

SCHOOL DISTRICT
OF
STILLWATER TOWNSHIP

Stillwater Township School District
Board of Education
Stillwater, Sussex County
New Jersey

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

Annual Comprehensive

Financial Report

of the

Stillwater Township School District

Board of Education

Stillwater, New Jersey

For the Fiscal Year Ending June 30, 2023

Prepared by

Stillwater Township School District

Board of Education

Finance Department

OUTLINE OF ACFR

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Introductory Section

STILLWATER TOWNSHIP BOARD OF EDUCATION

P.O. BOX 12
904 STILLWATER ROAD
STILLWATER, NEW JERSEY 07875



TEL: (973) 383-8954 / FAX: (973) 383-1895

November 2, 2023

The Honorable President and Members
of the Board of Education
Stillwater Township School District
County of Sussex, NJ

Dear Board Members:

The annual comprehensive financial report of the Stillwater Township 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 Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditors' report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the U.S. Office of Management and Budget Uniform Guidance, "Audits of State and Local Governments, and New Jersey's State Treasury Circular Letter 15-08-OMB," Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments. Information related to this single audit, including the Auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: Stillwater Township School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB, Statement No. 14. All funds and account groups of the District are included in this report. The Stillwater Township Board of Education and its school constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels PK through 6. These include regular, special education for the disabled youngsters, and gifted and talented education. The District completed the 2022-2023 fiscal year with an average enrollment of 284 students, which is an increase in enrollment from the previous year. The following details the changes in the student enrollment of the District over the last five years.

Average Daily Enrollment

<u>Fiscal</u> <u>Year</u>	<u>Student</u> <u>Enrollment</u>	<u>Percent</u> <u>Change</u>
2022-23	284	7.37%
2021-22	265	(2.67%)
2020-21	272	8.3%
2019-20	251	(-5.6%)
2018-19	266	(-6.5%)

2) ECONOMIC CONDITION AND OUTLOOK: Stillwater Township continues to see little change in the economic character of the community. The rural nature of the municipality will be preserved by the current zoning ordinances. The school population has increased due to students moving into the district across a variety of grade levels. Four of our six grade levels increased enrollment from the prior school year. However, with the current economic conditions and lack of increase in state aid, the local taxpayers are affected as the school district tries to maintain the finest educational programs, while still maintaining a responsible fiscal base.

3) MAJOR INITIATIVES: Stillwater School District undertook facility improvements during the 2022-2023 fiscal year. Major building projects included phase two of the masonry repairs, structural masonry repairs, and building wide lighting upgrades.

The district continues to invest in professional development for our teaching staff in areas of English-Language Arts, mathematics, and Response to Intervention. These trainings enable our teaching and administrative staff to identify best practices in the core areas of English-Language Arts and mathematics. The Response to Intervention training allows for our teaching and administrative staff to identify students with gaps in their learning and prescribe academic interventions to remediate these gaps. Our district continues to take part in the New Jersey Consortia for Excellence through Equity which allows our staff training in this essential area with the goal of identifying and eliminating barriers for students. Stillwater School continues to offer appropriately sized classrooms as well as supports our Makerspace/STEAM programs. This allows all students to access our STEAM curriculum.

4) INTERNAL ACCOUNTING CONTROLS: Management of the 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 or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control 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 derived; and (2) the valuation of costs and benefits requires 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 evaluation by the District management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control 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.

5) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

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

7) DEBT ADMINISTRATION: At June 30, 2023, the District's outstanding debt issues included \$0 of the safe schools loan. All debt for the district has been retired.

8) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements, Note 2" The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the ACT.

The Honorable President and Members
of the Board of Education
November 2, 2023
Page 4

9) RISK MANAGEMENT: The Board carried various forms of insurance, including but not limited to general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property, contents, and fidelity bonds.

10) OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ardito & Company, LLC was appointed by the Stillwater Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related OMB Uniform Guidance and New Jersey's Treasure Circular Letter 15-8 OMB. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules are 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.

11) ACKNOWLEDGMENTS:

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

Respectfully submitted,

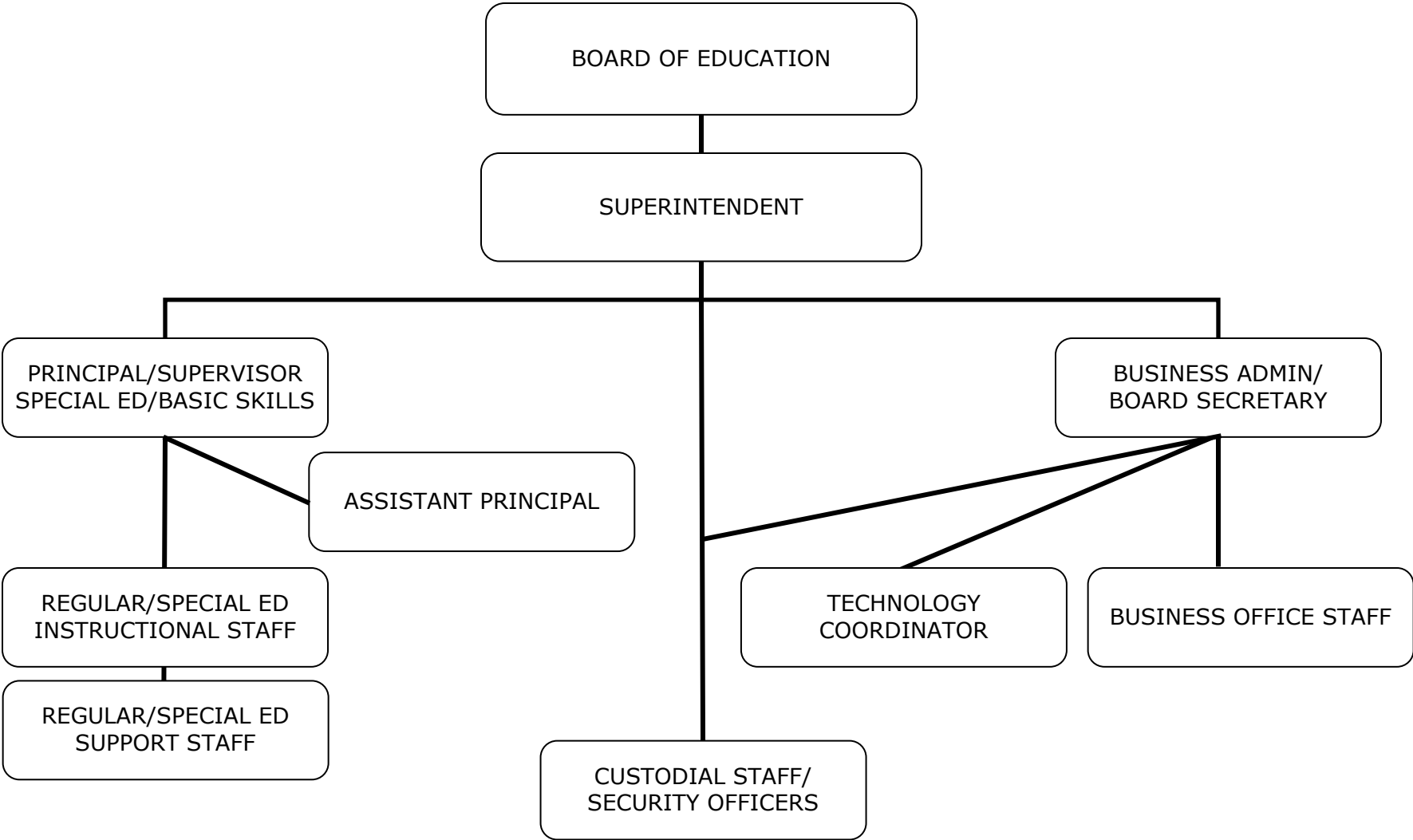


Dr. William Kochis, Superintendent



René Metzgar, Business Administrator/Board Secretary

STILLWATER TOWNSHIP BOARD OF EDUCATION



**STILLWATER TOWNSHIP SCHOOL DISTRICT
BOARD OF EDUCATION**

ROSTER OF OFFICIALS

June 30, 2023

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Krista Galante, <i>President</i>	2023
Cheryl Williver, <i>Vice-President</i>	2024
Darrick Franek	2024
Margaret Frey	2024
Dennis DeGroat	2023
Jennifer Kraft	2025
Karen Thibault	2025
Amy Valeich	2023
Christine Voris	2025

Other Officials

William Kochis, *Superintendent*

René Metzgar, *Board Secretary/School Business Administrator*

Kathleen Kane, *Treasurer of School Monies*

**STILLWATER TOWNSHIP SCHOOL DISTRICT
BOARD OF EDUCATION**

CONSULTANTS AND ADVISORS

Audit Firm

Ardito & Company LLC
1110 Harrison Street, Suite C
Frenchtown, New Jersey 08825-1192

Attorney

Cornell, Merlino, McKeever & Osborne, LLC
238 St Paul Street
Westfield, New Jersey 07090

Official Depository

Lakeland Bank
Stillwater Branch
Route 94
Newton, New Jersey 07860

Valley National Bank
410 Route 94
Newton, New Jersey 07860

Financial Section

Independent Auditor's Report



ARDITO & COMPANY LLC

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Frenchtown, New Jersey 08825-1192
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e-mail: anthony@arditoandcompany.com

Anthony Ardito, CPA, RMA, CMFO, PSA

Independent Auditor's Report

The Honorable President and
Members of the Board of Education
Stillwater Township School District
County of Sussex
Newton, New Jersey 07860

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and ***Government Auditing Standards*** will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and ***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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension and post-employment benefit trend information as noted in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Stillwater Township School District Board of Education's basic financial statements. The combining and individual non-

-Continued-

major fund financial statements, and the schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey OMB's Circulars 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the 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 November 2, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with ***Government Auditing Standards*** the District's internal control over financial reporting and compliance.

Ardito & Company LLC

ARDITO & COMPANY LLC

Frenchtown, New Jersey

November 2, 2023

Anthony Ardito

Anthony Ardito

Certified Public Accountant

Licensed Public School Accountant No. 2369

ARDITO & COMPANY LLC

Frenchtown, New Jersey

November 2, 2023

Required Supplementary Information - Part I

Management's Discussion and Analysis

STILLWATER TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED

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

Financial Highlights

Key financial highlights for 2023 are as follows:

- ◆ In total, Net Position increased \$1,005,361 which represents a 25.6% increase from 2022.
- ◆ General revenues accounted for \$4,859,149 in revenue or 57.4% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$3,612,728 or 42.6% of total revenues of \$8,471,877.
- ◆ Total assets of governmental activities increased by \$692,356, as cash and cash equivalents decreased by \$119,056, receivables increased by \$561,799, and capital assets increased by \$244,348.
- ◆ The School District had \$7,466,516 in expenses; only \$3,612,728 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$4,859,149 were available to provide for these programs.
- ◆ Among major funds, the General Fund had \$7,919,242 in revenues and \$7,223,002 in expenditures. The General Fund's surplus balance increased \$613,770 over 2022, which compares favorably to the budgeted decrease of \$686,058.

Using this Generally Accepted Accounting Principals Report (GAAP)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Stillwater Township School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities. The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail.

For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of Stillwater Township School District, the General Fund is by far the most significant fund.

STILLWATER TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

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

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

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- Governmental activities--All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

- Business-type Activity--This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

Reporting the School District’s Most Significant Funds

Fund Financial Statements

The analysis of the School District’s major funds begins on page 26. Fund financial reports provide detailed information about the School District’s major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District’s most significant funds. The School District’s major governmental funds are the General Fund, Special Revenue Fund, and Capital Projects Fund.

STILLWATER TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED

Governmental Funds

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

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District's Net Position for 2023 compared to 2022.

**Table 1
Net Position**

	<u>2023</u>	<u>2022</u>
Assets		
Current and Other Assets	\$ 3,290,685	\$ 2,842,677
Capital Assets	<u>3,063,695</u>	<u>2,819,347</u>
Total Assets	<u>6,354,380</u>	<u>5,662,024</u>
 Deferred Outflows of Resources	 <u>127,969</u>	 <u>83,900</u>
 Liabilities		
Long-Term Liabilities	872,377	690,304
Other Liabilities	<u>487,557</u>	<u>641,632</u>
Total Liabilities	<u>1,359,934</u>	<u>1,331,936</u>
 Deferred Inflows of Resources	 <u>192,038</u>	 <u>488,972</u>
 Net Position		
Invested in Capital Assets, Net of Debt	3,063,695	2,819,347
Restricted	1,799,874	1,943,470
Unrestricted	<u>66,808</u>	<u>(837,801)</u>
Total Net Position	<u>\$ 4,930,377</u>	<u>\$ 3,925,016</u>

STILLWATER TOWNSHIP SCHOOL DISTRICT

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

Total assets of governmental activities increased by \$692,356, as cash and cash equivalents decreased by \$119,056, receivables increased by \$561,799, and capital assets increased by \$244,348.

The cash decrease was mainly due to federal grants spending in advance of reimbursement, the receivable increase was due to maintenance of equity aid not collected until the subsequent year, and the increase in capital assets was due to capital outlay spending.

Table 2 shows the changes in Net Position from fiscal year 2022.

Table 2
Changes in Net Position

	<u>2023</u>	<u>2022</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 135,762	\$ 76,820
Operating Grants and Contributions	3,476,966	3,526,942
General Revenues:		
Property Taxes	4,809,148	4,610,694
Federal & State Aid on Capital Asset Projects		
Investment Earnings	18,976	3,747
Other	<u>31,025</u>	<u>120,043</u>
Total Revenues	<u>8,471,877</u>	<u>8,338,246</u>
Program Expenses		
Instruction	3,989,676	4,365,923
Support Services:		
Tuition	4,347	92,511
Pupils and Instructional Staff	1,341,463	1,254,565
General Administration, School Administration, Business	720,522	774,105
Operations and Maintenance of Facilities	861,075	937,943
Pupil Transportation	223,984	226,842
Business-Type Activities	164,894	147,951
Interest and Fiscal Charges	<u>160,555</u>	<u>128,400</u>
Total Expenses	<u>7,466,516</u>	<u>7,928,240</u>
Increase in Net Position	<u>\$ 1,005,361</u>	<u>\$ 410,006</u>

STILLWATER TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 56.8% percent of revenues for governmental activities for the Stillwater Township School District for the fiscal year 2023.

Instruction comprises 53.4% of district expenses. Support services expenses make up 42.2% of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services compared to 2022. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3

	<u>Total Cost of Services 2023</u>	<u>Net Cost of Services 2023</u>	<u>Total Cost of Services 2022</u>	<u>Net Cost of Services 2022</u>
Instruction	\$ 3,989,676	\$ 1,998,269	\$ 4,365,923	\$ 2,327,291
Support Services:				
Tuition	4,347	2,951	92,511	64,640
Pupils and Instructional Staff	1,341,463	460,197	1,254,565	493,893
General Admin., School Admin., Business	720,522	489,148	774,105	540,892
Operation and Maintenance of Facilities	861,075	584,566	937,943	655,371
Pupil Transportation	223,984	152,058	226,842	158,502
Business-Type Activities	164,894	6,044	147,951	(44,511)
Interest and Fiscal Charges	<u>160,555</u>	<u>160,555</u>	<u>128,400</u>	<u>128,400</u>
Total Expenses	<u>\$ 7,466,516</u>	<u>\$ 3,853,788</u>	<u>\$ 7,928,240</u>	<u>\$ 4,324,478</u>

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

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

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

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

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

STILLWATER TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED

Business-type activities includes expenses related to activities provided by the School District which are designed to provide for students to participate in food service.

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

The dependence upon tax revenues is apparent. Over 50.1% of instruction activities are supported through taxes and other general revenues; for all activities general revenue support is 53.6%. The community, as a whole, is the primary support for the Stillwater Township School District.

The School District's Funds

Information about the School District's major funds starts on page 26. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other sources of \$9,050,532 and expenditures of \$8,426,668. The General Fund's surplus balance increased \$613,770 over 2022, which compares favorably to the budgeted decrease of \$686,058.

General Fund Budgeting Highlights

The School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

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

For the General Fund, budget basis revenue and other financing sources, excluding on-behalf payments, was \$6,363,648, \$885,177 over original budgeted estimates of \$5,478,471. This difference was due primarily to MOE and Stabilization aid.

General fund revenues exceeded expenditures by \$584,393. Again this surplus compares to a budgeted deficit of \$686,058, which was due to the budgeted use of surplus and capital reserve needed to balance the 2022-2023 budget. The budgeted deficit was reduced due to cost savings in the areas of instruction, maintenance, administration, transportation, and benefits.

Overall general fund balance (budget basis) was \$2,858,987, and amounts ear-marked and reserved for future purposes were \$1,800,152, creating a surplus in unreserved fund balance of \$1,058,835. Management believes unreserved fund balance at statutory levels will provide adequate working capital for the district.

STILLWATER TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED

Capital Assets

At the end of the fiscal year 2023, the School District had \$3,046,580 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2023 balances compared to 2022.

