

**SCHOOL DISTRICT
OF
STOW CREEK TOWNSHIP**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

of the

Stow Creek Township Board of Education

Cumberland, New Jersey

For the Fiscal Year Ended June 30, 2023

ANNUAL COMPREHENSIVE FINANCIAL REPORT

of the

**Stow Creek Township Board of Education
Cumberland, New Jersey**

For the Fiscal Year Ended June 30, 2023

Prepared by

Stow Creek Township Board of Education

Finance Department

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
OF THE STOW CREEK TOWNSHIP SCHOOL DISTRICT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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INTRODUCTORY SECTION

Stow Creek Township School District

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BUSINESS OFFICE TEL (856) 299-4240

BRIDGETON, NJ 08302-8951
FAX (856) 455-0833
FAX (856) 299-8182

Fred Hovermann
Board President

Brandon Cobb
Chief School Administrator

Kim Fleetwod
Board Secretary/School
Business Administrator

November 27, 2023

Honorable President and
Members of the Board of Education
Stow Creek Township School District
Cumberland County, New Jersey

Dear Board Members:

The annual comprehensive financial report of the Stow Creek Township School District for the fiscal year ended June 30, 2023 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the 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 of the District. All disclosures that we feel are 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 basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), "Audits of States, Local Governments, and Non-Profit Organizations" and the 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:

Stow Creek Township School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. 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 a basis of governmental, business-type and fiduciary funds, which are all included in this report. The Stow Creek Township Board of Education and its one school constitute the District's reporting entity.

Stow Creek Township School District provides a full range of educational services appropriate for grade levels Pre-K through Eighth grade. These include regular education, as well as special education for handicapped students. Our students in grades 9-12 are sent to Cumberland Regional High. The Stow Creek Township School District completed the 2022-2023 fiscal year with an enrollment of 123 students, which was two more than the number of students in the prior year. The following changes in the student enrollment of the District over the last ten years show a leveling off for the later years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2022-23	124	.8%
2021-22	123	1.7%
2020-21	121	7%
2019-20	113	3%
2018-19	116	5%
2017-18	110	(6)%
2016-17	117	4%
2015-16	112	0%
2014-15	112	(3)%
2013-14	116	(1)%

2. ECONOMIC CONDITION AND OUTLOOK:

Stow Creek Township continues to experience limited growth, as depicted in the enrollment statistics. Approximately three-quarters of the total area of the Township is considered prime farmland, which has been a significant factor in terms of Stow Creek's planned development, encouraging the retention of prime farmland for agricultural use.

Future development in Stow Creek is governed by natural or environmental factors, in addition to agricultural suitability of soils. The Township has no central sewer system and therefore, soil suitability for on-site waste disposal systems is crucial in terms of development potential. In addition, the recent upgrading of requirements by the New Jersey Department of Health, regarding on-site systems, mandates that areas with only slight limitations will be further restricted in density. Wetland regulations also impact on development potential. Several landowners have sold properties to NJ Fish and Wildlife Management and the State has also established a state park in the Township.

3. MAJOR INITIATIVES:

Bearing on the District's Future

The Greenwich-Stow Creek Partnership between Greenwich and Stow Creek Township is entering its sixteenth year. As the Partnership matures and continues to develop in new productive modes, both districts foresee gaining increasingly more benefits from the economies of scale and opportunities generated by this alliance. It is anticipated that new and innovative uses of the partnership will allow the continued enhancement of the quality of instruction and the expansion of educational opportunities available to the children of both districts while at the same time maintaining fiscally prudent stewardship of taxpayers' dollars.

