,216,323</b>	<b>(2,578,962)</b>
<b>Total Expenditures - Current Expense</b>		<b>14,432,684</b>	<b>203,723</b>	<b>14,636,407</b>	<b>16,767,322</b>	<b>(2,130,915)</b>

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

ACCOUNT NUMBERS	JUNE 30, 2023				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
<b>Capital Outlay:</b>						
Interest Earned on Capital Reserve:	10-604	150	-	150	-	150
Interest Earned on Maintenance Reserve:	10-606	14	-	14	-	14
Total Interest in Reserves		164	-	164	-	164
<b>Facilities Acquisition &amp; Construction Services</b>						
Required Maintenance for School Facilities	12-000-261-730	-	36,850	36,850	26,920	9,930
Lease Purchase Agreements - Principal	12-000-400-721	193,611	-	193,611	192,695	916
Assessment for Debt Service on SDA Funding	12-000-400-896	39,138	-	39,138	39,138	-
Capital Reserve Transfer to Debt Service	12-000-400-933	50,501	-	50,501	50,501	-
Total Facilities Acquisition & Construction Services		283,250	36,850	320,100	309,254	10,846
Assets Acquired Under Long-term financing (Nonbudgeted:)		-	-	-	50,290	(50,290)
Total Assets Acquired Under Capital Leases		-	-	-	50,290	(50,290)
Total Capital Outlay		283,414	36,850	320,264	359,544	(39,280)
Total Expenditures		14,716,098	240,573	14,956,671	17,126,866	(2,170,195)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(1,030,501)	(213,653)	(1,244,154)	234,378	1,478,532
<b>Other Financing Sources/(Uses):</b>						
Lease Proceeds		-	-	-	50,290	50,290
Transfer from Other Funds		130,000	-	130,000	134,456	4,456
Total Other Financing Sources/(Uses)		130,000	-	130,000	184,746	54,746
Excess/(Deficiency) of Revenues Over/(Under) Expenditures After Other Financing Sources/(Uses)		(900,501)	(213,653)	(1,114,154)	419,124	1,533,278
Fund Balances, July 1		7,415,533	-	7,415,533	7,415,533	-
Fund Balances, June 30		\$ 6,515,032	\$ (213,653)	\$ 6,301,379	\$ 7,834,657	\$ 1,533,278
<b><u>RECAPITULATION OF BUDGET TRANSFERS</u></b>						
Prior Year Reserve for Encumbrances			\$ 213,653			
Total Budget Transfers			\$ 213,653			
<b><u>RECAPITULATION OF FUND BALANCE</u></b>						
<b>Restricted Fund Balance:</b>						
Maintenance Reserve				\$ 145,042		
Emergency Reserve				200,000		
Capital Reserve				4,072,594		
Unemployment Compensation				82,966		
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures				1,200,000		
Excess Surplus				1,031,775		
<b>Assigned:</b>						
Year-End Encumbrances				1,819		
Designated for Subsequent Year's Expenditures				306,619		
<b>Unassigned Fund Balance</b>				793,842		
Subtotal				7,834,657		
<b>Reconciliation to Governmental Fund Statements (GAAP):</b>						
Last Two State Aid Payments Not Recognized on GAAP Basis				(298,717)		
Fund Balance per Governmental Funds (GAAP)				\$ 7,535,940		



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

	JUNE 30, 2023				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
<b>REVENUES</b>					
Local Sources	\$ 5,000	\$ -	\$ 5,000	\$ 59,198	\$ 54,198
State Sources	-	-	-	15,965	15,965
Federal Sources	218,298	368,161	586,459	475,699	(110,760)
<b>Total Revenues</b>	<b>223,298</b>	<b>368,161</b>	<b>591,459</b>	<b>550,862</b>	<b>(40,597)</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	69,557	12,966	82,523	46,109	36,414
Purchased Professional Educational Services	-	142,402	142,402	117,082	25,320
Tuition	140,741	53,789	194,530	194,530	-
General Supplies	8,000	30,004	38,004	26,454	11,550
<b>Total Instruction</b>	<b>218,298</b>	<b>239,161</b>	<b>457,459</b>	<b>384,175</b>	<b>73,284</b>
Support Services:					
Teacher Salaries	-	4,769	4,769	1,636	3,133
Purchased Professional Technical Services	-	27,979	27,979	27,979	-
Purchased Professional Educational Services	-	11,852	11,852	11,852	-
Other Purchased Services	-	39,027	39,027	34,097	4,930
General Supplies	-	4,560	4,560	4,560	-
Student Activities	5,000	-	5,000	43,827	(38,827)
<b>Total Support Services</b>	<b>5,000</b>	<b>88,187</b>	<b>93,187</b>	<b>123,951</b>	<b>(30,764)</b>
Facilities Acquisition & Construction Services					
Construction Services	-	27,068	27,068	26,500	568
Instructional Equipment	-	13,745	13,745	8,982	4,763
<b>Total Facilities Acquisition &amp; Construction Services</b>	<b>-</b>	<b>40,813</b>	<b>40,813</b>	<b>35,482</b>	<b>5,331</b>
<b>Total Expenditures</b>	<b>223,298</b>	<b>368,161</b>	<b>591,459</b>	<b>543,608</b>	<b>47,851</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)					
	-	-	-	7,254	7,254
Fund Balance, July 1	39,729	-	39,729	39,729	-
Fund Balance, June 30	\$ 39,729	\$ -	\$ 39,729	\$ 46,983	\$ 7,254

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 17,361,244	\$ 550,862
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Difference - Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	337,171	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(298,717)	-
	<hr/>	<hr/>
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	\$ 17,399,698	\$ 550,862
	<hr/> <hr/>	<hr/> <hr/>
Uses/Outflows of Resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 17,126,866	\$ 543,608
	<hr/>	<hr/>
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.	-	-
	<hr/>	<hr/>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds (B-2)	\$ 17,126,866	\$ 543,608
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OTHER SUPPLEMENTARY INFORMATION

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**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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SHAMONG TOWNSHIP SCHOOL DISTRICT  
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
 LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.00000%	0.01696%	0.01681%	0.01722%	0.02062%	0.01968%	0.01950%	0.02094%	0.01924%
District's proportionate share of the net pension liability (asset)	\$ 2,649,770	\$ 2,008,758	\$ 2,741,153	\$ 3,103,267	\$ 4,060,700	\$ 4,581,084	\$ 5,775,200	\$ 4,700,040	\$ 3,601,987
District's covered-employee payroll	\$ 1,297,909	\$ 1,266,169	\$ 1,237,296	\$ 1,220,605	\$ 1,216,001	\$ 1,340,753	\$ 1,318,264	\$ 1,330,845	\$ 1,374,641
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	204.16%	158.65%	221.54%	254.24%	333.94%	341.68%	438.09%	353.16%	262.03%
Plan fiduciary net position as a percentage of the total pension liability	58.97%	70.33%	58.31%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%

EXHIBIT L-2

SHAMONG TOWNSHIP SCHOOL DISTRICT  
 SCHEDULE OF DISTRICT CONTRIBUTIONS  
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
 LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 221,417	\$ 198,581	\$ 183,885	\$ 167,526	\$ 205,139	\$ 182,310	\$ 173,231	\$ 180,006	\$ 158,600
Contributions in relation to the contractually required contribution	(221,417)	(198,581)	(183,885)	(167,526)	(205,139)	(182,310)	(173,231)	(180,006)	(158,600)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 1,380,047	\$ 1,297,909	\$ 1,266,169	\$ 1,237,296	\$ 1,220,605	\$ 1,216,001	\$ 1,340,753	\$ 1,318,264	\$ 1,330,845
Contributions as a percentage of covered-employee payroll	16.04%	15.30%	14.52%	16.87%	16.87%	13.60%	13.14%	13.53%	11.54%

SHAMONG TOWNSHIP SCHOOL DISTRICT  
 SCHEDULE OF THE STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 ASSOCIATED WITH THE DISTRICT'S TEACHERS' PENSION AND ANNUITY FUND  
 LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0%	0%	0%	0%	0%	0%	0%	0%	0%
State's proportionate share of the net pension liability (asset) associated with the District	\$ 29,127,518	\$ 27,686,256	\$ 37,522,410	\$ 35,910,882	\$ 35,618,668	\$ 37,280,072	\$ 44,813,287	\$ 36,469,762	\$ 30,629,904
District's covered-employee payroll	\$ 6,757,666	\$ 6,553,216	\$ 6,229,690	\$ 6,382,108	\$ 6,288,341	\$ 6,096,496	\$ 5,992,483	\$ 5,758,698	\$ 5,713,243
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	431.03%	422.48%	602.32%	562.68%	566.42%	611.50%	747.83%	633.30%	536.12%
Plan fiduciary net position as a percentage of the total pension liability	47.68%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%

**SHAMONG TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS  
TEACHERS' PENSION AND ANNUITY FUND (TPAF)  
LAST TEN FISCAL YEARS**

This schedule is not applicable. There is a special funding situation where the State of New Jersey pays 100% of the required contributions associated with the School District.

