

**SHREWSBURY SCHOOL DISTRICT**

**Shrewsbury, New Jersey  
County of Monmouth**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2023**



**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
OF THE  
SHREWSBURY SCHOOL DISTRICT  
SHREWSBURY, NEW JERSEY**

**YEAR ENDED JUNE 30, 2023**

**PREPARED BY DISTRICT FINANCE OFFICER  
SCHOOL BUSINESS ADMINISTRATOR/BOARD SECRETARY  
LINDSEY CASE**



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**INTRODUCTORY SECTION**

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Shrewsbury Borough School District  
Office of the School Business Administrator/Board Secretary  
20 Obre Place, Shrewsbury, New Jersey 07702

Brent MacConnell  
Superintendent of Schools

Lindsey Case  
School Business Administrator/  
Board Secretary

January 25, 2024

Honorable President and Members of the Board of Education  
Shrewsbury School District  
County of Monmouth  
Shrewsbury, New Jersey 07702

Dear Board Members/Citizens:

The Annual Comprehensive Financial Report (ACFR) of the Shrewsbury School District (“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 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 Shrewsbury 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 as well as special education for children with special needs. The School District’s enrollment for the past five fiscal years are detailed below.

<u>Year</u>	<u>Total Student</u>	<u>Change</u>
2022-2023	471	2.39%
2021-2022	460	2.68%
2020-2021	448	-8.94%
2019-2020	492	-0.40%
2018-2019	494	3.13%

**ECONOMIC CONDITION AND OUTLOOK**

The Shrewsbury Borough Public School System is located in the east central part of Monmouth County. The Borough covers 2.2 square miles and as per the June 30, 2023 Monmouth County Planning Board estimates, has a population of approximately 4,184 who reside mainly in single family homes.

The school system is a Pre-K through 8<sup>th</sup> grade District with one school building and a maintenance building. The estimated student population as of June 30, 2023 of 471 students includes three (3) full day kindergarten classes, a Pre-School Tuition Program and four (4) out of district tuition students for special education.

**Hired Full-Time Reading Specialist**

- [Item 8.5 10.11.23 BOE Agenda](#)

**Textbook and Material Replacements**

- Big Ideas (advanced and standard editions) purchased in grades 5-8, purchased FY 2023
- Envisions 2020, K-5, purchased FY 2023
- Glencoe Science, Grades 6-8, purchased FY 2023

## **Mindfulness Program**

- Red Ribbon Week, School Counseling Week, Kindness Week, and schoolwide assemblies with Creating Yourself Counseling and the Monmouth County Prosecutor's Office
- Responsive Classroom, full-day training: Pre-K through grade 8 staff members received a full day of professional development training learning how to implement Responsive Classroom practices, particularly Morning Meeting and use of positive teacher language

## **Distance Learning Plan**

- Approved at BOE meeting
- [Remote Instruction Plan for School Closure](#)

## **Ongoing Assessment Plan**

- 2023-2024 District Goal At least 80% of students in grades K-8 will achieve Typical Growth or higher in both Mathematics and English Language Arts using the iReady Diagnostic Assessment as measured in Fall and Spring. At least 30% of students in grades k-8 will achieve Stretch Growth in both Mathematics and English Language Arts using iReady Diagnostic Assessment as measured in Fall and Spring.
  - Teacher SGO alignment to Goal
  - [Progress Reporting](#) on at July 2022 BOE meeting
- Summer Academic Program 2022
- Summer Academic Program 2023
- After School Academic Program 2023

## **SBS and Administration develop curricula for science**

- Curriculum revision and adoption in accordance with 2020 NJSLS Science Standards, [Item 9.6, 8.18.22 BOE Agenda](#)
- Gr. 1, Gr.3 and Administration participation in Rutgers Center for Math, Science & Comp. Education: Open Ed Science Introduction, Cranford, NJ, 10/10/2023. [Item 7.1, 9.20.23 BOE Agenda](#)

## **Additional Hardware for NJSLS Testing**

### **ONGOING DISTRICT MAINTENANCE:**

In the 2022-23 school year, the Board and Administration continued to review various maintenance projects on the school grounds that due to general aging over the last few years had become somewhat of a safety concern. As the district has limited capital and maintenance reserves, the district passed a referendum to address much needed repairs and upgrades that the district needs in order to provide the best learning environment for our students and staff as possible. The district also utilized their capital reserve funding to renovate bathrooms.

## **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 canceled 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 Holman Frenia Allison, P.C., Certified Public Accounts, 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 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 been accomplished without the efficient and dedicated services of our business office staff.

Respectfully submitted,

*Brent MacConnell*

Brent MacConnell  
Superintendent

*Lindsey Case*

Lindsey Case  
Business Administrator

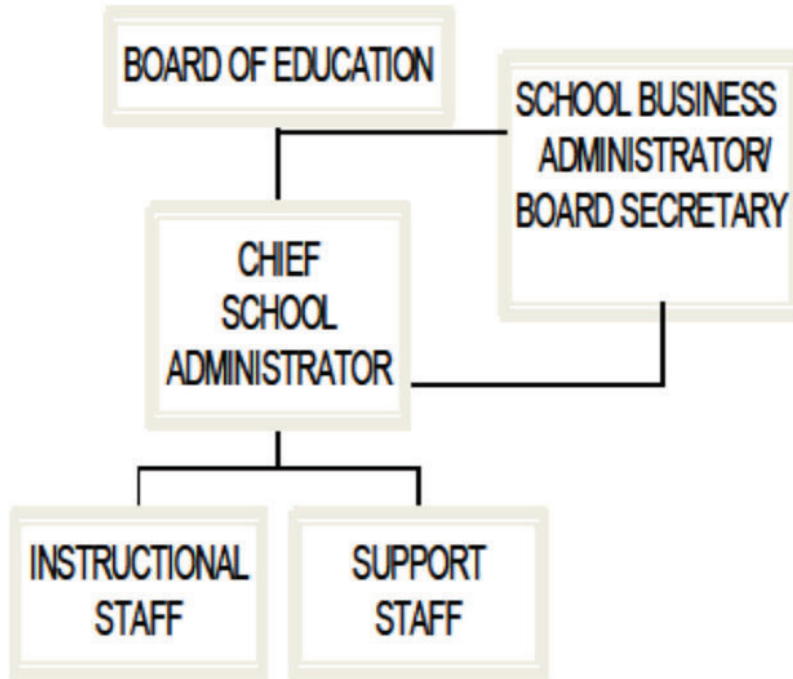
[www.sbs.k12.nj.us](http://www.sbs.k12.nj.us)

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SHREWSBURY SCHOOL DISTRICT  
SHREWSBURY, NEW JERSEY

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**SHREWSBURY SCHOOL DISTRICT  
SHREWSBURY, NEW JERSEY  
ROSTER OF OFFICIALS  
JUNE 30, 2023**

**Members of the Board of Education**

**TERM EXPIRES**

Jessica Groom, President	2025
Heather Gourly-Thompson, Vice President	2023
Carolyn Barber	2025
Michael Galvin	2024
Pamela Hemel	2024
Karen Hepburn-Goldberg	2025
Christopher Jannuzzi	2023
Rebecca Montgomery	2023
David Ngo	2024

**Other Officials**

Brent MacConnell, Superintendent  
Lindsey Case, Business Administrator  
William Donio, Board Attorney

**SHREWSBURY SCHOOL DISTRICT  
SHREWSBURY, NEW JERSEY  
CONSULTANTS AND ADVISORS  
JUNE 30, 2023**

**AUDITOR/AUDIT FIRM**

Jerry W. Conaty, CPA, PSA, RMA  
Holman Frenia Allison, P. C.  
1985 Cedar Bridge Ave., Suite 3  
Lakewood, New Jersey 08701

**ATTORNEY**

William S. Donio, Esquire  
Cooper Levinson, Attorneys at Law  
1125 Atlantic Avenue  
Atlantic City NJ, 08401

**OFFICIAL DEPOSITORY**

TD Bank  
CN 2050  
Shrewsbury NJ 07702

**ARCHITECT OF RECORD**

Spiezle Architectural Group, Inc.  
1395 Yardville Hamilton Square Road, Suite 2A  
Hamilton NJ. 08619

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**FINANCIAL SECTION**

Second Section

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Certified Public Accountants + Advisors

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194 East Bergen Place • Red Bank, NJ 07701 • 732.747.0010

[www.hfacpas.com](http://www.hfacpas.com)

## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Education  
Shrewsbury School District  
County of Monmouth  
Shrewsbury, New Jersey

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

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 Shrewsbury School District (hereafter referred to as the School District), County of Monmouth, 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 School District 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 Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with 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 the Financial Statements section of our report. We are required to be independent of the School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## **Auditor's Responsibility**

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, *Government Auditing Standards*, and audit requirements 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards* and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 judgment, 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 introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedule of expenditures of fstate financial assistance, as required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and related major fund supporting statements and schedules and schedule of expenditures of 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 our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2024 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 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,

HOLMAN FRENIA ALLISON, P.C.

Jerry W. Conaty  
Certified Public Accountant  
Public School Accountant, No. 2470

Lakewood, New Jersey  
January 25, 2024

**REQUIRED SUPPLEMENTARY INFORMATION - PART I**

Management's Discussion and Analysis

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## SHREWSBURY SCHOOL DISTRICT

### MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2023 UNAUDITED

This section of the Shrewsbury School District's (School District) Annual Comprehensive Financial Report (ACFR) presents our discussion and analysis of the School District's financial performance during the fiscal year that ended on June 30, 2023. Please read it in conjunction with the transmittal letter at the front of this report and the School District's financial statements, which immediately follow this section.

Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34, Basic Financial Statements MD&A for State and Local Governments issued in June 1999 that is also required by the New Jersey State Department of Education. Certain comparative information between the current fiscal year 2022 - 2023 and the prior fiscal year 2021 - 2022 is required to be presented in the MD&A.

#### FINANCIAL HIGHLIGHTS

Key financial highlights for 2023 are as follows:

- In total, net position of governmental activities increased \$191,564.97, which represents a 3.97% increase from 2022. Total net position of business-type activities increased \$2,421.77, which represents a 27.20% increase from 2022.
- General revenues accounted for \$10,109,963.39 in revenue or 83.78% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for 1,956,652.80 or 16.22% of total revenues of \$12,066,616.19.
- Total assets of governmental activities increased by \$22,873,163.12 as cash and cash equivalents increased by \$20,051,482.97, receivables increased by \$184,471.95, restricted cash and cash equivalents increased by \$1,017,556.62, and total capital assets increased by \$1,619,651.58.
- Total liabilities of governmental activities increased by \$22,850,426.15 as non-current liabilities due beyond one year increased by \$21,517,000.29.
- The School District had \$11,866,302.67 in governmental activity expenses; only \$1,947,904.25 of these expenses were offset by program specific charges for services, grants, or contributions. General revenues from governmental activities (primarily property taxes) of \$10,109,963.39 were adequate to provide for these programs, resulting in a increase in net position for governmental activities of \$191,564.97.
- In the governmental funds, the general fund had \$12,111,107.98 in revenues and \$12,315,761.31 in expenditures. The general fund's fund balance decreased by \$204,644.32 over 2022.

## USING THIS ACFR

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

This MD&A is intended to serve as an introduction to the School District's basic financial statements. The School District's basic financial statements are comprised of three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements.** The government-wide financial statements are designed to provide readers with an overview of the School District's finances, in a manner similar to a private-sector business.

The Statement of Net Position (A-1) presents information on the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources reported as net position. Over time, increases or decreases 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 Changes in Net Position (A-2) presents information showing how the net position of the School District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods of the School District.

The government-wide financial statements can be found as Exhibits A-1 and A-2 in this report.

**Fund Financial Statements.** A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the School District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

### ***Governmental Funds***

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the School District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the School District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The School District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance for the general fund, special revenue fund, capital projects fund and debt service fund, all of which are considered to be major funds.

The general and special revenue funds utilize a legally adopted annual budget. A budgetary comparison statement has been provided for the general fund and special revenue fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found as Exhibits B-1 through B-3 in this report.

### ***Proprietary Funds***

The School District maintains one proprietary fund type, an enterprise fund. The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the District is that the costs of providing goods or services be financed through user charges. The food services enterprise fund provides for the operation of food services in all schools within the School District. The proprietary fund has been included within business-type activities in the district-wide financial statements.

The food services fund detail financial statements can be found as Exhibits B-4 through B-6 in this report.

### ***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the district-wide financial statement because the resources of those funds are not available to support the School District's own programs.

Under the guidance of the *Governmental Accounting Standards Board* Statement No. 84, the District has reclassified the Fiduciary Funds maintained in the preceding period and now maintains no Fiduciary Funds.

**Notes to the Financial Statements.** The notes provide additional information that is essential for a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found after the fund financial statements in this report.

### **Government-Wide Financial Analysis**

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

As noted earlier, net position may serve over time as a useful indicator of the School District's financial position. The following table provides a summary of net position for June 30, 2023 and 2022, respectively:

**Net Position**  
**June 30, 2023 and 2022**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>Assets</b>				
Current and Other				
Assets	\$ 24,308,618.52	\$ 3,055,106.98	\$ 11,325.63	\$ 6,650.86
Capital Assets, Net	6,520,988.58	4,901,337.00	-	2,253.00
Total Assets	<u>30,829,607.10</u>	<u>7,956,443.98</u>	<u>11,325.63</u>	<u>8,903.86</u>
<b>Deferred Outflows of Resources</b>				
Deferred Outflows				
Relating to Pension	243,641.00	237,008.00	-	-
Total Assets and Deferred Outflows of Resources	<u>31,073,248.10</u>	<u>8,193,451.98</u>	<u>11,325.63</u>	<u>8,903.86</u>
<b>Liabilities</b>				
Long-Term Liabilities	24,011,584.18	1,787,671.00	-	-
Other Liabilities	1,069,039.17	442,526.20	-	-
Total Liabilities	<u>25,080,623.35</u>	<u>2,230,197.20</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>				
Deferred Inflows				
Relating to Pension	980,978.00	1,143,173.00	-	-
Total Liabilities and Deferred Inflows of Resources	<u>26,061,601.35</u>	<u>3,373,370.20</u>	<u>-</u>	<u>-</u>
<b>Net Position</b>				
Net Investment in				
Capital Assets	5,177,678.62	4,656,337.00	-	2,253.00
Restricted	1,769,512.57	1,022,143.64	-	-
Unrestricted	(1,935,544.44)	(858,398.86)	11,325.63	6,650.86
Total Net Position	<u>\$ 5,011,646.75</u>	<u>\$ 4,820,081.78</u>	<u>\$ 11,325.63</u>	<u>\$ 8,903.86</u>

The largest portion of the District's net position is its net investment in capital assets less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position increased \$747,368.93 from the prior year to \$1,769,512.57 at June 30, 2023.

Unrestricted net position may be used to meet the School District's ongoing operating obligations to vendors, debtors and employees. The unrestricted net position includes the unassigned General Fund balance netted with the amount of long-term obligations that are not invested in capital assets. The \$(1,935,544.44) is shown as unrestricted net position for Governmental Activities.



The following table provides a summary of revenues and expenses for the School District’s governmental and business-type activities and the change in net position for June 30, 2023 and 2022. Significant variances in revenues and expenditures from year to year, and explanations thereof, are detailed in the ‘Financial Analysis of the School District’s Funds’ section later in this report.

	<b>June 30, 2023</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Revenues:</b>			
Program Revenues:			
Charges for Services	\$ -	\$ 8,748.55	\$ 8,748.55
Operating Grants and Contributions	1,947,904.25	-	1,947,904.25
General Revenues:			
Property Taxes	9,100,116.00	-	9,100,116.00
Federal and State Aid	500,576.00	-	500,576.00
Miscellaneous	509,271.39	-	509,271.39
<b>Total Revenues</b>	<b>12,057,867.64</b>	<b>8,748.55</b>	<b>12,066,616.19</b>
<b>Expenses:</b>			
Instructional Services	7,512,770.62	-	7,512,770.62
Support Services	3,601,144.80	6,326.78	3,607,471.58
Special Schools	40,235.00	-	40,235.00
Interest and Other Charges	712,152.25	-	712,152.25
<b>Total Expenses</b>	<b>11,866,302.67</b>	<b>6,326.78</b>	<b>11,872,629.45</b>
Change in Net Position	191,564.97	2,421.77	193,986.74
Net Position, Beginning	4,820,081.78	8,903.86	4,828,985.64
Net Position, Ending	\$ 5,011,646.75	\$ 11,325.63	\$ 5,022,972.38
<b>June 30, 2022</b>			
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Revenues:</b>			
Program Revenues:			
Operating Grants and Contributions	\$ 3,947,409.99	\$ 1,171.86	\$ 3,948,581.85
General Revenues:			
Property Taxes	8,924,323.00	-	8,924,323.00
Federal and State Aid	433,381.00	-	433,381.00
Miscellaneous	213,420.34	-	213,420.34
<b>Total Revenues</b>	<b>13,518,534.33</b>	<b>1,171.86</b>	<b>13,519,706.19</b>
<b>Expenses:</b>			
Instructional Services	9,281,385.76	-	9,281,385.76
Support Services	3,330,264.65	183.00	3,330,447.65
Interest and Other Charges	31,091.00	-	31,091.00
<b>Total Expenses</b>	<b>12,642,741.41</b>	<b>183.00</b>	<b>12,642,924.41</b>
Change in Net Position	875,792.92	988.86	876,781.78
Net Position, Beginning	3,944,288.86	7,915.00	3,952,203.86
Net Position, Ending	\$ 4,820,081.78	\$ 8,903.86	\$ 4,828,985.64

## Financial Analysis of the School District's Funds

As noted earlier, the School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the School District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School District's financing requirements. The unassigned fund balance is divided between designated balances and undesignated balances. The capital projects fund is restricted by state law to be spent for the purpose of the fund and is not available for spending at the School District's discretion.

### Financial Information at Fiscal Year-End

The following schedule presents a summary of the general fund, special revenue fund, and debt service fund revenues for the fiscal year ended Jun 30, 2023 and 2022 and the amount and percentage of increases and (decreases) in relation to prior year revenues.