The new state commitment to the SFRA (Full Funding Formula) and its consequent reduction in Adjustment Aid for Greenwich poses challenge to the district over the next few years and beyond. This reduction slashes available funding, but with taxation caps in place does not leave an avenue for relief without seriously cutting programs. Along with Adjustment Aid reduction, we anticipate flat enrollment for the 2023-2024 school year and with it a subsequent drop in State Aid for the 2024-2025 school year. The district did a reduction in force of an elementary education teacher during the 2019-2020 school year and may need to make additional cuts in the future. Stow Creek is facing very similar circumstances in terms of enrollment and funding. Stow Creek has lost significant funding over the last several years and cut a teaching position by non-renewal at the end of the 2021-2022 school year. The Greenwich-Stow Creek Partnership Schools are exploring a possible targeted regionalized school district as early as the end of the 2023-24 school year. The district has received results from the Feasibility Study, has had meetings with the Board's committee and the Executive County Superintendent to discuss the findings. A consolidation study spreadsheet was completed and submitted to the Executive County Superintendent for review.

Greenwich School District partnered with Stow Creek School District to secure a Preschool Education Expansion Aid (PEEA) grant to open a full-day, preschool for four year old district residents on January 2, 2020 and expanded it in September, 2020 to include three year olds. By this partnership and in collaboration with six other districts for various parts of the program, the Greenwich Stow Creek Partnership Schools will be able to provide a high-quality preschool for our students and provide them with all the social, educational, and developmental benefits of such a program. Extensive professional development featuring cross-content and multi-year staff training this year will focus on the preschool curriculum and the changes necessary to Kindergarten and beyond to ensure a smooth and productive transition. Our preschool program has functioned at capacity since its inception, with no preschool disabled students being sent out of district.

Over the last two years, Stow Creek completed roofing projects and now have new roofs on their entire school building. Greenwich is working on a much needed full septic replacement that should be completed by the end of the 2023-24 school year. Greenwich is also considering a partial roof replacement during the 2023-24 school year.

The Partnership is continuing its major technology initiatives this year. Every child in grades Kindergarten through 8th grade now have a device to use for classroom instruction. The district has gone to completely digital textbooks in grades 4-8; this has the dual advantages of costs savings and considerably improved instructional materials in terms of interactivity, currency of information, motivation, and in particular enhanced and evolving differentiated instruction to the pupil level. All textbook series in all grade levels has a digital component, and students have been given access to these resources. The district has been able to secure self-paced, standards-based web-based programs such as IXL, Flocabulary, Achieve3000, ALEKS, and Reading Plus. All of these programs have assisted in increasing student achievement. We have seen reading levels increase as much as three grade levels over the course of the school year. The rents received from the cell tower erected on school property continue to help fund these educational technology advances. With its 4-G capabilities the on-site tower has the extra advantage, in addition to the rent earned, of providing cost competition for internet service since previously only one internet provider operated in the district.

Greenwich is also expanding the integrated, global computerized information system installed ten years ago. In addition to a complete Student Information System, Discipline system online, teacher lesson plans online, grade books, and teacher websites, we are utilizing a student statistics tool to drill down on the specific skills that our students need to improve their understanding of the subject area and a curriculum building tool.

We are also using this integrated system as the technology tool to go along with the Danielson teacher evaluation model for Achieve NJ. We are doing this in partnership with the six neighboring districts which make up the constituency of the local regional high school to allow us to reap considerable economies of scale in the required staff training.

As part of our Curriculum Revision Cycle the district will be revising Language Arts and Math curriculum during the 2023-2024 school year. The Partnership will also be focusing on PD for new Math and Language Arts textbook series before the 2024-25 school year.

The Partnership is continuing to enter into other collaborative relationships with surrounding districts and businesses. We now share a CST services with Salem County Special Services' as well as Lawrence Township, IT computer services with Cumberland Regional High School, Librarian services with Upper Deerfield School District, as well as our numerous shared services within the Partnership. By negotiating as one larger entity and sharing those services and costs with Stow Creek, Stow Creek has negotiated better contract terms with our Student Information System provider, our outsourced IT provider and our automated telephone contact system provider, technology providers, textbook publishers, and others.