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR OTHER POST EMPLOYMENT BENEFITS (GASB 75)**

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**SHAMONG TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS**  
**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (OPEB)**  
**LAST SIX FISCAL YEARS\***

	2023	2022	2021	2019	2018
<b>District's Total OPEB Liability</b>					
Service Cost	\$ 1,476,072	\$ 1,666,626	\$ 934,400	\$ 963,338	\$ 1,079,791
Interest Cost	915,520	1,060,117	1,060,429	1,341,692	1,454,123
Change in Benefit Terms	-	(43,497)	-	-	-
Difference Between Expected and Actual Differences	1,433,684	(6,565,902)	6,231,435	(6,262,558)	(3,564,718)
Changes of Assumptions	(9,267,403)	40,318	8,314,333	443,492	(3,918,253)
Contributions: Member	29,092	27,102	24,018	27,066	31,555
Gross Benefit Payments	(906,849)	(835,075)	(792,408)	(913,067)	(913,012)
Net Change in District's Total OPEB Liability	(6,319,884)	(4,650,311)	15,772,207	(4,400,037)	(5,830,514)
District's Total OPEB Liability (Beginning)	40,866,365	45,516,676	29,744,469	34,144,506	39,975,020
District's Total OPEB Liability (Ending)	<u>\$ 34,546,481</u>	<u>\$ 40,866,365</u>	<u>\$ 45,516,676</u>	<u>\$ 29,744,469</u>	<u>\$ 34,144,506</u>
District's Covered Employee Payroll	\$ 7,819,385	\$ 7,495,859	\$ 7,495,859	\$ 7,619,404	\$ 7,508,943
District's Net OPEB Liability as a Percentage of Payroll	442%	549%	549%	390%	455%

Note - The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

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

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**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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

**Teachers Pension and Annuity Fund (TPAF)**

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - The discount rate remained unchanged at 7.00% as of June 30, 2022.

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

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - The discount rate remained unchanged at 7.00% as of June 30, 2022.

**State Health Benefit Local Education Retired Employees Plan (OPEB)**

**Changes in Benefit Terms** - None.

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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

	TITLE I	TITLE II PART A	TITLE III	TITLE IV	I.D.E.A. PART B		ESSER II GRANT	CRRSA ACT							
					REGULAR	PRESCHOOL		LEARNING ACCELERATION	MENTAL HEALTH						
Revenues:															
Federal Sources	\$ 30,005	\$ 14,391	\$ 1,763	\$ 10,000	\$ 179,191	\$ 11,852	\$ 18,504	\$ 115	\$ 4,160						
Local Sources	-	-	-	-	-	-	-	-	-						
<b>Total Revenues</b>	<b>\$ 30,005</b>	<b>\$ 14,391</b>	<b>\$ 1,763</b>	<b>\$ 10,000</b>	<b>\$ 179,191</b>	<b>\$ 11,852</b>	<b>\$ 18,504</b>	<b>\$ 115</b>	<b>\$ 4,160</b>						
Expenditures:															
Instruction:															
Salaries of Teachers	\$ 7,949	\$ 9,287	\$ 321	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
Purchased Professional - Educational Services	-	-	800	2,071	-	-	-	-	-					1,956	
Tuition	12,113	-	-	-	179,191	-	-	-	3					-	
General Supplies	8,474	-	642	7,929	-	-	-	112	594						
<b>Total Instruction</b>	<b>28,536</b>	<b>9,287</b>	<b>1,763</b>	<b>10,000</b>	<b>179,191</b>	<b>-</b>	<b>-</b>	<b>115</b>	<b>2,550</b>						
Support Services:															
Purchased Professional - Technical Services	-	3,768	-	-	-	-	-	-	1,610						
Purchased Professional - Educational Services	-	-	-	-	-	11,852	-	-	-						
General Supplies	1,469	1,336	-	-	-	-	-	-	-						
<b>Total Support Services</b>	<b>1,469</b>	<b>5,104</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,852</b>	<b>-</b>	<b>-</b>	<b>1,610</b>						
Facilities Acquisition & Construction Services:															
Construction Services	-	-	-	-	-	-	18,504	-	-						
<b>Total Facilities Acquisition &amp; Construction Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,504</b>	<b>-</b>	<b>-</b>						
<b>Total Expenditures</b>	<b>30,005</b>	<b>14,391</b>	<b>1,763</b>	<b>10,000</b>	<b>179,191</b>	<b>11,852</b>	<b>18,504</b>	<b>115</b>	<b>4,160</b>						
Excess/(Deficiency) of Revenue Over/ (Under) Expenditures & Other Financing Sources/(Uses)	-	-	-	-	-	-	-	-	-						
Fund Balance, July 1	-	-	-	-	-	-	-	-	-						
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						

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

	AMERICAN RESCUE PLAN				SDA		FOR		TOTAL
	ESSER III GRANT	ACCELERATED LEARNING COACH	EVIDENCE BASED SUMMER LEARNINC	BEYOND THE SCHOOL DAY	MENTAL HEALTH	EMERGENT GRANT	STUDENT ACTIVITIES	EDUCATION EXCELLENCE	
Revenues:									
Federal Sources	\$ 138,084	\$ 23,195	\$ 22,773	\$ 6,166	\$ 15,500	\$ 15,965	\$ -	\$ -	\$ 475,699
State Sources	-	-	-	-	-	15,965	-	-	15,965
Local Sources	-	-	-	-	-	-	51,081	8,117	59,198
<b>Total Revenues</b>	<b>\$ 138,084</b>	<b>\$ 23,195</b>	<b>\$ 22,773</b>	<b>\$ 6,166</b>	<b>\$ 15,500</b>	<b>\$ 15,965</b>	<b>\$ 51,081</b>	<b>\$ 8,117</b>	<b>\$ 550,862</b>
Expenditures:									
Instruction:									
Salaries of Teachers	\$ -	\$ -	\$ 22,420	\$ 6,132	\$ -	\$ -	\$ -	\$ -	\$ 46,109
Purchased Professional - Educational Services	96,755	-	-	-	15,500	-	-	-	117,082
Tuition	-	-	-	-	-	-	-	3,223	194,530
General Supplies	2,828	594	353	34	-	-	-	4,894	26,454
Textbooks	-	-	-	-	-	-	-	-	-
Other Objects	-	-	-	-	-	-	-	-	-
<b>Total Instruction</b>	<b>99,583</b>	<b>594</b>	<b>22,773</b>	<b>6,166</b>	<b>15,500</b>	<b>-</b>	<b>-</b>	<b>8,117</b>	<b>384,175</b>
Support Services:									
Salaries	1,636	-	-	-	-	-	-	-	1,636
Purchased Professional - Technical Services	-	22,601	-	-	-	-	-	-	27,979
Purchased Professional - Educational Services	-	-	-	-	-	-	-	-	11,852
Other Purchased Services (400-500 Series)	18,132	-	-	-	-	15,965	-	-	34,097
General Supplies	1,755	-	-	-	-	-	-	-	4,560
Student Activities	-	-	-	-	-	-	43,827	-	43,827
<b>Total Support Services</b>	<b>21,523</b>	<b>22,601</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,965</b>	<b>43,827</b>	<b>-</b>	<b>123,951</b>
Facilities Acquisition & Construction Services:									
Construction Services	7,996	-	-	-	-	-	-	-	26,500
Instructional Equipment	8,982	-	-	-	-	-	-	-	8,982
<b>Total Facilities Acquisition &amp; Construction Services</b>	<b>16,978</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35,482</b>
<b>Total Expenditures</b>	<b>138,084</b>	<b>23,195</b>	<b>22,773</b>	<b>6,166</b>	<b>15,500</b>	<b>15,965</b>	<b>43,827</b>	<b>8,117</b>	<b>543,608</b>
Excess/(Deficiency) of Revenue Over/(Under) Expenditures & Other Financing Sources/(Uses)	-	-	-	-	-	-	7,254	-	7,254
Fund Balance, July 1	-	-	-	-	-	-	39,729	-	39,729
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,983	\$ -	\$ 46,983

F. Capital Projects Fund

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**SHAMONG TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
YEAR ENDED JUNE 30, 2023**

PROJECT TITLE/ISSUE	ORIGINAL DATE	APPROPRIATIONS	EXPENDITURES TO DATE PRIOR YEARS	EXPENDITURES TO DATE CURRENT YEAR	TRANSFER TO OTHER FUNDS	CANCELLATION OF GRANT RECEIVABLE	UNEXPENDED BALANCE JUNE 30, 2023
Air Conditioning Upgrades at Indian Mills Elementary School	3/31/2014	\$ 1,192,000	\$ 689,126	\$ -	\$ 260,000	\$ 214,629	\$ 28,245
Total		\$ 1,192,000	\$ 689,126	\$ -	\$ 260,000	\$ 214,629	\$ 28,245

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

REVENUES:	
Interest	\$ <u>4,456</u>
Total Revenues	<u>4,456</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>4,456</u>
Other Financing Sources/ (Uses):	
Transfer to General Fund	<u>(134,456)</u>
Total Other Financing Sources/ (Uses)	<u>(134,456)</u>
Net Change in Fund Balance	(130,000)
Fund Balance - Beginning	<u>158,245</u>
Fund Balance - Ending	<u><u>\$ 28,245</u></u>



**SHAMONG TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND  
PROJECT STATUS--BUDGETARY BASIS  
INDIAN MILLS SCHOOL  
CLASSROOM AIR CONDITIONING  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
<b>Revenues &amp; Other Financing Sources:</b>				
State Sources - SDA Grant	\$ 262,171	\$ -	\$ 262,171	\$ 476,800
Bond Proceeds & Transfers	715,200	-	715,200	715,200
<b>Total Revenues</b>	<b>977,371</b>	<b>-</b>	<b>977,371</b>	<b>1,192,000</b>
<b>Expenditures &amp; Other Financing Uses:</b>				
Purchased Professional & Technical Services	82,642	-	82,642	103,000
Construction Services	589,235	-	589,235	1,089,000
Transfer to Other Funds	147,249	130,000	277,249	-
<b>Total Expenditures</b>	<b>819,126</b>	<b>130,000</b>	<b>949,126</b>	<b>1,192,000</b>
<b>Excess/(Deficiency) of Revenues Over/ (Under) Expenditures</b>	<b>\$ 158,245</b>	<b>\$ (130,000)</b>	<b>\$ 28,245</b>	<b>\$ -</b>