**Table 4
Capital Assets (Net of Depreciation) at June 30,**

	<u>2023</u>	<u>2022</u>
Land	\$ 180,000	\$ 180,000
Land Improvements	282,195	302,526
Buildings and Improvements	2,360,259	2,058,982
Machinery and Equipment	<u>224,126</u>	<u>277,839</u>
 Totals	 <u>\$ 3,046,580</u>	 <u>\$ 2,819,347</u>

Overall capital assets increased \$227,233 from fiscal year 2022 to fiscal year 2023. The increase in capital assets was due to capital additions, net of depreciation expense for the year.

Capital improvements of \$459,517 were purchased during fiscal year 2023, and included Masonry and restroom improvements, and HVAC projects

Debt Administration

At June 30, 2023, the School District had \$106,396 as outstanding long term debt. Of this amount, \$106,396 is for compensated absences.

At June 30, 2023, the School District's overall legal debt margin was \$12,898,265 and the unvoted debt margin was the same.

STILLWATER TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED

For the Future

The Stillwater Township School District is in very good financial condition presently. A major concern is the continued reliance on local property taxes. It has been increasingly difficult to balance educational needs with increases in property tax rates. This problem seems to be statewide and is not exclusive to the Stillwater Township School District. The Stillwater Township School District is primarily a residential community, with very few ratables, thus the burden is focused on homeowners to bear the tax burden.

In conclusion, the Stillwater Township School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact René Metzgar, School Business Administrator/ Board Secretary at Stillwater Township School District, 904 Stillwater Road, Stillwater, NJ, 07875, (973) 383-8954.

Basic Financial Statements

DISTRICT-WIDE FINANCIAL STATEMENTS

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

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit A-1

STATEMENT OF NET POSITION

June 30, 2023

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and Cash Equivalents	\$1,099,666	\$62,718	\$1,162,384
Receivables, Net	1,099,195	2,154	1,101,349
Interfund Receivables	-	5,464	5,464
Inventory		6,098	6,098
Restricted Assets:			
Capital & Maint. Reserve Account - Cash	1,015,390		1,015,390
Capital Assets, Net (Note 5):	3,046,580	17,115	3,063,695
Total Assets	6,260,831	93,549	6,354,380
DEFERRED OUTFLOWS OF RESOURCES			
Pension Deferred Outflows (Note 7)	127,969		127,969
LIABILITIES			
Accounts Payable	8,267	6,475	14,742
Payroll Deductions and Withholdings Payable	6,857		6,857
Unemployment Compensation Claims Payable	-		-
Interfund Payables	5,464	-	5,464
Unearned Revenue	456,991	3,503	460,494
Net Pension Liability (Note 7)	765,981		765,981
Noncurrent Liabilities (Note 6):			
Due Beyond One Year	106,396		106,396
Total Liabilities	1,349,956	9,978	1,359,934
DEFERRED INFLOWS OF RESOURCES			
Pension Deferred Inflows (Note 7)	192,038		192,038
NET POSITION			
Invested in Capital Assets, Net of Related Debt	3,046,580	17,115	3,063,695
Restricted for:			
Other Purposes	1,799,874		1,799,874
Unrestricted	352	66,456	66,808
Total Net Position	\$4,846,806	\$83,571	\$4,930,377

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

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit A-2

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	PROGRAM REVENUES				NET(EXPENSE) REVENUE AND CHANGES IN NET POSITION	
	CHARGES	OPERATING	GOVERNMENTAL	BUSINESS-TYPE	TOTAL	
	FOR	GRANTS AND	ACTIVITIES	ACTIVITIES		
EXPENSES	SERVICES	CONTRIBUTIONS				
Functions/Programs						
Governmental Activities:						
Instruction:						
Regular	\$ 3,243,152	\$ 37,706	\$ 1,713,977	\$ (1,491,469)		\$ (1,491,469)
Special Education	739,641		237,514	(502,127)		(502,127)
Other Special Instruction	6,883		2,210	(4,673)		(4,673)
Support Services:						
Tuition	4,347		1,396	(2,951)		(2,951)
Student & Instruction Related Serv.	1,341,463	10,620	870,646	(460,197)		(460,197)
School Administrative Services	176,379		56,639	(119,740)		(119,740)
General and Business Admin. Serv.	544,143		174,735	(369,408)		(369,408)
Plant Operations and Maintenance	861,075		276,509	(584,566)		(584,566)
Pupil Transportation	223,984		71,926	(152,058)		(152,058)
Other Fiscal Charges	1,790		-	(1,790)		(1,790)
Unallocated Depreciation	158,765		-	(158,765)		(158,765)
Total Governmental Activities	7,301,622	48,326	3,405,552	(3,847,744)		(3,847,744)
Business-Type Activities:						
Food Service	164,894	\$ 87,436	71,414		\$ (6,044)	(6,044)
Total Business-Type Activities	164,894	87,436	71,414		(6,044)	(6,044)
Total Primary Government	\$ 7,466,516	\$ 135,762	\$ 3,476,966	\$ (3,847,744)	\$ (6,044)	\$ (3,853,788)
General Revenues:						
Taxes:						
Property Taxes. Levied for General Purposes, Net			\$ 4,809,148			\$ 4,809,148
Investment Earnings			18,923	\$ 53		18,976
Miscellaneous Revenues			29,700		1,325	31,025
Transfers			-		-	-
Total General Revenues, Special Items, Extraor. Items			4,857,771		1,378	4,859,149
Change in Net Position			1,010,027		(4,666)	1,005,361
Net Position—Beginning			3,836,779		88,237	3,925,016
Prior Period Adjustment						-
Net Position—Beginning (As Restated)			3,836,779		88,237	3,925,016
Net Position—Ending			\$ 4,846,806		\$ 83,571	\$ 4,930,377

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

FUND FINANCIAL STATEMENTS

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

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

	GENERAL FUND	SPECIAL REVENUE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS			
Cash and Cash Equivalents	\$ 2,068,679	\$ 46,377	\$ 2,115,056
Receivables from Other Governments	721,418	354,295	1,075,713
Accounts Receivable, Net	23,482	-	23,482
Interfund Receivables	-	-	-
TOTAL ASSETS	\$ 2,813,579	\$ 400,672	\$ 3,214,251
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 8,267		\$ 8,267
Payroll Deductions and Withholdings Payable	6,857		6,857
Unemployment Compensation Claims Payable	-		-
Interfund Payable	5,464	-	5,464
Deferred Revenue	-	456,991	456,991
Total Liabilities	20,588	456,991	477,579
Fund Balances:			
<u>Restricted for:</u>			
Capital Reserve Account	815,390		815,390
Maintenance Reserve	200,000		200,000
Excess Surplus	330,000		330,000
Excess Surplus - Designated for Subsequent Year's Expenditures	335,000		335,000
Unemployment Compensation	74,219		74,219
Student Activities		17,912	17,912
<u>Assigned to:</u>			
Year-End Encumbrances	18,190		18,190
General Fund - Designated for Subsequent Year's Expenditures	27,353		27,353
<u>Unassigned:</u>			
General Fund - Unreserved, Undesignated	992,839		992,839
Special Revenue Fund		(74,231)	(74,231)
Total Fund Balances	2,792,991	(56,319)	2,736,672
TOTAL LIABILITIES AND FUND BALANCE	\$ 2,813,579	\$ 400,672	\$ 3,214,251

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 \$7,574,967 and the accumulated depreciation is \$4,528,387.

\$ 3,046,580

Deferred Outflows related to pension contributions subsequent to the Net Pension Liability measurement date and other deferred items are not current financial resources and therefore are not reported in the fund statements. (See Note 7)

127,969

Deferred Inflows related to pension actuarial gains from experience and differences in actual return and assumed returns and other deferred items are not reported as liabilities in the fund statements. (See Note 7)

(192,038)

Long-term liabilities, including Net Pension Liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7)

(765,981)

Long-term liabilities, such as bonds payable and compensated absences, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 6)

(106,396)

Net Position of governmental activities

\$ 4,846,806

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

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
REVENUES			
Local sources:			
Local Tax Levy	\$ 4,809,148		\$ 4,809,148
Tuition	37,706		37,706
Interest on Maintenance Reserve	387		387
Interest on Capital Reserve	2,248		2,248
Miscellaneous	37,727	\$ 18,881	56,608
Total - Local Sources	4,887,216	18,881	4,906,097
State Sources	3,026,252	767,892	3,794,144
Federal Sources	5,774	344,517	350,291
Total Revenues	7,919,242	1,131,290	9,050,532
EXPENDITURES			
Current:			
Regular Instruction	1,651,331	710,056	2,361,387
Special Education Instruction	553,410		553,410
Other Special Instruction	5,150		5,150
Support services and undistributed costs:			
Tuition	4,347		4,347
Student and Instruction Related Services	563,826	439,875	1,003,701
School Administrative Services	131,969		131,969
Other Administrative Services	401,497		401,497
Plant Operations and Maintenance	636,271		636,271
Pupil Transportation	223,984		223,984
Unallocated Benefits	2,559,859		2,559,859
Transfer to Charter School	78,486		78,486
Debt Service:			
Principal			
Interest and Other Charges			
Capital Outlay	412,872	53,735	466,607
Total Expenditures	7,223,002	1,203,666	8,426,668
Excess (Deficiency) of Revenues Over Expenditures	696,240	(72,376)	623,864
OTHER FINANCING SOURCES (USES)			
Transfer to Special Revenue Fund - Preschool	(82,470)	82,470	-
Total Other Financing Sources and Uses	(82,470)	82,470	-
Net Change in Fund Balances	613,770	10,094	623,864
Fund Balance—July 1	2,179,221	(66,413)	2,112,808
Prior Period Adjustment	-	-	-
Fund Balance—July 1 (Restated)	2,179,221	(66,413)	2,112,808
Fund Balance—June 30	\$ 2,792,991	\$ (56,319)	\$ 2,736,672

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

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit B-3

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

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 623,864

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

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

Depreciation Expense	\$ (232,284)	
Capital Outlays	<u>459,517</u>	227,233

Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption.

This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period. 164,425

In the statement of activities, compensated absences is accrued regardless of when paid. In the governmental funds, compensated absences are reported when paid. This is the amount by which the current year's compensated absence payments exceed the current year's amount earned.

(5,495)

Change in Net Position of Governmental Activities **\$ 1,010,027**

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

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit B-4

STATEMENT OF PROPRIETARY NET POSITION
 PROPRIETARY FUNDS

June 30, 2023

	<u>Business-Type Activities - Enterprise Funds</u>	
	<u>Food Service</u>	<u>Totals</u>
ASSETS		
Current assets:		
Cash and Cash Equivalents	\$ 62,718	\$ 62,718
Accounts Receivable - State and Federal Subsidies	1,892	1,892
Accounts Receivable - Special Functions	262	262
Interfund Accounts Receivable	5,464	5,464
Inventories	6,098	6,098
Total Current Assets	<u>76,434</u>	<u>76,434</u>
Noncurrent Assets:		
Furniture, Machinery and Equipment	114,006	114,006
Less Accumulated Depreciation	(96,891)	(96,891)
Total Noncurrent Assets	<u>17,115</u>	<u>17,115</u>
	<u>93,549</u>	<u>93,549</u>
LIABILITIES		
Current liabilities:		
Accounts Payable	6,475	6,475
Deferred Revenue	3,503	3,503
Total Liabilities	<u>9,978</u>	<u>9,978</u>
NET POSITION		
Invested in Capital Assets Net of Related Debt	17,115	17,115
Unrestricted	66,456	66,456
Total Net Position	<u>\$ 83,571</u>	<u>\$ 83,571</u>

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

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit B-5

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2023

	Business-type Activities - Enterprise Fund	
	Food Service	Total Enterprise
Operating Revenues:		
Charges for Services:		
Daily Sales - Reimbursable Programs	\$ 59,111	\$ 59,111
Daily Sales - Non- Reimb. Programs	28,325	28,325
Miscellaneous	1,378	1,378
Total Operating Revenues	88,814	88,814
Operating Expenses:		
Cost of Sales - Reimbursable Programs	49,405	49,405
Cost of Sales - Non-reimbursable Programs	19,515	19,515
Salaries and Wages	34,834	34,834
Employee Benefits	10,640	10,640
Other Purchased Professional Services	8,962	8,962
Miscellaneous	1,957	1,957
Supplies, Repairs, and Other Costs	35,302	35,302
Depreciation	4,279	4,279
Total Operating Expenses	164,894	164,894
Operating Income (Loss)	(76,080)	(76,080)
Nonoperating Revenues (Expenses):		
State Sources:		
State School Lunch Program	1,420	1,420
Federal Sources:		
National School Lunch Program	30,250	30,250
School Breakfast Program	4,501	4,501
Supply Chain Assistance	26,789	26,789
Food Distribution Program	8,454	8,454
Total Nonoperating Revenues (Expenses)	71,414	71,414
Income (Loss) Before Contributions and Transfers	(4,666)	(4,666)
Transfers In (Out)	-	-
Change in Net Position	(4,666)	(4,666)
Total Net Position—Beginning	88,237	88,237
Total Net Position—Ending	\$ 83,571	\$ 83,571

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

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit B-6

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For the Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds	
	Food Service	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 88,814	\$ 88,814
Payments to Employees	(34,834)	(34,834)
Payments for Employee Benefits	(10,640)	(10,640)
Payments to Suppliers	(99,311)	(99,311)
Net Cash Provided by (used for) Operating Activities	(55,971)	(55,971)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	1,559	1,559
Federal Sources	70,587	70,587
Other Funds Transfers	(5,463)	(5,463)
Net Cash Provided by (used for) Non-Capital Financing Activities	66,683	66,683
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Fixed Asset Additions	(21,394)	(21,394)
Net Cash Provided by (used for) Capital Financing Activities	(21,394)	(21,394)
Net Increase (Decrease) in Cash and Cash Equivalents	(10,682)	(10,682)
Balances—Beginning of Year	73,400	73,400
Balances—End of Year	62,718	62,718
Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:		
Operating Income (Loss)	(76,080)	(76,080)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:		
Depreciation and Net Amortization	4,279	4,279
Federal Commodities	8,454	8,454
(Increase) Decrease in Accounts Receivable, Net	(78)	(78)
(Increase) Decrease in Inventories	199	199
Increase (Decrease) in Accounts Payable	7,255	7,255
Total Adjustments	20,109	20,109
Net Cash Provided by (used for) Operating Activities	\$ (55,971)	\$ (55,971)

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

Notes to Financial Statements

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments (Statement No.34). This Statement provided for the most significant change in financial reporting in over twenty years and was phased-in (based on amount of revenues) starting with fiscal years ending 2002 (for larger governments). The District was not required to implement the new model until the 2003-2004 school year.

In addition, the School District has implemented GASB Statement No.37, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus, Statement No.38, Certain Financial Statement Note Disclosures, Statement No.40, Deposit and Investment Risk Disclosures, an amendment of GASB Statement No.3, and Statement 44, Economic Condition Reporting: The Statistical Section (GASB 44), an amendment of NCGA Statement 1, Governmental Accounting and Financial Reporting Principles is found in the Introduction, a revised statistical section in the Outline of the ACFR, GASB Statement No. 45, Other Post-retirement Employee Benefits, GASB No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and GASB No. 63 and 65, Deferred Outflows and Inflows and Net Position, and Items Previously Reported as Assets and Liabilities, GASB No. 68, Accounting for Pensions, an amendment of GASB No. 27, GASB No. 75, Accounting for OPEB, and GASB 84, Fiduciary Activities. The implementation of these statements did not effect net position balances as previously reported for the fiscal year ended June 30, 2022.

A. Reporting Entity:

The Stillwater Township School District is a Type II district located in the County of Sussex, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of five members elected to three-year terms. The purpose of the district is to educate students in grades K-6. The Stillwater Township School District had an approximate enrollment at June 30, 2023, of 281 students.

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

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

Based on the aforementioned criteria, the District has no component units.

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation, Basis of Accounting:

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

Basis of Presentation

District-wide Statements: The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees and charged to external parties. The statement of net position presents the financial condition of the governmental and business-type activity of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the School District.

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

GOVERNMENTAL FUNDS

The District reports the following governmental funds:

General Fund - The General Fund is the general operating fund of the District and is used to account for all expendable 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 subfund.

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation, Basis of Accounting (Continued):

GOVERNMENTAL FUNDS (Continued)

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

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

PROPRIETARY FUNDS

The District reports the following proprietary fund:

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

Additionally, the District reports the following fund type:

Fiduciary Funds - The Fiduciary Funds are used to account for assets held by the District on behalf of others and include the Student Activities Fund, Payroll Agency Fund and Unemployment Compensation Trust Fund.

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation, Basis of Accounting (Continued):

Basis of Accounting

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

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

Governmental Fund Financial Statements : Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

All governmental and business-type activities and enterprise funds of the District follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. 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 for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue funds. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be approved by School Board resolution. In addition, transfers are also covered by changes in N.J.A.C. 6A:23A-2.3 that can require approval through the state department. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

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

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

D. Encumbrance Accounting:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund, for which the District has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end.