<b>June 30, 2023</b>				
	<b>Amount</b>	<b>Percent Of Total</b>	<b>Increase (Decrease) From 2022</b>	<b>Percent of Increase (Decrease)</b>
Current Expenditures:				
Instruction	\$ 4,877,122.12	34.46%	\$ 322,008.24	7.07%
Undistributed	7,048,208.51	49.79%	727,680.41	11.51%
Capital Outlay	1,965,126.58	13.88%	1,898,065.86	100.00%
Debt Service:				
Principal	245,000.00	1.73%	10,000.00	4.26%
Interest	19,327.70	0.14%	(8,899.30)	-31.53%
<b>Total</b>	<b>\$ 14,154,784.91</b>	<b>100.00%</b>	<b>\$ 2,948,855.21</b>	<b>26.32%</b>

<b>June 30, 2022</b>				
	<b>Amount</b>	<b>Percent Of Total</b>	<b>Increase (Decrease) From 2021</b>	<b>Percent of Increase (Decrease)</b>
Current Expenditures:				
Instruction	\$ 4,555,113.88	40.65%	\$ 245,251.88	5.69%
Undistributed	6,320,528.10	56.40%	651,595.10	11.49%
Capital Outlay	67,060.72	0.60%	54,432.72	431.05%
Debt Service:				
Principal	235,000.00	2.10%	5,000.00	2.17%
Interest	28,227.00	0.25%	5,152.00	22.33%
<b>Total</b>	<b>\$ 11,205,929.70</b>	<b>100.00%</b>	<b>\$ 961,431.70</b>	<b>9.38%</b>

Instruction costs increased primarily due to negotiated salary increases and additional instructional positions being added.

### General Fund Budgetary Highlights

Throughout the year, as necessary, budget transfers were effectuated between budget accounts to re-align the 2022-2023 budget. Budget transfers were effectuated based on expected positive and negative budget variances. The budget is continually managed and revised with budget transfers as necessary or practical to do so.

Significant Budget Transfers and Variations:

- Teachers' Pension and Annuity Fund (TPAF), which is the state’s contribution to the pension fund, is an “on-behalf” revenue and expenditure item to the district and is required to be reflected in the financial statements.
- Reallocations were made among the various salary budget accounts to reflect changes in the personnel budget for the 2022-2023 year.
- Transfers were made into purchased services for special education programs to provide funds for required additional services.

Based on the financial results of 2022-2023 unassigned fund balance increased by \$7,195.00 to \$253,999.00 (2% required per S-1701, net of allowable adjustments).

**Proprietary Funds.** The School District’s proprietary fund provides the same type of information found in the district-wide financial statements, but in more detail.

The Food Services Enterprise Fund showed an increase in net position of \$2,421.77 in 2022-2023 as compared to an increase in net position of \$988.86 in 2021-2022.

**Capital Assets**

At June 30, 2023 the School District has capital assets of \$6,520,988.58, net of depreciation, which includes land, construction in progress, land improvements, buildings/construction, machinery and equipment.

	<u>June 30, 2023</u>	
	Governmental Activities	Business-Type Activities
Land	\$ 69,345.00	\$ -
Construction In Progress	1,965,126.58	-
Land Improvements	550,577.00	-
Buildings/Construction	3,673,336.00	-
Machinery and Equipment	262,604.00	-
Total	<u>\$ 6,520,988.58</u>	<u>\$ -</u>
	<u>June 30, 2022</u>	
	Governmental Activities	Business-Type Activities
Land	\$ 69,345.00	\$ -
Land Improvements	604,263.00	-
Buildings/Construction	3,901,379.00	-
Machinery and Equipment	326,350.00	2,253.00
Total	<u>\$ 4,901,337.00</u>	<u>\$ 2,253.00</u>

Additional information on the School District's capital assets can be found in Note 5 to the basic financial statements.

**Debt Administration and Other Obligations**

At June 30, 2023 and 2022, the School District’s outstanding debt issues included \$19,930,000.00 and \$245,000.00 respectively of general obligation bonds and \$77,993.79 and \$84,250.00 respectively in compensated absences payable.

Additional information on the School District's debt administration and other obligations can be found in Note 7 to the basic financial statements.

### **Economic Factors and Subsequent Year's Budgets**

One of the goals of the School District is to prepare staff and facilities to meet the needs of all children. As such, the School District has been able to meet its educational and facility past budgets. The School District is preparing for Quality Single Accountability Continuum (QSAC) to be presented to the New Jersey Department of Education. This preparation ensures that the School District is educationally and financially meeting goals as set forth by the Department of Education and the School District's Board of Education and administration.

The current school year's financial situations is dramatically influenced by the inclusion and out-of-District placement for our Special Education population. In addition, the School District's referendum was approved by voters in November 2022 to add a new wing to the school for additional classrooms and a multipurpose room.

The School District will continue to maintain sound fiscal management that coincides with relevant legislation and enables the School District to continue to provide the high level of educational programs currently implemented. In addition, we will continue to seek discretionary funds to enable our school to continue to provide high-quality, sustained professional development for all of our teachers and support staff, Preschool through Grade 8, as well as continued funding to implement our full-day research-based Preschool and Kindergarten curricula, Early Literacy curricula, and all of the core curriculum content standards.

The School District continues to maintain health benefits in the State Health Care Program "SEHBP", but this may change in the near future because of double digit projected cost increase.

### **Requests for Information**

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's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Administrator/Board Secretary's Office, Shrewsbury School District, 20 Obre Place, Shrewsbury, New Jersey.

**BASIC FINANCIAL STATEMENTS**

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A. Government-Wide Financial Statements

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**SHREWSBURY SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

	<b>GOVERNMENTAL</b>	<b>BUSINESS-TYPE</b>	<b>TOTAL</b>
<b>ASSETS</b>	<b>ACTIVITIES</b>	<b>ACTIVITIES</b>	<b>TOTAL</b>
Cash & Cash Equivalents	\$ 22,314,837.88	\$ 11,325.63	\$ 22,326,163.51
Receivables, Net (Note 4)	262,480.36	-	262,480.36
Restricted Cash & Cash Equivalents	1,731,300.28	-	1,731,300.28
Capital Assets, Net (Note 5)			
Non-Depreciable	2,034,471.58	-	2,034,471.58
Depreciable	4,486,517.00	-	4,486,517.00
Total Assets	<u>30,829,607.10</u>	<u>11,325.63</u>	<u>30,840,932.73</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Related to Pensions (Note 8)	243,641.00	-	243,641.00
Total Deferred Outflow of Resources	<u>243,641.00</u>	<u>-</u>	<u>243,641.00</u>
<b>LIABILITIES</b>			
Due to Other Governments	141,983.00	-	141,983.00
Unearned Revenue	7,799.00	-	7,799.00
Accrued Interest	519,245.16	-	519,245.16
Other Liabilities	351,687.05	-	351,687.05
Noncurrent Liabilities (Note 7):			
Due Within One Year	706,912.89	-	706,912.89
Due in More Than One Year	23,304,671.29	-	23,304,671.29
Total Liabilities	<u>25,080,623.35</u>	<u>-</u>	<u>25,080,623.35</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to Pensions (Note 8)	980,978.00	-	980,978.00
Total Deferred Inflow of Resources	<u>980,978.00</u>	<u>-</u>	<u>980,978.00</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	5,177,678.62	-	5,177,678.62
Restricted for:			
Capital Projects (Note 3)	1,079,902.42	-	1,079,902.42
Debt Service	1.50	-	1.50
Maintenance Reserve (Note 3)	374,847.31	-	374,847.31
Excess Surplus (Note 16)	75,000.00	-	75,000.00
Unemployment Compensation	8,515.24	-	8,515.24
Student Activities	231,246.10	-	231,246.10
Unrestricted (Deficit) (Note 18)	(1,935,544.44)	11,325.63	(1,924,218.81)
Total Net Position	<u>\$ 5,011,646.75</u>	<u>\$ 11,325.63</u>	<u>\$ 5,022,972.38</u>

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

**SHREWSBURY SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2023**

	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>FUNCTIONS/PROGRAMS:</b>						
Governmental Activities:						
Instruction:						
Regular Instruction	\$ 5,578,159.35	\$ -	\$ 1,456,375.58	\$ (4,121,783.77)	\$ -	\$ (4,121,783.77)
Special Education Instruction	1,818,204.61	-	396,916.13	(1,421,288.48)	-	(1,421,288.48)
Other Instruction	116,406.66	-	25,422.31	(90,984.35)	-	(90,984.35)
Support Services:						
Tuition	245,358.90	-	-	(245,358.90)	-	(245,358.90)
Student & Instruction Related Services	1,393,844.73	-	69,190.23	(1,324,654.50)	-	(1,324,654.50)
General Administrative	501,962.94	-	-	(501,962.94)	-	(501,962.94)
School Administrative Services	130,888.49	-	-	(130,888.49)	-	(130,888.49)
Central Services	349,224.39	-	-	(349,224.39)	-	(349,224.39)
Administrative Info. Technology	40,752.96	-	-	(40,752.96)	-	(40,752.96)
Plant Operations & Maintenance	802,429.58	-	-	(802,429.58)	-	(802,429.58)
Pupil Transportation	136,682.81	-	-	(136,682.81)	-	(136,682.81)
Transfer to Charter Schools	40,235.00	-	-	(40,235.00)	-	(40,235.00)
Interest & Other Charges	712,152.25	-	-	(712,152.25)	-	(712,152.25)
Total Governmental Activities	11,866,302.67	-	1,947,904.25	(9,918,398.42)	-	(9,918,398.42)
Business-Type Activities:						
Food Service	6,326.78	8,748.55	-	-	2,421.77	2,421.77
Total Business-Type Activities	6,326.78	8,748.55	-	-	2,421.77	2,421.77
Total Primary Government	\$ 11,872,629.45	\$ 8,748.55	\$ 1,947,904.25	(9,918,398.42)	2,421.77	(9,915,976.65)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes				8,847,155.00	-	8,847,155.00
Property Taxes, Levied for Debt Service				252,961.00	-	252,961.00
Federal & State Aid Not Restricted				500,576.00	-	500,576.00
Tuition Charges				72,000.00	-	72,000.00
Miscellaneous				437,271.39	-	437,271.39
Total General Revenues				10,109,963.39	-	10,109,963.39
Change In Net Position				191,564.97	2,421.77	193,986.74
Net Position - Beginning				4,820,081.78	8,903.86	4,828,985.64
Net Position - Ending	\$	5,011,646.75	\$	11,325.63	\$	5,022,972.38

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

## **B. Fund Financial Statements**

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## **Governmental Funds**

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**SHREWSBURY SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2023**

	MAJOR FUNDS				
	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>					
Cash & Cash Equivalents	\$ 1,165,844.45	\$ -	\$ 21,351,084.44	\$ 3,979.75	\$ 22,520,908.64
Receivables, Net:					
Interfund Receivable	406.88	40,369.59	-	-	40,776.47
Due from Other Governments:					
Federal	-	169,796.96	-	-	169,796.96
State	79,323.40	947.00	-	-	80,270.40
Other Accounts Receivable	-	12,413.00	-	-	12,413.00
Restricted Cash & Cash Equivalents	1,463,264.97	268,035.31	-	-	1,731,300.28
<b>Total Assets</b>	<b>\$ 2,708,839.70</b>	<b>\$ 491,561.86</b>	<b>\$ 21,351,084.44</b>	<b>\$ 3,979.75</b>	<b>\$ 24,555,465.75</b>
<b>LIABILITIES &amp; FUND BALANCES</b>					
<b>Liabilities:</b>					
Cash Deficit	\$ -	\$ 206,070.76	\$ -	\$ -	\$ 206,070.76
Accounts Payable	43,282.17	5,042.79	-	-	48,324.96
Intergovernmental Payable:					
State	-	12,413.00	-	-	12,413.00
Interfund Payable	-	36,789.21	9.01	3,978.25	40,776.47
Unearned Revenue	7,799.00	-	-	-	7,799.00
Payroll Deductions and Withholdings	336,346.38	-	-	-	336,346.38
Unemployment Claims	15,340.67	-	-	-	15,340.67
<b>Total Liabilities</b>	<b>402,768.22</b>	<b>260,315.76</b>	<b>9.01</b>	<b>3,978.25</b>	<b>667,071.24</b>
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Capital Reserve	1,079,902.42	-	-	-	1,079,902.42
Maintenance Reserve	374,847.31	-	-	-	374,847.31
Unemployment Reserve	8,515.24	-	-	-	8,515.24
Student Activities	-	231,246.10	-	-	231,246.10
Excess Surplus	75,000.00	-	-	-	75,000.00
Capital Projects	-	-	21,351,075.43	-	21,351,075.43
Debt Service	-	-	-	1.50	1.50
<b>Assigned to:</b>					
<b>Designated for</b>					
Subsequent Year Expenditures	38,311.00	-	-	-	38,311.00
Other Purposes	475,496.51	-	-	-	475,496.51
Unassigned	253,999.00	-	-	-	253,999.00
<b>Total Fund Balances</b>	<b>2,306,071.48</b>	<b>231,246.10</b>	<b>21,351,075.43</b>	<b>1.50</b>	<b>23,888,394.51</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$ 2,708,839.70</b>	<b>\$ 491,561.86</b>	<b>\$ 21,351,084.44</b>	<b>\$ 3,979.75</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 \$13,736,073.58 and the accumulated depreciation is \$7,215,085.00.	6,520,988.58
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refunding are applicable to future reporting periods and therefore are not reported in the funds.	
Deferred Outflows Related to Pensions	243,641.00
Deferred Inflows Related to Pensions	(980,978.00)
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	(519,245.16)
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.	(129,570.00)
Long-term liabilities, including net pension liability and bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(24,011,584.18)
Net Position of Governmental Activities	<b>\$ 5,011,646.75</b>

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

	MAJOR FUNDS				TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	
Revenues:					
Local Sources:					
Local Tax Levy	\$ 8,847,155.00	\$ -	\$ -	\$ 252,961.00	\$ 9,100,116.00
Tuition Charges	72,000.00	-	-	-	72,000.00
Miscellaneous	302,850.69	134,411.69	9.01	-	437,271.39
Total Local Sources	9,222,005.69	134,411.69	9.01	252,961.00	9,609,387.39
State Sources	2,889,102.29	24,280.00	-	-	2,913,382.29
Federal Sources	-	283,473.96	-	-	283,473.96
Total Revenues	12,111,107.98	442,165.65	9.01	252,961.00	12,806,243.64
Expenditures:					
Instruction:					
Regular Instruction	3,382,586.67	238,564.73	-	-	3,621,151.40
Special Education Instruction	1,180,403.04	-	-	-	1,180,403.04
Other Instruction	75,567.68	-	-	-	75,567.68
Support Services:					
Tuition	203,766.02	-	-	-	203,766.02
Attendance & Social Work Services	37,915.39	-	-	-	37,915.39
Health Services	82,797.58	-	-	-	82,797.58
Student & Instruction Related Services	856,150.65	180,751.80	-	-	1,036,902.45
General Administrative	416,850.08	-	-	-	416,850.08
School Administrative Services	108,727.02	-	-	-	108,727.02
Central Services	289,966.57	-	-	-	289,966.57
Administrative Information Technology	33,847.58	-	-	-	33,847.58
Plant Operations & Maintenance	666,409.61	-	-	-	666,409.61
Pupil Transportation	113,557.81	-	-	-	113,557.81
Unallocated Benefits	1,628,707.11	-	-	-	1,628,707.11
On Behalf TPAF Pension and Social Security Contributions	2,388,526.29	-	-	-	2,388,526.29
Transfer to Charter Schools	40,235.00	-	-	-	40,235.00
Capital Outlay	798,382.01	-	1,166,744.57	-	1,965,126.58
Debt Service:					
Principal	-	-	-	245,000.00	245,000.00
Interest & Other Charges	11,365.20	-	-	7,962.50	19,327.70
Total Expenditures	12,315,761.31	419,316.53	1,166,744.57	252,962.50	14,154,784.91
Excess/(Deficiency) of Revenues Over Expenditures	(204,653.33)	22,849.12	(1,166,735.56)	(1.50)	(1,348,541.27)
Other Financing Sources (Uses):					
Transfers In	9.01	-	-	-	9.01
Transfers Out	-	-	(9.01)	-	(9.01)
Bond Proceeds	-	-	22,768,257.85	-	22,768,257.85
Costs of Issuance	-	-	(250,437.85)	-	(250,437.85)
Total Other Financing Sources (Uses)	9.01	-	22,517,810.99	-	22,517,820.00
Net Changes in Fund Balances	(204,644.32)	22,849.12	21,351,075.43	(1.50)	21,169,278.73
Fund Balance, July 1,	2,510,715.80	208,396.98	-	3.00	2,719,115.78
Fund Balance, June 30	\$ 2,306,071.48	\$ 231,246.10	\$ 21,351,075.43	\$ 1.50	\$ 23,888,394.51

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





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## **Proprietary Funds**

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

	<b>MAJOR FUNDS</b>
	<b>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</b>
	<b>FOOD SERVICE</b>
<b>ASSETS</b>	
Current Assets:	
Cash & Cash Equivalents	\$ 11,325.63
Total Current Assets	11,325.63
Noncurrent Assets:	
Capital Assets	21,397.00
Less: Accumulated Depreciation	(21,397.00)
Total Assets	11,325.63
<b>NET POSITION</b>	
Unrestricted	11,325.63
Total Net Position	\$ 11,325.63

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

**SHREWSBURY SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
 YEAR ENDED JUNE 30, 2023**

	<b>MAJOR FUNDS</b>
	<b>BUSINESS-TYPE</b>
	<b>ACTIVITIES -</b>
	<b>ENTERPRISE</b>
	<b>FUNDS</b>
	<b>FOOD</b>
	<b>SERVICE</b>
Operating Revenues:	
Charges for Services:	
Miscellaneous	\$ 8,748.55
Total Operating Revenues	8,748.55
Operating Expenses:	
Purchased Services	1,415.80
Supplies and Materials	2,657.98
Depreciation	2,253.00
Total Operating Expenses	6,326.78
Operating Income/(Loss)	2,421.77
Change in Net Position	2,421.77
Total Net Position - Beginning	8,903.86
Total Net Position - Ending	\$ 11,325.63

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

**SHREWSBURY SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 YEAR ENDED JUNE 30, 2023**

	<b>MAJOR FUNDS</b>
	<b>BUSINESS-TYPE</b>
	<b>ACTIVITIES -</b>
	<b>ENTERPRISE</b>
	<b>FUNDS</b>
	<b>FUNDS</b>
	<b>FOOD</b>
	<b>SERVICE</b>
Cash Flows From Operating Activities:	
Receipts from Customers	\$ 8,748.55
Payments to Suppliers	(4,073.78)
Net Cash Used for Operating Activities	4,674.77
Net Increase in Cash & Cash Equivalents	4,674.77
Balances - Beginning of Year	6,650.86
Balances - End of Year	\$ 11,325.63
<b>Reconciliation of Operating Income/(Loss) to Net Cash    Provided by/(Used for) Operating Activities:</b>	
Operating Loss	\$ 2,421.77
Adjustments to Reconcile Operating (Loss) to Net Cash Provided by/(Used for) Operating Activities:	
Depreciation	2,253.00
Total Adjustments	2,253.00
Net Cash Used by Operating Activities	\$ 4,674.77

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

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**Fiduciary Fund**

*Not Applicable*

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**SHREWSBURY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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**SHREWSBURY 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 Shrewsbury 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). GASB is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

**Reporting Entity**

The School District is a Type II district located in the County of Monmouth, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the Board). The Board is comprised of nine members appointed to three-year terms. These terms are staggered so that three members' terms expire each year. The School District provides a full range of educational services appropriate to grades levels kindergarten through 8th grade. These include regular, vocational, as well as special education for handicapped youngsters. The School District has an approximate enrollment at June 30, 2023 of 465 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*, and 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 - an Amendment of GASB Statement No. 14* and GASB Statement No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plan- an Amendment of GASB Statements No. 14 and No. 84*. The School District had no component units as of for the year ended June 30, 2023.