**Additional Project Information:**

Project Number	4740-050-14-1005
Grant Date	N/A
Bond Authorization Date	2/11/15
Bonds Authorization	
Bonds Issued	N/A
Original Authorized Cost	\$ 1,192,000
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 1,192,000
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	79.62%
Original Target Completion Date	6/2017
Revised Target Completion Date	Complete

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G. Proprietary Funds

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Enterprise Funds

Not Applicable

See B-4 Through B-6

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Internal Service Fund

Not Applicable

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## I. Long-Term Debt

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**SHAMONG TOWNSHIP SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS PAYABLE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL PAYMENTS DATE	ANNUAL PAYMENTS AMOUNT	INTEREST RATE	AMOUNT OUTSTANDING JUNE 30, 2022	ISSUED	RETIRED	AMOUNT OUTSTANDING JUNE 30, 2023
School Bond Issue	8/26/2010	\$ 1,999,000	2/15/2024	170,000	3.250%	\$ 689,000	\$ -	\$ 160,000	\$ 529,000
			2/15/2025	180,000	3.375%				
			2/15/2026	179,000	3.500%				
Total						\$ 689,000	\$ -	\$ 160,000	\$ 529,000

**SHAMONG TOWNSHIP SCHOOL DISTRICT  
LONG-TERM DEBT  
STATEMENT OF OBLIGATIONS UNDER FINANCED PURCHASES  
FOR FISCAL YEAR ENDED JUNE 30, 2023**

SERIES	DATE	TERM	AMOUNT OF ORIGINAL AGREEMENT		BALANCE OUTSTANDING JULY 1, 2022	ISSUED	RETIRED	BALANCE OUTSTANDING JUNE 30, 2023
			PRINCIPAL	INTEREST				
Tech Refresh	12/1/2018	5 Years	168,000	17,823	\$ 36,185	\$ -	\$ 36,185	\$ -
Equipment	2/25/2020	4 Years	500,000	22,100	254,755	-	126,131	128,624
Equipment	3/15/2022	5 Years	100,000	7,198	100,000	-	20,922	79,078
					<u>\$ 390,940</u>	<u>\$ -</u>	<u>\$ 183,238</u>	<u>\$ 207,702</u>

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

	JUNE 30, 2023				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:					
Local Sources:					
Local Tax Levy	\$ 97,538	\$ -	\$ 97,538	\$ 97,538	\$ -
State Sources:					
Debt Service Aid Type II	34,825	-	34,825	34,825	-
Total Revenues	132,363	-	132,363	132,363	-
Expenditures:					
Regular Debt Service:					
Redemption of Principal	160,000	-	160,000	160,000	-
Interest	22,865	-	22,865	22,865	-
Total Regular Debt Service	182,865	-	182,865	182,865	-
Excess/(Deficiency) of Revenues Over (Under) Expenditures	(50,502)	-	(50,502)	(50,502)	-
Other Financing Sources/(Uses):					
Operating Transfers In - General Fund	50,501	-	50,501	50,501	-
Total Other Financing Sources/(Uses)	50,501	-	50,501	50,501	-
Fund Balance, July 1,	1	-	1	1	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

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STATISTICAL SECTION (Unaudited)

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### Financial Trends Information

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

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Governmental Activities:</b>										
Net Investment in Capital Assets	\$ 8,578,943	\$ 8,867,694	\$ 9,010,875	\$ 9,152,038	\$ 9,446,849	\$ 9,771,022	\$ 8,823,283	\$ 8,326,384	\$ 7,007,394	\$ 7,652,155
Restricted	6,807,605	6,798,914	6,269,713	5,408,461	4,449,235	2,904,982	1,750,190	3,334,897	3,605,761	2,073,603
Unrestricted	(2,432,248)	(3,261,918)	(3,950,392)	(4,438,107)	(4,706,250)	(3,848,515)	(3,704,287)	(4,249,723)	(4,197,462)	(471,129)
<b>Total Governmental Activities</b>	<b>\$ 12,954,300</b>	<b>\$ 12,404,690</b>	<b>\$ 11,330,196</b>	<b>\$ 10,122,392</b>	<b>\$ 9,189,834</b>	<b>\$ 8,827,489</b>	<b>\$ 6,869,186</b>	<b>\$ 7,411,558</b>	<b>\$ 6,415,693</b>	<b>\$ 9,254,629</b>
<b>Business-Type Activities:</b>										
Net Investment in Capital Assets	\$ 413	\$ 1,113	\$ 2,871	\$ 5,307	\$ 9,420	\$ 14,346	\$ 19,166	\$ 23,987	\$ 28,807	\$ 33,627
Unrestricted	67,983	67,797	(15,875)	1,039	33,313	36,336	30,079	16,785	15,602	19,646
<b>Total Business-Type Activities</b>	<b>\$ 68,396</b>	<b>\$ 68,910</b>	<b>\$ (13,004)</b>	<b>\$ 6,346</b>	<b>\$ 42,733</b>	<b>\$ 50,682</b>	<b>\$ 49,245</b>	<b>\$ 40,772</b>	<b>\$ 44,409</b>	<b>\$ 53,273</b>
<b>Government-Wide:</b>										
Net Investment in Capital Assets	\$ 8,579,356	\$ 8,868,807	\$ 9,013,746	\$ 9,157,345	\$ 9,456,269	\$ 9,785,368	\$ 8,842,449	\$ 8,350,371	\$ 7,036,201	\$ 7,685,782
Restricted	6,807,605	6,798,914	6,269,713	5,408,461	4,449,235	2,904,982	1,750,190	3,334,897	3,605,761	2,073,603
Unrestricted	(2,364,265)	(3,194,121)	(3,966,267)	(4,437,068)	(4,672,937)	(3,812,179)	(3,674,208)	(4,232,938)	(4,181,860)	(451,483)
<b>Total Net Position</b>	<b>\$ 13,022,696</b>	<b>\$ 12,473,600</b>	<b>\$ 11,317,192</b>	<b>\$ 10,128,738</b>	<b>\$ 9,232,567</b>	<b>\$ 8,878,171</b>	<b>\$ 6,918,431</b>	<b>\$ 7,452,330</b>	<b>\$ 6,460,102</b>	<b>\$ 9,307,902</b>

**SHAMONG TOWNSHIP SCHOOL DISTRICT**  
**CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)**  
**LAST TEN FISCAL YEARS**  
**UNAUDITED**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses:										
Governmental Activities										
Instruction:										
Instruction - Regular Programs	\$ 3,970,830	\$ 4,000,127	\$ 3,932,443	\$ 4,106,304	\$ 4,195,061	\$ 4,200,655	\$ 3,906,222	\$ 3,788,879	\$ 3,836,141	\$ 3,795,156
Special Education	1,602,765	1,738,155	1,510,168	1,425,117	1,442,181	1,306,623	1,615,844	1,610,721	1,547,810	1,757,555
Other Special Instruction	216,042	215,607	206,692	217,326	215,267	229,574	244,414	301,921	273,493	253,207
Other Instruction	118,037	103,634	37,116	109,729	109,241	108,765	104,858	104,464	98,335	97,047
Support Services:										
Tuition	194,642	151,585	294,001	228,253	129,315	104,032	96,554	154,465	163,634	144,404
Health Services	170,345	159,165	146,311	142,711	139,301	133,875	127,016	118,586	111,970	109,412
Student & Instruction Related Services	1,216,387	1,301,410	997,353	1,017,152	1,021,608	949,408	972,816	912,981	839,431	859,396
Educational Media Services/School Library	310,448	298,449	287,965	276,604	295,504	288,542	238,756	240,487	222,307	228,681
General Administrative Services	382,281	375,402	363,309	370,218	380,759	369,453	371,840	371,097	352,888	361,677
School Administrative Services	511,463	499,648	487,287	486,844	472,684	467,185	459,899	480,375	467,195	450,404
Central Services	276,818	277,254	271,884	275,525	311,049	303,801	315,949	312,124	254,747	266,470
Plant Operations & Maintenance	1,377,183	1,355,050	1,098,487	1,183,197	1,263,238	1,332,184	1,190,428	1,124,396	1,203,015	1,081,702
Pupil Transportation	895,020	750,228	780,746	678,388	730,057	651,802	652,106	640,139	666,192	665,588
Employee Benefits	3,678,721	4,402,958	6,561,800	5,079,959	6,102,124	9,388,457	4,540,855	5,833,761	5,030,672	3,511,762
Interest on Long-Term Debt	56,392	61,268	70,147	71,577	75,756	66,627	121,523	133,714	216,347	139,283
Unallocated Amortization	-	-	-	-	-	-	-	-	-	-
Increase/(Decrease) In Compensated Absences	-	-	-	-	-	-	-	-	-	-
Increase/(Decrease) In Post Retirement Benefits	-	-	-	-	-	-	-	-	-	-
Unallocated Loss on Revaluation of Assets	-	-	-	-	-	-	8,800	56,479	(418,512)	-
Unallocated Depreciation	767,361	771,079	595,391	754,142	762,196	750,598	733,734	730,202	728,669	752,513
Total Governmental Activities Expenses	15,744,735	16,461,019	17,641,100	16,423,046	17,645,341	20,651,581	15,701,614	16,914,791	15,594,334	14,474,257
Business-Type Activities:										
Food Service	283,037	329,832	140,794	199,214	232,534	238,596	246,000	258,791	253,617	266,758
Total Business-Type Activities Expense	283,037	329,832	140,794	199,214	232,534	238,596	246,000	258,791	253,617	266,758
Total District Expenses	\$ 16,027,772	\$ 16,790,851	\$ 17,781,894	\$ 16,622,260	\$ 17,877,875	\$ 20,890,177	\$ 15,947,614	\$ 17,173,582	\$ 15,847,951	\$ 14,741,015