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

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity:

Cash and Cash Equivalents:

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

Interfund Transactions:

Transfers between governmental and business-type activities on the District-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 the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Inventories:

Inventory purchases, other than those recorded in the enterprise fund, are recorded as expenditures during the year of purchase. Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method.

Allowance for Uncollectible Accounts:

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

Capital Assets:

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

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

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

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

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

Compensated Absences:

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

The District support staff are granted sick leave in varying amounts under the District's contracted personnel policies. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after fifteen years of service and provide for payment based upon predetermined rates and allowable days and upon retirement in the state pension system.

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

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

Deferred Revenue:

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2023, but which were levied to finance subsequent fiscal year operations, have been recorded as deferred revenue. Grants and entitlement received before the eligible requirements are met are also recorded as deferred revenue.

Accrued Liabilities and Long-Term Obligations:

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

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

Net Position:

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

Fund Balance Reserves:

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

Revenues—Exchange and Nonexchange Transactions

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

Operating Revenues and Expenses:

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

Allocation of Indirect Expenses:

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense, that could not be attributed to a specific function, is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Extraordinary and Special Items:

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

Management Estimates:

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

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 2: CASH AND CASH EQUIVALENTS

Deposits:

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

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

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

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

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

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the district's accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the municipality would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At June 30, 2023, all of the district's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The district does not have a policy for custodial credit risk.

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

	Cash and Cash Equivalents (A-1)
Capital and Maintenance Reserves	\$ 1,015,390
Checking	<u>1,162,384</u>
	<u>\$ 2,177,774</u>

The carrying amount of the Board's cash and cash equivalents at June 30, 2023, was \$2,177,774 and the bank balance was \$2,327,615. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes. Of these bank balances, \$500,000 was covered by federal depository insurances and \$1,827,615 was covered by collateral pool.

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 3: RECEIVABLES

Receivables at June 30, 2023, consisted of intergovernmental accounts. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	Government-Wide Financial Statements
State Aid	\$ 721,418	\$ 721,489
Federal Aid	354,295	356,116
Local	23,482	23,744
Gross Receivable	<u>1,099,195</u>	<u>1,101,349</u>
Less: Allow. for Uncollectibles	-	-
Total Receivables, Net	<u><u>\$ 1,099,195</u></u>	<u><u>\$ 1,101,349</u></u>

NOTE 4: INVENTORY

Inventory in the Food Service Fund at June 30, 2023, consisted of the following:

Food	\$ 1,536
Supplies	<u>4,562</u>
	<u><u>\$ 6,098</u></u>

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1996, as revised) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements.

NOTE 5: CAPITAL ASSETS

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

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities:				
<i>Capital Assets Being Depreciated:</i>				
Land	\$ 180,000			\$ 180,000
Land Improvements	641,757			641,757
Buildings and Building Improvements	5,176,224	\$ 448,582		5,624,806
Machinery and Equipment	1,117,469	10,935		1,128,404
Total at Historical Cost	<u>7,115,450</u>	459,517	-	<u>7,574,967</u>
Less Accumulated Depreciation for:				
Land Improvements	(339,231)	(20,331)		(359,562)
Building and Improvements	(3,117,242)	(147,305)		(3,264,547)
Equipment	(839,630)	(64,648)		(904,278)
Total Accumulated Depreciation	<u>(4,296,103)</u>	<u>(232,284)</u>		<u>(4,528,387)</u>
Total Capital Assets Being Depreciated, net of Accumulated Depreciation	<u>2,819,347</u>	227,233		<u>3,046,580</u>
Government Activity Capital Assets, Net	<u>\$ 2,819,347</u>	<u>\$ 227,233</u>		<u>\$ 3,046,580</u>

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 5: CAPITAL ASSETS (Continued)

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

Depreciation expense was charged to functions as follows:

Regular Instruction	\$	64,184
School Administration		5,638
Plant and Operations		2,697
Unallocated		158,765
Total	\$	<u>231,284</u>

NOTE 6: LONG-TERM OBLIGATIONS

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

A. Long-Term Obligation Activity:

Changes in long-term obligations for the year ended June 30, 2023, are as follows:

	Balance <u>7/1/22</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>6/30/23</u>	Amounts Due Within <u>One Year</u>
Governmental Activities:					
Other Liabilities:					
Compensated Absences Payable	\$ 100,901	\$ 5,495		\$ 106,396	
Total Other Liabilities	<u>\$ 100,901</u>	<u>\$ 5,495</u>		<u>\$ 106,396</u>	<u>-</u>

Compensated absences have been liquidated in the General Fund.

The district had no bonds outstanding as of June, 30, 2023.

The district had no bonds authorized but not issued as of June, 30, 2023.

The district had no capital lease liabilities as of June, 30, 2023.

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 7: PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey, 08625 or on the internet at <http://www.state.nj.us/treasury/pensions/annrpts.shtml>.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, 100% of employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

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

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

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, the district (employer) 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 district (employer) 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 district. However, the state's portion of the net pension liability that was associated with the district was \$12,594,288 as measured on June 30, 2022 and \$12,456,758 measured on June 30, 2021.

For the year ended June 30, 2023, the District recognized pension expense of \$338,947 and revenue of \$338,947 for support provided by the State. The measurement period for the pension expense and revenue reported in the district's financial statements (A-2) at June 30, 2023 is based upon changes in the collective net pension liability with a measurement period of June 30, 2021 through June 30, 2022. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon the changes in the collective net pension liability between July 1, 2021 and June 30, 2022.

Although the district does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the district. The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 7: PENSION PLANS (Continued)

	<u>6/30/2022</u>	<u>6/30/2023</u>
Collective deferred outflows of resources	\$6,356,228,800	\$4,996,491,160
Collective deferred inflows of resources	\$27,175,330,929	\$19,532,696,776
Collective net pension liability (Nonemployer-State of New Jersey)	\$48,075,188,642	\$51,594,415,806
State's portion of the net pension liability that was associated with the district	\$12,456,758	\$12,594,288
State's portion of the net pension liability that was associated with the district as a percentage of the collective net pension liability	0.025911%	0.024410%

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

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

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.

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

Long-Term Expected Rate of Return- In accordance with State statute, the long-term expected rate of return on plan investments (7.0% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic 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:

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 7: PENSION PLANS (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.12%
Non-US devel.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 Yeild	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash equivalents	4.00%	1.75%
US Treasuries	4.00%	1.75%
Risk mitigation	3.00%	4.91%

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

Sensitivity of the State's net pension liability to changes in the discount rate - Since the District has no proportionate share of the net pension liability because of the special funding situation, the district would not be sensitive to any changes in the discount rate. The following presents the State's net pension liability measured as of June 30, 2022, calculated using the discount rate shown above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>

State's Collective Net Pension Liability	\$ 60,591,896,759	\$ 51,676,587,303	\$ 44,166,559,329
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Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>. The plan fudiciary net position as of June 30, 2022 was \$24,640,530,532.

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 7: PENSION PLANS (Continued)

Amortization of Deferred Outflows and Inflows of Resources - Amount reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions will be recognized in the state's pension expense as follows:

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

Pension Expense - The components of allocable pension expense and pension expense related to specific liabilities of individual employers, for state and local employers for the year ending June 30, 2022 are as follows:

Service cost	\$1,195,044,307
Interest on total ension liability	5,146,965,905
Member contributions	(907,326,471)
Administrative expense	12,635,916
Expected investment return net of investment expenses	(1,983,153,368)
Pension expense related to specific liabilities of individual employers	(395,540)
Recognition (amortization) of deferred inflows/outflows:	
Differences between expected and actual experience	200,689,404
Changes in assumptions	(2,396,459,882)
Difference between projected and actual investment earnings on pension plan investments	<u>122,761,073</u>
Total pension expense	<u>\$1,390,761,344</u>

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

Summary of Significant Accounting Policies - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 7: PENSION PLANS (Continued)

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

At June 30, 2023, the District reported a liability of \$765,981 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability 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 total pension liability for the June 30, 2021 valuation was determined by an experience study for the period July 1, 2018 to June 30, 2021. The District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2022 and 2021. At June 30, 2022, the District's proportion was 0.00508% which was an increase of 0.0001% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized pension expense/(benefit) of (\$94,683). At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Differences between expected and actual experience	\$ 5,528	\$ 4,875
Changes of assumptions	2,373	114,698
Net difference between projected and actual earnings on pension plan investments	31,703	-
Changes in proportion and differences between District contributions and proportionate share of contributions	24,359	72,465
District contributions subsequent to the measurement date	64,006	
Total	<u>\$ 127,969</u>	<u>\$ 192,038</u>

\$64,006 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2023, the plan measurement date is June 30, 2022) will be recognized as a reduction of the net pension liability measured as of June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Year Ended June 30:</u>
2023	(\$105,232)
2024	(53,612)
2025	(26,146)
2026	57,040
2027	(125)
Total	<u>(\$128,075)</u>

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 7: PENSION PLANS (Continued)

	<u>6/30/2022</u>	<u>6/30/2023</u>
Collective deferred outflows of resources	\$1,164,738,169	\$1,660,772,008
Collective deferred inflows of resources	8,339,123,762	3,236,303,935
Collective net pension liability (Non State - Local Group)	\$11,846,496,875	\$15,091,376,611
District's portion of net pension liability	\$589,403	\$765,981
District's proportion %	0.00497534%	0.00507562%

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

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.

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 7: PENSION PLANS (Continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.12%
Non-US devel.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 Yeild	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash equivalents	4.00%	1.75%
US Treasuries	4.00%	1.75%
Risk mitigation	3.00%	4.91%

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

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

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
	<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>
District's proportionate share of the net pension liability	\$ 984,061	\$765,981	\$ 580,386

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 7: PENSION PLANS (Continued)

Pension Expense - The components of allocable pension expense and pension expense related to specific liabilities of individual employers, for state and local employers for the year ending June 30, 2022 are as follows:

Service cost	\$63,018
Interest on total Pension liability	252,749
Benefit changes	733
Member contributions	(52,554)
Administrative expens	1,129
Expected investment return net of investment expenses	(168,718)
Pension expense related to specific liabilities of individual employers	(905)
Recognition (amortization) of deferred inflows/outflows:	
Differences between expected and actual experience	2,992
Changes in assumptions	(188,931)
Difference between projected and actual investment earnings on pension plan investments	<u>(4,196)</u>
Total pension expense	<u>(\$94,683)</u>

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>.

Defined Contribution Retirement Plan (DCRP) - The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et seq.). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N. J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by state statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however statute also requires the return to the normal rate when such surplus pension assets no longer exist.

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

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 7: PENSION PLANS (Continued)

The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Significant Legislation - Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

□ New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of ¼ of 1% for each month that the member is under age 65. □ The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members. □ The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. □ Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PES members will take place in July of each subsequent fiscal year.

□ The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law. □ New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary. □ In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Contribution Requirements - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 (PERS) and N.J.S.A. 18:66 (TPAF) requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 6.5% and the PERS rate is 6.5% of covered payroll.

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 7: PENSION PLANS (Continued)

<u>Three-Year Trend Information for PERS</u>			
<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/2023	\$64,006	100 %	-0-
6/30/2022	\$58,267	100	-0-
6/30/2021	\$58,170	100	-0-

<u>Three-Year Trend Information for TPAF (Paid on-behalf of the District)</u>			
<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/2023	\$1,043,669	100 %	-0-
6/30/2022	\$1,019,340	100	-0-
6/30/2021	\$767,842	100	-0-

During the fiscal year ended June 30, 2023, the State of New Jersey did contribute \$1,317,761 to the TPAF for post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$208,456 during the year ended June 30, 2023, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. The PERS amounts have been included in the fund-based statements as pension expense and the TPAF on-behalf amounts have been included in fund-based statements as revenues and expenditures. The PERS and TPAF amounts have been modified and included in the District-wide financial statements in accordance with GASB Statement No. 68.

NOTE 8: POST-RETIREMENT BENEFITS

Plan description and benefits provided

The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefit for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPES 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.

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 8: POST-RETIREMENT BENEFITS-(Continued)

State Health Benefit State Retired Employees Plan:

Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2022 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability. The State's share of the net pension liability, based on a measurement date of June 30, 2021, which is required to be recorded on the financial statements, is \$75.1 billion.

The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contribution. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State's contribution to fund increases in prescription drugs and medical claims costs. In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Total Nonemployer OPEB Liability

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education.

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.

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 8: POST-RETIREMENT BENEFITS-(Continued)

Actuarial assumptions and other imputes. The June 30, 2023 GASB 75 reporting is based on a measurement date of June 30, 2022. The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions 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. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Total Nonemployer OPEB Liability: \$ 50,646,462,966

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases	2.75% to 4.25%	2.75% to 6.55%	3.25% to 16.25%

Based on service years

(a) Health Care Trend Assumptions

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

(b) Discount Rate

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

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

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 8: POST-RETIREMENT BENEFITS-(Continued)

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

	<u>Total OPEB Liability</u>
The State's Total OPEB Liability Balance at 6/30/2021	\$60,007,650,970
<u>Changes for the year:</u>	
Service Cost	2,770,618,025
Interest on the Total OPEB Liability	1,342,187,139
Change in Benefit Terms	-
Differences Between Expected and Actual Experience	1,399,200,736
Changes of Assumptions	(13,586,368,097)
Gross Benefit Payments	(1,329,476,059)
Contributions from Members	<u>42,650,252</u>
Net changes	<u>(9,361,188,004)</u>
The State's Total OPEB Liability Balance at 6/30/2022	<u>\$50,646,462,966</u>

The State's total OPEB liability attributable to the District: **\$17,253,253**

Benefit Changes: The decrease in liability from June 30, 2021 to June 30, 2022 is due to employers adopting Chapter 44 provisions.

Changes of assumptions and other inputs reflects a change in the discount rate from 2.16 percent in 2021 to 3.54 percent in 2022 and other changes.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the State for school board retirees, as well as what the State's total OPEB liability for school board would be if it were calculated using a discount rate that is 1-percentage -point lower or 1- percentage-point higher than the current discount rate:

	<u>June 30, 2022</u>		
	<u>At 1% Decrease</u>	<u>At Discount Rate</u>	<u>At 1% Increase</u>
	<u>2.54%</u>	<u>3.54%</u>	<u>4.54%</u>
Total OPEB Liability (School Retirees)	\$59,529,589,697	\$50,646,462,966	\$43,527,080,995
	<u>June 30, 2021</u>		
	<u>At 1% Decrease</u>	<u>At Discount Rate</u>	<u>At 1% Increase</u>
	<u>1.16%</u>	<u>2.16%</u>	<u>3.16%</u>
Total OPEB Liability (School Retirees)	\$71,879,745,555	\$60,007,650,970	\$50,659,089,138

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 8: POST-RETIREMENT BENEFITS-(Continued)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the State, as well as what the State's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage- point higher than the current healthcare cost trend rates:

	June 30, 2022		
	<u>At 1% Decrease</u>	<u>Health Care Cost Trend Rate</u>	<u>At 1% Increase</u>
Total OPEB Liability (School Retirees)	\$41,862,397,291	\$50,646,462,966	\$62,184,866,635

	June 30, 2021		
	<u>At 1% Decrease</u>	<u>Health Care Cost Trend Rate</u>	<u>At 1% Increase</u>
Total OPEB Liability (School Retirees)	\$48,576,388,417	\$60,007,650,970	\$75,358,991,782

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

For the year ended June 30, 2022, the board of education recognized OPEB expense and related revenue of \$239,931 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

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

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences Between Expected and Actual Experience	\$9,042,402,619	\$15,462,950,679
Changes of assumptions or other inputs	<u>8,765,620,577</u>	<u>17,237,289,230</u>
Total	<u>\$17,808,023,196</u>	<u>\$32,700,239,909</u>

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

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

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 9: DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, 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:

Equitable
Financial Planning

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

The District support staff are granted sick leave in varying amounts under the District's contracted personnel policies. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after fifteen years of service and provide for payment based upon predetermined rates and allowable days and upon retirement in the state pension system.

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2023, no liability existed for compensated absences in the proprietary fund types.

NOTE 10: RISK MANAGEMENT

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

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

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the *Benefit Reimbursement Method*. Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Cash Balance</u>
2022-2023	\$317	\$7,209	20,792	\$74,219
2021-2022	\$123	\$6,953	-	\$87,485
2020-2021	\$144	\$6,153	5,602	\$80,409

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 11: CONTINGENT LIABILITIES

GRANT PROGRAMS

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

LITIGATION

In the normal course of operations, the Board is involved in various civil disputes. Management is of the opinion that any outcome resulting from these actions would not have a material effect on the District's financial position.

NOTE 12: FUND BALANCE APPROPRIATED

General Fund (Exhibit B-1) - Of the \$2,792,991 General Fund fund balance at June 30, 2023, \$18,190 is reserved for encumbrances; \$665,000 is reserved as excess surplus in accordance with N.J.S.A.18A:7F-7, as amended; (\$335,000 of the excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2024), \$815,390 has been reserved in the Capital Reserve Account; \$200,000 has been reserved in the Maintenance Reserve Account; \$27,353 has been appropriated and included as anticipated revenue for the year ending June 30, 2024; \$74,219 is reserved for unemployment compensation; and \$992,839 is unreserved and undesignated.