In conclusion, the Greenwich Stow Creek Partnership Schools has committed itself to educational excellence and continued parsimony. The new collaborations are allowing both Greenwich and Stow Creek to provide better and new educational services to our children and keep costs in check. The Partnership is taking the steps necessary to keep up with today's changing economic and regulatory conditions and still provide a world-class education for the children of Greenwich and Stow Creek Townships.

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 awards and state financial assistance, the District is also 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 being 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 approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund and, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year end are either cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations 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. These funds are explained in "Notes to the Financial Statements," Note 1.

7. FINANCIAL INFORMATION AT FISCAL YEAR END:

As demonstrated by the various statements and schedules included in the financial statements section of the report, the District continues to meet its responsibility for sound financial management.

8. DEBT ADMINISTRATION:

As of June 30, 2023, the District does not have any debt, other than \$26,234 in compensated absences, \$7,307 in Right-to-Use Lease Liability and Net Pension Liability of \$392,828. The amount available to authorize debt is \$3,822,794, as shown on Exhibit J-13.

9. 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 that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. 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.

10. RISK MANAGEMENT:

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

11. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nightlinger, Colavita and Volpa, PA. was appointed by the Board. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Title 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and State of New Jersey Treasury Circular 15-08 OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. The auditor's report on the basic financial statements and combining and individual fund statements and schedules are included in the financial section of this report. The auditor's report related specifically to the single audit are included in the single audit section of this report.