**SHREWSBURY SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023 (Continued)**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**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.

**A. 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. Fiduciary activities of the School District are not included in these statements.

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 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. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes.

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.

**B. 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. The School District has presented all major funds that met those qualifications.

**SHREWSBURY SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023 (Continued)**

**Note 1. Summary of Significant Accounting Policies (Continued)**

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. Expenditures are recorded in the accounting period in which the related fund liability is incurred. 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 asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific purposes or projects are recognized in the period in which the expenditures are recorded. All other revenue items are considered to be measurable and available only when cash is received by the School District. Transfers between governmental funds are recorded when the related liability is incurred. These transfers do not represent revenues (expenditures) to the School District and are, therefore, reported as other financing sources (uses) in the governmental fund financial statements.

Since the fund level statements are presented using a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented on the page following each fund level statement that summarizes the adjustments necessary to convert the fund level statements into the government-wide presentations.

The School District funds outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. 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. In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the School District’s policy to consider restricted fund balance to have been depleted before any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**SHREWSBURY SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023 (Continued)**

**Note 1. Summary of Significant Accounting Policies (Continued)**

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 noninstructional equipment which are classified in the capital outlay sub-fund.

As required by the New Jersey Department of Education (DOE) 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.

**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 proprietary funds, and local appropriations that are restricted or committed to expenditures for specified purposes.

**Capital Projects Fund** – The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the acquisition of construction of major capital facilities, other than those financed by proprietary funds. The financial resources are derived from New Jersey School Development Authority grants, temporary notes, capital leases, or serial bonds that are specially authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

**Debt Service Fund** – The debt service fund is used to account for the accumulation of financial resources that are restricted, committed, or assigned to an expenditure for the payment of general long-term debt principal, interest and related costs of governmental funds.

**C. 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.

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.



**SHREWSBURY SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023 (Continued)**

**Note 1. Summary of Significant Accounting Policies (Continued)**

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.

The School District reports the following major proprietary funds:

**Food Service Fund** – The food service fund accounts for the financial transactions related to the food service operations of the School District.

**D. Fiduciary Fund Financial Statements**

Fiduciary fund financial statements include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The School District’s fiduciary funds include Custodial Funds, which are used to report fiduciary activities where the School District controls assets that are collected on behalf of other entities. These assets are not held in a trust and are distributed in accordance with applicable policies. The Custodial Funds are accounted for on a spending or “economic resources” measurement focus and the accrual basis of accounting in accordance with GASBS No. 84, Fiduciary Activities.

The School District reports no fiduciary funds.

**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*.

**SHREWSBURY SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023 (Continued)**

**Note 1. Summary of Significant Accounting Policies (Continued)**

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

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

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.

**SHREWSBURY SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023 (Continued)**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**Cash, Cash Equivalents and Investments**

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

Investments are stated at fair value in accordance with GASB. 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.

*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 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. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

For purposes of the statement of cash flows, the School District considers all highly liquid investments (including restricted assets) with a maturity when purchased of twelve months or less and all local government investment pools to be cash equivalents.

**Tuition Receivable/Payable**

Tuition rates were established by the receiving School District based on estimated costs. The charges are subject to adjustment when the actual costs are 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. As previously mentioned, these amounts are eliminated in the governmental and business-type columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are presented as Internal Balances in the Statement of Net Position.

**SHREWSBURY SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023 (Continued)**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**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 market value at the date of donation. All reported capital assets except land and construction in progress are depreciated. 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. The School District does not possess any infrastructure. The School District has established a threshold of \$2,000 for capitalization of depreciable assets.

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

<b>Description:</b>	<b>Governmental Activities <u>Estimated Lives</u></b>	<b>Business-Type Activities <u>Estimated Lives</u></b>
Building and Improvements	10-50 Years	N/A
Equipment	5-20 Years	5-12 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 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.

**SHREWSBURY SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023 (Continued)**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**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 GAAP 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.

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.

**SHREWSBURY SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023 (Continued)**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**Deferred Loss on Refunding Debt**

Deferred loss on refunding debt arising from the issuance of the refunding bonds is recorded as deferred outflows of resources. It is amortized in a systematic and rational manner over the shorter of the duration of the related debt or the new debt issues as a component of interest expense.

**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 GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances in the governmental funds financial statements are classified into the following five categories, as defined below:

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.

**SHREWSBURY SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023 (Continued)**

**Note 1. Summary of Significant Accounting Policies (Continued)**

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board. These amounts cannot be used for any other purpose unless the Board 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.

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 or through the Board delegating this responsibility to the business administrator through the budgetary process.

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 into 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 – This component of 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 – This component of net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

**Subsequent Events**

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2023 and January 25, 2024, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements.

**SHREWSBURY SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023 (Continued)**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**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. 99, *Omnibus 2022*.

Management has determined that the implementation of these statements did not have a material impact on the District's financial statements.

Accounting Pronouncements Effective in Future Reporting Periods

The following GASB Statements will become effective in future fiscal periods:

- Statement No. 100, *Accounting Changes and Error Corrections- an amendment of GASB Statement No. 62*. The effective date is for fiscal years beginning after June 15, 2023.
- Statement No. 101, *Compensated Absences*. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023.

Management has not yet determined the impact of these statements 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 the Federal Deposit Insurance Corporation (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, 2022, the School District's bank balance of \$24,816,541.64 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$ 24,363,367.84
Uninsured and Uncollateralized	<u>453,173.80</u>
Total	<u><u>\$ 24,816,541.64</u></u>

**Investments**

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



**SHREWSBURY SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023 (Continued)**

**Note 3. Reserve Accounts**

*Capital Reserve*

A capital reserve account was established by the School District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the 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	\$	579,902.42
Increased by:		
Deposits Approved by Board		500,000.00
Ending Balance, June 30, 2023	\$	1,079,902.42

*Maintenance Reserve*

The School District established a maintenance reserve account for the accumulation of funds for use as required maintenance of a facility in subsequent fiscal years.

Funds placed in the maintenance reserve account are restricted to maintenance projects in the School District’s approved Maintenance Plan (M-1). A School District may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. The balance in the account cannot at any time exceed four percent of the replacement cost of the School District’s school facilities for the current year.

**SHREWSBURY SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023 (Continued)**

**Note 3. Reserve Accounts (Continued)**

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

Beginning Balance, July 1, 2022	\$	125,326.00
Increased by:		
Deposits Approved by Board		249,521.31
Ending Balance, June 30, 2023	\$	374,847.31

*Unemployment Reserve*

Unemployment Claim Reserve funds are restricted pursuant to N.J.S.A. 43:21-7.3(g), which requires that employer and employee contribution be held in a trust fund maintained by the governmental entity or instrumentality for unemployment benefit cost purposes and any surplus remaining in this trust fund must be retained in reserve for payment of benefit costs in subsequent years.

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

Ending Balance, June 30, 2023 and 2022	\$	8,515.24
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**Note 4. Accounts Receivable**

Accounts receivable at June 30, 2023 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state and federal programs, the current fiscal year guarantee of federal funds and the budgetary control of New Jersey governmental entities. Accounts receivable in the School District's governmental and business-type activities as of June 30, 2023, consisted of the following:

<b>Description:</b>	<b>Governmental Funds</b>			<b>Total Governmental Activities</b>
	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Debt Service Fund</b>	
Federal Awards	\$ -	\$ 169,796.96	\$ -	\$ 169,796.96
State Awards	79,323.40	947.00	-	80,270.40
Other	-	12,413.00	-	12,413.00
Total	\$ 79,323.40	\$ 183,156.96	\$ -	\$ 262,480.36

**SHREWSBURY 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:

	<b>Governmental Activities</b>		
	<b>Balance July 1, 2022</b>	<b>Additions</b>	<b>Balance June 30, 2023</b>
<b>Governmental Activities:</b>			
Capital assets not being depreciated:			
Land	\$ 69,345.00	\$ -	\$ 69,345.00
Construction in Progress	-	1,965,126.58	1,965,126.58
<b>Total Capital Assets not being depreciated</b>	<b>69,345.00</b>	<b>1,965,126.58</b>	<b>2,034,471.58</b>
Capital Assets being depreciated:			
Land Improvements	1,062,967.00	-	1,062,967.00
Buildings and Improvements	9,210,279.00	-	9,210,279.00
Equipment	1,428,356.00	-	1,428,356.00
<b>Total Capital Assets being depreciated</b>	<b>11,701,602.00</b>	<b>-</b>	<b>11,701,602.00</b>
Less: Accumulated Depreciation:			
Land Improvements	(458,704.00)	(53,686.00)	(512,390.00)
Buildings and Improvements	(5,308,900.00)	(228,043.00)	(5,536,943.00)
Equipment	(1,102,006.00)	(63,746.00)	(1,165,752.00)
<b>Total Accumulated Depreciation</b>	<b>(6,869,610.00)</b>	<b>(345,475.00)</b>	<b>(7,215,085.00)</b>
<b>Total Capital Assets being depreciated, net</b>	<b>4,831,992.00</b>	<b>(345,475.00)</b>	<b>4,486,517.00</b>
<b>Total Governmental Activities Capital Assets, net</b>	<b>\$ 4,901,337.00</b>	<b>\$ 1,619,651.58</b>	<b>\$ 6,520,988.58</b>
<b>Business-Type Activities</b>			
	<b>Balance July 1, 2022</b>	<b>Additions</b>	<b>Balance June 30, 2023</b>
<b>Business-Type Activities:</b>			
Equipment	\$ 21,397.00	\$ -	\$ 21,397.00
<b>Total Capital Assets being depreciated</b>	<b>21,397.00</b>	<b>-</b>	<b>21,397.00</b>
Less: Accumulated Depreciation:			
Equipment	(19,144.00)	(2,253.00)	(21,397.00)
<b>Total Capital Assets being depreciated, net</b>	<b>(19,144.00)</b>	<b>(2,253.00)</b>	<b>(21,397.00)</b>
<b>Total Business-Type Activities Capital Assets, net</b>	<b>\$ 2,253.00</b>	<b>\$ (2,253.00)</b>	<b>\$ -</b>

**SHREWSBURY SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023 (Continued)**

**Note 5. Capital Assets (Continued)**

Depreciation expense was charged to functions/programs of the School District as follows:

**Governmental Activities:**

Instruction:	
Regular Instruction	\$ 159,022.14
Special Education Instruction	51,821.25
Other Instruction	3,316.56
Support Services:	
Tuition	8,947.80
Student & Instruction Related Services	50,819.37
General Administrative	18,310.18
School Administrative Services	4,767.56
Central Services	12,748.03
Administrative Info. Technology	1,485.54
Plant Operations & Maintenance	29,261.73
Pupil Transportation	4,974.84
	<hr/>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 345,475.00</u></u>

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

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

<b>Fund:</b>	<b>Interfund Receivables</b>	<b>Interfund Payables</b>
	<hr/>	<hr/>
General Fund	\$ 406.88	\$ -
Special Revenue Fund	40,369.59	36,789.21
Capital Projects Fund	-	9.01
Debt Service Fund	-	3,978.25
	<hr/>	<hr/>
Total	<u><u>\$ 40,776.47</u></u>	<u><u>\$ 40,776.47</u></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.

The District had no interfund transfers during the year ended June 30, 2023.

**SHREWSBURY SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023 (Continued)**

**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:

	<b>Balance</b>			<b>Balance</b>	<b>Balance</b>
	<b>June 30, 2022</b>	<b>Additions</b>	<b>Reductions</b>	<b>June 30, 2023</b>	<b>Due Within</b>
					<b>One Year</b>
Governmental Activities:					
General Obligation Bonds	\$ 245,000.00	\$ 19,930,000.00	\$ 245,000.00	\$19,930,000.00	\$ 565,000.00
Bond Premium	-	2,838,257.85	73,872.46	2,764,385.39	141,912.89
Compensated Absences	84,250.00	-	6,256.21	77,993.79	-
Net Pension Liability	1,458,421.00	-	219,216.00	1,239,205.00	-
<b>Total</b>	<b>\$ 1,787,671.00</b>	<b>\$ 22,768,257.85</b>	<b>\$ 544,344.67</b>	<b>\$24,011,584.18</b>	<b>\$ 706,912.89</b>

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.

On January 24, 2012 the School District issued \$2,395,000 of General Obligation Bonds. The General Obligation Bonds were issued at varying interest rates of 2.000% to 3.25% and mature on February 15, 2023.

On December 22, 2022 the School District issued \$19,930,000 of General Obligation Bonds. The General Obligation Bonds were issued at an interest rates of 5.000% and mature on August 15, 2042.

Fiscal Year Ending June 30,	<b>Principal</b>		<b>Interest</b>		<b>Total</b>
2024	\$ 565,000.00	\$	1,129,081.94	\$	1,694,081.94
2025	730,000.00		950,000.00		1,680,000.00
2026	770,000.00		912,500.00		1,682,500.00
2027	805,000.00		873,125.00		1,678,125.00
2028	845,000.00		831,875.00		1,676,875.00
2029-2033	4,915,000.00		3,463,125.00		8,378,125.00
2034-2038	5,650,000.00		2,118,750.00		7,768,750.00
2039-2042	5,650,000.00		706,250.00		6,356,250.00
<b>Total</b>	<b>\$ 19,930,000.00</b>	<b>\$</b>	<b>10,984,706.94</b>	<b>\$</b>	<b>30,914,706.94</b>

**Bonds Authorized but not Issued**

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

**SHREWSBURY 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** – PERS is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey (the State), Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Annual Comprehensive Financial Report (ACFR) which can be found at <http://www.nj.gov/treasury/pensions/financial-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. 43:15A* 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 the fiscal year 2020, 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 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.

**SHREWSBURY SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023 (Continued)**

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

**Components of Net Pension Liability** – At June 30, 2023, the School District's proportionate share of the PERS net pension liability was \$1,239,205.00. 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, 2020, which was rolled forward to 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 0.008211% which was a decrease of 0.004100% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the School District recognized full accrual pension credit of \$258,476.00 in the government-wide financial statements. This pension credit 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	\$ 8,944.00	\$ 7,887.00
Changes of Assumptions	3,839.00	185,558.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	51,290.00	-
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	49,998.00	787,533.00
School District contributions subsequent to measurement date	129,570.00	-
	\$ 243,641.00	\$ 980,978.00

\$129,570.00 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2022-2023 total salaries for PERS employees multiplied by an employer pension contribution rate of 15.98%. The payable is due on 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:

Year Ending June 30,	
2024	\$ (253,805.00)
2025	(201,662.00)
2026	(173,917.00)
2027	(89,889.00)
2028	(147,634.00)
	\$ (866,907.00)

**SHREWSBURY SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023 (Continued)**

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

**Actuarial Assumptions** – The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75% - 6.55% Based on Years of Service
Investment Rate of Return	7.00%
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. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**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 rates of return for each major asset class included in PERS’s target asset allocation as of June 30, 2022 are summarized in the following table:



**SHREWSBURY SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023 (Continued)**

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

<b>Asset Class:</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market 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 and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

**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, 2022, 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:

	<b>At 1% Decrease (6.00%)</b>	<b>At Current Discount Rate (7.00%)</b>	<b>At 1% Increase (8.00%)</b>
School District's Proportionate Share of the Net Pension Liability	\$ 1,605,498.00	\$ 1,239,205.00	\$ 946,901.00

**SHREWSBURY SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023 (Continued)**

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

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

	06/30/23	06/30/22
Collective Deferred Outflows of Resources	\$1,660,772,008.00	\$ 1,164,738,169.00
Collective Deferred Inflows of Resources	3,236,303,935.00	8,339,123,762.00
Collective Net Pension Liability	15,219,184,920.00	11,972,785,878.00
School District's portion	0.00821%	0.01231%

**Special Funding Situation** – Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, are Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under the legislation 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 related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employers as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

School District Special Fund Allocation Pension Expense for the year ending June 30, 2023 totaled \$2,607.

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

**Plan Description** – TPAF is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which 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 the Division. For additional information about TPAF, please refer to Division's ACFR which can be found at [www.nj.gov/treasury/pensions/financial-reports.shtml](http://www.nj.gov/treasury/pensions/financial-reports.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.

**SHREWSBURY SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023 (Continued)**

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

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
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 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 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. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.5% in State fiscal year 2018. 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 2020, 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 \$19,495,505. 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 District was based on projection of the State's long-term contributions to the pension 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 TPAF net pension liability attributable to the School District was 0.037786%, which was a decrease of 0.000432% from its proportion measured as of June 30, 2021.