NOTE 13: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Township of Stillwater Board of Education by inclusion in the FY 2000-2001 budget for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23-2.13(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	\$ 975,865
Deposits (PL 2007 c.62 (A1)): Board Resolution 6/26/2023	224,906
Budgeted Withdrawals	(387,629)
Interest Earnings	2,248
Ending Balance, June 30, 2023	<u>\$ 815,390</u>

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 14: MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by the School District Board of Education in fiscal year 2023, for the accumulation of funds for use in accordance with PL 2007 c.62 (A1). The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

Beginning Balance, July 1, 2022	\$ 181,474
Deposits (PL 2007 c.62 (A1)): Board Resolution 6/26/2023	117,139
Budgeted Withdrawals	(99,000)
Interest Earnings	387
Ending balance June 30, 2023	<u>\$ 200,000</u>

NOTE 15: CALCULATION OF EXCESS SURPLUS

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2023 is \$330,000.

NOTE 16: INTERFUND RECEIVABLES AND PAYABLES

There are no interfund balances remaining on the balance sheet at June 30, 2023

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	-	\$ 5,464
Enterprise Fund	\$ 5,464	
Total	<u>\$ 5,464</u>	<u>\$ 5,464</u>

The general fund owes the food service fund for federal & state subsidies received in the general fund but not yet transferred to the food service account.

NOTE 17: TAX ABATEMENTS

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because 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.

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 18: DEFICIT FUND BALANCES

The District has a deficit fund balance (Exhibit B-1) of \$56,319 in the Special Revenue Fund as of June 30, 2023, as reported in the fund statements (modified accrual basis). P.L.2003, c.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No.33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability.

Since the State is recording the last state aid payment in the subsequent fiscal year, the school district can not recognize the last state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last state aid payment, the Special Revenue Fund balance deficits do not alone indicate that the district is facing financial difficulties.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 4,809,148		\$ 4,809,148	\$ 4,809,148	
Tuition From Other LEAs Within the State	-		-	31,756	\$ 31,756
Tuition From Summer School	3,800		3,800	5,950	2,150
Interest on Maintenance Reserve	200	\$ 50,341	50,541	387	(50,154)
Interest on Capital Reserve	500	43,609	44,109	2,248	(41,861)
Miscellaneous	2,000		2,000	37,727	35,727
Total - Local Sources	4,815,648	93,950	4,909,598	4,887,216	(22,382)
State Sources:					
Equalization Aid	265,727		265,727	265,727	
Transportation Aid	151,123		151,123	151,123	
Special Education Aid	211,181		211,181	211,181	
Security Aid	33,792		33,792	33,792	
Maintenance of Equity Aid				689,458	689,458
Supplemental Stabilization Aid				97,148	97,148
Other State Aid				22,229	22,229
TPAF Pension Contrib. (On-Behalf - Non-Budgeted)				1,043,376	1,043,376
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				274,092	274,092
TPAF Pension LTD Insurance (On-Behalf - Non-Budgeted)				293	293
TPAF Social Security (Reimbursed - Non-Budgeted)				208,456	208,456
Total State Sources	661,823		661,823	2,996,875	2,335,052
Federal Sources:					
Medical Assistance Program (SEMI)	1,000		1,000	5,774	4,774
Total Federal Sources	1,000		1,000	5,774	4,774
TOTAL REVENUES	\$ 5,478,471	\$ 93,950	\$ 5,572,421	\$ 7,889,865	\$ 2,317,444

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	252,140		252,140	239,933	12,207
Grades 1-5 - Salaries of Teachers	1,076,428	(11,188)	1,065,240	1,037,147	28,093
Grades 6-8 - Salaries of Teachers	245,121	5,000	250,121	244,151	5,970
Regular Programs - Undistributed Instruction					
Purchased Professional - Educational Services	50,550	(5,000)	45,550	44,876	674
Purchased Technical Services	14,195	(2,000)	12,195	11,621	574
General Supplies	66,296	(2,586)	63,710	59,901	3,809
Textbooks	16,891	(3,189)	13,702	13,702	
TOTAL REGULAR PROGRAMS - INSTRUCTION	1,721,621	(18,963)	1,702,658	1,651,331	51,327
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities:					
Salaries of Teachers	87,554	(23,955)	63,599	63,573	26
Other Salaries for Instruction	20,650	5,881	26,531	26,460	71
General Supplies	545	(121)	424	192	232
Total Learning and/or Language Disabilities	108,749	(18,195)	90,554	90,225	329
Behavioral Disabilities:					
Salaries of Teachers	36,902	577	37,479	37,071	408
Other Salaries for Instruction	14,514	(14,014)	500		500
General Supplies	898		898	524	374
Total Behavioral Disabilities	52,314	(13,437)	38,877	37,595	1,282
Resource Room/Resource Center:					
Salaries of Teachers	378,349	22,920	401,269	385,813	15,456
General Supplies	3,831		3,831	2,075	1,756
Total Resource Room/Resource Center	382,180	22,920	405,100	387,888	17,212

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Preschool Disabilities - Full Time:					
Salaries of Teachers	39,216	(2,737)	36,479	36,479	
General Supplies	800		800	728	72
Total Preschool Disabilities - Part Time	40,016	(2,737)	37,279	37,207	72
Home Instruction:					
Salaries of Teachers	3,280	(1,000)	2,280		2,280
Salaries of Teachers		1,000	1,000	495	505
Total Home Instruction	3,280		3,280	495	2,785
TOTAL SPECIAL EDUCATION - INSTRUCTION	586,539	(11,449)	575,090	553,410	21,680
School-Sponsored Co/Extra-Curr. Activities-Instruction:					
Salaries	7,725		7,725	5,150	2,575
General Supplies	500		500		500
Total School-Sponsored Co/Extra-Curr. Act.-Instruction	8,225		8,225	5,150	3,075
TOTAL INSTRUCTION	2,316,385	(30,412)	2,285,973	2,209,891	76,082
UNDISTRIBUTED EXPENDITURES					
Instruction:					
Tuition to Private Schools for the Disabled - Within State		4,347	4,347	4,347	
Total Instruction		4,347	4,347	4,347	
Attendance and Social Work:					
Salaries	25,772		25,772	23,662	2,110
Total Attendance and Social Work	25,772		25,772	23,662	2,110
Health Services:					
Salaries	88,990	(16,320)	72,670	67,973	4,697
Purchased Professional and Technical Services	3,735		3,735	2,585	1,150
Supplies and Materials	3,450	50	3,500	1,199	2,301
Other Objects	610		610	110	500
Total Health Services	96,785	(16,270)	80,515	71,867	8,648

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Other Supp. Services Students-Related Services:					
Salaries	75,924	1,029	76,953	76,953	
Purchased Professional - Educational Services	48,000		48,000	45,765	2,235
Supplies and Materials	1,005		1,005	286	719
Total Other Supp. Services Students-Related Services	124,929	1,029	125,958	123,004	2,954
Other Supp. Services Students-Extra Services:					
Supplies and Materials					
Salaries	104,354	13,744	118,098	103,821	14,277
Total Other Supp. Services Students-Extra Services	104,354	13,744	118,098	103,821	14,277
Other Supp. Services Students-Regular:					
Purchased Professional and Technical Services	425	254	679	639	40
Supplies and Materials	738	(207)	531	531	
Total Other Supp. Services Students-Regular	1,163	47	1,210	1,170	40
Other Supp. Services Students-Special:					
Salaries of Other Professional Staff	136,203		136,203	135,424	779
Salaries of Secretarial and Clerical Assistants	47,709	(4,771)	42,938	42,938	
Purchased Professional - Educational Services	24,571		24,571	21,320	3,251
Other Purchased Services (400-500 series)	300		300		300
Supplies and Materials	949		949	244	705
Other Objects	725		725	150	575
Total Other Supp. Services Students-Special	210,457	(4,771)	205,686	200,076	5,610
Improvement of Instruction Services:					
Salaries of Supervisors of Instructional Staff	9,575		9,575	5,266	4,309
Salaries of Other Professional Staff	1,000		1,000	306	694
Salaries of Secretarial and Clerical Assistants	3,000		3,000	3,000	
Other Purchased Services (400-500 series)	500		500		500
Total Improvement of Instruction Services	14,075		14,075	8,572	5,503
Educational Media Services/School Library:					
Salaries of Technology Coordinators	23,916		23,916	22,715	1,201
Purchased Services (300-500 Series)	5,870	8	5,878	5,878	
Supplies and Materials	3,604	(8)	3,596	2,707	889
Total Educational Media Services/School Library	33,390		33,390	31,300	2,090

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Instructional Staff Training Services:					
Other Purchased Services (400-500 series)	1,000		1,000	354	646
Total Instructional Staff Training Services	<u>1,000</u>		<u>1,000</u>	<u>354</u>	<u>646</u>
Supp. Services - General Administration:					
Salaries	129,164		129,164	125,664	3,500
Legal Services	15,000	131	15,131	9,751	5,380
Audit Fees	13,935	1	13,936	13,935	1
Other Purchased Professional Services	10,404		10,404	7,349	3,055
Communications/Telephone	14,625		14,625	12,076	2,549
Board of Ed. Other Purchased Services	2,225	(628)	1,597	1,597	
Other Purchased Services (400-500 series)	28,805	2,592	31,397	31,186	211
General Supplies	2,067	483	2,550	2,550	
Miscellaneous Expenditures	3,681	(378)	3,303	1,764	1,539
Board of Ed. Dues and Fees	5,975	(731)	5,244	5,244	
Total Supp. Services - General Administration	<u>225,881</u>	<u>1,470</u>	<u>227,351</u>	<u>211,116</u>	<u>16,235</u>
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	96,768	4,436	101,204	101,204	
Salaries of Secretarial and Clerical Assistants	22,772		22,772	22,772	
Purchased Professional and Technical Services	7,543	(244)	7,299	5,745	1,554
Other Purchased Services (400-500 series)	500		500		500
Supplies and Materials	3,210	(2,652)	558	558	
Other Objects	3,230	(1,540)	1,690	1,690	
Total Support Services - School Administration	<u>134,023</u>		<u>134,023</u>	<u>131,969</u>	<u>2,054</u>
Central Services:					
Salaries	131,938	5,156	137,094	137,094	
Purchased Professional Services	18,115	4,675	22,790	21,040	1,750
Miscellaneous Purchased Services (400-500 series)	2,175	(380)	1,795	1,756	39
Supplies and Materials	3,000	382	3,382	3,382	
Other Objects	3,605	(146)	3,459	3,315	144
Total Central Services	<u>158,833</u>	<u>9,687</u>	<u>168,520</u>	<u>166,587</u>	<u>1,933</u>
Administrative Information Technology:					
Salaries	12,859	(406)	12,453	12,453	
Purch Tech Svcs	16,800	(994)	15,806	11,126	4,680
Supplies and Materials	1,000	(346)	654	215	439
Total Administrative Information Technology	<u>30,659</u>	<u>(1,746)</u>	<u>28,913</u>	<u>23,794</u>	<u>5,119</u>

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Required Maintenance for School Facilities:					
Salaries	73,818		73,818	69,818	4,000
Cleaning, Repair and Maintenance Services	96,295	471	96,766	90,363	6,403
General Supplies	10,000		10,000	5,972	4,028
Total Required Maintenance for School Facilities	180,113	471	180,584	166,153	14,431
Other Operations and Maintenance of Plant:					
Salaries	170,759	(6,217)	164,542	142,946	21,596
Purchased Professional and Technical Services	6,000	4,469	10,469	9,794	675
Cleaning, Repair and Maintenance Services	47,450	1,315	48,765	40,641	8,124
Insurance	42,579	(6,506)	36,073	33,245	2,828
Miscellaneous Purchased Services	9,385	(310)	9,075	7,624	1,451
General Supplies	24,500	(1,144)	23,356	19,324	4,032
Energy (Electricity)	66,900	(3,000)	63,900	31,553	32,347
Energy (Oil)	131,000	(2,367)	128,633	88,032	40,601
Other Objects	2,575	877	3,452	3,452	
Total Other Operations and Maintenance of Plant	501,148	(12,883)	488,265	376,611	111,654
Care and Upkeep of Grounds:					
Purchased Professional and Technical Services	6,000	1,898	7,898	7,898	
Grounds Repair	3,500	(1,783)	1,717	1,717	
General Supplies	4,500	4,070	8,570	4,860	3,710
Total Care and Upkeep of Grounds	14,000	4,185	18,185	14,475	3,710
School Security:					
Salaries	70,000	1,046	71,046	71,046	
Purchased Professional and Technical Services	5,950	450	6,400	5,227	1,173
Cleaning, Repair and Maintenance Services	3,000	(450)	2,550		2,550
General Supplies	2,000	719	2,719	2,569	150
Security Other Objects	500		500	190	310
Total School Security	81,450	1,765	83,215	79,032	4,183

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Student Transportation Services					
Sal. For Pupil Trans (Bet Home & Sch)-Reg.	15,200		15,200	15,199	1
Management Fee	1,400		1,400	409	991
Contr Serv. - Aid in Lieu Payments	3,000	5,176	8,176	7,154	1,022
Contr Serv. - Aid in Lieu Payments - Charter Sch.	4,000	(934)	3,066	3,066	
Contracted Services (Between Home and School)-Vendors	241,597	(47,629)	193,968	191,042	2,926
Contracted Services (Other than Between Home and School)-Vendors	9,940		9,940	5,496	4,444
Contracted Services (Between Home and Sch)-Joint Agrmnts.	13,000	(6,113)	6,887	1,618	5,269
Contracted Services (Spl Ed Students)-ESCs & CTSA's		1,871	1,871		1,871
Total Student Transportation Services	288,137	(47,629)	240,508	223,984	16,524
Unused Sick Payment to Terminated/Retired Staff		8,015	8,015	8,015	
UNALLOCATED BENEFITS					
Social Security Contributions	80,000	(365)	79,635	76,670	2,965
Other Retirement Contributions - Regular	85,600		85,600	62,927	22,673
Unemployment Compensation		5,495	5,495	5,495	
Workmen's Compensation	41,821	(3,000)	38,821	35,550	3,271
Health Benefits	1,014,860	(16,719)	998,141	814,530	183,611
Tuition Reimbursement	20,000	(1,682)	18,318	7,122	11,196
Other Employee Benefits	15,000	8,333	23,333	23,333	
TOTAL UNALLOCATED BENEFITS	1,257,281	(7,938)	1,249,343	1,025,627	223,716
On-behalf TPAF pension Contrib. (non-budgeted)				1,043,376	(1,043,376)
On-behalf TPAF PRM Contrib. (non-budgeted)				274,092	(274,092)
On-behalf TPAF pension LTD Ins. (non-budgeted)				293	(293)
Reimbursed TPAF Social Security Contrib. (non-budgeted)				208,456	(208,456)
TOTAL ON-BEHALF CONTRIBUTIONS				1,526,217	(1,526,217)
TOTAL PERSONAL SERVICES-EMPLOYEE BENEFITS	1,257,281	77	1,257,358	2,559,859	(1,302,501)
TOTAL UNDISTRIBUTED EXPENDITURES	3,483,450	(46,477)	3,436,973	4,521,753	(1,084,780)
TOTAL GENERAL CURRENT EXPENSE	5,799,835	(76,889)	5,722,946	6,731,644	(1,008,698)

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
CAPITAL OUTLAY					
Equipment:					
Undistributed Expenditures-Admin. Info Tech.	11,500		11,500	10,935	565
Total Equipment	11,500		11,500	10,935	565
Facilities Acquisition and Construction Serv.:					
Legal Services	1,000	355	1,355	678	677
Architectural/Engineering Services	55,600	(7,753)	47,847	39,797	8,050
Construction Services	228,000	131,673	359,673	359,672	1
Assessment for Debt Service on SDA Funding	1,790		1,790	1,790	
Total Facilities Acquisition and Construction Serv.	286,390	124,275	410,665	401,937	8,728
TOTAL CAPITAL OUTLAY	297,890	124,275	422,165	412,872	9,293
Transfer of Funds to Charter Schools	66,804	11,682	78,486	78,486	
TOTAL EXPENDITURES	6,164,529	59,068	6,223,597	7,223,002	(999,405)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(686,058)	34,882	(651,176)	666,863	1,318,039
Other Financing Sources:					
Operating Transfer In/(Out):					
Transfer to Special Revenue Fund - Preschool		(82,470)	(82,470)	(82,470)	-
Total Other Financing Sources		(82,470)	(82,470)	(82,470)	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(686,058)	(47,588)	(733,646)	584,393	1,318,039