12. ACKNOWLEDGMENTS:

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

Respectfully submitted,

Brandon Cobb

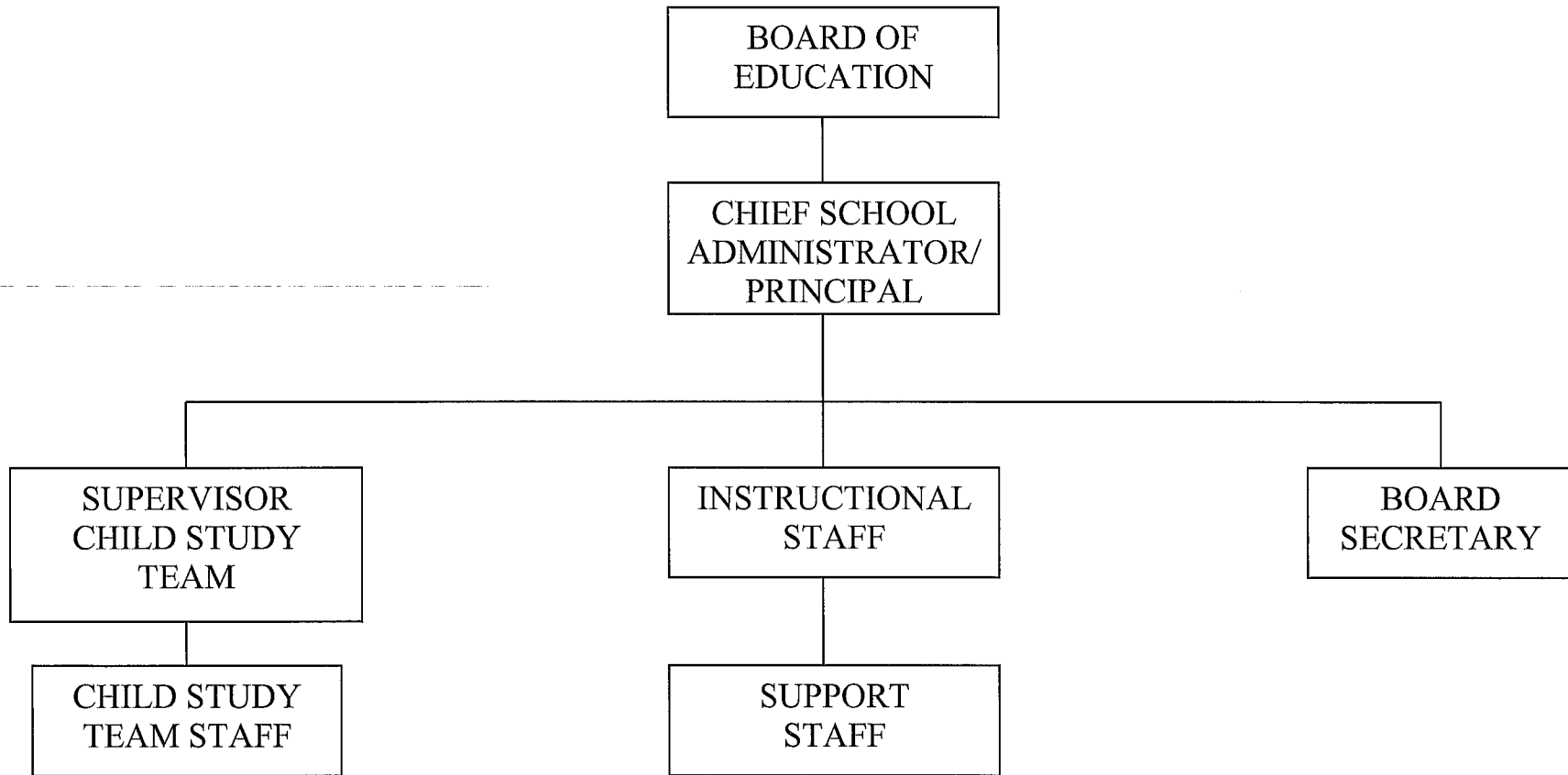
Brandon Cobb
Chief School Administrator

Kim Fleetwood

Kim Fleetwood
Board Secretary / Business Administrator

STOW CREEK TOWNSHIP SCHOOL DISTRICT

ORGANIZATIONAL CHART (UNIT CONTROL)



STOW CREEK TOWNSHIP BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2023

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Fred Hovermann, President	2024
Erin Hurff	2024
Kevin Coll	2023
Andrea Levick, Vice President	2023
Courtney Mattus	2024
Leigha Saulin	2023
Robert DeMasse	2025

<u>OTHER OFFICIALS</u>	<u>Bond Coverage</u>
Brandon Cobb, Chief School Administrator	
Kim Fleetwood, Board Secretary/Business Administrator	
Susan G Robostello, Treasurer of School Monies	\$ 130,000
Robert Muccilli, Esq., Solicitor	

STOW CREEK TOWNSHIP SCHOOL DISTRICT
CONSULTANTS AND ADVISORS

AUDIT FIRM

Raymond Colavita, CPA, RMA
Nightlinger, Colavita and Volpa, P. A.
Certified Public Accountants
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FINANCIAL SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Stow Creek Township School District
County of Cumberland, New Jersey 08302

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Board of Education of the Stow Creek Township School District in the County of Cumberland, State of New Jersey, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted 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, 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 Board of Education of the Stow Creek Township School District in the County of Cumberland, State of New Jersey'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 Board of Education of the Stow Creek Township School District in the County of Cumberland, State of New Jersey'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 and budgetary comparison information 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 Board of Education of the Stow Creek Township School District in the County of Cumberland, State of New Jersey's basic financial statements. The combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and is also not a required part of 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 statements and related major fund supporting financial statements 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, as required by the Office of School Finance, Department of Education, State of New Jersey. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

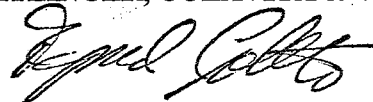
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated.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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2023, on our consideration of the Stow Creek Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Stow Creek Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governments Auditing Standards* in considering Stow Creek School District's internal control over financial reporting and compliance.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



Raymond Colavita, C.P.A., R.M.A.
Licensed Public School Accountant
No. 915

November 27, 2023

REQUIRED SUPPLEMENTARY INFORMATION – PART I

Stow Creek Township School District Management Discussion and Analysis

(Unaudited)

This section of the Stow Creek Township School District's Annual Comprehensive Financial Report presents our discussion and analysis of the District's financial performance during the fiscal year ending on June 30, 2023. Comparative information between the current year (2022-2023) and the prior year (2021-2022) is required to be presented in the MD&A. The intent of the discussion and analysis is to look at the District's financial performance as a whole. Interested parties should review the basic financial statements and notes in concert with this document in order to enhance and clarify their understanding of the finances of the District.