**SHAMONG TOWNSHIP SCHOOL DISTRICT  
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)  
LAST TEN FISCAL YEARS  
UNAUDITED**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
FISCAL YEAR ENDING JUNE 30,										
Revenues:										
Operating Grants & Contributions	\$ 1,995,854	\$ 3,304,558	\$ 4,666,716	\$ 3,091,987	\$ 3,979,079	\$ 5,322,427	\$ 1,851,784	\$ 3,503,214	\$ 2,829,252	\$ 325,896
Charges for Services	51,081	30,569	-	-	-	-	-	-	-	-
Total Governmental Activities Program Revenues	2,046,935	3,335,127	4,666,716	3,091,987	3,979,079	5,322,427	1,851,784	3,503,214	2,829,252	325,896
Business-Type Activities										
Charges for Services:										
Food Service	179,462	37,476	694	112,613	163,934	171,560	178,458	181,502	176,447	180,159
Operating Grants:										
Food Service	102,561	373,860	106,474	49,155	59,053	66,397	67,249	64,568	63,144	67,093
Total Business Type Activities Program Revenues	282,023	411,336	107,168	161,768	222,987	237,957	245,707	246,070	239,591	247,252
Total District Program Revenues	\$ 2,328,958	\$ 3,746,463	\$ 4,773,884	\$ 3,253,755	\$ 4,202,066	\$ 5,560,384	\$ 2,097,491	\$ 3,749,284	\$ 3,068,843	\$ 573,148
Net/(Expense)/Revenue:										
Governmental Activities	\$ (13,697,800)	\$ (13,125,892)	\$ (12,974,384)	\$ (13,331,059)	\$ (13,666,262)	\$ (15,329,154)	\$ (13,849,830)	\$ (13,411,577)	\$ (12,765,082)	\$ (14,148,361)
Business-Type Activities	(1,014)	81,504	(33,626)	(37,446)	(9,547)	(639)	(293)	(12,721)	(14,026)	(19,506)
Total District-Wide Net Expense	\$ (13,698,814)	\$ (13,044,388)	\$ (13,008,010)	\$ (13,368,505)	\$ (13,675,809)	\$ (15,329,793)	\$ (13,850,123)	\$ (13,424,298)	\$ (12,779,108)	\$ (14,167,867)

**SHAMONG TOWNSHIP SCHOOL DISTRICT**  
**CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)**  
**LAST TEN FISCAL YEARS**  
**UNAUDITED**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
	\$ 10,423,648	\$ 10,094,656	\$ 9,899,371	\$ 9,703,606	\$ 9,511,338	\$ 10,018,910	\$ 9,541,312	\$ 9,285,085	\$ 9,068,136	\$ 8,902,667
	3,426,662	3,607,514	3,861,151	4,132,111	4,252,553	6,125,758	4,353,408	4,725,906	4,351,479	5,356,195
	35,482	169,376	-	-	-	-	-	-	-	-
	12,000	117,336	89,915	19,376	39,272	64,198	68,244	15,100	-	-
	357,130	211,504	212,498	408,524	226,453	208,591	210,094	364,097	82,416	158,903
	(7,512)	-	2,528	-	(1,009)	-	-	-	-	-
	-	-	-	-	-	-	-	-	36,097	-
	-	-	-	-	-	-	-	16,354	27,220	-
	-	-	-	-	-	-	4,400	900	4,400	-
	14,247,410	14,200,386	14,065,463	14,263,617	14,028,607	16,417,457	14,177,458	14,407,442	13,569,748	14,397,765
	500	410	14,276	1,059	1,598	2,076	8,766	9,084	5,162	6,603
	\$ 14,247,910	\$ 14,200,796	\$ 14,079,739	\$ 14,264,676	\$ 14,030,205	\$ 16,419,533	\$ 14,186,224	\$ 14,416,526	\$ 13,574,910	\$ 14,404,368
	549,610	1,074,494	1,091,079	932,558	362,345	1,088,303	327,628	995,865	804,666	249,404
	(514)	81,914	(19,350)	(36,387)	(7,949)	1,437	8,473	(3,637)	(8,864)	(12,903)
	\$ 549,096	\$ 1,156,408	\$ 1,071,729	\$ 896,171	\$ 354,396	\$ 1,089,740	\$ 336,101	\$ 992,228	\$ 795,802	\$ 236,501

General Revenues & Other Changes in Net Position:

Governmental Activities:	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Taxes:										
Property Taxes, Levied for General Purposes and Debt Service										
Federal & State Aid Unrestricted										
Federal & State Aid Restricted										
Tuition Received										
Miscellaneous Income										
Capital Asset Adjustments										
Unallocated Amortization										
Decrease In Compensated Absences										
Decrease In Post Retirement Benefits										

Total Governmental Activities

Business-type Activities

Total District-Wide

Change in Net Position:

Governmental Activities

Business-Type Activities

Total District

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

	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund:										
Restricted	\$ 7,040,815	\$ 6,814,592	\$ 6,214,298	\$ 5,305,794	\$ 4,337,009	\$ 3,494,684	\$ 3,133,467	\$ 2,788,122	\$ 2,735,227	\$ 2,073,603
Unassigned	495,125	263,770	165,061	(55,926)	(129,508)	-	-	(112,767)	(452,651)	(119,941)
<b>Total General Fund</b>	<b>\$ 7,535,940</b>	<b>\$ 7,078,362</b>	<b>\$ 6,379,359</b>	<b>\$ 5,249,868</b>	<b>\$ 4,207,501</b>	<b>\$ 3,494,684</b>	<b>\$ 3,133,467</b>	<b>\$ 2,675,355</b>	<b>\$ 2,282,577</b>	<b>\$ 1,953,662</b>
All Other Governmental Funds:										
Assigned, Reported in:										
Special Revenue Fund	\$ 46,983	\$ 39,729	\$ 44,312	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Project Fund	28,245	158,245	288,245	322,749	322,749	323,758	333,361	571,424	1,241,528	280,037
Debt Service Fund	-	1	2	1	1	1	3	3	3	2
<b>Total All Other Governmental Funds</b>	<b>\$ 75,228</b>	<b>\$ 197,975</b>	<b>\$ 332,559</b>	<b>\$ 322,750</b>	<b>\$ 322,750</b>	<b>\$ 323,759</b>	<b>\$ 333,364</b>	<b>\$ 571,427</b>	<b>\$ 1,241,531</b>	<b>\$ 280,039</b>