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Fund Balance, July 1	2,274,594		2,274,594	2,274,594	
Prior Period Adjustment					
Fund Balance, July 1 (Restated)	2,274,594		2,274,594	2,274,594	
Fund Balance, June 30	<u>\$ 1,588,536</u>	<u>\$ (47,588)</u>	<u>\$ 1,540,948</u>	<u>\$ 2,858,987</u>	<u>\$ 1,318,039</u>
Recapitulation:					
Restricted for:					
Capital Reserve				\$ 815,390	
Maintenance Reserve				200,000	
Excess Surplus				330,000	
Excess Surplus- Designated for Subsequent Year's Expenditures				335,000	
Unemployment Compensation				74,219	
Assigned to:					
Year-End Encumbrances				18,190	
Designated for Subsequent Year's Expenditures				27,353	
Unassigned:					
Unrestricted Fund Balance				<u>1,058,835</u>	
Fund Balance per Governmental Funds(Budgetary Basis)				2,858,987	
Reconciliation to Governmental Funds Statement(GAAP Basis):					
Last State Aid Payments not recognized on GAAP basis				<u>(65,996)</u>	
Fund Balance per Governmental Funds(GAAP Basis)				<u>\$ 2,792,991</u>	

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit C-2

**BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND**

For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Local Sources		\$ 39,512	\$ 39,512	\$ 18,881	\$ (20,631)
State Sources	\$ 742,230	167,220	909,450	749,462	(159,988)
Federal Sources	173,800	464,247	638,047	344,518	(293,529)
Total Revenues	916,030	670,979	1,587,009	1,112,861	(474,148)
EXPENDITURES:					
Instruction					
Instructional Salaries	440,692	53,662	494,354	436,092	58,262
Other Salaries for Instruction	96,911	38,294	135,205	126,434	8,771
Purchased Prof. & Tech. Services		58,188	58,188	38,025	20,163
Supplies	113,915	29,228	143,143	107,523	35,620
Other Objects	4,617	2,719	7,336	2,737	4,599
Total Instruction	656,135	182,091	838,226	710,811	127,415
Support Services					
Salaries of Program Directors	10,918	(117)	10,801	10,801	
Salaries of Other Professional Staff		23,271	23,271	23,271	
Salaries of Secretarial & Clerical Staff		4,771	4,771	4,771	
Other Salaries		63,154	63,154	30,192	32,962
Salaries of Master Teachers	5,000	10,000	15,000	6,625	8,375
Employee Benefits	223,331	19,156	242,487	199,958	42,529
Purchased Educational Services		42,514	42,514	42,514	
Cleaning Repairs and Maintenance		17,999	17,999	7,999	10,000
Transportation Between Home & School		47,629	47,629	47,629	
Transportation Field Trips	2,500	1,000	3,500	1,787	1,713
Other Purchased Services	14,363	37,885	52,248	41,381	10,867
Supplies and Materials	1,783	9,437	11,220	6,847	4,373
Other Objects	2,000	60,133	62,133	2,133	60,000
Student Activities		31,879	31,879	13,967	17,912
Total Support Services	259,895	368,711	628,606	439,875	188,731
Facilities Acq. and Const. Services:					
Buildings		205,994	205,994	47,992	158,002
Total Facilities Acq. and Const. Svs	-	205,994	205,994	47,992	158,002
Total Expenditures	916,030	756,796	1,672,826	1,198,678	474,148
Other Financing Sources (Uses)					
Transfers from Other Funds		82,470	82,470	82,470	
Total Other Financing Sources (Uses)		82,470	82,470	82,470	
Total Outflows	\$ 916,030	\$ 674,326	\$ 1,590,356	\$ 1,116,208	\$ 474,148
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	(3,347)	(3,347)	(3,347)	-
Fund Balance Beginning				21,259	
Prior Period Adjustment				-	
Fund Balance Beginning (Restated)				21,259	
Fund Balance Ending				<u>\$ 17,912</u>	
Recapitulation:					
Restricted:					
Student Activities				\$ 17,912	
Fund Balance per Governmental Funds(Budgetary Basis)				<u>17,912</u>	
Reconciliation to Governmental Funds Statement(GAAP Basis):					
Last State Aid Payment not recognized on GAAP basis				(74,231)	
Fund Balance per Governmental Funds(GAAP Basis)				<u>\$ (56,319)</u>	

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit C-3

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE

For the Fiscal Year Ended June 30, 2023

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

	General Fund	Special Revenue Fund
	<u> </u>	<u> </u>
Sources/Inflows of Resources		
Actual amounts (budgetary basis) "revenue"		
from the budgetary comparison schedule (Exhibits C-1 and C-2, respectively)	\$ 7,889,865	\$ 1,112,861
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year Encumbrances	N/A	5,743
Current Year Encumbrances	N/A	(755)
Adjustment for: Prior year Final State Aid Payment excluded in State Source Revenues that is considered a revenue for GAAP reporting purposes	95,373	87,672
Adjustment for: Final State Aid Payment included in State Source Revenues that is not considered a revenue for GAAP reporting purposes	<u>(65,996)</u>	<u>(74,231)</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds. (Exhibit B-2)	<u>\$ 7,919,242</u>	<u>\$ 1,131,290</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules (Exhibits C-1 and C-2, respectively)	\$ 7,223,002	\$ 1,116,208
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Prior Year Encumbrances	N/A	5,743
Current Year Encumbrances	N/A	(755)
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.	<u>-</u>	<u>82,470</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (Exhibit B-2)	<u>\$ 7,223,002</u>	<u>\$ 1,203,666</u>

Stillwater Township School District
Required Supplementary Information - Part III
Schedule of the District's Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years

Exhibit L-3

Teachers' Pension and Annuity Fund (TPAF)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset) **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the District	\$ 12,594,288	\$ 12,456,758	\$ 17,618,486	\$ 16,887,919	\$ 17,971,380	\$ 20,378,571	\$ 23,983,633	\$ 19,731,234	\$ 17,061,266	\$ 16,803,237
Total	\$ 12,594,288	\$ 12,456,758	\$ 17,618,486	\$ 16,887,919	\$ 17,971,380	\$ 20,378,571	\$ 23,983,633	\$ 19,731,234	\$ 17,061,266	\$ 16,803,237
District's covered employee payroll	\$ 2,899,106	\$ 2,884,954	\$ 2,860,022	\$ 2,797,805	\$ 2,617,437	\$ 2,822,523	\$ 2,932,165	\$ 2,883,647	\$ 3,092,559	\$ 3,221,083
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	32.29%	35.50%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

** Note: TPAF is a special funding situation as defined by GASB Statement No. 68 in which the State of New Jersey is 100% responsible for contributions to the plan. Since the district (employer) does not contribute directly to the plan there is no net pension liability to report in the financial statements of the district.

Exhibit L-1

Public Employees' Retirement System (PERS)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.00508%	0.00498%	0.00532%	0.00522%	0.00553%	0.00595%	0.00608%	0.00594%	0.00580%	0.00666%
District's proportionate share of the net pension liability (asset)	\$ 765,981	\$ 589,403	\$ 867,134	\$ 940,783	\$ 1,089,688	\$ 1,384,904	\$ 1,799,393	\$ 1,333,070	\$ 1,086,478	\$ 1,273,677
District's covered employee payroll	\$ 412,659	\$ 435,126	\$ 374,070	\$ 364,612	\$ 378,883	\$ 371,026	\$ 365,707	\$ 744,751	\$ 655,505	\$ 613,816
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	185.62%	135.46%	231.81%	258.02%	287.61%	373.26%	492.03%	179.00%	165.75%	207.50%
Plan fiduciary net position as a percentage of the total pension liability (Local)	62.91%	70.33%	58.32%	56.27%	53.60%	58.18%	40.14%	47.92%	52.08%	48.72%

**Stillwater Township School District
Required Supplementary Information - Part III
Schedule of District Contributions
Last Ten Fiscal Years**

Exhibit L-2

Teachers' Pension and Annuity Fund (TPAF)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's covered employee payroll	\$ 2,899,106	\$ 2,884,954	\$ 2,860,022	\$ 2,797,805	\$ 2,617,437	\$ 2,822,523	\$ 2,932,165	\$ 2,883,647	\$ 3,092,559	\$ 3,221,083
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

** Note: TPAF is a special funding situation as defined by GASB Statement No. 68 in which the State of New Jersey is 100% responsible for contributions to the plan. The district (employer) does not contribute to the plan.

Public Employees' Retirement System (PERS)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 64,006	\$ 58,267	\$ 58,170	\$ 51,144	\$ 55,449	\$ 56,003	\$ 54,331	\$ 53,407	\$ 50,488	\$ 45,624
Contributions in relation to the contractually required contribution	(64,006)	(58,267)	(58,170)	(51,144)	(55,449)	(56,003)	(54,331)	(53,407)	(50,488)	(45,624)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
District's covered employee payroll	\$ 412,659	\$ 435,126	\$ 374,070	\$ 364,612	\$ 378,883	\$ 371,026	\$ 365,707	\$ 744,751	\$ 655,505	\$ 613,816
Contributions as a percentage of covered-employee payroll	15.51%	13.39%	15.55%	14.03%	14.63%	15.09%	14.86%	7.17%	7.70%	7.43%

Stillwater Township School District
 Required Supplementary Information - Part III
 Schedule of Changes in the State's Total OPEB Liability and Related Ratios
 Last Ten Fiscal Years *

State Health Benefit Local Education Retired Employees Plan (TPAF and PERS)

The State of New Jersey's Total OPEB Liability	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Service Cost	\$ 2,770,618,025	\$ 3,217,184,264	\$ 1,790,973,822	\$ 1,734,404,850	\$ 1,984,642,729	\$ 2,391,878,884	\$ 1,723,999,319			
Interest	1,342,187,139	1,556,661,679	1,503,341,357	1,827,787,206	1,970,236,232	1,699,441,736	1,823,643,792			
Change in Benefit Terms	-	(63,870,842)								
Differences Between Expected and Actual Experience	1,399,200,736	(11,385,071,658)	11,544,750,637	(7,323,140,818)	-500,206,574					
Benefit Payments	(13,586,368,097)	59,202,205	(1,180,515,618)	(1,280,958,373)	(1,232,987,247)	(1,242,412,566)	(1,223,298,019)			
Contributions from Members	(1,329,476,059)	-	35,781,384	37,971,171	42,614,005	45,748,749	46,273,747			
Changes of Assumptions or other inputs	42,650,252	(1,186,417,186)	12,386,549,981	622,184,027	(5,291,448,855)	(7,086,599,129)	8,611,513,521			
Net change in total OPEB liability	(9,361,188,004)	(7,802,311,638)	26,080,881,563	(4,381,751,937)	(7,529,008,876)	(4,191,942,326)	10,982,132,360			
Total OPEB Liability - Beginning	\$ 60,007,650,970	\$ 67,809,962,608	\$ 41,729,081,045	\$ 46,110,832,982	\$ 53,639,841,858	\$ 57,831,784,184	\$ 46,849,651,824			
Total OPEB Liability - Ending	\$ 50,646,462,966	\$ 60,007,650,970	\$ 67,809,962,608	\$ 41,729,081,045	\$ 46,110,832,982	\$ 53,639,841,858	\$ 57,831,784,184			
The State of New Jersey's total OPEB liability **	\$ 50,646,462,966	\$ 60,007,650,970	\$ 67,809,962,608	\$ 41,729,081,045	\$ 46,110,832,982	\$ 53,639,841,858	\$ 57,831,784,184			
The State of New Jersey's OPEB liability attributable to the District **	\$ 17,253,253	\$ 20,346,535	\$ 23,375,035	\$ 14,346,467	\$ 16,089,562	\$ 18,451,964	\$ 20,113,322			
The District's proportionate share of the total OPEB liability	Zero	Zero	Zero	Zero	Zero	Zero	Zero			
District's covered employee payroll	\$ 3,311,765	\$ 3,320,080	\$ 3,234,092	\$ 3,162,417	\$ 3,996,320	\$ 3,193,549	\$ 3,297,872			
Total District's OPEB liability as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
District's contribution	None	None	None	None	None	None	None			
State's covered employee payroll ***	\$ 14,753,355,408	\$ 14,425,669,769	\$ 14,267,738,657	\$ 13,929,083,479	\$ 13,640,275,833	\$ 13,493,400,208	\$ 13,493,400,208			
Total State's OPEB liability as a percentage of its covered-employee payroll	343.29%	415.98%	475.27%	299.58%	338.05%	397.53%	428.59%			

** Note: Other Post Employment Benefits (OPEB) for employees of the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS) is considered a special funding situation as defined by GASB Statement No. 75 in which the State of New Jersey is 100% responsible for contributions to the health insurance plan. The district (employer) does not contribute to the plan and the district's OPEB liability is zero.

*** Covered payroll for the Measurement Period ending June 30, 2021 and June 30, 2022 is based on the payroll on the June 30, 2020 and June 30, 2021 census data, respectively

* - Until a full ten year trend is compiled, information will be presented for those years for which information is available.

STILLWATER SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-PART III
Pension and OPEB Schedules

For the Fiscal Year Ended June 30, 2023

Teachers' Pension and Annuity Fund (TPAF)

Pension Schedules

Changes of benefit terms. 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.

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

OPEB Schedules

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

Changes of benefit terms. The decrease in liability from June 30, 2021 to June 30, 2022 is due to employers adopting Chapter 44 provisions.

Changes of assumptions. Changes of assumptions and other inputs reflects a change in the discount rate from 2.16 percent in 2021 to 3.54 percent in 2022.

Public Employees' Retirement System (PERS)

Pension Schedules

Changes of benefit terms. 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, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

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

OPEB Schedules

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

Changes of benefit terms. The decrease in liability from June 30, 2021 to June 30, 2022 is due to employers adopting Chapter 44 provisions.

Changes of assumptions. Changes of assumptions and other inputs reflects a change in the discount rate from 2.16 percent in 2021 to 3.54 percent in 2022.

OTHER SUPPLEMENTARY INFORMATION

**SPECIAL REVENUE FUND
DETAIL STATEMENTS**

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

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit E-1

SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS

For the Fiscal Year Ended June 30, 2023

	Title I	Title II Part A	Title IV	ARP ESSER III	ARP Accel Learn	ARP Summer	ARP Beyond School Day	ARP Mental	CRRSA ESSER II	CRRSA Learning	CRRSA Mental	IDEA Basic	IDEA Preschool	REAP	Preschool Education Aid	NJ Climate Change Pilot	SDA Emergent & Capital	Local Grants	Student Activity	Totals	
REVENUES																					
Local Sources																		\$ 8,261	\$ 10,620	\$ 18,881	
State Sources																				749,462	
Federal Sources	\$ 72,536	\$ 8,334	\$ 10,000	\$ 19,337	\$ 16,092	\$ 16,433	\$ 7,928	\$ 16,089	\$ 41,764	\$ 7,878	\$ 18,699	\$ 74,050	\$ 5,892	\$ 29,486	\$ 736,574	\$ 6,660	\$ 6,228			344,518	
TOTAL REVENUES	72,536	8,334	10,000	19,337	16,092	16,433	7,928	16,089	41,764	7,878	18,699	74,050	5,892	29,486	736,574	6,660	6,228	8,261	10,620	1,112,861	
EXPENDITURES:																					
Instruction:																					
Instructional Salaries	13,330		2,870			15,913	6,975			6,760		9,717	3,380		377,147					436,092	
Other Salaries for Instruction												25,520	1,150		99,764					126,434	
Purchased Prof. & Tech. Services	28,000		4,500	1,907						1,118										38,025	
General Supplies	24,726		1,713		12,969	520	953					4,000		29,486	20,735	4,160		8,261		107,523	
Other Objects															2,737					2,737	
Total Instruction	66,056		9,083	1,907	12,969	16,433	7,928			7,878		39,237	4,530	29,486	500,383	6,660		8,261		710,811	
Support Services:																					
Salaries of Program Directors															10,801					10,801	
Salaries of Other Professional Staff												6,951			16,320					23,271	
Salaries of Secretarial & Clerical Staff															4,771					4,771	
Other Salaries	6,480							4,252			4,732				14,728					30,192	
Salaries of Master Teachers															6,625					6,625	
Employee Benefits															199,958					199,958	
Purchased Educational Services								10,000			9,467	21,685	1,362							42,514	
Cleaning Repairs and Maintenance			600												7,399					7,999	
Transportation Between Home & School															47,629					47,629	
Transportation Field Trips															1,787					1,787	
Other Purchased Services		8,334	317	17,430	3,123			1,500			4,500	6,177								41,381	
Supplies and Materials								337							6,510					6,847	
Other Objects															2,133					2,133	
Student Activities																				13,967	
Total Support Services	6,480	8,334	917	17,430	3,123			16,089			18,699	34,813	1,362	29,486	318,661					13,967	439,875
Facilities Acq. and Const. Services:																					
Buildings									41,764								6,228			47,992	
Total Facilities Acq. and Const. Svs	-	-	-	-	-	-	-	-	41,764	-	-	-	-	-	-	-	6,228	-	-	47,992	
TOTAL EXPENDITURES	72,536	8,334	10,000	19,337	16,092	16,433	7,928	16,089	41,764	7,878	18,699	74,050	5,892	29,486	819,044	6,660	6,228	8,261	13,967	1,198,678	
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(82,470)	-	-	-	(3,347)	\$ (85,817)	
Other Financing Sources (Uses):																					
Transfers from Other Funds															82,470						82,470
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	82,470	-	-	-	-	82,470	
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,347)	(3,347)	
Fund Balance Beginning	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	21,259	21,259
Prior Period Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fund Balance Beginning (Restated)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	21,259	21,259
Fund Balance Ending	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ 17,912	\$ 17,912