Using the Annual Comprehensive Financial Report (ACFR)

The Annual Comprehensive Financial Report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information.

The basic financial statements include two kinds of statements that present different views of the District:

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

The financial statements also include *notes* that explain various information in the statements and provide more detail. The statements are followed by a section of *required supplementary information* that further explains and supports the financial statements with a comparison of the District's budget for the year.

Key financial highlights for 2023 are as follows:

- The assets of the Stow Creek School District exceeded its liabilities at the close of the most recent fiscal year on June 30, 2023 by \$1,590,604.
- Total net position of governmental activities increased by \$560,210, comprised of changes in various assets and liabilities. The net position of Business-type Activities increased by \$40,113.
- As of the close of the current fiscal year, the Township of Stow Creek School District's Governmental Funds reflected combined ending fund balances of \$1,300,546, which is an increase of \$326,179 from the prior year.

- General revenues accounted for \$2,847,768, which was 79.5% percent of total revenues. Program specific revenues in the form of charges for services, operating grants and contributions accounted for \$733,591 or 20.5% percent to total revenues of \$3,581,359.
- The School District had \$2,981,036 in expenses, of which \$733,591 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily federal awards, state aid and property taxes) were adequate to provide for these programs, which include the Business-type Activities.
- The Governmental Funds had \$3,283,173 in revenues, \$2,950,152 in expenditures and \$6,842 in other net financing uses transferred to the Food Service Enterprise Fund. The General Fund balance increased \$322,497 over 2022. This increase was anticipated by the Board of Education, although fund balance of \$238,447 was used to balance the budget, as shown on Exhibit C-1.

District-wide Financial Statements – Reporting the School District as a Whole

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

The two district-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets and liabilities – are one way to measure the District's overall financial position.

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. Non-financial 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, which represent the district-wide financial statements, 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, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation, extracurricular activities and internal service funds.
- Business – Type Activities – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service and After School Child Care enterprise funds are reported as a business-type activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major (all) funds begins on page 22. Fund financial reports provide detailed information about these major funds. The School District uses numerous funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds.

The District may implement four types of funds:

- *Governmental funds:* Most of the District’s basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District’s programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental fund statements explains the relationship (or differences) between them.
- *Proprietary funds:* Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The District’s *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.
- *Internal service funds:* (Also considered proprietary funds) are optional and utilized to report activities that provide supplies and services for other District programs and activities. The District currently does not have any internal service funds.
- *Fiduciary funds:* The District is the trustee, or *fiduciary*, for assets that belong to others, such as the student activity fund. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements, as these assets may not be used to finance the District’s operations.

The School District as a Whole

Table 1 provides a comparative summary of the School District’s net position for the years ended in 2023 and 2022.

	2023	2022
Assets		
Current and Other Assets	\$ 1,473,759	\$ 1,090,691
Capital Assets, Net	559,308	367,705
Total Assets	2,033,067	1,458,396
Deferred Outflow of Resources	153,009	176,762
Liabilities		
Current Liabilities	105,413	92,642
Long-term Liabilities	426,369	355,169
Total Liabilities	531,782	447,811
Deferred Inflow of Resources	63,690	197,066
Net Position		
Invested in Capital Assets, Net of Debt	552,001	354,960
Restricted	892,292	768,669
Committed	28,659	28,659
Unrestricted (Deficit)	117,652	(162,007)
Total Net Position	\$ 1,590,604	\$ 990,281

Table 2 shows the changes in net position from fiscal year's 2023 and 2022.