**SHAMONG TOWNSHIP SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)  
UNAUDITED**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Revenues:</b>										
Tax Levy	\$ 10,423,648	\$ 10,094,656	\$ 9,899,371	\$ 9,703,606	\$ 9,511,338	\$ 10,018,910	\$ 9,541,312	\$ 9,285,085	\$ 9,068,136	\$ 8,902,667
Tuition	12,000	117,336	89,915	19,376	39,272	64,198	68,244	15,100	-	-
Miscellaneous	416,328	271,325	342,851	432,131	260,987	208,591	210,094	364,097	172,548	158,903
State Sources	6,759,704	7,025,900	6,582,127	6,361,411	6,440,269	6,152,895	5,956,062	6,193,568	5,573,971	5,410,657
Federal Sources	475,699	923,146	392,192	262,159	267,494	268,878	249,130	264,839	245,965	251,434
<b>Total Revenue</b>	<b>18,087,379</b>	<b>18,432,363</b>	<b>17,306,456</b>	<b>16,778,683</b>	<b>16,519,360</b>	<b>16,713,472</b>	<b>16,024,842</b>	<b>16,122,689</b>	<b>15,060,620</b>	<b>14,723,661</b>
<b>Expenditures:</b>										
Instruction:										
Regular	3,998,330	4,160,937	3,932,443	4,106,304	4,195,061	4,200,655	3,906,222	3,788,879	3,836,141	3,795,156
Special Education	1,602,765	1,738,155	1,510,168	1,425,117	1,442,181	1,306,623	1,615,844	1,610,721	1,547,810	1,757,555
Other Special Instruction	216,042	215,607	206,692	217,326	215,267	229,574	244,414	301,921	273,493	253,207
Other Instruction	118,037	103,634	37,116	109,729	109,241	108,765	104,858	104,464	98,335	97,047
Support Services:										
Tuition	194,642	151,585	294,001	228,253	129,315	104,032	96,554	154,465	163,634	144,404
Attendance and Social Work Services	39,247	38,195	34,223	31,965	31,459	32,500	30,000	-	-	-
Health Services	170,345	159,165	146,311	142,711	139,301	133,875	127,016	118,586	111,970	109,412
Student & Instruction Related Services	1,177,140	1,263,215	963,130	985,187	990,149	916,908	942,816	912,981	839,431	859,396
Educational Media Services/School Library	310,448	298,449	287,965	276,604	295,504	288,542	238,756	240,487	222,307	228,681
General Administrative Services	382,281	375,402	363,309	370,218	380,759	369,453	371,840	371,097	352,888	361,677
School Administrative Services	511,463	499,648	487,287	486,844	472,684	467,185	459,899	480,375	467,195	450,404
Central Services	276,818	277,254	271,884	275,525	271,884	303,801	315,949	312,124	254,747	266,470
Plant Operations & Maintenance	1,418,016	1,353,392	1,266,969	1,259,476	1,302,272	1,295,800	1,190,428	1,124,396	1,203,015	1,081,702
Pupil Transportation	895,020	750,228	780,746	678,388	730,057	651,802	661,376	682,225	666,192	665,588
Employee Benefits	5,964,854	5,950,177	5,226,844	4,686,400	4,385,975	4,171,769	4,151,645	3,872,384	3,662,778	3,511,762
Capital Outlay	305,387	359,664	292,397	779,498	573,435	919,193	486,398	1,468,095	206,148	54,738
Debt Service:										
Principal	160,000	155,000	150,000	140,000	130,000	790,000	760,000	740,000	847,346	815,000
Interest & Other Charges	62,003	66,847	32,396	36,771	40,834	71,383	100,778	116,815	139,825	166,476
<b>Total Expenditures</b>	<b>17,802,838</b>	<b>17,916,554</b>	<b>16,283,881</b>	<b>16,236,316</b>	<b>16,074,543</b>	<b>16,361,860</b>	<b>15,804,793</b>	<b>16,400,015</b>	<b>14,893,255</b>	<b>14,618,675</b>
<b>Excess/(Deficiency) of Revenues Over/(Under) Expenditures</b>	<b>284,541</b>	<b>515,809</b>	<b>1,022,575</b>	<b>542,367</b>	<b>444,817</b>	<b>351,612</b>	<b>220,049</b>	<b>(277,326)</b>	<b>167,365</b>	<b>104,986</b>
<b>Other Financing Sources/(Uses):</b>										
Lease-Purchase Agreement Proceeds	50,290	48,610	-	500,000	268,000	-	-	-	1,188,600	-
Cancellation of Grant Receivable	-	-	-	-	-	-	-	-	(65,558)	-
Operating Transfers In -	184,957	261,422	42,414	7,817	2,895	-	270,000	131,671	35,716	-
Operating Transfers (Out) -	(184,957)	(261,422)	(42,414)	(7,817)	(2,895)	-	(270,000)	(131,671)	(35,716)	-
Miscellaneous/Other	-	-	-	-	(1,009)	-	-	-	-	-
<b>Total Other Financing Sources/(Uses)</b>	<b>50,290</b>	<b>48,610</b>	<b>-</b>	<b>500,000</b>	<b>266,991</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,123,042</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ 334,831</b>	<b>\$ 564,419</b>	<b>\$ 1,022,575</b>	<b>\$ 1,042,367</b>	<b>\$ 711,808</b>	<b>\$ 351,612</b>	<b>\$ 220,049</b>	<b>\$ (277,326)</b>	<b>\$ 1,290,407</b>	<b>\$ 104,986</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	1.3%	1.3%	1.2%	1.2%	1.1%	5.9%	6.0%	6.1%	7.2%	7.2%

Source: District Records



### Revenue Capacity Information

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

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**SHAMONG TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)  
UNAUDITED**

	FISCAL YEAR ENDED JUNE 30									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Interest on Investments	\$ 184,309	\$ 164	\$ -	\$ 10,704	\$ 66,140	\$ 12,916	\$ 7,307	\$ 5,859	\$ 4,775	\$ 10,963
Sports/Club Fees	20,520	20,670	-	19,325	21,363	25,972	26,315	27,403	9,315	26,995
Prior Year Refunds	58,703	19,691	17,584	27,412	66,488	120,606	36,550	63,200	7,881	12,460
Miscellaneous	89,142	166,941	187,004	343,266	69,567	31,734	105,256	193,329	126,003	34,023
	<u>\$ 352,674</u>	<u>\$ 207,466</u>	<u>\$ 204,588</u>	<u>\$ 400,707</u>	<u>\$ 223,558</u>	<u>\$ 191,228</u>	<u>\$ 175,428</u>	<u>\$ 289,791</u>	<u>\$ 147,974</u>	<u>\$ 84,441</u>

Source: District records

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

FISCAL YEAR ENDED DECEMBER 31,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	TOTAL ASSESSED VALUE	MEMO: TAX EXEMPT PROPERTY	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
2023	\$ 6,300,000	\$ 597,975,800	\$ 33,601,300	\$ 2,033,600	\$ 18,832,600	\$ 2,961,400	\$ 661,704,700	\$ 53,201,200	\$ 1,039,099	\$ 662,743,799	\$ 1.612	\$ 865,652,407
2022	5,691,400	598,538,600	32,822,900	1,984,800	18,826,100	2,961,400	660,825,200	51,795,700	1,093,984	661,919,184	1.575	764,843,981
2021	5,942,200	597,891,600	33,060,900	2,039,600	18,826,100	3,053,000	660,813,400	51,556,700	1,087,399	661,900,799	1.525	727,042,311
2020	6,201,100	598,749,500	33,696,500	2,093,700	18,966,300	3,053,000	662,760,100	49,287,400	1,073,939	663,834,039	1.491	718,222,197
2019	6,308,200	598,393,700	33,433,510	2,140,400	18,966,300	2,521,200	661,763,310	48,131,000	1,069,744	662,833,054	1.462	710,138,222
2018	7,013,000	598,786,200	33,293,300	2,115,400	18,966,300	2,521,200	662,695,400	47,686,300	1,069,744	663,765,144	1.433	700,523,213
2017	7,466,300	598,283,300	33,154,500	2,151,500	18,961,600	2,735,800	662,753,000	47,335,800	1,080,016	663,833,016	1.509	701,863,257
2016	7,558,500	599,040,700	32,026,800	2,136,200	18,864,300	2,710,800	662,337,500	47,627,100	1,083,716	663,421,016	2.206	696,232,016
2015	7,551,600	598,357,100	32,898,700	2,138,600	18,917,900	2,710,800	662,574,700	47,293,700	1,148,531	663,723,231	2.145	710,315,501
2014	7,821,700	599,098,500	32,094,300	2,137,900	18,736,100	2,710,800	662,599,300	46,761,500	1,139,919	663,739,219	2.040	696,982,229

Source: Abstract of Ratables Burlington County, Burlington County Abstract of Ratables

Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when ordered by the County Board of Taxation

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

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

FISCAL YEAR ENDED DECEMBER 31,	SCHOOL DISTRICT DIRECT RATE		TOWNSHIP OF SHAMONG				OVERLAPPING RATES				TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL	REGIONAL SCHOOL	TOTAL DIRECT	MUNICIPAL OPEN SPACE	BURLINGTON COUNTY	COUNTY LIBRARY	COUNTY OPEN SPACE	TOTAL DIRECT AND OVERLAPPING TAX RATE			
2023	1.612	0.793	2.405	0.095	0.020	0.397	0.037	0.033	0.033	2.987	
2022	1.575	0.767	2.342	0.095	0.020	0.373	0.033	0.029	0.029	2.892	
2021	1.525	0.770	2.295	0.095	0.020	0.374	0.034	0.022	0.022	2.840	
2020	1.491	0.772	2.263	0.095	0.020	0.372	0.034	0.022	0.022	2.806	
2019	1.462	0.780	2.242	0.095	0.033	0.361	0.034	0.033	0.033	2.798	
2018	1.433	0.770	2.203	0.095	0.020	0.363	0.032	0.026	0.026	2.739	
2017	1.509	0.779	2.288	0.094	0.020	0.355	0.033	0.043	0.043	2.833	
2016	1.438	0.768	2.206	0.084	0.020	0.353	0.033	0.042	0.042	2.738	
2015	1.398	0.747	2.145	0.084	0.020	0.366	0.035	0.043	0.043	2.693	
2014	1.367	0.673	2.040	0.068	0.000	0.352	0.033	0.016	0.016	2.509	

Source: Burlington County Board of Taxation

**SHAMONG TOWNSHIP SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAX PAYERS  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED**

TAXPAYER	2023		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Taxpayer #1	\$2,733,400	1	0.413%
Taxpayer #2	2,517,400	2	0.380%
Third Garden Park LTD	2,400,000	3	0.363%
Taxpayer #3	1,443,300	4	0.218%
Taxpayer #4	1,075,100	5	0.162%
Taxpayer #5	951,900	6	0.144%
Samrajya Farms, LLC	920,800	7	0.139%
89 Willow Grove LLC	918,300	8	0.139%
Taxpayer #6	911,200	9	0.138%
Taxpayer #7	896,600	10	0.135%
<b>Total</b>	<b>\$14,768,000</b>		<b>2.232%</b>

TAXPAYER	2014		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Taxpayer #1	\$2,960,700	1	0.413%
Fawn Lake LLC	2,500,000	2	0.288%
Third Garden Park LTD	2,400,000	3	0.281%
Verizon-New Jersey	1,419,111	4	0.267%
Taxpayer #5	1,415,600	5	0.213%
Taxpayer #6	1,344,900	6	0.202%
Wharton Acres LLC	1,020,000	7	0.185%
Taxpayer #8	1,070,100	8	0.161%
Taxpayer #9	985,300	9	0.148%
Road Apples, LLC	951,900	10	0.143%
<b>Total</b>	<b>\$16,067,611</b>		<b>2.30%</b>