**SHREWSBURY SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023 (Continued)**

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

For the fiscal year ended June 30, 2023, the State recognized a pension expense in the amount of \$524,678.00 for the State's proportionate share of the TPAF pension expense attributable to the School District. This pension expense was based on the pension plans June 30, 2022 measurement date.

**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, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the 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 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 assumption 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:

**SHREWSBURY SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023 (Continued)**

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

<b>Asset Class:</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.94%
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 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. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments 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:

**SHREWSBURY SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023 (Continued)**

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

	<b>At 1% Decrease (6.00%)</b>	<b>At Current Discount Rate (7.00%)</b>	<b>At 1% Increase (8.00%)</b>
State's Proportionate Share of Net Pension Liability associated with the School District	\$ 22,858,894.00	\$ 19,495,505.00	\$ 16,662,272.00

**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 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:

	<b>06/30/23</b>	<b>06/30/22</b>
Collective Deferred Outflows of Resources	\$ 5,004,259,312.00	\$ 6,373,530,834.00
Collective Deferred Inflows of Resources	19,682,774,794.00	27,363,906.00
Collective Net Pension Liability	51,676,587,303.00	48,165,991,182.00
School District's portion	0.03779%	0.03822%

**C. Defined Contribution Retirement 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 PERS or TPAF on or after July 1, 2007, who earn salary in excess of established “maximum compensation” limits;
- 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 2019 is \$8,300 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.

**SHREWSBURY SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023 (Continued)**

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

**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. Member contributions are matched by a 3% contribution from the School District.

The District had no DCRP Eligible employees during the year ended June 30, 2023.

**Note 9. Other Post-Employment Benefits (OPEB)**

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

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

**Basis of Presentation**

The Schedule presents the State'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. The accompanying schedule was prepared in accordance with U.S.GAAP. Such preparation requires management of the State 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.

**SHREWSBURY SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023 (Continued)**

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

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

<b>Inflation Rate</b>	2.50%		
	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:			
Through 2026	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 the Scale MP-2021. Postretirement mortality rates were based on the PUB-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2021. Disability mortality was based on the PUB-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2021 for current disables retirees. Future disabled retirees were based on Pub-2010 "Safety" (PFRS), "General" (PERS), and "Teachers" (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

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

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 \$17,662,726.00. 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 0.0348745%, which was a decrease of 0.0003049% 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 \$788,920.00 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, 2023 measurement date.



**SHREWSBURY SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023 (Continued)**

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

**Health Care Trend Assumptions**

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

**Discount Rate**

The discount rate for June 30, 2022 was 3.54%, respectively. 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:

	<b>June 30, 2022</b>		
	<b>At 1% Decrease (2.54%)</b>	<b>At Discount Rate (3.54%)</b>	<b>At 1% Increase (4.54%)</b>
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 20,760,676.46	\$ 17,662,726.00	\$ 15,179,873.58
State of New Jersey's Total Nonemployer OPEB Liability	\$ 59,529,589,697.00	\$ 50,646,462,966.00	\$ 43,527,080,995.00

**SHREWSBURY SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023 (Continued)**

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

**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 discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<b>June 30, 2022</b>		
	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rate*</b>	<b>1% Increase</b>
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 14,599,322.63	\$ 17,662,726.00	\$ 21,686,692.35
State of New Jersey's Total Nonemployer OPEB Liability	\$ 41,862,397,291.00	\$ 50,646,462,966.00	\$ 62,184,866,635.00

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

**Additional Information**

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between Expected & Actual Experience	\$ 9,042,402,619.00	\$ 15,462,950,679.00
Change in Assumptions	8,765,620,577.00	17,237,289,230.00
Contributions Made in Fiscal Year Year Ending 2023 After June 30, 2022 Measurement Date **	TBD	N/A
	<u>\$ 17,808,023,196.00</u>	<u>\$ 32,700,239,909.00</u>

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

<b>Fiscal Year Ending June 30,</b>	
2021	\$ (2,517,151,602.00)
2022	(2,517,151,602.00)
2023	(2,517,151,602.00)
2024	(2,175,449,761.00)
2025	(1,243,951,140.00)
Thereafter	<u>(3,921,361,006.00)</u>
	<u>\$ (14,892,216,713.00)</u>

**SHREWSBURY SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023 (Continued)**

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

**Additional Information (continued):**

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

**Plan Membership**

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

Active Plan Members	213,148
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	151,669
	364,817
	364,817

**Changes in the Total OPEB Liability**

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2023 (measurement date June 30, 2022) is as follows:

<b>Total OPEB Liability</b>	
Service Cost	\$ 2,770,618,025.00
Interest Cost	1,342,187,139.00
Differences Between Expected & Actual Experiences	1,399,200,736.00
Changes of Assumptions	(13,586,368,097.00)
Contributions: Member	42,650,252.00
Gross Benefit Payments	(1,329,476,059.00)
	(9,361,188,004.00)
Net Change in Total OPEB Liability	(9,361,188,004.00)
Total OPEB Liability (Beginning)	60,007,650,970.00
	60,007,650,970.00
Total OPEB Liability (Ending)	\$ 50,646,462,966.00
	50,646,462,966.00
Total Covered Employee Payroll	\$ 14,753,355,408.00
Net OPEB Liability as a Percentage of Payroll	343%

**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 pension, social security, post-retirement medical costs, and long-term disability were \$1,632,992.00, \$325,671.29, \$428,983.00 and \$880.00, respectively.

**SHREWSBURY SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023 (Continued)**

**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, employee contributions, reimbursements to the State for benefits paid and the ending unemployment claims fund balance and/or unemployment trust liability of the School District for the current year and previous two years.

Fiscal Year	School District Contributions	Employee Contributions	Amount Reimbursed	Ending Balance	
				Restricted Unemployment Fund Balance	Unemployment Trust Liability
2023	\$ -	\$ 15,340.91	\$ -	\$ 8,515.24	\$ 15,340.67
2022	-	9,706.77	-	8,515.00	9,706.77
2021	-	5,227.00	6,737.00	8,515.00	-

**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.

**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, 2022 may be impaired. In the opinion of the School District, there are no significant contingent liabilities 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.

**SHREWSBURY SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023 (Continued)**

**Note 12. Contingencies (Continued)**

**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:

Lincoln Financial

**Note 14. Compensated Absences**

The School District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by GASB Statement No. 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 was estimated to be \$77,993.79.

**Note 15. Tax Abatements**

As defined by GASB Statement No. 77, *Tax Abatement*, 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 the State of New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the School District is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the School District’s local tax revenue because *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.

**SHREWSBURY SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023 (Continued)**

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

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 DOE 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 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 District had excess fund balance of \$75,000.00 at June 30, 2023.

**Note 17. Fund Balances**

General Fund – Of the \$2,306,071.48 General Fund fund balance at June 30, 2023, \$1,079,902.42 has been restricted for the Capital Reserve Account; \$374,847.31 has been restricted for the Maintenance Reserve Account; \$8,515.24 has been restricted for the Unemployment Reserve Account; \$75,000.00 is restricted for current year excess surplus; \$38,311.00 is assigned - designated for subsequent year's expenditures; \$475,496.51 is assigned to other purposes; \$253,999.00 is unassigned.

Special Revenue Fund – Of the \$231,246.1 Special Revenue Fund fund balance at June 30, 2023, \$231,246.10 is restricted for future expenditures for Student related activities.

Capital Projects Fund – Of the \$21,351,075.43 Capital Projects Fund fund balance at June 30, 2023, \$21,351,075.43 is restricted for future capital projects approved by the School District.

Debt Service Fund – Of the \$1.50 Debt Service Fund fund balance at June 30, 2023, \$1.50 is restricted for future debt service payments.

**Note 18. Deficit in Net Position**

Unrestricted Net Position – The School District governmental activities had a deficit in unrestricted net position in the amount of \$(1,935,544.44) at June 30, 2023. The primary causes of this deficit is the School District not recognizing the receivable for the last two state aid payments and the recording of the net pension liability for the Public Employee's Retirement System (PERS) as of June 30, 2023. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

**Note 19. Commitments**

The District has contractual commitments at June 30, 2023 to various vendors which are recorded in the general fund as fund balance assigned to other purposes in the amount of \$475,496.51. These commitments are expected to be liquidated in the subsequent year.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

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### **C. Budgetary Comparison Schedules**

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**SHREWSBURY SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2023**

ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Revenues:				
Local Sources:				
Local Tax Levy	\$ 8,847,155.00	\$ -	\$ 8,847,155.00	\$ -
Tuition From Individuals	80,000.00	-	80,000.00	(8,000.00)
Interest Income	-	-	253,986.60	253,986.60
Unrestricted Miscellaneous Revenues	-	-	48,864.09	48,864.09
Interest Earned on Maintenance Reserve	1.00	-	1.00	(1.00)
Interest Earned on Capital Reserve Funds	1.00	-	1.00	(1.00)
Total Local Sources	8,927,157.00	-	8,927,157.00	294,848.69
State Sources:				
Categorical Transportation Aid	14,089.00	-	14,089.00	-
Extraordinary Aid	-	-	45,240.00	45,240.00
Categorical Special Education Aid	401,266.00	-	401,266.00	-
Categorical Security Aid	36,888.00	-	36,888.00	-
Adjustment Aid	7,643.00	-	7,643.00	-
Other State Aids	-	-	2,384.00	2,384.00
Nonbudgeted:				
TPAF Pension (on-behalf)	-	-	1,632,992.00	1,632,992.00
TPAF Social Security (reimbursed)	-	-	325,671.29	325,671.29
TPAF Post Retirements (on-behalf)	-	-	428,983.00	428,983.00
TPAF Long-Term Disability Insurance (on behalf)	-	-	880.00	880.00
Total State Sources	459,886.00	-	459,886.00	2,436,150.29
Total Revenues	9,387,043.00	-	9,387,043.00	2,730,998.98
Current Expense:				
Regular Programs - Instruction:				
Preschool - Salaries of Teachers	60,020.00	-	60,020.00	57,873.63
Kindergarten - Salaries of Teachers	249,560.00	(6,050.00)	243,510.00	236,429.51
Grades 1-5 - Salaries of Teachers	1,372,795.00	(152,626.00)	1,220,169.00	1,220,125.76
Grades 6-8 - Salaries of Teachers	914,630.00	94,770.00	1,009,400.00	1,009,399.59
Regular Programs - Home Instruction:				
Salaries of Teachers	5,000.00	(5,000.00)	-	-
Purchased Professional - Educational Services	1,000.00	(1,000.00)	-	-

**SHREWSBURY SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2023**

	JUNE 30, 2023			VARIANCE
ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	FINAL TO ACTUAL
Regular Programs - Undistributed Instruction:				
Other Salaries for Instruction	300,371.00	(12,145.00)	288,226.00	287,955.95
Purchased Professional - Educational Services	-	550.00	550.00	-
Purchased Technical Services	256,245.00	12,717.00	268,962.00	226,727.80
Other Purchased Services	26,420.00	(4,052.00)	22,368.00	22,225.07
General Supplies	136,881.00	201,090.14	337,971.14	284,069.10
Textbooks	-	35,054.15	35,054.15	35,054.15
Other Objects	5,500.00	(3,323.00)	2,177.00	2,176.11
	3,328,422.00	159,985.29	3,488,407.29	3,382,586.67
Total Regular Programs - Instruction				105,820.62
Special Education - Instruction:				
Learning and/or Language Disabilities:				
Salaries of Teachers	240,660.00	17,452.00	258,112.00	258,109.95
Other Salaries for Instruction	29,766.00	(28,410.00)	1,356.00	1,356.00
General Supplies	3,000.00	(3,000.00)	-	-
	273,426.00	(13,958.00)	259,468.00	259,465.95
Total Learning and/or Language Disabilities				2.05
Special Education - Instruction:				
Resource Room/Resource Center:				
Salaries of Teachers	871,760.00	30,548.05	902,308.05	902,306.14
General Supplies	2,000.00	(2,000.00)	-	-
	873,760.00	28,548.05	902,308.05	902,306.14
Total Resource Room/Resource Center				1.91
Special Education - Instruction:				
Preschool Disabilities - Full-Time:				
Salaries of Teachers	-	18,263.75	18,263.75	18,263.75
Other Salaries for Instruction	4,000.00	(3,632.80)	367.20	367.20
General Supplies	1,200.00	(1,200.00)	-	-
	5,200.00	13,430.95	18,630.95	18,630.95
Total Preschool Disabilities - Full-Time				-
	1,152,386.00	28,021.00	1,180,407.00	1,180,403.04
Total Special Education - Instruction				3.96
School-Sponsored Co-curricular/Extra Curricular Activities - Instruction:				
Salaries	50,000.00	(3,403.00)	46,597.00	42,985.34
Unused Vacation Payments	-	4,275.00	4,275.00	855.00
Supplies and Materials	2,000.00	(2,000.00)	-	-
	52,000.00	(1,128.00)	50,872.00	43,840.34
Total School-Sponsored Co-curricular/Extra Curricular Activities - Instruction				7.031.66

**SHREWSBURY SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2023**

	ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
School-Sponsored Athletics - Instruction:					
Salaries	11-402-100-100	20,000.00	5,417.00	25,417.00	-
Purchased Services	11-402-100-500	-	4,228.00	4,228.00	-
Supplies and Materials	11-402-100-600	2,700.00	(1,000.00)	1,700.00	17.66
Other Objects	11-402-100-800	-	400.00	400.00	-
<b>Total School-Sponsored Athletics - Instruction</b>		<b>22,700.00</b>	<b>9,045.00</b>	<b>31,745.00</b>	<b>17.66</b>
Summer School - Support Services:					
Salaries of Teachers	11-424-200-101	62,420.00	(62,420.00)	-	-
General Supplies	11-424-100-179	-	15,818.69	15,818.69	12,898.96
General Supplies	11-424-100-610	4,000.00	-	4,000.00	4,000.00
<b>Total Summer School - Support Services</b>		<b>66,420.00</b>	<b>(46,601.31)</b>	<b>19,818.69</b>	<b>16,898.96</b>
Undistributed Expenditures - Instruction (Tuition):					
Tuition to Other LEAs Within State - Regular	11-000-100-561	4,500.00	(4,500.00)	-	-
Tuition to Other LEAs Within State - Special	11-000-100-562	147,480.00	7,363.82	154,843.82	79.82
Tuition to County Vocational School - Regular	11-000-100-563	-	76,420.90	76,420.90	27,418.88
Tuition to Private School Disabled - Within State	11-000-100-566	61,893.00	(61,893.00)	-	-
<b>Total Undistributed Expenditures - Instruction (Tuition)</b>		<b>213,873.00</b>	<b>17,391.72</b>	<b>231,264.72</b>	<b>27,498.70</b>
Undistributed Expenditures Attendance and Social Work:					
Salaries	11-000-211-100	36,000.00	1,915.39	37,915.39	-
<b>Total Undistributed Expenditures Attendance and Social Work</b>		<b>36,000.00</b>	<b>1,915.39</b>	<b>37,915.39</b>	<b>-</b>
Undistributed Expenditures - Health Services:					
Salaries	11-000-213-100	70,695.00	(10,000.00)	60,695.00	151.59
Purchased Professional & Technical Services	11-000-213-300	10,000.00	11,457.50	21,457.50	1,650.00
Other Purchased Services	11-000-213-500	100.00	(100.00)	-	-
Supplies and Materials	11-000-213-600	6,000.00	(2,117.34)	3,882.66	1,435.99
<b>Total Undistributed Expenditures - Health Services</b>		<b>86,795.00</b>	<b>(759.84)</b>	<b>86,035.16</b>	<b>3,237.58</b>
Undistributed Expenditures - Speech, OT, PT and Related Services:					
Salaries	11-000-216-100	155,982.00	(1,956.17)	154,025.83	6,694.13
Purchased Professional - Educational Services	11-000-216-320	175,000.00	1,700.00	176,700.00	86,790.25
Supplies and Materials	11-000-216-600	3,600.00	545.92	4,145.92	1,378.06
<b>Total Undistributed Expenditures - Speech, OT, PT and Related Services</b>		<b>334,582.00</b>	<b>289.75</b>	<b>334,871.75</b>	<b>94,862.44</b>

**SHREWSBURY SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2023**

ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures - Other Support Services - Extra Services: Supplies and Materials	1,000.00	-	1,000.00	759.01
Total Undistributed Expenditures - Other Support Services - Extra Services	1,000.00	-	1,000.00	759.01
Undistributed Expenditures - Guidance: Salaries of Other Professional Staff Other Purchased Services Supplies and Materials	66,420.00 600.00 2,000.00	- - -	66,420.00 600.00 2,000.00	33,887.69 600.00 1,897.10
Total Undistributed Expenditures - Guidance	69,020.00	-	69,020.00	36,384.79
Undistributed Expenditures - Child Study Teams: Salaries of Other Professional Staff Salaries of Secretaries & Clerical Assistants Purchased Professional - Educational Services Other Purchased Prof. and Tech. Services Other Purchased Services Miscellaneous Purchased Services Supplies and Materials Other Objects	345,924.00 40,567.00 30,000.00 15,000.00 1,000.00 - 12,000.00 4,000.00	- - (1,215.00) 5,350.00 (1,000.00) 1,000.00 (1,550.50) -	345,924.00 40,567.00 28,785.00 20,350.00 - 1,000.00 10,449.50 4,000.00	4,353.49 25,914.48 15,915.80 102.16 - 994.36 7,799.32 3,140.00
Total Undistributed Expenditures - Child Study Teams	448,491.00	2,584.50	451,075.50	58,219.61
Undistributed Expenditures - Improvement of Instruction Services: Salaries of Supervisors of Instruction Purchased Professional - Educational Services Other Purchased Services Supplies and Materials Other Objects	87,763.00 5,000.00 200.00 2,000.00 2,500.00	- (150.00) - (459.00) 609.00	87,763.00 4,850.00 200.00 1,541.00 3,109.00	0.04 3,551.84 200.00 1,491.00 159.00
Total Undistributed Expenditures - Improvement of Instruction Services	97,463.00	-	97,463.00	5,401.88