Table 2
Changes in Net Position

	2023	2022
Revenues		
Programs Revenues		
Charges for Services	\$ 84,280	\$ 75,096
Operating Grants	649,311	584,119
General Revenues		
Property Taxes	1,326,975	1,276,797
Grants and Entitlements	1,323,373	1,161,923
Other	197,420	222,202
Total Revenues	3,581,359	3,320,137
Program Expenses		
Instruction	890,146	1,043,090
Tuition	117,201	56,885
Pupil and Instructional Staff	279,556	194,256
General Administration, School		
Administration, Business	181,570	102,343
Operations and Maintenance of Facilities	264,821	306,009
Pupil Transportation	175,004	174,073
Employee Benefits	965,635	1,043,509
Food Service & After School Care	106,364	129,434
Interest on Debt	739	739
Total Expenses	2,981,036	3,050,338
Less: Fixed Asset Adjustment		3,963
Increase in Net Position	\$ 600,323	\$ 273,762

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. The District's Property taxes made up 38.6% percent of the total revenues for governmental activities of \$3,441,724. Federal, State, and local grants accounted for another 55.2% and other net revenues were 6.2%. The total cost of services was \$2,981,036, of which \$2,282,559 was for governmental activities as shown below. The net cost of all governmental programs and services excludes charges for services and operating grants of \$592,113. Instruction comprises 27% of these net District expenses.

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

Table 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	\$ 890,146	\$ 615,289	\$ 1,043,090	\$ 756,364
Tuition	117,201	117,201	56,885	56,885
Pupil and Instructional Staff	279,556	108,004	194,256	62,897
General Administration, School				
Administration, Business	181,570	181,570	182,797	182,797
Operation and Maintenance of Facilities	264,821	264,821	225,555	225,555
Pupil Transportation	175,004	175,004	174,073	174,073
Employee Benefits	965,635	819,931	1,043,509	930,678
Enterprise Funds	106,364		129,434	
Interest on Debt	739	739	739	739
Total Expenses	<u>\$ 2,981,036</u>	<u>\$ 2,282,559</u>	<u>\$ 3,050,338</u>	<u>\$ 2,389,988</u>

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

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development. Curriculum and staff development expenses (included in support services) are related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

Co-curricular activities include instructional expenses related to student activities provided by the School district, which are designated to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

General administration, school administration and business include expenses associated with administrative and financial supervision of the District as well as internal service fund expenses.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition as well as internal service fund expenses.

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

Unallocated Depreciation reflects the cost of fixed assets spread over the estimated useful lives of the individual assets

Business-Type Activities

Revenues for the District's business-type activities (Food Service and After School Child Care Programs) were comprised of charges for services and federal and state reimbursements.

- Revenues exceeded expenditures by \$31,548 in the Food Service Fund and revenues exceeded expenditures by \$3,566 in the After School Childcare Program. The net surplus of \$35,114 was offset by a board subsidy of \$6,842, interest of \$17, and a fixed asset adjustment of \$1,860. This resulted in a positive change in net position of \$40,113.

- Charges for services represent \$48,330 in the Food Service Fund and \$20,194 in the After School Childcare Program. This represents amount paid by patrons for daily food service activities and after school childcare.
- Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities, were \$72,954.

The School District's Funds

Information about the School District's major funds starts on page 22. These funds are accounted for using the modified accrual basis of accounting. The governmental funds used (i.e., General Fund, Special Revenue Fund and Capital Project Fund presented in the fund-based statements) had total revenues of \$3,283,173, expenditures of \$2,950,152 and other net financing uses of \$6,842. The net financing sources represented a transfer of \$6,842 to the Food Service Fund. The net change in fund balance for the year was an increase of \$326,179. This demonstrates that the District was able to meet current operating costs with no urgent need for additional funds other than \$238,447 in surplus appropriated to balance the 2022-2023 budget.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the Governmental Funds (excluding Capital Projects) for the fiscal year ended June 30, 2023, and the amount and percentage of increases and decreases in relation to prior year revenues.