Source: Municipal Tax Assessor

**SHAMONG TOWNSHIP  
TOTAL PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
UNAUDITED**

FISCAL YEAR ENDED DECEMBER 31,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY AMOUNT	PERCENTAGE OF LEVY	COLLECTIONS IN SUBSEQUENT YEARS
2022	\$ 18,826,100	\$ 18,341,617	97.43%	100%
2021	18,668,048	18,326,992	98.17%	100%
2020	18,503,193	18,138,536	98.88%	100%
2019	18,224,651	18,020,781	97.95%	100%
2018	19,000,069	18,610,024	98.59%	100%
2017	18,190,594	17,933,281	98.71%	100%
2016	17,766,718	17,538,160	98.75%	100%
2015	16,677,587	16,468,708	98.91%	100%
2014	16,188,741	16,012,822	98.32%	100%
2013	16,298,677	16,025,068	98.45%	100%

Source: Municipal Financial Statements

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### Debt Capacity Information

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

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

FISCAL DECEMBER 31, ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES			TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	GENERAL OBLIGATION BONDS	LEASES PURCHASES				
2023	\$ 529,000	\$ 207,702	\$	736,702	N/A	N/A
2022	689,000	390,940		1,079,940	N/A	167
2021	844,000	471,197		1,315,197	5.28%	204
2020	994,000	647,470		1,641,470	4.09%	258
2019	1,134,000	438,109		1,572,109	4.04%	247
2018	1,264,000	475,440		1,739,440	2.94%	273
2017	2,054,000	713,160		2,767,160	2.14%	433
2016	2,814,000	950,880		3,764,880	1.53%	587
2015	2,706,654	1,188,600		3,895,254	1.44%	684
2014	4,401,346	-		4,401,346	1.22%	680

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.  
a. See Exhibit J-14 for personal income and population data.

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

<u>GENERAL BONDED DEBT OUTSTANDING</u>						
FISCAL YEAR ENDED JUNE 30,	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA	
2023	\$ 529,000	\$ -	\$ 529,000	N/A	N/A	
2022	689,000	-	689,000	0.10%	106	
2021	844,000	-	844,000	0.13%	131	
2020	994,000	-	994,000	0.15%	156	
2019	1,134,000	-	1,134,000	0.17%	178	
2018	1,264,000	-	1,264,000	0.19%	198	
2017	2,054,000	-	2,054,000	0.31%	321	
2016	2,814,000	-	2,814,000	0.42%	439	
2015	2,706,654	-	2,706,654	0.41%	420	
2014	4,401,346	-	4,401,346	0.66%	680	

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2023  
UNAUDITED**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Shamong Township	\$ 2,335,197	100.00%	\$ 2,335,197
Burlington County General Obligation Debt	161,356,421	1.50%	2,420,346
Lenape Regional High School	90,498,000	3.00%	2,714,940
Subtotal, Overlapping Debt			7,470,483
Shamong Township District Direct Debt			529,000
Total Direct & Overlapping Debt			<u>\$ 7,999,483</u>

Sources: Assessed value data used to estimate applicable percentages provided by the Burlington County Board of Taxation

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

	FISCAL YEAR									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Debt Limit	\$ 27,496,167	\$ 25,771,452	\$ 25,120,738	\$ 23,221,709	\$ 23,221,697	\$ 23,228,068	\$ 23,228,068	\$ 23,223,261	\$ 24,601,571	\$ 24,915,332
Total Net Debt Applicable to Limit	529,000	689,000	844,000	994,000	1,134,000	1,264,000	2,054,000	2,814,000	2,706,654	4,401,346
Legal Debt Margin	\$ 26,967,167	\$ 25,082,452	\$ 24,276,738	\$ 22,227,709	\$ 22,087,697	\$ 21,964,557	\$ 21,174,068	\$ 20,409,261	\$ 21,894,917	\$ 20,513,986
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	1.92%	2.67%	3.36%	4.28%	4.88%	5.44%	12.12%	11.00%	17.67%	20.37%

Legal Debt Margin Calculation for Fiscal Year 2022:

Equalized Valuation Basis:	
2022	\$ 864,501,832
2021	764,724,306
2020	727,588,209
	<u>\$ 2,356,814,347</u>
Average Equalized Valuation of Taxable Property	<u>\$ 785,604,782</u>
Debt Limit (3.5% of Average Equalization Value)	27,496,167
Net Bonded School Debt	<u>529,000</u>
Legal Debt Margin	<u>\$ 26,967,167</u>

Source:  
Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation. Limit set by N.J.S.A. 18A:24-19 for K through 12 district; other % limits would be applicable for other districts.

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## Demographic and Economic Information

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

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

YEAR	POPULATION (a)	PERSONAL INCOME (b)	PER CAPITA PERSONAL INCOME (c)	UNEMPLOYMENT RATE (d)
2023	N/A	N/A	N/A	N/A
2022	6,480	N/A	N/A	2.9%
2021	6,442	447,693,232	69,496	5.3%
2020	6,363	405,545,480	67,154	8.2%
2019	6,376	390,797,964	63,528	3.3%
2018	6,381	380,245,936	51,140	4.3%
2017	6,398	371,871,567	59,271	4.9%
2016	6,417	362,761,542	57,583	5.5%
2015	6,446	348,106,980	55,925	7.2%
2014	6,474	335,162,785	53,572	7.1%

Source:

(a) Population information provided by US Bureau of the Census; Population Division

(b) Personal income calculated using population and per capita personal income

(c) Per Capita personal income provided by the NJ Dept of Labor and Workforce Development

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

N/A - Information not available.

**PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED**

	2023		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT
Shamong Township School District	110	1	N/A
Total	110		N/A
	2014		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT
Shamong Township School District	122	1	N/A
Total	122		N/A

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## Operation Information

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

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**SHAMONG TOWNSHIP SCHOOL DISTRICT  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEAR  
UNAUDITED**

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Teachers - General Fund	67.0	67.0	67.0	67.0	67.0	67.0	68.0	53.0	69.0	69.0
Teachers - Special Revenue	-	-	-	-	-	0.0	0.0	20.0	-	-
Classroom Aides	-	-	-	-	-	0.0	0.0	8.0	8.0	9.5
Health Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Related Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Extraordinary Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Guidance - Professional	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Child Study Team	4.0	4.0	4.0	4.0	4.0	4.0	3.0	4.0	3.0	3.0
Child Study Team Support	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Supervisors & Other Professionals	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.8	0.4	0.4
Media Services/Technology	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.8	5.0
General District Administrators	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
General Administration Support	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Principals/Assistant Principals	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School Administration Support	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Central Services - Administrators	1.0	1.0	1.0	1.0	1.0	1.0	2.0	1.3	1.3	2.0
Central Services - Support	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	3.3
Operations & Maintenance	13.0	13.0	13.0	13.0	13.0	15.0	13.0	13.0	13.0	13.0
<b>Total</b>	<b>109.5</b>	<b>109.5</b>	<b>109.5</b>	<b>109.5</b>	<b>109.5</b>	<b>111.5</b>	<b>110.5</b>	<b>123.6</b>	<b>117.9</b>	<b>122.2</b>

Source: District Annual Budget Statement Supporting Documentation

**SHAMONG TOWNSHIP SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED**

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	TEACHER/PUPIL RATIO ELEMENTARY	AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2023	698	\$ 17,126,866	\$ 24,537	1.53%	67	1:10	681.0	692.0	-0.58%	101.62%
2022	693	16,868,332	24,341	8.28%	67	1:10	685.0	672.0	12.48%	98.10%
2021	699	15,578,905	22,287	-1.24%	67	1:10	609.0	624.0	-11.61%	102.46%
2020	718	15,773,779	21,969	1.10%	67	1:10	689.0	662.0	-6.77%	96.08%
2019	743	15,601,681	20,998	2.71%	67	1:10	739.0	716.0	-4.77%	96.89%
2018	760	15,190,361	19,987	7.84%	67	1:10	776.0	741.0	-0.08%	95.49%
2017	775	14,086,234	18,176	4.27%	73	1:10	776.6	663.4	-2.74%	85.42%
2016	806	13,509,710	16,761	1.61%	76	1:11	798.5	764.7	-4.23%	95.77%
2015	834	13,295,703	15,942	0.31%	81	1:10	833.8	799.4	-6.90%	95.87%
2014	902	13,254,541	14,695	2.96%	86	1:10	895.6	854.9	-0.58%	95.46%
	908	12,873,169	14,177	3.60%	83	1:11	900.8	862.2	-1.50%	95.71%

Sources: District records

Note: Enrollment based on annual October District count.