**Stillwater Township School District
Special Revenue Fund
Preschool Education Aid Schedule of Expenditures
Preschool - All Programs
Budgetary Basis
For the Fiscal Year Ended June 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 377,780	\$ 8,062	\$ 385,842	\$ 377,147	\$ 8,695
Other Salaries for Instruction	96,911	11,624	108,535	99,764	8,771
General Supplies	17,390	12,667	30,057	20,735	9,322
Other Objects	4,617	-	4,617	2,737	1,880
Total instruction	496,698	32,353	529,051	500,383	28,668
Support services:					
Salaries of Program Directors	10,918	(117)	10,801	10,801	-
Salaries of Other Professional Staff	-	16,320	16,320	16,320	-
Salaries of Secretarial & Clerical Staff	-	4,771	4,771	4,771	-
Other Salaries	-	19,092	19,092	14,728	4,364
Salaries of Master Teachers	5,000	10,000	15,000	6,625	8,375
Personal Services - Employee Benefits	223,331	19,156	242,487	199,958	42,529
Cleaning Repair	-	17,399	17,399	7,399	10,000
Transportation Between Home & School	-	47,629	47,629	47,629	-
Transportation Field Trips	2,500	1,000	3,500	1,787	1,713
Supplies and Materials	1,783	9,066	10,849	6,510	4,339
Other Objects	2,000	133	2,133	2,133	-
Total support services	245,532	144,449	389,981	318,661	71,320
Total Expenditures	742,230	\$ 176,802	\$ 919,032	\$ 819,044	99,988

CALCULATION OF BUDGET & CARRYOVER

Total 2022-2023 PreK Aid Allocation	\$ 742,230
Add: Actual ECPA Carryover June 30, 2022	154,332
Add: Budgeted Transfer From General Fund	82,470
Total Funds Available for 2022-2023 Budget	<u>979,032</u>
Less: 2022-2023 Budgeted PreK & ECPA (Including prior year budgeted carryover)	<u>(919,032)</u>
Available & Unbudgeted Funds as of June 30, 2023	60,000
Add: June 30, 2023 Unexpended PreK Aid	<u>99,988</u>
2022-2023 Actual Carryover - PreK Aid	<u>\$ 159,988</u>
2022-2023 PreK Carryover Budgeted in 2023-2024	<u>60,000</u>

**CAPITAL PROJECTS FUND
DETAIL STATEMENTS**

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

N/A

**PROPRIETARY FUND
DETAIL STATEMENTS**

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

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

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

**FIDUCIARY FUND
DETAIL STATEMENTS**

Fiduciary Funds are defined by GASB No. 84 as four funds. (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds.

N/A

LONG-TERM DEBT SCHEDULES

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

N/A

Stillwater Township School District
Statistical Section

<u>Contents</u>	<u>Page</u>
Financial Trends (J-1 thru J-5) These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	87-92
Revenue Capacity (J-6 thru J-9) These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	93-96
Debt Capacity (J-10 thru J-13) These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	97-100
Demographic and Economic Information (J-14 and J-15) These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	101-102
Operating Information (J-16 thru J-20) These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	103-107

Sources:

Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports (ACFR) for the relevant year.

Stillwater Township School District
Net Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-1

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Invested in capital assets, net of related debt	\$ 1,555,227	\$ 1,907,174	\$ 2,059,005	\$ 2,171,034	\$ 2,320,306	\$ 2,689,051	\$ 2,414,013	\$ 2,713,582	\$ 2,819,347	\$ 3,046,580
Restricted	1,439,787	1,425,388	1,612,948	1,872,348	1,762,269	1,617,237	1,830,848	1,858,765	1,943,470	1,799,874
Unrestricted	(58,338)	(1,281,627)	(1,248,108)	(1,340,395)	(1,281,374)	(1,229,010)	(1,217,390)	(1,099,949)	(926,038)	352
Total governmental activities net position	<u>\$ 2,936,676</u>	<u>\$ 2,050,935</u>	<u>\$ 2,423,845</u>	<u>\$ 2,702,987</u>	<u>\$ 2,801,201</u>	<u>\$ 3,077,278</u>	<u>\$ 3,027,471</u>	<u>\$ 3,472,398</u>	<u>\$ 3,836,779</u>	<u>\$ 4,846,806</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ 7,367	\$ 1,267	-	-	-	-	-	-	-	\$ 17,115
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	30,431	29,783	23,987	21,068	20,047	8,143	28,781	42,612	88,237	66,456
Total business-type activities net position	<u>\$ 37,798</u>	<u>\$ 31,050</u>	<u>\$ 23,987</u>	<u>\$ 21,068</u>	<u>\$ 20,047</u>	<u>\$ 8,143</u>	<u>\$ 28,781</u>	<u>\$ 42,612</u>	<u>\$ 88,237</u>	<u>\$ 83,571</u>
District-wide										
Invested in capital assets, net of related debt	\$ 1,562,594	\$ 1,908,441	\$ 2,059,005	\$ 2,171,034	\$ 2,320,306	\$ 2,689,051	\$ 2,414,013	\$ 2,713,582	\$ 2,819,347	\$ 3,063,695
Restricted	1,439,787	1,425,388	1,612,948	1,872,348	1,762,269	1,617,237	1,830,848	1,858,765	1,943,470	1,799,874
Unrestricted	(27,907)	(1,251,844)	(1,224,121)	(1,319,327)	(1,261,327)	(1,220,867)	(1,188,609)	(1,057,337)	(837,801)	66,808
Total district net position	<u>\$ 2,974,474</u>	<u>\$ 2,081,985</u>	<u>\$ 2,447,832</u>	<u>\$ 2,724,055</u>	<u>\$ 2,821,248</u>	<u>\$ 3,085,421</u>	<u>\$ 3,056,252</u>	<u>\$ 3,515,010</u>	<u>\$ 3,925,016</u>	<u>\$ 4,930,377</u>

Source: ACFR Schedule A-1

Stillwater Township School District
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses						#				
Governmental activities										
Instruction										
Regular	\$ 3,083,544	\$ 3,488,253	\$ 3,518,463	\$ 4,207,703	\$ 4,010,017	\$ 3,312,743	\$ 3,211,706	\$ 3,702,043	\$ 3,483,915	\$ 3,243,152
Special education	579,851	759,695	810,625	947,512	962,937	990,451	820,544	912,461	773,701	739,641
Other special education	188,902	168,203	161,170	202,689	308,354	207,145	217,784	197,720	108,307	6,883
School Sponsored										
Support Services:										
Tuition						11,445	-	6,241	92,511	4,347
Student & instruction related services	750,617	889,495	907,722	1,000,265	1,136,916	1,036,107	1,125,448	1,181,380	1,254,565	1,341,463
General administrative services	540,672	668,027	610,182	696,598	815,605	640,294	645,015	645,460	588,652	544,143
School administrative services	176,183	176,132	193,100	187,949	193,035	189,719	117,316	199,417	185,453	176,379
Business administrative services										
Plant operations and maintenance	688,842	756,154	659,861	789,065	909,151	998,851	875,513	1,169,184	937,943	861,075
Pupil transportation	279,915	308,123	304,332	316,376	291,968	293,111	275,774	260,192	226,842	223,984
Charter School										
Interest Expense and fiscal charges	1,790	1,790	1,790	1,790	1,790	1,790	1,790	1,790	1,790	1,790
Capital Outlay										
Unallocated depreciation	63,314	75,245	87,552	75,857	89,135	108,174	119,979	111,259	126,610	158,765
Total governmental activities expenses	<u>6,353,630</u>	<u>7,291,117</u>	<u>7,254,797</u>	<u>8,425,804</u>	<u>8,718,908</u>	<u>7,789,830</u>	<u>7,410,869</u>	<u>8,387,147</u>	<u>7,780,289</u>	<u>7,301,622</u>
Business-type activities:										
Food service	130,175	129,335	128,499	111,357	110,711	111,069	61,870	106,200	147,951	164,894
Total business-type activities expense	<u>130,175</u>	<u>129,335</u>	<u>128,499</u>	<u>111,357</u>	<u>110,711</u>	<u>111,069</u>	<u>61,870</u>	<u>106,200</u>	<u>147,951</u>	<u>164,894</u>
Total district expenses	<u>\$ 6,483,805</u>	<u>\$ 7,420,452</u>	<u>\$ 7,383,296</u>	<u>\$ 8,537,161</u>	<u>\$ 8,829,619</u>	<u>\$ 7,900,899</u>	<u>\$ 7,472,739</u>	<u>\$ 8,493,347</u>	<u>\$ 7,928,240</u>	<u>\$ 7,466,516</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Tuition	\$ 191,115	\$ 238,396	\$ 176,302	\$ 152,631	\$ 172,335	\$ 157,800	\$ 82,500	\$ 37,687	\$ 58,069	\$ 48,326
Operating grants and contributions	2,601,587	3,372,852	3,366,281	4,247,491	4,478,085	3,675,039	3,288,682	4,261,319	3,353,231	3,405,552
Capital grants and contributions										
Total governmental activities program revenues	<u>2,792,702</u>	<u>3,611,248</u>	<u>3,542,583</u>	<u>4,400,122</u>	<u>4,650,420</u>	<u>3,832,839</u>	<u>3,371,182</u>	<u>4,299,006</u>	<u>3,411,300</u>	<u>3,453,878</u>
Business-type activities:										
Charges for services										
Food service	82,258	79,286	77,063	66,948	70,167	63,994	38,684	10,933	18,751	87,436
Operating grants and contributions	37,941	38,774	39,172	37,510	39,183	35,137	23,798	99,056	173,711	71,414
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	<u>120,239</u>	<u>118,060</u>	<u>116,235</u>	<u>104,458</u>	<u>109,350</u>	<u>99,131</u>	<u>62,482</u>	<u>109,989</u>	<u>192,462</u>	<u>158,850</u>
Total district program revenues	<u>\$ 2,912,901</u>	<u>\$ 3,729,308</u>	<u>\$ 3,658,818</u>	<u>\$ 4,504,580</u>	<u>\$ 4,759,770</u>	<u>\$ 3,931,970</u>	<u>\$ 3,433,664</u>	<u>\$ 4,408,995</u>	<u>\$ 3,603,762</u>	<u>\$ 3,612,728</u>
Net (Expense)/Revenue										
Governmental activities	\$ (3,560,928)	\$ (3,679,869)	\$ (3,712,214)	\$ (4,025,682)	\$ (4,068,488)	\$ (3,956,991)	\$ (4,039,687)	\$ (4,088,141)	\$ (4,368,989)	\$ (3,847,744)
Business-type activities	(9,976)	(11,275)	(12,264)	(6,899)	(1,361)	(11,938)	612	3,789	44,511	(6,044)
Total district-wide net expense	<u>\$ (3,570,904)</u>	<u>\$ (3,691,144)</u>	<u>\$ (3,724,478)</u>	<u>\$ (4,032,581)</u>	<u>\$ (4,069,849)</u>	<u>\$ (3,968,929)</u>	<u>\$ (4,039,075)</u>	<u>\$ (4,084,352)</u>	<u>\$ (4,324,478)</u>	<u>\$ (3,853,788)</u>

continued

Stillwater Township School District
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 3,978,825	\$ 4,017,816	\$ 4,043,035	\$ 4,113,212	\$ 4,137,896	\$ 4,201,308	\$ 4,285,334	\$ 4,520,290	\$ 4,610,694	\$ 4,809,148
Property taxes levied for debt service, net										
Federal and State Aid not restricted										
Investment earnings	3,494	4,076	3,882	4,486	6,343	8,725	7,300	4,095	3,694	18,923
Miscellaneous income	4,991	1,069	38,207	27,201	22,463	23,035	17,345	18,683	118,982	29,700
Federal and State Aid for Capital Assets Projects										
Disposal of Assets										
Transfers										
Total governmental activities	<u>3,987,310</u>	<u>4,022,961</u>	<u>4,085,124</u>	<u>4,144,899</u>	<u>4,166,702</u>	<u>4,233,068</u>	<u>4,309,979</u>	<u>4,543,068</u>	<u>4,733,370</u>	<u>4,857,771</u>
Business-type activities:										
Investment earnings	76	76	76	53	53	53	53	53	53	53
Miscellaneous income	3,383	4,451	5,125	3,927	287	(19)	(27)	(11)	1,061	1,325
Transfers										
Total business-type activities	<u>3,459</u>	<u>4,527</u>	<u>5,201</u>	<u>3,980</u>	<u>340</u>	<u>34</u>	<u>26</u>	<u>42</u>	<u>1,114</u>	<u>1,378</u>
Total district-wide	<u>\$ 3,990,769</u>	<u>\$ 4,027,488</u>	<u>\$ 4,090,325</u>	<u>\$ 4,148,879</u>	<u>\$ 4,167,042</u>	<u>\$ 4,233,102</u>	<u>\$ 4,310,005</u>	<u>\$ 4,543,110</u>	<u>\$ 4,734,484</u>	<u>\$ 4,859,149</u>
Change in Net Position										
Governmental activities	\$ 426,382	\$ 343,092	\$ 372,910	\$ 119,217	\$ 98,214	\$ 276,077	\$ 270,292	\$ 454,927	\$ 364,381	\$ 1,010,027
Business-type activities	(6,517)	(6,748)	(7,063)	(2,919)	(1,021)	(11,904)	638	3,831	45,625	(4,666)
Total district	<u>\$ 419,865</u>	<u>\$ 336,344</u>	<u>\$ 365,847</u>	<u>\$ 116,298</u>	<u>\$ 97,193</u>	<u>\$ 264,173</u>	<u>\$ 270,930</u>	<u>\$ 458,758</u>	<u>\$ 410,006</u>	<u>\$ 1,005,361</u>

Source: ACFR Schedule A-2

Stillwater Township School District
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

Exhibit J-3

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Fund										
Reserved	\$ 1,458,282	\$ 1,449,857	\$ 1,631,222	\$ 1,882,705	\$ 1,858,019	\$ 1,722,425	\$ 1,867,257	\$ 1,921,539	\$ 1,997,241	\$ 1,800,152
Unreserved	70,864	70,827	69,799	69,588	73,691	89,749	110,317	139,770	181,980	992,839
Total general fund	<u>\$ 1,529,146</u>	<u>\$ 1,520,684</u>	<u>\$ 1,701,021</u>	<u>\$ 1,952,293</u>	<u>\$ 1,931,710</u>	<u>\$ 1,812,174</u>	<u>\$ 1,977,574</u>	<u>\$ 2,061,309</u>	<u>\$ 2,179,221</u>	<u>\$ 2,792,991</u>
All Other Governmental Funds										
Reserved							\$ 9,571	\$ 10,115	\$ 21,259	\$ 17,912
Unreserved, reported in:										
Special revenue fund							(31,878)	(51,723)	(87,672)	(74,231)
Capital projects fund										
Debt service fund										
Permanent fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ (22,307)</u>	<u>\$ (41,608)</u>	<u>\$ (66,413)</u>	<u>\$ (56,319)</u>