**SHREWSBURY SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2023**

ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures -				
Educational Media Services/Library:				
Salaries	68,320.00	(1,500.00)	66,820.00	2,351.75
Salaries of Technology Coordinators	30,000.00	(1,661.00)	28,339.00	9,804.84
Purchased Professional and Technical Services	1,000.00	-	1,000.00	1,000.00
Other Purchased Services	4,000.00	-	4,000.00	4,000.00
Supplies and Materials	11,000.00	1,927.08	12,927.08	9,615.09
Other Objects	1,000.00	-	1,000.00	1,000.00
Total Undistributed Expenditures -	115,320.00	(1,233.92)	114,086.08	27,771.68
Educational Media Services/Library				
Undistributed Expenditures -				
Other Purchased Prof. and Tech. Services	4,000.00	4,200.00	8,200.00	-
Other Purchased Services	5,000.00	(3,936.00)	1,064.00	150.00
Supplies and Materials	1,000.00	(264.00)	736.00	736.00
Total Undistributed Expenditures -	10,000.00	-	10,000.00	886.00
Instructional Staff Training Services				
Undistributed Expenditures -				
Support Services - General Administration:				
Salaries	141,578.00	(3,708.00)	137,870.00	1.80
Legal Services	50,000.00	18,492.00	68,492.00	0.50
Audit Fees	12,000.00	18,250.00	30,250.00	-
Architectural/Engineering Services	10,000.00	(6,399.74)	3,600.26	0.26
Other Purchased Professional Services	29,435.00	10,152.92	39,587.92	231.52
Purchased Technical Services	22,000.00	471.00	22,471.00	0.07
Communications/Telephone	32,000.00	2,663.00	34,663.00	15,601.39
BOE Other Purchased Professional Services	5,000.00	565.00	5,565.00	2,100.00
Other Purchased Services	66,928.00	(8,761.59)	58,166.41	368.80
General Supplies	20,000.00	8,167.32	28,167.32	299.00
BOE In-House Training/Meeting Supplies	200.00	(200.00)	-	-
Judgements Against School District	-	1,649.86	1,649.86	-
Miscellaneous Expenditures	4,500.00	(3,735.00)	765.00	-
BOE Membership Dues and Fees	4,206.00	-	4,206.00	0.35
Total Undistributed Expenditures -	397,847.00	37,606.77	435,453.77	18,603.69
Support Services - General Administration				
Total Undistributed Expenditures -				
Support Services - General Administration				
Total Undistributed Expenditures -				
Support Services - General Administration				

**SHREWSBURY SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2023**

ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures -				
Support Services - School Administration:				
Salaries of Principals/Assistant Principals	86,848.00	-	86,848.00	0.40
Salaries of Secretaries & Clerical Assistants	25,000.00	(1,253.00)	23,747.00	2,319.53
Other Purchased Services	200.00	-	200.00	200.00
Supplies and Materials	1,600.00	-	1,600.00	1,148.05
Total Undistributed Expenditures -	113,648.00	(1,253.00)	112,395.00	3,667.98
Support Services - School Administration				
Undistributed Expenditures - Central Services:				
Salaries	226,584.00	(41,563.69)	185,020.31	91.11
Purchased Technical Services	49,709.00	69,100.00	118,809.00	20,997.72
Miscellaneous Purchased Services	5,500.00	(5,201.00)	299.00	0.91
Supplies and Materials	9,000.00	(1,509.05)	7,490.95	1,552.95
Miscellaneous Expenditures	3,200.00	(1,858.53)	1,341.47	351.47
Total Undistributed Expenditures - Central Services	293,993.00	18,967.73	312,960.73	22,994.16
Undistributed Expenditures -				
Administrative Information Technology:				
Salaries	30,000.00	(30,000.00)	-	-
Purchased Technical Services	-	30,544.00	30,544.00	-
Supplies and Materials	2,500.00	1,056.00	3,556.00	252.42
Total Undistributed Expenditures -	32,500.00	1,600.00	34,100.00	252.42
Administrative Information Technology				
Undistributed Expenditures -				
Required Maintenance for School Facilities:				
Cleaning, Repair & Maintenance Services	75,000.00	22,628.26	97,628.26	10,061.74
General Supplies	70,000.00	(23,212.70)	46,787.30	582.14
Other Objects	1,750.00	(840.00)	910.00	-
Total Undistributed Expenditures -	146,750.00	(1,424.44)	145,325.56	10,643.88
Required Maintenance for School Facilities				



**SHREWSBURY SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2023**

	ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures - Custodial Services:					
Salaries	11-000-262-100	298,862.00	(32,569.27)	266,292.73	31,121.86
Salaries of Non-Instructional Aides	11-000-262-107	44,272.00	6,757.66	51,029.66	0.10
Cleaning, Repair & Maintenance Services	11-000-262-420	-	22,575.00	22,575.00	-
Other Purchased Property Services	11-000-262-490	18,500.00	223.60	18,723.60	500.72
Insurance	11-000-262-520	39,066.00	9,288.13	48,354.13	0.17
Travel	11-000-262-580	-	400.00	400.00	1.32
Miscellaneous Purchased Services	11-000-262-590	2,200.00	(2,200.00)	-	-
General Supplies	11-000-262-610	1,000.00	(1,000.00)	-	-
Energy (Natural Gas)	11-000-262-621	55,000.00	43,287.88	98,287.88	18,475.87
Energy (Electricity)	11-000-262-622	70,000.00	-	70,000.00	4,649.46
Other Objects	11-000-262-800	1,000.00	(542.75)	457.25	397.71
<b>Total Undistributed Expenditures - Custodial Services</b>		<b>529,900.00</b>	<b>46,220.25</b>	<b>576,120.25</b>	<b>55,147.21</b>
Undistributed Expenditures -					
Care and Upkeep of Grounds:					
Cleaning, Repair & Maintenance Services	11-000-263-420	10,000.00	-	10,000.00	8,620.17
General Supplies	11-000-263-610	15,000.00	1,479.81	16,479.81	11,270.75
<b>Total Undistributed Expenditures - Care and Upkeep of Grounds</b>		<b>25,000.00</b>	<b>1,479.81</b>	<b>26,479.81</b>	<b>19,890.92</b>
Security:					
Salaries	11-000-266-100	12,000.00	(7,834.00)	4,166.00	-
Purchased Professional and Technical Services	11-000-266-300	-	27,834.00	27,834.00	27,834.00
<b>Total Security</b>		<b>12,000.00</b>	<b>20,000.00</b>	<b>32,000.00</b>	<b>27,834.00</b>
Undistributed Expenditures -					
Student Transportation Services:					
Contract Services (Between Home & School) - Vendors	11-000-270-511	11,000.00	-	11,000.00	1,973.85
Contract Services (Other Than Between Home & School) - Vendors	11-000-270-512	650.00	-	650.00	650.00
Contract Services (Between Home & School) - Joint Agreement	11-000-270-513	40,000.00	9,899.79	49,899.79	28,213.98
Contract Services (Special Education) - Vendors	11-000-270-514	65,800.00	72,124.31	137,924.31	55,078.46
<b>Total Undistributed Expenditures - Student Transportation Services</b>		<b>117,450.00</b>	<b>82,024.10</b>	<b>199,474.10</b>	<b>85,916.29</b>

**SHREWSBURY SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2023**

ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Unallocated Benefits:				
Social Security Contributions	100,000.00	(4,558.00)	95,442.00	94,109.37
Other Retirement Contributions - PERS	155,000.00	(50,666.50)	104,333.50	103,549.00
Unemployment Compensation	35,000.00	99,798.64	134,798.64	44,575.24
Workmen's Compensation	67,139.00	5,213.36	72,352.36	72,352.36
Health Benefits	1,334,431.00	(31,523.50)	1,302,907.50	1,267,192.14
Tuition Reimbursement	15,000.00	(15,000.00)	-	-
Unused Sick Pay to Term/Ret Staff - Mass	-	46,929.00	46,929.00	46,929.00
Total Unallocated Benefits	1,706,570.00	50,193.00	1,756,763.00	1,628,707.11
Nonbudgeted:				
TPAF Pension (on-behalf)	-	-	-	1,632,992.00
TPAF Social Security (reimbursed)	-	-	-	325,671.29
TPAF Post Retirements (on-behalf)	-	-	-	428,983.00
TPAF Long-Term Disability Insurance (on behalf)	-	-	-	880.00
Total Undistributed Expenditures	4,788,202.00	275,601.82	5,063,803.82	6,824,301.98
Total Expenditures - Current Expense	9,410,130.00	424,923.80	9,835,053.80	11,465,779.10
Capital Outlay:				
Equipment:				
School-Sponsored & Other Instructional Programs	-	3,525.00	3,525.00	3,522.73
Undistributed Expenditures:				
Undist. Expend. - Required Maint for School Fac.	-	130,412.64	130,412.64	2,412.64
Total Equipment	-	133,937.64	133,937.64	5,935.37
Facilities Acquisition & Construction Services:				
Construction Services	-	830,387.46	830,387.46	792,446.64
Assessment for Debt Service on SDA Funding	12,628.00	-	12,628.00	11,365.20
Total Facilities Acquisition & Construction Services	12,628.00	830,387.46	843,015.46	803,811.84
Total Capital Outlay	12,628.00	964,325.10	976,953.10	809,747.21
Total Expenditures	9,422,758.00	1,389,248.90	10,812,006.90	12,275,526.31
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures Before Other Financing Sources/(Uses)	(35,715.00)	(1,389,248.90)	(1,424,963.90)	(157,484.33)
				1,267,479.57

**SHREWSBURY SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2023**

ACCOUNT NUMBERS	JUNE 30, 2023		VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	
Other Financing Sources/(Uses):			
Transfers In(Out):			
Transfer from Other Funds	-	-	9.01
Transfer of Funds to Charter Schools	(64,283.00)	17,622.00	(40,235.00)
Total Other Financing Sources/(Uses)	(64,283.00)	17,622.00	(40,225.99)
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures After Other Financing Sources/(Uses)	(99,998.00)	(1,371,626.90)	(1,471,624.90)
Fund Balances, July 1, as Restated	2,547,406.80	-	2,547,406.80
Fund Balances, June 30	\$ 2,447,408.80	\$ (1,371,626.90)	\$ 1,075,781.90
			\$ 2,349,696.48
			\$ 1,273,914.58

**RECAPITULATION OF BUDGET TRANSFERS**

Prior Year Encumbrances	\$ 1,371,626.90
	<u>\$ 1,371,626.90</u>

**RECAPITULATION OF FUND BALANCE**

Restricted Fund Balance:	
Capital Reserve	\$ 1,079,902.42
Maintenance Reserve	374,847.31
Unemployment Reserve	8,515.24
Excess Surplus	75,000.00
Assigned Fund Balance:	
Designated for Subsequent Year's Expenditures	38,311.00
Year-End Encumbrances	475,496.51
Unassigned Fund Balance	<u>297,624.00</u>
Subtotal	2,349,696.48
Reconciliation to Governmental Funds Statements (GAAP):	
Last State Aid Payments Not Recognized on GAAP Basis	<u>(43,625.00)</u>
Fund Balance per Governmental Funds (GAAP)	<u>\$ 2,306,071.48</u>

**SHREWSBURY SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2023**

	JUNE 30, 2023				VARIANCE FINAL TO ACTUAL (OVER)/ UNDER
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:					
Local Sources	\$ -	\$ 105,104.57	\$ 105,104.57	\$ 127,953.69	\$ (22,849.12)
State Sources	-	42,406.00	42,406.00	24,436.00	17,970.00
Federal Sources	233,164.00	335,995.00	569,159.00	301,502.96	267,656.04
<b>Total Revenues</b>	<b>233,164.00</b>	<b>483,505.57</b>	<b>716,669.57</b>	<b>453,892.65</b>	<b>262,776.92</b>
Expenditures:					
Instruction:					
Purchased Professional - Educational Services	-	109,764.00	109,764.00	24,725.96	85,038.04
Other Purchased Services (400-500 Series)	110,000.00	40,356.00	150,356.00	150,356.00	-
General Supplies	119,164.00	27,856.77	147,020.77	75,209.77	71,811.00
<b>Total Instruction</b>	<b>229,164.00</b>	<b>177,976.77</b>	<b>407,140.77</b>	<b>250,291.73</b>	<b>156,849.04</b>
Support Services:					
Salaries of Other Professional Staff	-	28,928.00	28,928.00	28,928.00	-
Personal Services - Employee Benefits	-	33,531.00	33,531.00	11,571.00	21,960.00
Purchased Educational Services	-	112,795.00	112,795.00	49,217.00	63,578.00
Supplies and Materials	4,000.00	6,598.00	10,598.00	10,598.00	-
Student Activities	-	80,437.80	80,437.80	80,437.80	-
<b>Total Support Services</b>	<b>4,000.00</b>	<b>262,289.80</b>	<b>266,289.80</b>	<b>180,751.80</b>	<b>85,538.00</b>
Facilities Acquisition & Construction Services:					
Instructional Equipment	-	43,239.00	43,239.00	-	43,239.00
<b>Total Facilities Acquisition &amp; Construction Services</b>	<b>-</b>	<b>43,239.00</b>	<b>43,239.00</b>	<b>-</b>	<b>43,239.00</b>
<b>Total Expenditures</b>	<b>233,164.00</b>	<b>483,505.57</b>	<b>716,669.57</b>	<b>431,043.53</b>	<b>285,626.04</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	22,849.12	22,849.12
Fund Balances, July 1	208,396.98	-	208,396.98	208,396.98	-
<b>Fund Balances, June 30</b>	<b>\$ 208,396.98</b>	<b>\$ -</b>	<b>\$ 208,396.98</b>	<b>\$ 231,246.10</b>	<b>\$ 22,849.12</b>

**RECAPITULATION OF FUND BALANCE**

Restricted Fund Balance:	
Student Activities	\$ 231,246.10
Subtotal	<u>\$ 231,246.10</u>

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

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**SHREWSBURY SCHOOL DISTRICT  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
BUDGET TO GAAP RECONCILIATION  
YEAR ENDED JUNE 30, 2023**

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

	<b>GENERAL FUND</b>	<b>SPECIAL REVENUE FUND</b>
<b>Sources/Inflows of Resources:</b>		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 12,118,041.98	\$ 453,892.65
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current Year	-	(18,185.00)
Prior Year	-	6,458.00
The last state aid payments are recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the state recognizes the related expense (GASB 33).		
Current Year	(43,625.00)	-
Prior Year	36,691.00	-
<hr style="border-top: 1px solid black;"/>		
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	\$ 12,111,107.98	\$ 442,165.65
<b>Uses/outflows of resources:</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule. (C-1, C-2)	\$ 12,275,526.31	\$ 431,043.53
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.	-	(11,727.00)
<hr style="border-top: 1px solid black;"/>		
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$ 12,275,526.31	\$ 419,316.53

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**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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

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SHREWSBURY SCHOOL DISTRICT  
 SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)  
 LAST TEN FISCAL YEARS\*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.01231%	0.01231%	0.01331%	0.01281%	0.01337%	0.01326%	0.01187%	0.01274%	0.01064%	0.00976%
School District's proportionate share of the net pension liability	\$ 1,239,205.00	\$ 1,458,421.00	\$ 2,170,518.00	\$ 2,308,157.00	\$ 2,632,718.00	\$ 3,086,145.00	\$ 3,515,607.00	\$ 2,860,532.00	\$ 1,992,675.00	\$ 1,865,974.00
School District's covered payroll	\$ 680,212.00	\$ 865,760.00	\$ 896,834.00	\$ 836,686.00	\$ 926,119.00	\$ 885,497.00	\$ 803,674.00	\$ 787,568.00	\$ 724,822.00	Unavailable
School District's proportionate share of the net pension liability as a percentage of its covered payroll	54.89%	59.36%	41.32%	36.25%	35.18%	28.69%	22.86%	27.53%	36.37%	N/A
Plan fiduciary net position as a percentage of the total pension liability	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

SHREWSBURY SCHOOL DISTRICT  
 SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS  
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)  
 LAST TEN FISCAL YEARS \*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's contractually required contribution	\$ 103,549.00	\$ 144,176.00	\$ 145,605.00	\$ 124,603.00	\$ 133,000.00	\$ 122,817.00	\$ 105,453.00	\$ 109,555.00	\$ 87,740.00	\$ 73,565.00
Contributions in relation to the contractually required contribution	(103,549.00)	(144,176.00)	(145,605.00)	(124,603.00)	(133,000.00)	(122,817.00)	(105,453.00)	(109,555.00)	(87,740.00)	(73,565.00)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 605,847.00	\$ 680,212.00	\$ 865,760.00	\$ 896,834.00	\$ 836,686.00	\$ 926,119.00	\$ 885,497.00	\$ 803,674.00	\$ 787,568.00	\$ 724,822.00
Contributions as a percentage of covered payroll	17.09%	21.20%	16.82%	13.89%	15.90%	13.26%	11.91%	13.63%	11.14%	10.15%

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

SHREWSBURY SCHOOL DISTRICT  
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 TEACHERS' PENSION AND ANNUITY FUND (TPAF)  
 LAST TEN FISCAL YEARS\*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	19,495,505.00	18,373,293.00	23,211,867.00	21,924,733.00	23,358,813.00	23,817,989.00	26,454,031.00	22,205,105.00	17,427,526.00	17,103,899.00
	\$ 19,495,505.00	\$ 18,373,293.00	\$ 23,211,867.00	\$ 21,924,733.00	\$ 23,358,813.00	\$ 23,817,989.00	\$ 26,454,031.00	\$ 22,205,105.00	\$ 17,427,526.00	\$ 17,103,899.00
School District's covered payroll	\$ 4,459,339.00	\$ 4,428,779.00	\$ 4,625,159.00	\$ 4,100,975.00	\$ 3,681,826.00	\$ 3,712,579.00	\$ 3,752,811.00	\$ 3,531,911.00	\$ 3,331,019.00	\$ 3,262,901.00
School District's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

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

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**SHREWSBURY BOROUGH 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	2020	2019	2018
<b>State's Total OPEB Liability Attributable to the District</b>						
Service Cost	\$ 1,110,330	\$ 1,353,746	\$ 712,817	\$ 680,549	\$ 749,430	\$ 903,214
Interest Cost	468,082	549,340	513,667	613,231	666,017	571,657
Change in Benefit Terms	-	(22,540)	-	-	-	-
Differences Between Expected and Actual Experiences	94,819	(4,161,496)	4,510,893	(2,294,224)	(1,931,229)	-
Changes of Assumptions	(4,738,185)	20,892	4,357,524	211,172	(1,764,261)	(2,375,945)
Member Contributions	14,874	14,044	12,588	12,888	14,208	15,396
Benefit Payments	(463,649)	(432,726)	(415,299)	(434,762)	(411,099)	(418,101)
Net Change in District's Total OPEB Liability	(3,513,729)	(2,678,740)	9,692,190	(1,211,146)	(2,676,934)	(1,303,779)
Total Attributable OPEB Liability (Beginning)	21,176,455	23,855,195	14,163,005	15,374,151	18,051,085	19,354,864
<b>Total Attributable OPEB Liability (Ending)</b>	<b>\$ 17,662,726</b>	<b>\$ 21,176,455</b>	<b>\$ 23,855,195</b>	<b>\$ 14,163,005</b>	<b>\$ 15,374,151</b>	<b>\$ 18,051,085</b>
District's Covered Employee Payroll	\$ 5,065,186	\$ 5,108,991	\$ 4,997,809	\$ 4,518,512	\$ 4,638,698	\$ 1,398,486.00
District's Net OPEB Liability as a Percentage of Payroll	349%	414%	477%	313%	308%	399%

\* 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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**SHREWSBURY SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III  
YEAR ENDED JUNE 30, 2023**

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

*Changes in Benefit Terms*

The June 30, 2022 measurement date includes one change in plan provisions as Chapter 140, P.L. 2021 reopened the Worker's Compensation Judges (WCJ) Part of PERS and transferred WCJs from the Defined Contribution Retirement Program (DCRP) and regular part of PERS into the WCJ Part of PERS.