- a. Operating expenditures equal total general fund expenditures
- 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)

**SHAMONG TOWNSHIP SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEAR  
UNAUDITED**

DISTRICT BUILDINGS	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Elementary Schools:										
Indian Mills School (1920 ):										
Square Feet	71,029	71,029	71,029	71,029	71,029	71,029	71,029	71,029	71,029	71,029
Capacity (Students)	507	507	507	507	507	507	507	507	507	507
Enrollment (a)	370	373	384	384	409	409	409	409	409	466
Indian Mills Memorial (1991):										
Square Feet	68,543	68,543	68,543	68,543	68,543	68,543	68,543	68,543	68,543	68,543
Capacity (Students)	471	471	471	471	471	471	471	471	471	471
Enrollment (a)	328	317	334	334	369	391	391	391	391	436
Other Buildings:										
Sewer Plant (1991):										
Square Feet	1,189	1,189	1,189	1,189	1,189	1,189	1,189	1,189	1,189	1,189
Garage at IMS (1953):										
Square Feet	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Garage at IMMS (1993):										
Square Feet	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500

Number of Schools at June 30, 2023:

- Elementary = 2
- Middle School = 0
- Senior High School = 0
- Other = 3

Source: District Long Range Facility Plan

(a) Source - NJ Dept of Education annual Application for State School Aid Report

N/A - Not Available

**SHAMONG TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF REQUIRED MAINTENANCE  
LAST TEN FISCAL YEARS  
UNAUDITED**

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

YEAR	IMS	IMMS	OTHER FACILITIES	TOTAL
2023	\$ 75,866	\$ 92,336	\$ 113,204	\$ 281,406
2022	75,495	78,422	107,931	261,848
2021	82,188	69,161	106,866	258,215
2020	61,161	85,321	101,554	248,036
2019	118,000	128,100	102,778	348,878
2018	100,077	110,723	99,569	310,369
2017	74,417	97,042	94,401	265,860
2016	106,916	67,301	99,642	273,859
2015	84,012	98,524	103,397	285,933
2014	96,085	95,154	25,274	216,513
	102,926	99,034	24,406	226,366

Source: District records



**SHAMONG TOWNSHIP SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2023  
UNAUDITED**

	COVERAGE	RETENTION	DEDUCTIBLE
<b>School Package Policy (1):</b>			
Building & Contents (All Locations)	\$150,000,000	\$ 250,000	\$ 500
Boiler & Machinery	125,000,000	None	1,000
Crime	500,000	250,000	500
General Automobile Liability	15,000,000	250,000	None
Educators Legal Liability	15,000,000	175,000	None
Workers' Compensation	Statutory	250,000	None
Pollution Legal Liability	3,000,000	None	25,000
Cyber Liability	1,000,000	None	25,000
Student Accident Insurance (2)	1,000,000	None	None
 Surety Bonds (3)			
Treasurer	200,000		None
Board Secretary	100,000		None

(1) Burlington County Insurance Pool Joint Insurance Fund (BCIPJIF)

(2) Haines and Hanines/TC Irons Agency

(3) Haines and Hanines/TC Irons Agency

Source: District records

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SINGLE AUDIT SECTION

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HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

EXHIBIT K-1

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

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

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

**Internal Control Over Financial Reporting**

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

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deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

**HOLT MCNALLY & ASSOCIATES, INC.**  
*Certified Public Accountants & Advisors*

David McNally  
Certified Public Accountant  
Public School Accountant, No. 2616

Medford, New Jersey  
November 30, 2023



HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

EXHIBIT K-2

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

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

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

**Opinion on Each Major State Program**

We have audited the Shamong Township School District's (the "School District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major state programs for the fiscal year ended June 30, 2023. The School District's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the 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 state programs for the year ended June 30, 2023.

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

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

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

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## **Responsibilities of Management for Compliance**

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

## **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. 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, individual or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted accounting standards, *Government Auditing Standards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, we:

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

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



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

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

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

### **Purpose of this Report**

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

Respectfully Submitted,

**HOLT MCNALLY & ASSOCIATES, INC**  
*Certified Public Accountants & Advisors*

David McNally  
Certified Public Accountant  
Public School Accountant, No. 2616

Medford, New Jersey  
November 30, 2023

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

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL LISTING NUMBER	FEDERAL FAIN NUMBER	PASS THROUGH ENTITY NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2022	CASH RECEIVED	BUDGETARY EXPENDITURES	SUB-RECIPIENT EXPENDITURES	(ACCOUNTS RECEIVABLE) 2023	UNEARNED REVENUE 2023	DUE TO GRANTOR 2023
<b>ENTERPRISE FUND:</b>												
<b>U.S. DEPARTMENT OF AGRICULTURE PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:</b>												
Child Nutrition Cluster:												
Food Distribution Program (Noncash Assistance)	10.555	231N304N1099	Unavailable	\$ 19,603	7/1/22-6/30/23	\$ -	19,603	(19,603)	\$ -	\$ -	\$ -	\$ -
COVID-19 National School Lunch Program	10.555	231N304N1099	100-010-3350-026	57,358	7/1/22-6/30/23	(22,055)	54,794	(57,358)	-	(2,564)	-	-
COVID-19 National School Lunch Program	10.555	221N304N1099	100-010-3350-026	314,861	7/1/21-6/30/22	-	22,055	-	-	-	-	-
COVID-19 Healthy Hunger-Free Kids Act	10.555	231N304N1099	100-010-3350-026	1,259	7/1/22-6/30/23	-	2,896	(3,034)	-	(138)	-	-
COVID-19 National School Breakfast Program	10.553	231N304N1099	100-010-3350-028	2,457	7/1/22-6/30/23	(1,066)	2,418	(2,457)	-	(39)	-	-
COVID-19 National School Breakfast Program	10.553	221N304N1099	100-010-3350-028	16,202	7/1/21-6/30/22	-	1,066	-	-	-	-	-
Supply Chain Assistance Program	10.558	231N304N1099	100-010-3350-118	50,058	7/1/22-6/30/23	-	50,058	(16,986)	-	-	33,072	-
Total Child Nutrition Cluster						(23,121)	152,890	(99,438)	-	(2,741)	33,072	-
Total U.S. Department of Agriculture						(23,121)	152,890	(99,438)	-	(2,741)	33,072	-
Total Enterprise Fund Assistance						(23,121)	152,890	(99,438)	-	(2,741)	33,072	-
<b>SPECIAL REVENUE FUND:</b>												
<b>U.S. DEPARTMENT OF EDUCATION PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:</b>												
Title I - Part A												
Subtotal	84-010	S010A210030	100-034-5064-194	30,005	7/1/22-9/30/23	(612)	28,472	(30,005)	-	(1,533)	-	-
	84-010	S010A210030	100-034-5064-194	70,604	7/1/21-9/30/22	(612)	612	-	-	-	-	-
						(612)	29,084	(30,005)	-	(1,533)	-	-
Title II - Part A, Improving Teacher Quality	84-367	S367A210029	100-034-5063-290	14,391	7/1/22-9/30/23	(1,056)	12,918	(14,391)	-	(1,473)	-	-
Title II - Part A, Improving Teacher Quality	84-367	S367A210029	100-034-5063-290	16,343	7/1/21-9/30/22	(1,056)	1,056	-	-	-	-	-
Subtotal						(1,056)	13,974	(14,391)	-	(1,473)	-	-
Title III, English Language Acquisition	84-365	S365A220030	100-034-5063-290	1,763	7/1/22-9/30/23	-	1,763	(1,763)	-	-	-	-
Title IV	84-424	S424A210031	100-034-5063-348	10,000	7/1/22-9/30/23	-	8,191	(10,000)	-	(1,809)	-	-
Title IV	84-424	S424A210031	100-034-5063-348	10,000	7/1/21-9/30/22	(3,130)	3,130	-	-	-	-	-
Subtotal						(3,130)	11,321	(10,000)	-	(1,809)	-	-
Special Education Cluster:												
ID.E.A. Part B, Basic Regular	84-027A	H027A210100	100-034-5065-016	179,191	7/1/22-9/30/23	-	170,647	(179,191)	-	(8,544)	-	-
ID.E.A. Part B, Basic Regular	84-027A	H027A210100	100-034-5065-016	175,927	7/1/21-9/30/22	(7,384)	7,384	-	-	-	-	-
Subtotal						(7,384)	178,031	(179,191)	-	(8,544)	-	-
ID.E.A. Preschool Program	84-173A	H173A210114	100-034-5065-020	11,852	7/1/22-9/30/23	-	11,852	(11,852)	-	-	-	-
ID.E.A. Preschool Program	84-173A	H173A210114	100-034-5065-020	11,217	7/1/21-9/30/22	(2,490)	2,490	-	-	-	-	-
Subtotal						(2,490)	14,342	(11,852)	-	-	-	-
Total Special Education Cluster						(9,874)	192,373	(191,043)	-	(8,544)	-	-
Coronavirus Response and Relief Supplemental Appropriations Act: Elementary and Secondary School Emergency Relief - ESSER II Learning Acceleration	84-425D	S425D210027	100-034-5120-518	211,580	3/13/20-9/30/23	(56,970)	55,474	(18,504)	-	-	-	-
Elementary and Secondary School Emergency Relief (ARP ESSER II)	84-425D	S425D210027	100-034-5120-518	25,000	3/13/20-9/30/23	(6,163)	6,278	(115)	-	-	-	-
Mental Health	84-425D	S425D210027	100-034-5120-518	45,000	3/13/20-9/30/23	(10,398)	14,558	(4,160)	-	-	-	-
Elementary and Secondary School Emergency Relief (ARP ESSER II)	84-425U	S425U210027	100-034-5120-523	475,513	3/13/20-9/30/24	(135,898)	274,308	(138,084)	-	-	326	-
Accelerated Learning Coach and Educator Support	84-425U	S425U210027	100-034-5120-523	59,043	3/13/20-9/30/24	(27,859)	50,460	(23,195)	-	(594)	-	-
Evidence Based Summer Learning and Enrichment	84-425U	S425U210027	100-034-5120-523	40,000	3/13/20-9/30/24	(1,000)	5,528	(22,773)	-	(353)	-	-
Evidence Based Comprehensive Beyond the School Day	84-425U	S425U210027	100-034-5120-523	40,000	3/13/20-9/30/24	(1,043)	5,528	(6,166)	-	(1,681)	-	-
NTSS Mental Health Support Staffing	84-425U	S425U210027	100-034-5120-523	45,000	3/13/20-9/30/24	(219,331)	15,500	(15,500)	-	-	326	-
Subtotal						(219,331)	445,526	(228,497)	-	(2,628)	326	-
Total U.S. Department of Education						(234,003)	694,041	(475,699)	-	(15,987)	326	-
Total Special Revenue Fund Assistance						(234,003)	694,041	(475,699)	-	(15,987)	326	-
Total Federal Financial Assistance						\$ (257,124)	\$ 846,931	\$ (575,137)	\$ -	\$ (18,728)	\$ 33,398	\$ -