Source: ACFR Schedule B-1

**Stillwater Township School District
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years**

Exhibit J-4

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Revenues										
Tax levy	\$ 3,978,825	\$ 4,017,816	\$ 4,043,035	\$ 4,113,212	\$ 4,137,896	\$ 4,201,308	\$ 4,285,334	\$ 4,520,290	\$ 4,610,694	\$ 4,809,148
Tuition charges	191,115	238,396	176,302	152,631	172,335	157,800	82,500	31,183	38,644	37,706
Interest earnings	910	858	815	889	918	956	1,234	492	1,137	2,635
Miscellaneous	7,575	4,287	41,274	30,798	27,888	30,804	23,411	28,790	140,964	56,608
State sources	2,370,199	2,468,499	2,544,211	2,638,854	2,713,184	2,726,944	2,815,829	2,979,739	3,247,694	3,794,144
Federal sources	231,388	155,074	152,051	147,105	153,201	154,381	128,324	226,344	282,331	350,291
Total revenue	6,780,012	6,884,930	6,957,688	7,083,489	7,205,422	7,272,193	7,336,632	7,786,838	8,321,464	9,050,532
Expenditures										
Instruction										
Regular Instruction	2,230,312	2,196,952	2,107,407	2,119,935	2,166,850	1,939,880	1,983,907	2,097,447	2,324,418	2,361,387
Special education instruction	423,512	485,195	512,851	529,948	529,120	593,268	519,444	528,227	527,746	553,410
Other special instruction	137,970	107,426	101,966	113,365	169,436	124,077	137,868	114,461	73,877	5,150
School Sponsored Other Instruction										
Support Services:										
Tuition						11,445	-	6,241	92,511	4,347
Student & instruction related services	548,236	568,094	574,280	559,453	624,719	620,615	712,464	683,905	855,747	1,003,701
General administrative services	225,686	265,916	198,320	229,497	255,367	231,542	261,392	221,138	235,712	234,910
School Administrative services	128,681	112,490	122,167	105,121	106,070	113,639	74,267	115,443	126,499	131,969
Business administrative services	166,961	158,061	184,609	157,420	144,808	148,144	142,673	148,570	161,315	166,587
Plant operations and maintenance	502,041	481,655	415,981	440,039	439,205	531,386	528,169	569,559	618,153	636,271
Pupil transportation	279,915	308,123	304,332	316,376	291,968	293,111	275,774	260,192	226,842	223,984
Unallocated employee benefits	1,577,988	1,683,299	1,759,535	1,914,009	2,048,046	2,171,371	2,169,693	2,327,850	2,567,000	2,559,859
Special Revenue										
Charter Schools	51,723	58,780	131,547	79,866	65,275	19,375	141,465	69,837	106,270	78,486
Capital outlay	222,179	467,401	364,356	267,188	385,141	593,876	315,708	569,534	312,267	466,607
Debt service										
Total expenditures	6,495,204	6,893,392	6,777,351	6,832,217	7,226,005	7,391,729	7,262,824	7,712,404	8,228,357	8,426,668
Excess (Deficiency) of revenues over (under) expenditures	284,808	(8,462)	180,337	251,272	(20,583)	(119,536)	73,808	74,434	93,107	623,864
Other Financing Sources (uses)										
Transfers in	8,409									
Transfers out	(8,409)	-	-	-	-	-	(20,000)	(10,000)	-	-
Total other financing sources (uses)	-	-	-	-	-	-	(20,000)	(10,000)	-	-
Net change in fund balances	\$ 284,808	\$ (8,462)	\$ 180,337	\$ 251,272	\$ (20,583)	\$ (119,536)	\$ 53,808	\$ 64,434	\$ 93,107	\$ 623,864
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: ACFR Schedule B-2

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

Exhibit J-5

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Refund</u> <u>Prior Year</u> <u>Expenditures</u>	<u>Interest on</u> <u>Cap.Reserve</u> <u>Funds</u>	<u>Tuition</u>	<u>Miscellaneous</u>	<u>Total</u>
2014	\$ 3,494		\$ 910	\$ 191,115	\$ 4,081	\$ 199,600
2015	3,218		858	238,396	175	242,647
2016	3,067	\$ 11,803	815	176,302	24,698	216,685
2017	3,597	6	889	152,631	1,285	158,408
2018	5,425	9	918	172,335	5,843	184,530
2019	7,769		956	157,800	8,700	175,225
2020	6,066	7,200	1,234	82,500	6,062	103,062
2021	3,603		492	31,183	566	35,844
2022	2,756	3,909	938	38,644	91,767	138,014
2023	16,675		2,248	37,706	21,439	78,068

SOURCE: District Records

**Stillwater Township School District
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years**

Exhibit J-6

<u>Year Ended December 31</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm</u>	<u>farmland value</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Total Assessed Value</u>	<u>Less: Tax-Exempt Property</u>	<u>Public Utilities a</u>	<u>Net Valuation Taxable</u>	<u>Total Direct School Tax Rate b</u>	<u>Estimated Actual (County Equalized Value)</u>
2014	\$4,745,100	\$207,670,500	\$27,937,400	-	\$8,179,500	\$326,400	-	\$279,879,482	\$30,748,500	\$272,082	\$249,130,982	\$0.986	\$470,419,448
2015	7,172,100	341,912,400	40,640,000	\$1,590,100	13,500,600	324,700	-	473,141,306	67,463,000	538,406	405,678,306	0.996	435,487,945
2016	7,159,800	341,998,200	39,525,100	1,582,200	13,344,300	324,700	-	472,751,756	68,244,200	573,256	404,507,556	1.007	447,554,460
2017	7,421,600	343,742,100	37,572,500	1,573,300	13,730,500	324,700	-	473,008,404	68,033,200	610,504	404,975,204	1.016	437,771,416
2018	7,482,600	342,279,500	39,007,300	1,563,100	14,592,900	324,700	-	474,533,277	68,649,600	633,577	405,883,677	1.027	455,280,148
2019	7,050,800	342,478,700	39,088,600	1,554,900	14,592,900	324,700	-	475,028,796	69,224,300	713,896	405,804,496	0.000	452,762,968
2020	6,783,200	343,244,800	39,472,500	1,521,800	14,592,900	324,700	-	476,369,511	69,667,200	762,411	406,702,311	1.083	452,284,646
2021	6,650,800	344,806,100	38,626,200	1,570,400	14,719,200	300,000	-	477,064,300	70,391,600	-	406,672,700	1.124	465,069,150
2022	6,380,100	344,076,400	39,363,200	1,462,400	14,719,200	300,000	-	477,919,800	71,618,500	-	406,301,300	1.157	471,459,650
2023	6,648,100	344,218,000	39,527,900	1,413,300	14,899,200	259,000	-	479,317,000	72,351,500	-	406,965,500	1.157	508,189,185

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

**Stillwater Township School District
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years**

Exhibit J-7

(rate per \$100 of assessed value)

Year Ended December 31	Stillwater Township Board of Education		Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	Total Direct	Regional High School District	Stillwater Township	Sussex County	
2014	\$1.549	\$1.549	\$1.371	\$0.863	\$0.984	\$4.767
2015	\$0.986	\$0.986	\$0.856	\$0.514	\$0.560	\$2.916
2016	\$0.996	\$0.996	\$0.873	\$0.495	\$0.572	\$2.936
2017	\$1.007	\$1.007	\$0.850	\$0.500	\$0.597	\$2.954
2018	\$1.016	\$1.016	\$0.879	\$0.502	\$0.640	\$3.037
2019	\$1.027	\$1.027	\$0.904	\$0.508	\$0.649	\$3.088
2020	\$1.043	\$1.043	\$0.894	\$0.498	\$0.645	\$3.080
2021	\$1.083	\$1.083	\$0.951	\$0.505	\$0.669	\$3.208
2022	\$1.124	\$1.124	\$1.002	\$0.523	\$0.680	\$3.329
2023	\$1.157	\$1.157	\$1.019	\$0.524	\$0.702	\$3.402

Source: District Records and Municipal Tax Collector

Note:

NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.0 percent, whichever is greater, plus any spending growth adjustments.

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

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

**Stillwater Township Board of Education
Principal Property Tax Payers
Current Year and Nine years Ago**

Exhibit J-8

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Mountain Shadows Lake Assoc.	\$2,041,500	1	0.50%	\$2,041,500	1	0.44%
North Shore House	1,679,200	2	0.41%	1,297,500	2	0.27%
Individual Taxpayer #1	1,278,900	3	0.31%	1,255,100	3	0.35%
Individual Taxpayer #2	1,200,100	4	0.29%	1,203,100	4	0.28%
Individual Taxpayer #3	1,082,000	5	0.27%	1,168,000	5	0.26%
Greenwood Pt Cottages	1,000,000	6	0.25%			
Individual Taxpayer #4	951,300	7	0.23%	853,200	10	0.21%
Individual Taxpayer #5	904,300	8	0.22%	1,001,100	7	0.23%
Individual Taxpayer #6	878,200	9	0.22%	906,700	8	0.22%
Individual Taxpayer #7				879,800	9	0.21%
Individual Taxpayer #8	857,000	10	0.21%	1,082,000	6	0.26%
Total	\$11,872,500		2.92%	\$11,688,000		2.73%

Source: District ACFR & Municipal Tax Assessor

**Stillwater Township School District
Property Tax Levies and Collections,
Last Ten Fiscal Years**

Exhibit J-9

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	
2014	\$3,978,825	\$3,978,825	100.00%	-
2015	\$4,017,816	\$4,017,816	100.00%	-
2016	\$4,043,035	\$4,043,035	100.00%	-
2017	\$4,113,212	\$4,113,212	100.00%	-
2018	\$4,137,896	\$4,137,896	100.00%	-
2019	\$4,201,308	\$4,201,308	100.00%	-
2020	\$4,285,334	\$4,285,334	100.00%	-
2021	\$4,520,290	\$4,520,290	100.00%	-
2022	\$4,610,694	\$4,610,694	100.00%	-
2023	\$4,809,148	\$4,809,148	100.00%	-

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

Note: 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 is the amount voted upon or certified prior to the end of the school year.

**Stillwater Township School District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Exhibit J-10

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipati on Notes (BANs)	Capital Leases	Total District		
2014	-0-	-0-	-0-	-0-	-0-	-0-	N/A	N/A
2015	-0-	-0-	-0-	-0-	-0-	-0-	N/A	N/A
2016	-0-	-0-	-0-	-0-	-0-	-0-	N/A	N/A
2017	-0-	-0-	-0-	-0-	-0-	-0-	N/A	N/A
2018	-0-	-0-	-0-	-0-	-0-	-0-	N/A	N/A
2019	-0-	-0-	-0-	-0-	-0-	-0-	N/A	N/A
2020	-0-	-0-	-0-	-0-	-0-	-0-	N/A	N/A
2021	-0-	-0-	-0-	-0-	-0-	-0-	N/A	N/A
2022	-0-	-0-	-0-	-0-	-0-	-0-	N/A	N/A
2023	-0-	-0-	-0-	-0-	-0-	-0-	N/A	N/A

Source: District ACFR Schedules I-1, I-2

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

- a** See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- b** Includes Early Retirement Incentive Plan (ERIP) refunding

Stillwater Township School District
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Exhibit J-11

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2014	-0-	-0-	-0-	-0-	-0-
2015	-0-	-0-	-0-	-0-	-0-
2016	-0-	-0-	-0-	-0-	-0-
2017	-0-	-0-	-0-	-0-	-0-
2018	-0-	-0-	-0-	-0-	-0-
2019	-0-	-0-	-0-	-0-	-0-
2020	-0-	-0-	-0-	-0-	-0-
2021	-0-	-0-	-0-	-0-	-0-
2022	-0-	-0-	-0-	-0-	-0-
2023	-0-	-0-	-0-	-0-	-0-

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

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit NJ J-14.

R Revised

* Current data unavailable

Stillwater Township School District
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2023

Exhibit J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Stillwater Township	\$ 2,105,797	100.000%	\$ 2,105,797
Other debt			
Kittatinny Regional School District	-	25.376%	-
Sussex County	95,444,925	2.66%	<u>2,540,347</u>
Subtotal, overlapping debt			4,646,144
Stillwater Township School District Direct Debt			<u>-</u>
Total direct and overlapping debt			<u><u>\$ 4,646,144</u></u>

Sources: Stillwater Township Finance Officer, Sussex County Finance Office and Utility Authorities

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

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

**Stillwater Township School District
Legal Debt Margin Information,
Last Ten Fiscal Years**

Exhibit J-13

Legal Debt Margin Calculation for Fiscal Year 2023

	Equalized valuation basis
	2020 \$ 471,122,220
	2021 506,610,100
	2022 <u>570,059,532</u>
	[A] <u>\$1,547,791,852</u>
Average equalized valuation of taxable property	[A/3] \$ 515,930,617
Debt limit (2.5 % of average equalization value)	[B] 12,898,265
Net bonded school debt	[C] -
Legal debt margin	[B-C] <u>\$ 12,898,265</u>

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Debt limit	\$12,161,125	\$11,494,400	\$11,212,103	\$11,135,595	\$11,168,191	\$11,284,159	\$11,378,745	\$11,542,834	\$12,016,245	\$12,898,265
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$12,161,125</u>	<u>\$11,494,400</u>	<u>\$11,212,103</u>	<u>\$11,135,595</u>	<u>\$11,168,191</u>	<u>\$11,284,159</u>	<u>\$11,378,745</u>	<u>\$11,542,834</u>	<u>\$12,016,245</u>	<u>\$12,898,265</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Abstract of Ratables and District Records ACFR Schedule J-7

a Limit set by NJSA 18A:24-19 for a K through 6 district; other % limits would be applicable for other districts

**Stillwater Township School District
Demographic and Economic Statistics
Last Ten Fiscal Years**

Exhibit J-14

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income (thousands of dollars) ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2014	4,036	\$216,608,397	\$54,116 R	5.8%
2015	4,001	\$222,000,944	\$55,722 R	4.9%
2016	3,954	\$224,065,161	\$57,327 R	4.6%
2017	3,927	\$232,273,332	\$59,144 R	4.1%
2018	3,910	\$219,506,981	\$61,531 R	3.9%
2019	3,900	\$218,720,419	\$64,284 R	3.2%
2020	3,878	\$238,999,590	\$67,814 R	8.2%
2021	3,855	\$245,887,320	\$71,059 R	5.4%
2022	4,020	\$272,612,280	\$71,059 *	3.6%
2023	4,048	\$287,646,832	\$71,059 *	*

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Per Capita information provided by U.S. Dept of Commerce.

^c Per Capita information provided by U.S. Dept of Commerce.

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

R Revised

P Projected

* Current data unavailable

**Stillwater Township School District
Principal Employers,
Current Year and Nine Years Ago**

Exhibit J-15

Employer	2022			2014		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
Stocker Bus	70	1	0.00%			0.00%
Stillwater Township School	65	2	0.00%			0.00%
Fairview Lake YMCA Camp	47	3	0.00%			0.00%
Stillwater Township Municipal Employees	41	4	0.00%			0.00%
Lou Hoover YMCA Camp	18	5	0.00%			0.00%
Swartzwood State Park	13	6	0.00%			0.00%
C&V Paving	8	7	0.00%			0.00%
Roy Biscoff Mason Supply	5	8	0.00%			0.00%
Stillwater Café	3	9	0.00%			0.00%
		10	0.00%			0.00%
						0.00%
	<u>270</u>		<u>0.00%</u>	<u>-</u>		<u>0.00%</u>

Source: N/A=No reliable data available

**Stillwater Township School District
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years**

Exhibit J-16

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Instruction										
Regular	31.6	29.6	28.0	27.4	27.4	22.7	22.7	24.7	23.8	23.8
Special education	6.0	8.0	8.0	7.5	7.5	8.5	8.5	6.8	7.8	7.8
Other special education	2.0	2.0	-	-	-	-	-	-	-	-
Support Services:										
Student and Instruction Related Services	7.5	9.4	11.2	9.1	9.1	12.8	12.8	14.6	15.8	16.6
General administrative services	2.0	2.0	1.6	2.0	2.0	2.0	2.0	2.0	2.0	1.3
School administrative services	2.5	2.2	2.2	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Central Services	2.2	2.0	2.1	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Plant Operations and Maintenance	3.5	3.5	3.6	3.6	3.6	4.0	4.0	4.6	4.6	5.2
Transportation	-	0	0	0	0	0	0	0	0.2	0.2
Total	<u>57.3</u>	<u>58.9</u>	<u>56.9</u>	<u>53.6</u>	<u>53.6</u>	<u>54.0</u>	<u>54.0</u>	<u>56.7</u>	<u>58.0</u>	<u>58.7</u>

Source: District Personnel Records

**Stillwater Township School District
Operating Statistics
Last Ten Fiscal Years**

Exhibit J-17

Fiscal Year	Enrollment	Operating Expenditures^a	Cost Per Pupil	Percentage Change	Teaching Staff^b	Pupil/Teacher Ratio	Average Daily Enrollment (ADE)^c	Average Daily Attendance (ADA)^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2014	340	\$ 6,273,025	\$18,450	4.52%	40	1:8.5	343.0	325.9	-3.33%	94.6%
2015	350	6,425,991	18,360	-0.49%	40	1:8.8	349.9	331.3	2.01%	95.0%
2016	323	6,412,995	19,854	8.14%	39	1:8.3	318.4	301.6	-9.00%	94.7%
2017	289	6,565,029	22,716	14.41%	38	1:7.6	289.1	273.9	-9.20%	94.7%
2018	286	6,840,864	23,919	5.29%	37	1:6.5	285.1	270.6	-1.39%	94.9%
2019	262	6,797,853	25,946	8.47%	36	1:7.4	266.4	252.2	-6.56%	94.7%
2020	250	6,947,116	27,788	7.10%	36	1:7.0	251.4	241.7	-5.63%	96.1%
2021	271	7,142,870	26,357	-5.15%	36	1:7.6	272.2	265.9	8.27%	97.7%
2022	265	7,916,090	29,872	13.33%	36	1:7.4	264.9	246.1	-2.68%	92.9%
2023	281	7,960,061	28,328	-5.17%	35	1:8.0	284.4	262.5	7.36%	92.3%

Sources: District records, ASSA and Schedule J-4

Note: Enrollment based on annual June 30 district count.

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

**Stillwater Township School District
School Building Information
Last Ten Fiscal Years**

Exhibit J-18

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<u>District Building</u>										
<u>Stillwater Township Elementary School - K-6</u>										
Square Feet	63,852	63,852	63,852	63,852	63,852	63,852	63,852	63,852	63,852	63,852
Capacity (students)	434	434	434	434	434	434	434	434	434	434
Enrollment	340	350	323	289	286	262	250	271	265	281

Number of Schools at June 30, 2023
Elementary = 1

Source: District records, ASSA

Note: Increases in square footage and capacity are the result of renovations and/or additions. Enrollment is based on the annual October district count.