*Changes in Assumptions*

The discount rate used as of June 30, measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2019	6.28%	2016	3.98%
2021	7.00%	2018	5.66%	2015	4.90%
2020	7.00%	2017	5.00%	2014	5.39%

The long-term expected rate of return used as of June 30, measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2019	7.00%	2016	7.65%
2021	7.00%	2018	7.00%	2015	7.90%
2020	7.00%	2017	7.00%	2014	7.90%

The mortality assumption was updated upon the direction from the Division of Pensions and Benefits.

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

*Changes in Benefit Terms*

None.

*Changes in Assumptions*

The discount rate used as of June 30, measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2019	5.60%	2016	3.22%
2021	7.00%	2018	4.86%	2015	4.13%
2020	5.40%	2017	4.25%	2014	4.68%

The long-term expected rate of return used as of June 30, measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2019	7.00%	2016	7.65%
2021	7.00%	2018	7.00%	2015	7.90%
2020	7.00%	2017	7.00%	2014	7.90%

The mortality assumption was updated upon the direction from the Division of Pensions and Benefits.

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

*Changes in Benefit Terms*

None.

*Changes in Assumptions*

The discount rate used as of June 30, measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	3.54%	2019	3.50%	2016	2.85%
2021	2.16%	2018	3.87%		
2020	2.21%	2017	3.58%		

The mortality assumption was updated upon the direction from the Division of Pensions and Benefits.

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**OTHER SUPPLEMENTARY INFORMATION**

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**D. School Based Budget Schedules**

Not Applicable

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**E. Special Revenue Fund**

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**SHREWSBURY SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
YEAR ENDED JUNE 30, 2023**

	Title I	Title IIA	I.D.E.A. - Basic	I.D.E.A. - Preschool	ARP Accelerated Learning	Non-Public Textbooks	Non-Public Security	Non-Public Nursing	CRRSA ESSER II	CRRSA Learning Acceleration	CRRSA Mental Health
Revenues:											
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-	-	1,495.00	4,206.00	7,188.00	-	-	-
Federal Sources	9,902.00	18,098.00	129,635.00	6,242.00	14,750.00	-	-	-	39,164.00	16,163.96	45,000.00
Total Revenues	9,902.00	18,098.00	129,635.00	6,242.00	14,750.00	1,495.00	4,206.00	7,188.00	39,164.00	16,163.96	45,000.00
Expenditures:											
Instruction:											
Purchased Professional - Educational Services	9,902.00	-	-	6,242.00	-	-	-	-	-	8,581.96	-
Other Purchased Services (400-500 Series)	-	-	129,635.00	-	-	-	-	-	-	-	-
General Supplies	-	-	-	-	-	1,495.00	4,206.00	-	39,164.00	-	-
Total Instruction	9,902.00	-	129,635.00	6,242.00	-	1,495.00	4,206.00	-	39,164.00	8,581.96	-
Support Services:											
Salaries of Other Professional Staff	-	-	-	-	-	-	-	-	-	-	28,928.00
Personal Services - Employee Benefits	-	-	-	-	-	-	-	-	-	-	11,571.00
Purchased Educational Services	-	7,500.00	-	-	14,750.00	-	-	7,188.00	-	7,582.00	4,501.00
Supplies and Materials	-	10,598.00	-	-	-	-	-	-	-	-	-
Student Activities	-	-	-	-	-	-	-	-	-	-	-
Instructional Equipment	-	-	-	-	-	-	-	-	-	-	-
Total Support Services	-	18,098.00	-	-	14,750.00	-	-	7,188.00	-	7,582.00	45,000.00
Total Expenditures	9,902.00	18,098.00	129,635.00	6,242.00	14,750.00	1,495.00	4,206.00	7,188.00	39,164.00	16,163.96	45,000.00
Excess/(Deficit) of Revenues over Expenditures	-	-	-	-	-	-	-	-	-	-	-
Fund Balances, July 1	-	-	-	-	-	-	-	-	-	-	-
Fund Balances, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**SHREWSBURY SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
YEAR ENDED JUNE 30, 2023**

Chapter 192/193

	ARP - IDEA Basic	ARP - IDEA Preschool	ARP - IDEA	Non-Public Technology	Examination & Supplemental Classification	Instruction	Corrective Speech	Local Grants	School Climate Grant	Student Activities	TOTALS
Revenues:											
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,666.77	\$ -	\$ 103,286.92	\$ 127,953.69
State Sources	-	-	-	2,748.00	3,792.00	2,974.00	930.00	-	1,103.00	-	24,436.00
Federal Sources	20,721.00	1,827.00	-	-	-	-	-	-	-	-	301,502.96
<b>Total Revenues</b>	<b>20,721.00</b>	<b>1,827.00</b>	<b>2,748.00</b>	<b>3,792.00</b>	<b>2,974.00</b>	<b>930.00</b>	<b>24,666.77</b>	<b>1,103.00</b>	<b>103,286.92</b>	<b>453,892.65</b>	
Expenditures:											
Instruction:											
Purchased Professional - Educational Services	-	-	-	-	-	-	-	-	-	-	24,725.96
Other Purchased Services (400-500 Series)	20,721.00	-	-	-	-	-	-	-	-	-	150,356.00
General Supplies	-	1,827.00	2,748.00	-	-	-	-	24,666.77	1,103.00	-	75,209.77
<b>Total Instruction</b>	<b>20,721.00</b>	<b>1,827.00</b>	<b>2,748.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,666.77</b>	<b>1,103.00</b>	<b>-</b>	<b>-</b>	<b>250,291.73</b>
Support Services:											
Salaries of Other Professional Staff	-	-	-	-	-	-	-	-	-	-	28,928.00
Personal Services - Employee Benefits	-	-	-	-	-	-	-	-	-	-	11,571.00
Purchased Educational Services	-	-	-	-	3,792.00	2,974.00	930.00	-	-	-	49,217.00
Supplies and Materials	-	-	-	-	-	-	-	-	-	-	10,598.00
Student Activities	-	-	-	-	-	-	-	-	-	80,437.80	80,437.80
<b>Total Support Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,792.00</b>	<b>2,974.00</b>	<b>930.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>80,437.80</b>	<b>180,751.80</b>
Facilities Acquisition & Construction Services:											
Instructional Equipment	-	-	-	-	-	-	-	-	-	-	-
<b>Total Facilities Acquisition &amp; Construction Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>20,721.00</b>	<b>1,827.00</b>	<b>2,748.00</b>	<b>3,792.00</b>	<b>2,974.00</b>	<b>930.00</b>	<b>24,666.77</b>	<b>1,103.00</b>	<b>80,437.80</b>	<b>431,043.53</b>	
Excess/(Deficit) of Revenues over Expenditures	-	-	-	-	-	-	-	-	-	22,849.12	22,849.12
Fund Balances, July 1	-	-	-	-	-	-	-	-	-	208,396.98	208,396.98
<b>Fund Balances, June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 231,246.10</b>	<b>\$ 231,246.10</b>



**F. Capital Projects Fund**

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EXHIBIT F-1

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

<u>Project Title / Issue</u>	<u>Original Date</u>	<u>Original Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2023</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Cafeteria/PK Addition w/Resource R	10/06/22	\$ 22,517,820.00	\$ -	\$ 1,166,744.57	\$ 21,351,075.43
Total		\$ 22,517,820.00	\$ -	\$ 1,166,744.57	\$ 21,351,075.43

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

Revenues and Other Financing Sources:	
Bond Proceeds	\$ 22,517,820.00
Total Revenues and Other Financing Sources	22,517,820.00
Expenditures and Other Financing Uses:	
Other Purchased Professional and Technical Services	1,166,744.57
Total Expenditures and Other Financing Uses	1,166,744.57
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	21,351,075.43
Fund Balance, June 30	\$ 21,351,075.43

**SHREWSBURY SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGETARY BASIS  
CAFETERIA/PK ADDITION W/RESOURCE ROOMS  
YEAR ENDED JUNE 30, 2023**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Bond Proceeds	\$ -	\$ 22,517,820.00	\$ 22,517,820.00	\$ 22,517,820.00
Total Revenues and Other Financing Sources	-	22,517,820.00	22,517,820.00	22,517,820.00
Expenditures and Other Financing Uses:				
Other Purchased Professional and Technical Services	-	1,166,744.57	1,166,744.57	1,166,744.57
Construction Services	-	-	-	21,351,075.43
Total Expenditures and Other Financing Uses	-	1,166,744.57	1,166,744.57	22,517,820.00
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ -	\$ 21,351,075.43	\$ 21,351,075.43	\$ -

Additional Project Information:

	<u>Name of Project:</u>	
	<u>Cafeteria/PK Addition w/Resource Rooms</u>	
<u>Project Numbers</u>	Grant Date	10/06/22
4770-050-22-1000	Bond Authorization Date	10/06/22
	Bonds Authorized	\$ 22,517,820.00
	Bonds Issued	\$ 22,517,820.00
	Original Authorized Cost	\$ 22,517,820.00
	Revised Authorized Cost	\$ 22,517,820.00
	Percentage Increase over Original Authorized Cost	0.00%
	Percentage Completion	5.18%
	Original Target Completion Date	08/31/24
	Revised Target Completion Date	N/A

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**H. Fiduciary Fund**

Not Applicable

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## **I. Long-Term Debt**

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SHREWSBURY SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS PAYABLE  
YEAR ENDED JUNE 30, 2023

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES DATE	AMOUNT	INTEREST RATE	BALANCE JUNE 30, 2022	ISSUED	RETIRED	BALANCE JUNE 30, 2023
Refunding Bonds	01/24/12	\$ 2,395,000.00	N/A	N/A	N/A	\$ 245,000.00	\$ -	\$ 245,000.00	\$ -
Series 2022 Bonds	12/22/22	19,930,000	08/15/23	\$ 565,000.00	5.000%	-	19,930,000.00	-	19,930,000.00
			08/15/24	730,000.00	5.000%				
			08/15/25	770,000.00	5.000%				
			08/15/26	805,000.00	5.000%				
			08/15/27	845,000.00	5.000%				
			08/15/28	890,000.00	5.000%				
			08/15/29	935,000.00	5.000%				
			08/15/30	980,000.00	5.000%				
			08/15/31	1,030,000.00	5.000%				
			08/15/32	1,080,000.00	5.000%				
			08/15/33 - 08/15/42	1,130,000.00	5.000%				
Total						\$ 245,000.00	\$ 19,930,000.00	\$ 245,000.00	\$ 19,930,000.00

**SHREWSBURY SCHOOL DISTRICT  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2023**

	JUNE 30, 2023		VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	
Revenues:			
Local Sources:			
Local Tax Levy	\$ 252,961.00	\$ 252,961.00	\$ -
Total Revenues	252,961.00	252,961.00	-
Expenditures:			
Regular Debt Service:			
Interest on Bonds	7,963.00	7,963.00	0.50
Redemption of Principal	245,000.00	245,000.00	-
Total Regular Debt Service	252,963.00	252,962.50	0.50
Total Expenditures	252,963.00	252,962.50	0.50
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(2.00)	(2.00)	0.50
Fund Balance, July 1,	3.00	3.00	-
Fund Balance, June 30,	1.00	1.00	0.50

**STATISTICAL SECTION (Unaudited)**

Third Section

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

	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Governmental Activities:</b>										
Net Investment in										
Capital Assets	\$ 5,177,678.62	\$ 4,656,337.00	\$ 4,768,882.00	\$ 4,891,125.00	\$ 4,820,656.00	\$ 4,758,038.00	\$ 4,488,549.00	\$ 4,419,281.00	\$ 4,020,434.00	\$ 3,441,723.00
Restricted	1,769,512.57	1,022,143.64	2,164,760.00	827,564.00	926,096.00	810,481.00	805,018.00	696,522.00	581,670.00	482,507.00
Unrestricted (Deficit)	(1,935,544.44)	(858,398.86)	(2,725,923.00)	(2,514,082.00)	(2,500,791.00)	(2,304,970.00)	(2,119,586.00)	(1,862,683.00)	(1,671,645.00)	231,434.00
<b>Total Governmental Activities</b>										
Net Position	\$ 5,011,646.75	\$ 4,820,081.78	\$ 4,207,719.00	\$ 3,204,607.00	\$ 3,245,961.00	\$ 3,263,549.00	\$ 3,173,981.00	\$ 3,253,120.00	\$ 2,930,459.00	\$ 4,155,664.00
<b>Business-Type Activities:</b>										
Net Investment in Capital Assets	\$ -	\$ 2,253.00	\$ 2,436.00	\$ 2,618.00	\$ 3,387.00	\$ 4,735.00	\$ -	\$ 7,443.00	\$ -	\$ -
Unrestricted (Deficit)	11,325.63	6,650.86	5,479.00	6,182.00	4,937.00	13,734.00	16,518.00	12,928.00	30,290.00	17,957.00
<b>Total Business-Type Activities</b>										
Net Position	\$ 11,325.63	\$ 8,903.86	\$ 7,915.00	\$ 8,800.00	\$ 8,324.00	\$ 18,469.00	\$ 16,518.00	\$ 20,371.00	\$ 30,290.00	\$ 17,957.00
<b>District-Wide:</b>										
Net Investment in Capital Assets	\$ 5,177,678.62	\$ 4,658,590.00	\$ 4,771,318.00	\$ 4,893,743.00	\$ 2,089,575.00	\$ 4,762,773.00	\$ 4,488,549.00	\$ 4,426,724.00	\$ 4,029,241.00	\$ 3,441,723.00
Restricted	1,769,512.57	1,022,143.64	2,164,760.00	827,564.00	926,096.00	810,481.00	805,018.00	696,522.00	581,670.00	482,507.00
Unrestricted (Deficit)	(1,924,218.81)	(851,748.00)	(2,720,444.00)	(2,507,900.00)	(230,290.00)	(2,291,236.00)	(2,103,068.00)	(1,849,755.00)	(1,650,162.00)	249,391.00
<b>Total District Net Position</b>										
Net Position	\$ 5,022,972.38	\$ 4,828,985.64	\$ 4,215,634.00	\$ 3,213,407.00	\$ 3,245,961.00	\$ 3,282,018.00	\$ 3,190,499.00	\$ 3,273,491.00	\$ 2,960,749.00	\$ 4,173,621.00

Source: ACFR Schedule A-1

\*For the year ended June 30, 2021 net position was reclassified due to GASB 84.