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

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

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2022	CARRYOVER (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	SUB-RECIPIENT EXPENDITURES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2023	UNEARNED REVENUE AT JUNE 30, 2023	DUE TO GRANTOR AT JUNE 30, 2023	MEMO		
												BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES	
<b>State Department of Education:</b>														
<b>General Fund:</b>														
State Aid Public:														
Equalization Aid														
Categorical Special Education Aid	495-034-5120-078	\$ 2,332,180	7/1/22-6/30/23	\$ -	\$ -	2,332,180	(2,332,180)	\$ -	\$ -	\$ -	\$ -	225,010	\$ 2,332,180	
Categorical Security Aid	495-034-5120-089	507,214	7/1/22-6/30/23	-	-	507,214	(507,214)	-	-	-	-	48,936	507,214	
Total State Aid Public	495-034-5120-084	65,308	7/1/22-6/30/23	-	-	65,308	(65,308)	-	-	-	-	6,301	65,308	
						2,904,702	(2,904,702)					280,247	2,904,702	
Categorical Transportation Aid	495-034-5120-014	191,437	7/1/22-6/30/23	-	-	191,437	(191,437)	-	-	-	-	18,470	191,437	
Supplemental Stabilization Aid	495-034-5120-128	176,013	7/1/22-6/30/23	-	-	176,013	(176,013)	-	-	-	-	-	176,013	
Extraordinary Aid	495-034-5120-044	94,768	7/1/22-6/30/23	-	-	94,768	(94,768)	-	-	-	-	-	94,768	
Extraordinary Aid	495-034-5120-044	101,768	7/1/21-6/30/22	(101,768)	-	-	-	(94,768)	-	-	-	-	-	
Family Crisis Transportation Aid	495-034-5120-100	8,496	7/1/22-6/30/23	-	-	101,768	-	-	-	-	-	-	-	
Non-Public Transportation Costs	495-034-5120-100	12,792	7/1/22-6/30/23	-	-	8,496	(8,496)	-	-	-	-	-	8,496	
Non-Public Transportation Costs	495-034-5120-014	9,570	7/1/22-6/30/23	(9,570)	-	-	-	(12,792)	-	-	-	-	12,792	
On-Behalf TPAF Post-Retirement Medical (Nonbudgeted)	495-034-5120-014	9,570	7/1/21-6/30/22	-	-	9,570	-	-	-	-	-	-	-	
On-Behalf TPAF Post-Retirement Medical (Nonbudgeted)	495-034-5094-001	582,293	7/1/22-6/30/23	-	-	582,293	(582,293)	-	-	-	-	-	582,293	
On-Behalf TPAF Pension Contributions (Nonbudgeted)	495-034-5094-002	2,216,591	7/1/22-6/30/23	-	-	2,216,591	(2,216,591)	-	-	-	-	-	2,216,591	
On-Behalf TPAF Long-Term Disability Insurance Contributions (Nonbudgeted)	495-034-5094-004	701	7/1/22-6/30/23	-	-	701	(701)	-	-	-	-	-	701	
Reimbursed TPAF Social Security Contribution (Non-Budgeted)	100-034-5095-003	482,667	7/1/22-6/30/23	-	-	434,914	(482,667)	-	-	-	-	-	482,667	
Reimbursed TPAF Social Security Contribution (Non-Budgeted)	100-034-5095-003	469,965	7/1/21-6/30/22	(23,285)	-	23,285	-	-	-	-	-	-	-	
Total General Fund Assistance				(134,623)	-	6,641,274	(6,670,460)	-	(163,809)	-	-	298,717	6,670,460	
<b>Special Revenue Fund:</b>														
SDA Emergent Needs	100-034-5120-086	15,965	7/1/22-6/30/23	-	-	15,965	(15,965)	-	-	-	-	-	15,965	
Total Special Revenue Fund Assistance						15,965	(15,965)						15,965	
<b>Debt Service Fund:</b>														
Debt Service Type II	495-034-5120-125	34,825	7/1/22-6/30/23	-	-	34,825	(34,825)	-	-	-	-	-	34,825	
Total Debt Service Fund Assistance						34,825	(34,825)						34,825	
Total State Department of Education				(134,623)	-	6,692,064	(6,721,250)	-	(163,809)	-	-	298,717	6,721,250	
<b>State Department of Agriculture:</b>														
<b>Enterprise Fund:</b>														
State Reduced Lunch Program	495-010-3350-002	762	7/1/22-6/30/23	-	-	728	(762)	-	(34)	-	-	-	762	
State Reduced Breakfast Program	495-010-3350-002	4	7/1/22-6/30/23	-	-	4	(4)	-	-	-	-	-	4	
National School Lunch Program	495-010-3350-001	2,357	7/1/22-6/30/23	-	-	2,249	(2,357)	-	(108)	-	-	-	2,357	
National School Lunch Program	495-010-3350-001	7,393	7/1/21-6/30/22	(508)	-	508	-	-	-	-	-	-	-	
Total Enterprise Fund Assistance				(508)	-	3,489	(3,123)	-	(142)	-	-	-	3,123	
Total State Department of Agriculture				(508)	-	3,489	(3,123)	-	(142)	-	-	-	3,123	
Total State Financial Assistance				\$ (135,131)	\$ -	\$ 6,695,553	\$ (6,724,373)	\$ -	\$ (163,951)	\$ -	\$ -	\$ 298,717	\$ 6,724,373	
Less: Grants Not Subject to Major Program Determination:														
On-Behalf TPAF Post-Retirement Medical (Nonbudgeted)	495-034-5094-001	582,293	7/1/22-6/30/23					582,293						
On-Behalf TPAF Pension Contributions (Nonbudgeted)	495-034-5094-002	2,216,591	7/1/22-6/30/23					2,216,591						
On-Behalf TPAF Long-Term Disability Insurance Contributions (Nonbudgeted)	495-034-5094-004	701	7/1/22-6/30/23					701						
Total State Financial Assistance Subject to Major Program Determination								\$ (3,924,788)						

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

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

**Note 1. Basis of Presentation**

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the Shamong Township School District. The School District is defined in Note 1 of the basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

**Note 2. Summary of Significant Accounting Policies**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting and programs recorded in the capital projects fund are presented using the modified accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The School District did not elect the 10-percent de minimis indirect cost rate as discussed in 2 CFR 200.414.

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 School District for the year ended June 30, 2023. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2023.

**Note 3. Relationship to Basic Financial Statements**

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

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

**Note 3. Relationship to Basic Financial Statements (continued)**

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$38,454 for the general fund and \$0 for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 6,708,914	\$ 6,708,914
Special Revenue Fund	475,699	15,965	491,664
Debt Service Fund	-	34,825	34,825
Food Service Fund	99,438	3,123	102,561
Total Awards & Financial Assistance	<u>\$ 575,137</u>	<u>\$ 6,762,827</u>	<u>\$ 7,337,964</u>

**Note 4. Relationship to Federal and State Financial Reports**

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

**Note 5. Federal and State Loans Outstanding**

The Shamong Township School District had no loan balances outstanding at June 30, 2023.

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

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued \_\_\_\_\_ Unmodified \_\_\_\_\_

Internal control over financial reporting:

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

2) Significant deficiency(ies) identified? \_\_\_\_\_ yes   X   none reported

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

**Federal Awards - NOT APPLICABLE**

Internal control over major programs:

1) Material weakness(es) identified? \_\_\_\_\_ yes \_\_\_\_\_ no

2) Significant deficiency(ies) identified? \_\_\_\_\_ yes \_\_\_\_\_ none reported

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

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:

<b><u>CFDA Number(s)</u></b>	<b><u>FAIN Number(s)</u></b>	<b><u>Name of Federal Program or Cluster</u></b>
------------------------------	------------------------------	--

NOT APPLICABLE

Dollar threshold used to determine Type A programs \_\_\_\_\_

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

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

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

**State Financial Assistance**

Dollar threshold used to determine Type A programs \_\_\_\_\_ \$750,000 \_\_\_\_\_

Auditee qualified as low-risk auditee?   X   yes        no

Internal control over major programs:

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

    2) Significant deficiency(ies) identified?        yes   X   no

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

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

Identification of major programs:

<b><u>State Grant/Project Number(s)</u></b>	<b><u>Name of State Program</u></b>
_____	State Aid - Public: _____
495-034-5120-078	Equalization Aid _____
495-034-5120-084	Categorical Security Aid _____
495-034-5120-089	Categorical Special Education Aid _____
_____	_____
_____	_____
_____	_____

**SHAMONG TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Section II – Financial Statement Findings – N/A**

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

**Section III – Federal Awards & State Financial Assistance Findings & Questioned Costs**

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08.

**FEDERAL AWARDS – N/A**

**STATE FINANCIAL ASSISTANCE – N/A**



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

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

Financial Statement Findings – N/A

Federal Awards – N/A

State Financial Assistance – N/A