STILLWATER TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
Last Ten Fiscal Years Ending June 30, 2023

Exhibit J-19

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

<u>School Facilities</u>	<u>Project #</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Total</u>
Elementary School	N/A	\$ 92,176	\$ 116,396	\$ 119,995	\$ 94,442	\$ 97,490	\$ 106,960	\$ 111,920	\$ 149,800	\$ 156,200	\$ 166,153	\$ 1,211,532
Total School Facilities		92,176	116,396	119,995	94,442	97,490	106,960	111,920	149,800	156,200	166,153	1,211,532
Other Facilities												
Grand Total		\$ 92,176	\$ 116,396	\$ 119,995	\$ 94,442	\$ 97,490	\$ 106,960	\$ 111,920	\$ 149,800	\$ 156,200	\$ 166,153	\$ 1,211,532

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit J-20

INSURANCE SCHEDULE
JUNE 30, 2023
UNAUDITED

<u>POLICY TYPE</u>	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
SCHOOL PACKAGE POLICY-NJSIG		
Building & Personal Property	\$ 16,338,684	\$ 5,000.00
General Liability:	\$ 11,000,000	
Each Occurrence		
General Aggregate		
Product/Completed Ops		
Personal Injury		
Fire Damage		
Automobile Liability Coverage	\$ 11,000,000	
Combined Single Limit		
Hired/Non-owned		
Environmental Impairment Liability (excludes mold)	\$ 1,000,000	\$ 50,000
Underground Storage Tanks	\$ 1,000,000	\$ 50,000
Faithful Performance & Computer Fraud	\$ 1,000,000	\$ 1,000
Money & Securities	\$ 100,000	\$ 1,000
Boiler & Machinery	\$ 100,000,000	\$ 25,000
School Board Legal (SLPL) NJSIG	\$ 11,000,000	Coverage A \$5,000
	\$100,000/300/000	Coverage B same
Workers' Compensation NJSIG	Statutory	
Employer's Liability	\$ 3,000,000	
Supplemental Indemnity	Statutory	
Bond for School Business Administrator	\$ 200,000	Selective Insurance
Bond for Treasurer of School Monies	\$ 200,000	Selective Insurance
Student Accident- Bollinger	All students and athletes \$5,000,000 Full excess	

SOURCE: District Records

Single Audit Section



ARDITO & COMPANY LLC

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Anthony Ardito, CPA, RMA, CMFO, PSA

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

Independent Auditor's Report

Honorable President and
 Members of the Board of Education
 Stillwater Township School District
 County of Sussex
 Newton, New Jersey 07860

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 Stillwater Township School District Board of Education in the County of Sussex, 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 Stillwater Township School District Board of Education's basic financial statements, and have issued our report thereon dated November 2, 2023.

Internal Control Over Financial Reporting

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

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

-Continued-

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under ***Government Auditing Standards*** or 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 for New Jersey Department of Education use, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with ***Government Auditing Standards*** in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ardito & Company LLC

ARDITO & COMPANY LLC

Frenchtown, New Jersey

November 2, 2023

Anthony Ardito

Anthony Ardito

Certified Public Accountant

Licensed Public School Accountant No. 2369

ARDITO & COMPANY LLC

Frenchtown, New Jersey

November 2, 2023



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Anthony Ardito, CPA, RMA, CMFO, PSA

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
Stillwater Township School District
County of Sussex
Newton, New Jersey 07860

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Stillwater Township School District Board of Education’s compliance with the types of compliance requirements described in the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the District’s major state programs for the year ended June 30, 2023. The Stillwater Township School District Board of Education’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 Stillwater Township School District Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in ***Government Auditing Standards***, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB’s Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards, and New Jersey OMB Circular 15-08 are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Stillwater Township School District Board of Education, 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 opinion on compliance for each major state program. Our audit does not provide a legal determination of the Stillwater Township School District Board of Education's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

-Continued-

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, ***Government Auditing Standards***, and New Jersey OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major state program as a whole.

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

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

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's 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.

-Continued-

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 circular 15-08, and for New Jersey Department of Education use. Accordingly, this report is not suitable for any other purpose.

Ardito & Company LLC

ARDITO & COMPANY LLC

Frenchtown, New Jersey

November 2, 2023

Anthony Ardito

Anthony Ardito

Certified Public Accountant

Licensed Public School Accountant No. 2369

ARDITO & COMPANY LLC

Frenchtown, New Jersey

November 2, 2023

STILLWATER TOWNSHIP SCHOOL DISTRICT

K-3

Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2023

Schedule A

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing No.	FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance At June 30, 2022	Carryover/ Walkover/ Amount	Cash Received	Budget Expend.	Adjust.	Repayment of Prior Years' Balances	Balance at June 30, 2023			Cumulative Total Expenditures
					From	To							Accounts Receivable	Deferred Revenue	Due to Grantor	
U.S. Dept. of Education Passed-through State Dept. of Education:																
General Fund:																
Medical Assistance Program (SEMI)	93.778	2205NJ5MAP	N/A	\$ 5,774	7/1/22	6/30/23			\$ 5,774	\$ (5,774)						\$ 5,774
Total General Fund							-	-	5,774	(5,774)	-	-	-	-	-	5,774
U.S. Dept. of Education Passed-through State Dept. of Education:																
Special Revenue Fund:																
Title I	84.010	S010A220030	N/A	72,536	7/1/22	6/30/23	\$ (4,820)		68,501	(72,536)		\$ (8,855)				72,536
Total Title I Part A Cluster							(4,820)	-	68,501	(72,536)	-	(8,855)	-	-	-	72,536
Title II Part A	84.367A	S367B220027	N/A	8,334	7/1/22	6/30/23	-		7,284	(8,334)		(1,050)				8,334
Title IV	84.424A	S424A220027	N/A	10,000	7/1/22	6/30/23	(5,319)		14,729	(10,000)		(590)				10,000
Rural Education Achievement Program	84.358A	S358B220030	S358A222744	29,486	7/1/22	9/30/23	-		2,117	(29,486)		(27,369)				29,486
I.D.E.A. Part B, Basic Regular	84.027	H027A220100	N/A	74,050	7/1/22	6/30/23	(6,397)		77,790	(74,050)		(2,657)				74,050
I.D.E.A. Part B, Basic Preschool	84.173	H173A220114	N/A	5,892	7/1/22	6/30/23			5,892	(5,892)						5,892
American Rescue Plan-IDEA Basic	84.027X	H027X220100	ARP IDEA	12,310	3/13/20	9/30/24	(3,408)		3,408							12,310
Total Special Education Cluster							(9,805)	-	87,090	(79,942)	-	(2,657)	-	-	-	92,252
CRRSA ESSER II	84.425D	S425D220027	CRRSA	87,879	3/13/20	9/30/23	(700)		33,474	(41,764)		(8,990)				87,879
CRRSA Learning Accel.	84.425D	S425D220027	CRRSA	25,000	3/13/20	9/30/23	(2,400)		10,278	(7,878)						25,000
CRRSA Mental Health	84.425D	S425D220027	CRRSA	45,000	3/13/20	9/30/23	(9,969)		28,668	(18,699)						45,000
American Rescue Plan-ESSER III	84.425U	S425U220027	ARP	197,502	3/13/20	9/30/24	-		18,043	(19,337)		(179,459)	178,165			19,337
American Rescue Plan-Accel. Learn. Coaching & Ed. Support	84.425U	S425U220027	ARP	50,000	3/13/20	9/30/24	(250)		13,696	(16,092)		(36,304)	33,658			16,342
American Rescue Plan-Evidence Based Summer Learning	84.425U	S425U220027	ARP	40,000	3/13/20	9/30/24	-		15,913	(16,433)		(24,088)	23,568			16,432
American Rescue Plan-Evidence Based Beyond the Sch. Day	84.425U	S425U220027	ARP	40,000	3/13/20	9/30/24	(2,065)		6,226	(7,928)		(33,773)	30,006			9,994
American Rescue Plan-NJTSS Mental Health Support Staffing	84.425U	S425U220027	ARP	45,000	3/13/20	9/30/24	(779)		13,840	(16,089)		(31,160)	28,132			16,868
Total Education Stabilization Fund							(16,163)	-	140,138	(144,220)	-	(313,774)	293,529	-	-	236,852
Total Special Revenue Fund							(36,107)	-	319,859	(344,518)	-	(354,295)	293,529	-	-	449,460
U.S. Dept. of Agriculture Passed-Through																
State Department of Education:																
Enterprise Fund																
Child Nutrition Cluster:																
National School Lunch Program (Food Distribution)	10.555	221NJ304N1099	N/A		7/1/21	6/30/22	2,723			(2,723)						2,723
National School Lunch Program (Food Distribution)	10.555	231NJ304N1199	N/A	9,234	7/1/22	6/30/23			9,234	(5,731)			3,503			5,731
School Breakfast Program	10.553	221NJ304N1099	N/A		7/1/21	6/30/22	(1,706)		1,706							
School Breakfast Program	10.553	231NJ304N1199	N/A	4,501	7/1/22	6/30/23			4,179	(4,501)		(322)				4,501
National School Lunch Prog.	10.555	221NJ304N1099	N/A		7/1/21	6/30/22	(9,162)			9,162						
National School Lunch Prog.	10.555	231NJ304N1199	N/A	30,250	7/1/22	6/30/23			28,751	(30,250)		(1,499)				30,250
Supply Chain Assistance Funding	10.555	231NJ344N8903	N/A	26,789	7/1/22	6/30/23			26,789	(26,789)		-				26,789
Total Enterprise Fund							(8,145)	-	79,821	(69,994)	-	(1,821)	3,503	-	-	69,994
TOTAL FEDERAL ASSISTANCE							\$ (44,252)	-	\$ 405,454	\$ (420,286)	-	\$ (356,116)	\$ 297,032	-	\$ 525,228	

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

Note: This Schedule was not subject to an audit in accordance with OMB Uniform Guidance.

STILLWATER TOWNSHIP SCHOOL DISTRICT

Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2023

STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE 6/30/2022	CARRY- OVER AMOUNT	CASH RECEIVED	BUDGET. EXPEND.	ADJUST.	REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE AT JUNE 30, 2023			MEMO		
										(ACCTS. RECEIV.)	DEFER. REVENUE/ INTERFUND PAYABLE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPEND.	
State Department of Education													*		
General Fund:													*		
Equalization Aid	23-495-034-5123-078	7/1/22-6/30/23	\$ 265,727			\$ 265,727	\$ (265,727)						\$	26,497	\$ 265,727
Transportation Aid	23-495-034-5123-014	7/1/22-6/30/23	151,123			151,123	(151,123)						*	15,070	151,123
Special Education Aid	23-495-034-5123-089	7/1/22-6/30/23	211,181			211,181	(211,181)						*	21,059	211,181
Security Aid	23-495-034-5123-084	7/1/22-6/30/23	33,792			33,792	(33,792)						*	3,370	33,792
Maintenance of Equity Aid	23-495-034-5120-128	7/1/22-6/30/23	689,458				(689,458)			\$ (689,458)			*		689,458
Supplemental Stabilization Aid	23-100-034-5120-494	7/1/22-6/30/23	97,148			97,148	(97,148)						*		97,148
Non-Public Transportation Aid	22-100-034-5123-068	7/1/22-6/30/22	1,927	\$ (1,927)		1,927							*		1,927
Non-Public Transportation Aid	23-100-034-5123-068	7/1/22-6/30/23	2,184				(2,184)				(2,184)		*		2,184
Extraordinary Aid	22-495-034-5123-044	7/1/22-6/30/22	25,426	(25,426)		25,426							*		25,426
Extraordinary Aid	23-495-034-5123-044	7/1/22-6/30/23	20,045				(20,045)				(20,045)		*		20,045
On Behalf TPAF Pension	23-495-034-5094-002	7/1/22-6/30/23	1,043,376			1,043,376	(1,043,376)						*		1,043,376
On Behalf TPAF Pension PMR	23-495-034-5094-001	7/1/22-6/30/23	274,092			274,092	(274,092)						*		274,092
On Behalf TPAF Pension LTD Ins	23-495-034-5094-004	7/1/22-6/30/23	293			293	(293)						*		293
Reimbursed TPAF Soc.Secur.Contrib.	23-495-034-5094-003	7/1/22-6/30/23	208,456	(14,849)		213,574	(208,456)				(9,731)		*		208,456
Total General Fund				(42,202)		2,317,659	(2,996,875)				(721,418)		*	65,996	3,024,228
Special Revenue Fund:													*		
Preschool Education Aid	23-495-034-5123-086	7/1/22-6/30/23	742,230	154,332		742,230	(819,044)	\$ 82,470			\$ 159,988		*	74,231	819,044
School Climate Change Pilot	Not Available	4/1/23-6/30/23	6,660			6,660	(6,660)						*		6,660
SDA Grant - Emergency and Capital Aid	Not Available	7/1/22-6/30/23	6,228			6,228	(6,228)						*		6,228
Total Special Revenue Fund				154,332	-	755,118	(831,932)	82,470	-	-	159,988	-	*	74,231	831,932
State Department of Agriculture:													*		
Enterprise Fund:													*		
Nat.School Lunch Prog.(State Share)	22-100-010-3350-023	7/1/23-6/30/22		(211)		211							*		
Nat.School Lunch Prog.(State Share)	23-100-010-3350-023	7/1/22-6/30/23	1,419			1,348	(1,419)				(71)		*		1,419
Total Enterprise Fund				(211)		1,559	(1,419)				(71)		*		1,419
Total State Financial Assistance				\$ 111,919	-	\$ 3,074,336	\$ (3,830,226)	82,470	-	\$ (721,489)	\$ 159,988	-	*	\$ 140,227	\$ 3,857,579
Less On-behalf TPAF Pension Amounts:													*		
On Behalf TPAF Pension	23-495-034-5094-002						1,043,376						*		
On Behalf TPAF Pension PMR	23-495-034-5094-001						274,092						*		
On Behalf TPAF Pension LTD Ins	23-495-034-5094-004						293						*		
Total State Expenditures Subject to Major Program Determination							\$ (2,512,465)						*		

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

NOTES TO THE SCHEDULES OF STATE FINANCIAL ASSISTANCE
JUNE 30, 2023

NOTE 1. GENERAL

The accompanying schedule of expenditures of state financial assistance includes state award activity of the Board of Education, Stillwater Township School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All state awards received directly from state agencies, as well as state financial assistance passed through other government agencies is included on the schedule of expenditure of state financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment 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 last state aid payment 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 \$29,377 for the general fund and \$18,429 for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

NOTES TO THE SCHEDULES OF STATE FINANCIAL ASSISTANCE
 JUNE 30, 2023

NOTE 3. (Continued)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	5,774	\$ 3,026,252	\$ 3,032,026
Special Revenue Fund	\$ 344,517	767,892	1,112,409
Food Service Fund	<u>69,994</u>	<u>1,420</u>	<u>71,414</u>
Total Financial Assistance	<u>\$ 420,285</u>	<u>\$ 3,795,564</u>	<u>\$ 4,215,849</u>

NOTE 4. RELATIONSHIP TO STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Section I - Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified? ___ Yes **x** No

2) Were significant deficiencies identified that were not considered to be material weaknesses? ___ Yes **x** None Reported

Noncompliance material to financial statements noted? ___ Yes **x** No

Federal Awards

Not Applicable

Internal control over major programs:

1) Material weakness(es) identified? ___ Yes ___ No

2) Were significant deficiencies identified that were not considered to be material weaknesses? ___ Yes ___ None

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of ? ___ Yes ___ No

Identification of major programs:

<u>Assistance Listing</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
N/A		

Dollar threshold used to distinguish between Type A and Type B programs: N/A

Auditee qualified as low-risk auditee? ___ Yes ___ No

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Financial Assistance Section

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

Auditee qualified as low-risk auditee? x_yes_ _no

Internal Control over major programs:

1) Material weakness(es) identified? _yes_ _x_ _no

2) Were significant deficiencies identified that were not considered to be material weaknesses? _yes_ _x_ _none

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

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular letter 15-08 as applicable? _yes_ _x_ _no

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

23-495-034-5122-078	Equalization Aid (State Aid Cluster)
23-495-034-5122-089	Special Education Aid (State Aid Cluster)
23-495-034-5122-084	Security Aid (State Aid Cluster)
23-495-034-5120-128	Maintenance of Equity Aid

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Section II-Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, and abuse related to the financial statements for which *Government Auditing Standards* requires reporting.

Financial Statement N/A

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

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and NJOMB Circular Letter 15-08, as applicable.

Federal Awards N/A

State Awards N/A

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

STATUS OF PRIOR YEAR FINDINGS

N/A

In accordance with *government auditing standards* , our procedures included a review of all prior year recommendations. There were no prior year findings.