SHREWSBURY 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,										
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 5,578,159.35	\$ 6,959,431.94	\$ 10,362,925.00	\$ 10,677,789.00	\$ 10,331,310.00	\$ 9,747,533.00	\$ 9,237,844.00	\$ 9,898,711.00	\$ 8,257,512.00	\$ 8,305,723.00
Special Education	1,818,204.61	2,160,596.10	-	-	-	-	-	-	-	-
Other Instruction	116,406.66	161,357.72	-	-	-	-	-	-	-	-
Support Services:										
Tuition	245,358.90	241,560.23	-	-	-	-	-	-	-	-
Student & Instruction Related Services	1,393,844.73	1,252,796.23	-	-	-	-	-	-	-	-
Other Administrative Services	501,962.94	409,350.83	885.00	4,400.00	10,152.00	12,081.00	17,221.00	12,303.00	31,386.00	73,991.00
Central Services	349,224.39	336,888.99	-	-	-	-	-	-	-	-
Administration Information Technology Services	40,752.96	2,096.21	-	-	-	-	-	-	-	-
School Administrative Services	130,888.49	129,202.63	-	-	-	-	-	-	-	-
Plant Operations & Maintenance	802,429.58	744,304.68	-	-	-	-	-	-	-	-
Pupil Transportation	136,682.81	214,064.85	-	-	-	-	-	-	-	-
Transfer to Charter Schools	40,235.00	-	-	-	-	-	-	-	-	-
Interest & Other Charges	712,152.25	31,091.00	-	-	-	-	-	-	-	-
Total Governmental Activities	11,866,302.67	12,642,741.41	10,363,810.00	10,682,189.00	10,341,462.00	9,759,614.00	9,255,065.00	9,911,014.00	8,288,898.00	8,379,714.00
Expenses										
Business-Type Activities:										
Food Service	6,326.78	183.00	-	-	-	-	-	-	-	-
Total Business-Type Activities	6,326.78	183.00	-	-	-	-	-	-	-	-
Expense										
Total District Expenses	\$ 11,872,629.45	\$ 12,642,924.41	\$ 10,363,810.00	\$ 10,682,189.00	\$ 10,341,462.00	\$ 9,759,614.00	\$ 9,255,065.00	\$ 9,911,014.00	\$ 8,288,898.00	\$ 8,379,714.00
Program Revenues:										
Operating Grants & Contributions	1,947,904.25	3,947,409.99	243,504.00	306,116.00	295,989.00	205,840.00	213,010.00	2,124,928.00	182,225.00	200,639.00
Total Governmental Activities	1,947,904.25	3,947,409.99	243,504.00	306,116.00	295,989.00	205,840.00	213,010.00	2,124,928.00	182,225.00	200,639.00
Program Revenues										
Business-Type Activities:										
Charges for Services:										
Food Service	8,748.55	1,171.86	-	-	-	-	-	-	-	-
Operating Grants & Contributions	-	-	-	4,876.00	12,797.00	14,032.00	13,368.00	12,570.00	43,719.00	76,273.00
Total Business Type Activities	8,748.55	1,171.86	-	4,876.00	12,797.00	14,032.00	13,368.00	12,570.00	43,719.00	76,273.00
Program Revenues										
Total District Program Revenues	\$ 1,956,652.80	\$ 3,948,581.85	\$ 243,504.00	\$ 310,992.00	\$ 308,786.00	\$ 219,872.00	\$ 226,378.00	\$ 2,137,498.00	\$ 225,944.00	\$ 276,912.00
Net (Expense)/Revenue:										
Governmental Activities	\$ (9,918,398.42)	\$ (8,695,331.42)	\$ (10,119,421.00)	\$ (10,371,673.00)	\$ (1,031,310.00)	\$ (9,541,693.00)	\$ (9,024,834.00)	\$ (7,773,783.00)	\$ (8,075,287.00)	\$ (8,105,084.00)
Business-Type Activities	2,421.77	988.86	(885.00)	476.00	(10,152.00)	(1,951.00)	(3,853.00)	268.00	(9,709.00)	2,282.00
Total District-Wide Net Expense	\$ (9,915,976.65)	\$ (8,694,342.56)	\$ (10,120,306.00)	\$ (10,371,197.00)	\$ (1,041,462.00)	\$ (9,543,644.00)	\$ (9,028,687.00)	\$ (7,773,515.00)	\$ (8,084,996.00)	\$ (8,102,802.00)

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

	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>General Revenues &amp; Other Changes in Net Position:</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 8,847,155.00	\$ 8,673,724.00	\$ 11,017,256.00	\$ 10,338,643.00	\$ 10,005,398.00	\$ 9,631,261.00	\$ 8,953,138.00	\$ 8,166,594.00	\$ 8,660,055.00	\$ 8,348,519.00
Taxes Levied for Debt Service	252,961.00	250,599.00	-	-	-	-	-	-	-	-
Grants & Contributions	500,576.00	433,381.00	-	-	-	-	-	-	-	-
Tuition Received	72,000.00	71,050.00	-	-	-	-	-	-	-	-
Miscellaneous Income	437,271.39	142,370.34	-	-	-	-	-	-	-	-
<b>Total Governmental Activities</b>	<b>10,109,963.39</b>	<b>9,571,124.34</b>	<b>11,017,256.00</b>	<b>10,338,643.00</b>	<b>10,005,398.00</b>	<b>9,631,261.00</b>	<b>8,953,138.00</b>	<b>8,166,594.00</b>	<b>8,660,055.00</b>	<b>8,348,519.00</b>
Business-Type Activities:										
Transfers In/Out	-	-	-	-	12,797.00	-	-	-	2,624.00	-
<b>Total Business-Type Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,797.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,624.00</b>	<b>-</b>
<b>Total District-Wide</b>	<b>\$ 10,109,963.39</b>	<b>\$ 9,571,124.34</b>	<b>\$ 11,017,256.00</b>	<b>\$ 10,338,643.00</b>	<b>\$ 10,018,195.00</b>	<b>\$ 9,631,261.00</b>	<b>\$ 8,953,138.00</b>	<b>\$ 8,166,594.00</b>	<b>\$ 8,662,679.00</b>	<b>\$ 8,348,519.00</b>
<b>Change in Net Position:</b>										
Governmental Activities	\$ 191,564.97	\$ 875,792.92	\$ 897,835.00	\$ (33,030.00)	\$ (25,912.00)	\$ 89,568.00	\$ (71,696.00)	\$ 392,811.00	\$ (1,407,907.00)	\$ 243,435.00
Business-Type Activities	2,421.77	988.86	(885.00)	476.00	(10,145.00)	1,951.00	(3,853.00)	268.00	12,333.00	2,282.00
<b>Total District</b>	<b>\$ 193,986.74</b>	<b>\$ 876,781.78</b>	<b>\$ 896,950.00</b>	<b>\$ (32,554.00)</b>	<b>\$ (36,057.00)</b>	<b>\$ 91,519.00</b>	<b>\$ (75,549.00)</b>	<b>\$ 393,079.00</b>	<b>\$ (1,395,574.00)</b>	<b>\$ 245,717.00</b>

Source: ACFR Schedule A-2

SHREWSBURY SCHOOL DISTRICT  
 FUND BALANCES - 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	\$ 1,538,264.97	\$ 813,743.66	\$ 1,820,710.00	\$ 827,563.00	\$ 926,096.00	\$ 800,306.00	\$ 790,842.00	\$ 760,738.00	\$ 569,495.00	\$ 470,332.00
Assigned	513,807.51	1,371,626.90	-	-	-	-	-	-	-	-
Unassigned	253,999.00	325,345.24	246,804.00	248,748.00	176,625.00	242,684.00	230,603.00	238,080.00	(1,671,645.00)	252,795.00
<b>Total General Fund</b>	<b>\$ 2,306,071.48</b>	<b>\$ 2,510,715.80</b>	<b>\$ 2,067,514.00</b>	<b>\$ 1,076,311.00</b>	<b>\$ 1,102,721.00</b>	<b>\$ 1,042,990.00</b>	<b>\$ 1,021,445.00</b>	<b>\$ 998,818.00</b>	<b>\$ (1,102,150.00)</b>	<b>\$ 723,127.00</b>
All Other Governmental Funds:										
Restricted										
Debt Service Fund	\$ 1.50	\$ 3.00	\$ 3.00	\$ 1.00	\$ -	\$ 1.00	\$ 4,002.00	\$ 4,001.00	\$ 2,001.00	\$ 2,001.00
Special Revenue Fund	231,246.10	208,396.98	-	-	-	-	-	-	-	-
Capital Projects Fund	21,351,075.43	-	-	-	151,449.00	10,174.00	10,174.00	10,174.00	10,174.00	10,174.00
<b>Total All Other Governmental Funds</b>	<b>\$ 21,582,323.03</b>	<b>\$ 208,399.98</b>	<b>\$ 3.00</b>	<b>\$ 1.00</b>	<b>\$ 151,449.00</b>	<b>\$ 10,175.00</b>	<b>\$ 14,176.00</b>	<b>\$ 14,175.00</b>	<b>\$ 12,175.00</b>	<b>\$ 12,175.00</b>

Source: ACFR Schedule B-1

\*For the year ended June 30, 2021 fund balance was reclassified due to GASB 84.

**SHREWSBURY SCHOOL DISTRICT**  
**CHANGES IN FUND BALANCES - 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
<b>Revenues</b>										
Tax Levy	\$ 9,100,116.00	\$ 8,924,323.00	\$ 8,756,728.00	\$ 8,589,770.00	\$ 8,371,801.00	\$ 8,160,392.00	\$ 7,649,492.00	\$ 7,797,268.00	\$ 7,650,085.00	\$ 7,504,695.00
Tuition Charges	72,000.00	71,050.00	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Miscellaneous	437,271.39	142,370.34	130,887.00	157,852.00	120,116.00	35,821.00	99,276.00	123,564.00	41,852.00	70,683.00
State Sources	2,913,382.29	2,723,901.99	2,188,899.00	1,748,535.00	1,671,727.00	1,494,312.00	1,269,407.00	1,134,848.00	1,017,462.00	854,087.00
Federal Sources	283,473.96	128,979.00	184,246.00	148,602.00	157,538.00	146,576.00	147,973.00	149,259.00	131,096.00	127,657.00
<b>Total Revenues</b>	<b>12,806,243.64</b>	<b>11,990,624.33</b>	<b>11,260,760.00</b>	<b>10,644,759.00</b>	<b>10,321,182.00</b>	<b>9,837,101.00</b>	<b>9,166,148.00</b>	<b>9,204,939.00</b>	<b>8,840,495.00</b>	<b>8,557,122.00</b>
<b>Expenditures</b>										
Instruction:										
Regular Instruction	3,621,151.40	3,415,561.62	3,217,158.00	2,984,920.00	3,070,496.00	2,875,932.00	2,831,053.00	2,785,650.00	2,755,286.00	2,882,168.00
Special Education Instruction	1,180,403.04	1,060,417.16	866,028.00	960,710.00	887,913.00	978,641.00	853,343.00	918,832.00	661,831.00	338,061.00
Other Special Instruction	-	-	-	-	-	-	-	-	-	4,959.00
Other Instruction	75,567.68	79,135.10	51,984.00	190,571.00	159,719.00	101,084.00	106,375.00	95,661.00	98,909.00	68,651.00
Support Services:										
Tuition	203,766.02	200,683.98	184,253.00	128,523.00	134,269.00	53,235.00	42,389.00	13,560.00	53,350.00	42,010.00
Attendance & Social Work Services	37,915.39	34,040.90	934,254.00	1,062,987.00	967,644.00	921,199.00	959,446.00	935,128.00	993,037.00	1,047,035.00
Health Services	82,797.58	83,273.97	-	-	-	-	-	-	-	-
Student & Instruction Related Services	1,036,902.45	923,243.75	620,852.00	686,246.00	351,107.00	698,189.00	743,656.00	284,711.00	319,649.00	599,209.00
Other Administrative Services	416,850.08	340,038.91	-	-	-	-	-	-	752,870.00	610,008.00
Central Services	289,966.57	279,869.58	-	-	-	-	-	-	-	-
Administration Information										
Technology Services	33,847.58	1,800.00	-	-	-	-	-	-	-	-
School Administrative Services	108,727.02	107,283.47	106,186.00	106,029.00	424,947.00	91,401.00	91,371.00	434,219.00	412,624.00	98,877.00
Plant Operations & Maintenance	666,409.61	618,269.56	657,982.00	774,842.00	678,493.00	641,762.00	650,188.00	597,295.00	638,936.00	772,817.00
Pupil Transportation	113,557.81	122,122.95	110,481.00	113,570.00	128,960.00	107,403.00	85,193.00	91,684.00	110,918.00	115,674.00
Unallocated Benefits	4,017,233.40	3,609,901.03	3,021,976.00	3,031,855.00	2,921,163.00	2,624,639.00	2,287,045.00	2,075,105.00	1,069,050.00	1,261,268.00
Special Schools	-	-	207,641.00	177,593.00	187,515.00	179,340.00	170,621.00	-	143,586.00	141,039.00
Transfer to Charter Schools	40,235.00	-	-	-	-	-	-	-	-	-
Capital Outlay	1,965,126.58	67,060.72	12,628.00	200,466.00	77,174.00	295,175.00	72,084.00	240,860.00	175,344.00	12,628.00
Debt Service:										
Principal	245,000.00	235,000.00	253,075.00	252,856.00	252,257.00	251,557.00	250,756.00	541,606.00	538,651.00	539,936.00
Interest & Other Charges	19,327.70	28,227.00	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>14,154,784.91</b>	<b>11,205,929.70</b>	<b>10,244,498.00</b>	<b>10,671,168.00</b>	<b>10,241,657.00</b>	<b>9,819,557.00</b>	<b>9,143,520.00</b>	<b>9,014,311.00</b>	<b>8,744,041.00</b>	<b>8,534,340.00</b>
Other Financing Sources/(Uses):										
Local Contribution - Transfer to Special Revenue	-	-	-	-	(29,969.00)	-	-	-	1,785.00	(7,964.00)
Bond Proceeds	22,768,257.85	-	-	-	-	-	-	-	-	-
Costs of Issuance	(250,437.85)	-	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources/(Uses)</b>	<b>22,517,820.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(29,969.00)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,785.00</b>	<b>(7,964.00)</b>
<b>Net Change in Fund Balances</b>	<b>\$ 21,169,278.73</b>	<b>\$ 784,694.63</b>	<b>\$ 1,016,262.00</b>	<b>\$ (26,409.00)</b>	<b>\$ 49,556.00</b>	<b>\$ 17,544.00</b>	<b>\$ 22,628.00</b>	<b>\$ 190,628.00</b>	<b>\$ 98,239.00</b>	<b>\$ 14,818.00</b>
Debt Service as a Percentage of Noncapital Expenditures	1.90%	2.41%	2.53%	2.43%	2.53%	2.63%	2.82%	6.39%	6.56%	6.75%

Source: ACFR Schedule B-2

EXHIBIT J-5

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

UNAUDITED

FISCAL YEAR ENDING JUNE 30,	INTEREST ON INVESTMENTS	TUITION		MISCELLANEOUS	TOTAL
		OTHER			
2023	\$ 253,986.60	\$ 72,000.00	\$ 48,864.09	\$	374,850.69
2022	-	71,050.00	21,112.68		92,162.68
2021	-	35,863.00	95,024.00		130,887.00
2020	-	138,521.00	19,331.00		157,852.00
2019	-	108,474.00	11,642.00		120,116.00
2018	5,158.00	26,500.00	4,163.00		35,821.00
2017	-	96,927.00	2,349.00		99,276.00
2016	-	120,318.00	2,000.00		122,318.00
2015	-	38,639.00	3,213.00		41,852.00
2014	-	59,600.00	6,887.00		66,487.00

### **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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SHREWSBURY SCHOOL DISTRICT  
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,  
 LAST TEN FISCAL YEARS  
 UNAUDITED

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	LESS: TAX EXEMPT PROPERTY	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ACTUAL COUNTY EQUALIZED VALUE
2023	\$ 3,244,900.00	\$1,042,007.125	\$ 1,477,700.00	\$ 5,600.00	\$ 445,489,700.00	\$ -	\$ -	\$ 1,492,225,025.00	\$ -	-	1,492,225,025.00	0.707	\$ 1,493,718,744.00
2022	3,654,800.00	926,958,700.00	1,315,700.00	5,600.00	440,055,900.00	-	-	1,371,990,700.00	-	-	1,371,990,700.00	0.663	1,379,568,326.00
2021	3,437,200.00	838,653,100.00	1,211,100.00	5,600.00	427,192,800.00	-	-	1,270,499,800.00	-	-	1,271,760,110.00	0.702	1,338,395,194.00
2020	6,494,900.00	820,525,300.00	1,193,100.00	5,600.00	408,085,700.00	-	-	1,236,304,600.00	-	-	1,237,510,909.00	0.708	1,247,274,988.00
2019	6,992,900.00	807,849,900.00	1,169,900.00	5,600.00	364,665,200.00	-	-	1,180,683,500.00	-	-	1,181,809,217.00	0.727	1,202,466,877.00
2018	10,320,500.00	795,060,500.00	1,155,900.00	5,600.00	361,883,700.00	-	-	1,168,426,200.00	-	-	1,169,547,013.00	0.716	1,172,908,786.00
2017	5,747,800.00	774,208,900.00	1,133,500.00	5,500.00	366,951,800.00	-	-	1,148,047,500.00	-	-	1,149,161,895.00	0.710	1,172,908,786.00
2016	5,628,000.00	744,629,400.00	1,121,200.00	5,600.00	365,264,800.00	-	-	1,116,649,000.00	-	-	1,116,649,000.00	0.068	1,120,448,571.00
2015	7,986,400.00	702,100,400.00	1,138,600.00	12,300.00	354,940,100.00	-	-	1,066,177,800.00	-	-	1,067,333,117.00	0.731	1,063,413,883.00
2014	18,647,200.00	622,889,200.00	119,600.00	12,000.00	359,911,200.00	-	-	1,001,579,200.00	-	-	1,003,601,221.00	0.762	1,048,541,096.00

Source: Monmouth County Board of Taxation

Real property is required to be assessed at 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

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

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE		OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE
	BASIC RATE	GENERAL OBLIGATION DEBT SERVICE	BOROUGH OF SHREWSBURY	REGIONAL RATE	MONMOUTH COUNTY	
2023	0.707	-	0.527	0.409	0.241	1.884
2022	0.663	-	0.566	0.460	0.262	1.951
2021	0.702	-	0.610	0.523	0.286	2.121
2020	0.708	-	0.615	0.518	0.282	2.123
2019	0.727	-	0.635	0.494	0.289	2.145
2018	0.716	-	0.642	0.497	0.296	2.151
2017	0.710	-	0.644	0.486	0.296	2.136
2016	0.684	-	0.649	0.478	0.299	2.110
2015	0.731	-	0.632	0.499	0.314	2.176
2014	0.762	-	0.663	0.521	0.325	2.271

Source: Municipal Tax Collector, Monmouth County Board of Taxation.

**SHREWSBURY 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

DATA NOT AVAILABLE

Total	\$ -		0.000%
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Taxpayer	2014		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE

DATA NOT AVAILABLE

Total	\$ -		-
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Source: Municipal Tax Assessor

**SHREWSBURY SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
UNAUDITED**

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2023	\$ 9,100,116.00	\$ 9,100,116.00	100.00%	-
2022	8,924,323.00	8,924,323.00	100.00%	-
2021	8,756,728.00	8,756,728.00	100.00%	-
2020	8,589,770.00	8,589,770.00	100.00%	-
2019	7,598,707.00	7,598,707.00	100.00%	-
2018	8,160,392.00	8,160,392.00	100.00%	-
2017	7,649,492.00	7,649,492.00	100.00%	-
2016	7,797,268.00	7,797,268.00	100.00%	-
2015	7,650,085.00	7,650,085.00	100.00%	-
2014	7,504,695.00	7,504,695.00	100.00%	-

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

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

**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 historical view of the School District's outstanding debt and its debt capacity.

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

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES			TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	GENERAL OBLIGATION BONDS	FINANCING OBLIGATIONS				
2023	\$ 19,930,000.00	\$ -	\$ -	\$ 19,930,000.00	N/A	N/A
2022	245,000.00	-	-	245,000.00	N/A	N/A
2021	480,000.00	-	-	480,000.00	N/A	N/A
2020	789,692.00	-	-	789,692.00	7.80%	61,250.00
2019	1,056,056.00	-	-	1,056,056.00	5.90%	61,838.00
2018	1,155,000.00	-	-	1,155,000.00	5.00%	57,530.00
2017	1,370,000.00	-	-	1,370,000.00	4.20%	57,651.00
2016	1,580,000.00	-	-	1,580,000.00	4.18%	57,110.00
2015	2,070,000.00	-	-	2,070,000.00	3.19%	57,219.00
2014	2,540,000.00	-	-	2,540,000.00	2.60%	51,045.00

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

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

<b>FISCAL YEAR ENDED JUNE 30,</b>	<b>NET ASSESSED VALUATION TAXABLE</b>	<b>NET GENERAL BONDED DEBT OUTSTANDING</b>	<b>PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY</b>	<b>PER CAPITA</b>
2023	\$ 1,492,225,025.00	\$ 19,930,000.00	1.45%	4,771.37
2022	1,371,990,700.00	245,000.00	0.02%	58.65
2021	1,271,760,110.00	525,401.00	0.04%	126.00
2020	1,237,510,909.00	789,692.00	0.07%	193.00
2019	1,181,809,217.00	1,056,056.00	0.09%	256.00
2018	1,169,547,013.00	1,155,000.00	0.10%	288.00
2017	1,149,161,895.00	1,370,000.00	0.16%	328.00
2016	1,116,649,000.00	1,580,000.00	0.14%	382.00
2015	1,067,333,117.00	2,070,000.00	0.19%	501.00
2014	1,003,601,221.00	2,540,000.00	0.25%	628.00

**Note:** Details regarding the District's outstanding debt can be found in the notes to the financial statements.  
See Exhibit J-6 for property tax data.

Population data can be found in Exhibit J-14.



**SHREWSBURY SCHOOL DISTRICT  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
YEAR ENDED JUNE 30, 2023  
UNAUDITED**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Borough of Shrewsbury	\$ 4,265,990.00	100.0000%	\$ 4,265,990.00
Other Debt:			
County of Monmouth - Township's Share (%)	485,746,546.00	0.9005%	<u>4,374,147.65</u>
Subtotal, Overlapping Debt			8,640,137.65
Shrewsbury Borough School District Direct Debt	\$ 19,930,000.00	100.0000%	<u>19,930,000.00</u>
Total Direct & Overlapping Debt			<u><u>\$ 28,570,137.65</u></u>

**Source:** Monmouth County Office of the Treasurer, Borough of Shrewsbury.

**Note:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the School District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Borough of Shrewsbury. This process recognizes that, when considering the School District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

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

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

	AS OF DECEMBER 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Debt Limit	\$ 55,070,247.25	\$ 51,276,882.41	\$ 51,772,646.00	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
Total Net Debt Applicable to Limit	495,764.00	495,764.00	495,764.00	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
Legal Debt Margin	\$ 54,574,483.25	\$ 50,781,118.41	\$ 51,276,882.00	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available

Total Net Debt Applicable to the Limit  
as a Percentage of Debt Limit

0.90%	0.97%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
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**Legal Debt Margin Calculation**

Equalized Valuation Basis	
2022	\$ 1,490,635,267.00
2021	1,369,663,325.00
2020	1,307,152,252.00
	<u>\$ 4,167,450,844.00</u>
	<u>\$ 1,389,150,281.33</u>
	\$ 55,566,011.25
	<u>495,764.00</u>
	<u>\$ 55,070,247.25</u>

Average Equalized Valuation of Taxable Property

Debt Limit (4% of Average Equalization Value)  
Net Bonded School Debt

Legal Debt Margin

Source: Equalized valuation bases were obtained from the mONMOUTH County Board of Taxation.

### **Demographic and Economic Information**

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within the School District operates and (2) to provide information that facilitates comparisons of financial statement 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 operates.

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

FISCAL YEAR ENDED JUNE 30,	POPULATION (a)	PERSONAL INCOME (b)	PER CAPITA PERSONAL INCOME (c)	UNEMPLOYMENT RATE (d)
2023	4,138	\$ 280,937,096	67,892	2.80%
2022	4,177	359,602,107	86,091	5.90%
2021	4,184	276,955,696	66,194	6.70%
2020	4,086	250,292,016	61,256	3.10%
2019	4,115	254,463,370	61,838	3.00%
2018	4,214	242,431,420	57,530	3.80%
2017	4,181	241,038,831	57,651	4.20%
2016	4,280	244,430,800	57,110	3.80%
2015	4,131	243,753,955	N/A	3.50%
2014	4,424	292,068,056	66,019	4.50%

**Source:** U.S. Department of Commerce, Bureau of Economic Analysis. These numbers are estimated by the Bureau and may be revised from year to year.

a Population information provided by the NJ Dept of Labor and Workforce Development. These numbers are estimated by the Department and may be revised from year to year.

b Personal income

c Per capita personal income by county provided by the NJ Dept of Education. These numbers were computed using Census Bureau midyear population estimates as of March 2020.

d Unemployment data provided by the NJ Dept of Labor and Workforce Development. Note that there is recent revised data for the years 2004 through 2001 due to the new unemployment estimation procedure.

**SHREWSBURY SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED**

	2023	
	EMPLOYEES	PERCENTAGE OF TOTAL RANK EMPLOYMENT

**DATA NOT AVAILABLE**

Total	0	0.00%
Total Employment - (Estimated)	0	

**Source:** Monmouth County Department of Economic Development and Tourism; The Borough of Shrewsbury, Official Statements

### **Operating Information**

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement 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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**SHREWSBURY SCHOOL DISTRICT  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS  
UNAUDITED**

Function/Program	FISCAL YEAR ENDED JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Instruction:										
Regular	26	39	38	38	41	41	39	38.5	37.5	38.5
Special Education	23	15	15	15	12	7	9	10	7	5
Support Services:										
Student & Instruction Related Services	20.9	25.6	25.6	25.6	25.0	23.0	22.1	22.1	19.6	22.0
General Administration	1	1	1	1	1	1	1	1	1	1
School Administrative Services	1	1	1	1	1	1	1	1	1	1
Central Services	4	4	4	7	7	6	6	6	6	6
Plant Operations & Maintenance	5	7	7	7	7	7	6	6	7	7
Food Service	3	4	4	4	4	3.5	3	3.5	3	3
Total	83.9	96.6	95.6	98.6	98.0	89.5	87.1	88.1	82.1	83.5

**Source:** District Personnel Records

SHREWSBURY SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED

FISCAL YEAR ENDED JUNE 30,	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	PUPIL/TEACHER RATIO (d)		AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
					ELEM	MIDDLE				
2023	455	\$ 12,275,526.31	\$ 26,979.18	19.95%	1:11	1:11	462.63	438.81	N/A	N/A
2022	460	10,737,245.97	22,652.42	-0.11%	1:19	1:19	N/A	N/A	N/A	N/A
2021	452	10,248,884.00	22,674.52	3.52%	1:19	1:19	442.00	434.00	-7.66%	98.19%
2020	492	10,671,168.00	21,689.37	11.60%	1:19	1:19	485.00	470.00	1.01%	96.91%
2019	494	9,724,711.00	19,685.65	3.67%	1:19	1:19	479.00	459.00	1.90%	95.82%
2018	479	9,093,485.00	18,984.31	8.00%	1:19	1:19	451.00	435.00	-4.10%	96.45%
2017	505	8,820,680.00	17,466.69	7.60%	1:19	1:18	470.00	453.00	7.30%	96.38%
2016	510	8,231,847.00	16,140.88	-3.30%	1:17	1:18	507.00	494.00	6.51%	97.44%
2015	483	8,061,804.00	16,691.11	3.78%	1:17	1:18	476.00	461.00	0.00%	96.85%
2014	489	7,853,365.00	16,060.05	1.23%	1:17	1:18	485.00	454.00	0.00%	93.61%

Source: District records

Note: Enrollment based on annual October district count from the year prior.

a Operating expenditures equal total expenditures less debt service, capital outlay, and on-behalf TPAF Pension and reimbursed TPAF social security contributions. J-4

b Teaching staff includes only full-time equivalents of certificated staff.

c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

d Pupil/Teacher ratio was obtained from the Comparative Spending Guide

**SHREWSBURY SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
UNAUDITED**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>DISTRICT BUILDINGS</b>										
Elementary Schools:										
Main Building Elementary		51,075								
Square Feet	275	275								
Capacity										
Total Enrollment	445	447								
Number of Schools at June 30, 2023:										
Elementary = 1										
Middle School = 0										
Other = 0										

**Source:** District Facilities Office, District Records

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

SHREWSBURY SCHOOL DISTRICT  
 GENERAL FUND  
 SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
 LAST TEN FISCAL YEARS  
 UNAUDITED

SCHOOL FACILITIES	PROJECT # (s)	FISCAL YEAR ENDED JUNE 30,									
		2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Elementary Schools: Elementary School	N/A	\$ 134,681.68	\$ 114,958.02	\$ 159,138.00	\$ 263,040.00	\$ 151,177.00	\$ 125,206.00	\$ 155,182.00	\$ 104,869.00	\$ 149,114.00	\$ 165,369.00

**SHREWSBURY SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2023  
UNAUDITED**

	<b>COVERAGE</b>	<b>DEDUCTIBLE</b>
<b>SCHOOL PACKAGE POLICY (1):</b>		
Property Coverage Overview	\$ 500,000,000.00	\$ 5,000.00
Limited Liability Coverages:		
Combined Comprehensive Liability	16,000,000.00	N/A
Combined Employee Benefits Program Liability	16,000,000.00	\$1,000
Combined Crime	50,000.00	500.00
Errors and Omissions School Leaders	100,000.00/300,000.00	5,000.00
Worker's Compensation	3,000,000.00	N/A
<b>SCHOOL ACCIDENT INSURANCE (2)</b>	1,000,000.00	N/A
<b>SURETY BONDS:</b>		
Treasurer (1)	180,000.00	1,000.00
Board Secretary	100,000.00	1,000.00

**Source:** Monmouth Ocean County Shared Services Insurance Fund

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**SINGLE AUDIT SECTION**

Fourth Section

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## 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  
Shrewsbury School District  
County of Monmouth  
Shrewsbury, NJ 07702

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 Shrewsbury 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 January 25, 2024.

#### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Shrewsbury 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 Shrewsbury School District's internal control.

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

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

HOLMAN FRENIA ALLISON, P.C.

Jerry W. Conaty  
Certified Public Accountant  
Public School Accountant, No. 2470

Lakewood, New Jersey  
January 25, 2024



**EXHIBIT K-2**

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

Honorable President and Members  
of the Board of Education  
Shrewsbury School District  
County of Monmouth  
Shrewsbury, NJ 07702

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

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

We have audited Shrewsbury School District's compliance with types of compliance requirements identified as subject to audit in 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 Shrewsbury 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 Shrewsbury School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2023.

***Basis for Opinion 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; 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 and New Jersey's OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts of 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 Shrewsbury 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 generally accepted auditing standards, *Government Auditing Standards*, New Jersey OMB's Circular 15-08 and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in aggregate, it would influence the judgment 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 auditing standards, *Government Auditing Standards*, New Jersey OMB's Circular 15-08 and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School District's compliance with compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the 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 New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Jerry W. Conaty

Certified Public Accountant

Public School Accountant, No. 2470

Lakewood, New Jersey  
January 25, 2024

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

FEDERAL ASSISTANCE LISTING NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2022	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	BALANCE JUNE 30, 2023			
									UNEARNED REVENUE	(ACCOUNTS RECEIVABLE)		
FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE OR CLUSTER	FEDERAL ASSISTANCE LISTING NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2022	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	UNEARNED REVENUE	(ACCOUNTS RECEIVABLE)	DUE TO GRANTOR
<b>U.S. Department of Education</b>												
Passed Through New Jersey Department of Education:												
Elementary and Secondary Education Act (ESEA):												
Title I - Part A												
Title I - Part A												
84.010	S010A220030	100-034-5064-194	100-034-5064-194	\$ 9,927.00	7/1/22-6/30/23	\$ -	\$ -	\$ (9,902.00)	\$ -	\$ -	\$ (9,902.00)	\$ -
84.010	S010A210030	100-034-5064-194	100-034-5064-194	11,948.00	7/1/21-9/30/22	(3,706.00)	3,706.00	-	-	-	-	-
84.367	S367A220029	100-034-5063-290	100-034-5063-290	19,870.00	7/1/22-6/30/23	(3,706.00)	(18,098.00)	-	-	-	(6,074.00)	-
84.367	S367A210029	100-034-5063-290	100-034-5063-290	4,579.00	7/1/21-9/30/22	(3,706.00)	(18,098.00)	-	-	-	(6,074.00)	-
Special Education Cluster:												
84.027	H027A220100	100-034-5065-016	100-034-5065-016	129,542.00	7/1/22-6/30/23	-	101,653.00	(129,635.00)	-	-	(27,982.00)	-
84.027	H027A210100	100-034-5065-016	100-034-5065-016	127,727.00	7/1/21-9/30/22	-	-	-	-	-	-	-
84.027X	H027X210100	100-034-5065-094	100-034-5065-094	21,397.00	7/1/21-9/30/22	-	101,653.00	(20,721.00)	-	-	(20,721.00)	-
84.173	H173A220114	100-034-5065-020	100-034-5065-020	6,242.00	7/1/22-6/30/23	-	-	(6,242.00)	-	-	(6,242.00)	-
84.173	H173A210114	100-034-5065-020	100-034-5065-020	5,717.00	7/1/21-9/30/22	-	-	-	-	-	-	-
84.173X	H173X210114	100-034-5065-020	100-034-5065-020	1,827.00	7/1/21-9/30/22	-	-	(1,827.00)	-	-	(1,827.00)	-
Total Special Education Cluster												
						-	101,653.00	(158,425.00)	-	-	(56,772.00)	-
Education Stabilization Fund												
Elementary and Secondary School Emergency Relief												
84.425D	S425D210027	100-034-5120-518	100-034-5120-518	39,164.00	3/13/20-9/30/23	-	-	(39,164.00)	-	-	(39,164.00)	-
84.425D	S425D210027	100-034-5120-518	100-034-5120-518	25,000.00	3/13/20-9/30/23	-	-	(16,163.96)	-	-	(16,163.96)	-
84.425D	S425D210027	100-034-5120-518	100-034-5120-518	45,000.00	3/13/20-9/30/23	-	-	(45,000.00)	-	-	(45,000.00)	-
84.425U	S425U210027	100-034-5120-523	100-034-5120-523	50,000.00	3/13/20-9/30/24	-	-	(14,750.00)	-	-	(14,750.00)	-
						-	-	(115,077.96)	-	-	(115,077.96)	-
<b>Total U.S. Department of Education</b>						(3,706.00)	117,383.00	(301,502.96)	-	-	(187,825.96)	-
<b>Total Expenditures of Federal Awards</b>						\$ (3,706.00)	\$ 117,383.00	\$ (301,502.96)	\$ -	\$ -	\$ (187,825.96)	\$ -

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





**SHREWSBURY SCHOOL DISTRICT**  
**NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE**  
**FINANCIAL ASSISTANCE**  
**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 Shrewsbury School District (the 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 Teacher's Pension and Annuity Fund (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.

**SHREWSBURY SCHOOL DISTRICT**  
**NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE**  
**FINANCIAL ASSISTANCE**  
**YEAR ENDED JUNE 30, 2023 (Continued)**

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

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund 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 (\$6,934.00) for the general fund and (\$18,185.00) 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	\$ -	\$ 2,889,102.29	\$ 2,889,102.29
Special Revenue Fund	283,473.96	24,280.00	307,753.96
Total Awards & Financial Assistance	<u>\$ 283,473.96</u>	<u>\$ 2,913,382.29</u>	<u>\$ 3,196,856.25</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 School District had no loan balances outstanding at June 30, 2023.



**SHREWSBURY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2023**

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

**State Financial Assistance**

Dollar threshold used to determine Type A programs	\$	750,000.00
Auditee qualified as low-risk auditee?	Yes	<u>    X    </u> No
Internal control over major programs:		
1) Material weakness(es) identified?	<u>          </u> Yes	<u>    X    </u> No
2) Significant deficiency(ies) identified?	<u>          </u> Yes	<u>    X    </u> None reported
Type of auditor's report issued on compliance for major programs		Unmodified
Any audit findings disclosed that are required to be reported in accordance with New Jersey OMB's Circular 15-08?	<u>          </u> Yes	<u>    X    </u> No

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
495-034-5094-003	Reimbursed TPAF Social Security Contributions
495-034-5120-044	Extraordinary Aid

**SHREWSBURY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2023**

**Section II - Financial Statement Findings**

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.

None.

**SHREWSBURY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2023**

**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 - Federal Single Audit not required.

**STATE FINANCIAL ASSISTANCE**

None.

**SHREWSBURY SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
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 Principals, and Audit Requirements for Federal Awards (Uniform Guidance)*, and New Jersey OMB's Circular 15-08.

**Financial Statement Findings**

Finding No. 2022-001:

During our audit we noted that the School District is not maintaining a complete and accurate general ledger in accordance with accounting principles generally accepted in the United States of America.

Current Status:

This condition has been corrected in the current year.

Finding No. 2022-002:

During our testing it was noted the bank reconciliations were not accurately performed.

Current Status:

This condition has been corrected in the current year.

Finding No. 2022-003:

During our testing the District was unable to provide supporting documentation for vouchers selected for testing. The District also did not calculate the liability for compensated absences at June 30, 2022.

Current Status:

This condition has been corrected in the current year.

Finding No. 2022-004:

The School District over-expended one line item in its budget.

Current Status:

This condition has been corrected in the current year.

**Federal Awards**

N/A - Federal Single Audit not performed in prior year

**State Financial Assistance**

None.