Table 4

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2022</u>	<u>Percent Increase (Decrease)</u>
Local Sources	\$ 1,511,016	46.02%	\$ 12,034	0.80%
State Sources	1,391,289	42.38%	10,761	0.78%
Federal Sources	380,868	11.60%	186,430	95.88%
Total	\$ 3,283,173	100.00%	\$ 209,225	6.81%

The increase in Local sources is attributed to increases in the tax levy of \$50,178, general fund transportation of \$29,754 and local grants of \$12,264, offset by decreases in miscellaneous revenue of \$79,897 and interest of \$265.

The increase in State sources is attributed to increases in Special Revenue Fund Grants of \$16,244, offset by a decrease in State Public School aid of \$5,483.

The above schedule includes the two last state aid payments for 2021-2022 of \$75,281 received in July 2022 and does not include the two last state aid payments for 2022-2023 received in July 2023 in the amount of \$63,915.

The increase in Federal sources is due to various decreases in the Special Revenue Fund Grants. In addition, the 2023 figures do not include deferred revenue in accordance with GAAP accounting.

The following schedule presents a summary of General Fund and Special Revenue Fund Expenditures for the fiscal year ended June 30, 2023 and the percentage of increases and decreases in relation to prior year amounts.

Table 5

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2022</u>	<u>Percent Increase (Decrease)</u>
Current:				
Instruction	\$ 862,445	29.23%	\$ (160,774)	-15.71%
Undistributed expenditures	1,858,239	62.99%	38,519	2.12%
Capital Outlay	229,468	7.78%	2,599	1.15%
Total	<u>\$ 2,950,152</u>	<u>100.00%</u>	<u>\$ (119,656)</u>	<u>-3.90%</u>

The decrease in Instructional Expenditures is attributed to decreases in Regular Instruction of \$81,724, Special Education Instruction of \$57,487 and Other Instructional Expenses of \$21,563.

The increase in Undistributed Expenditures was due to increases in Tuition of \$60,316, Student and Instruction Related Services of \$76,388, Central Services of \$1,531, Plant Operations and Maintenance of \$44,559, and Pupil Transportation of \$21,881, offset by decreases in General Administration of \$2,710, School Administrative Services of \$2,172 and Employee Benefits of \$161,274.

The increase in Capital Outlay is attributed to an increase in facility acquisition costs.

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 modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the fiscal year 2022, the School District amended its General Fund budget as needed. The School District uses program-based budgeting. These budgeting systems are designed to tightly control total program budgets while providing flexibility for program management to address the following:

- Staffing changes based on student needs
- Additional costs for student transportation both in regular education and special education
- Changes in maintenance and operations
- Changes in appropriations to prevent budget overruns

While the District's final budget for the general fund anticipated that revenues, including surplus appropriated, would roughly equal expenditures, the actual results for the year show an increase of \$312,085 as shown on Exhibit C-1, which included a transfer to the food service fund of \$6,842 and \$13,268 for Preschool inclusion.

- Actual revenues were \$111,574 more than expected, excluding on-behalf pension and social security reimbursements of \$434,098, due to less miscellaneous income.
- Actual expenditures were \$487,278 less than expected. This excludes state on-behalf pension and social security reimbursements of \$434,098 and reflects favorable variances in most expenditure accounts.

Capital Assets

At the end of the fiscal year 2023, the School District had \$559,308 (net of accumulated depreciation) invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2023 balances compared to 2022.

Table 6
Capital Assets (Net of Depreciation) at June 30

	<u>2023</u>	<u>2022</u>
Land Improvements	\$ 6,207	\$ 6,207
Building and Improvements	365,523	214,824
Vehicles	62,047	59,850
Equipment	119,485	81,654
Right-to-Use Lease Assets	6,046	11,377
Totals	<u>\$ 559,308</u>	<u>\$ 373,912</u>

Overall net Capital Assets increased by \$185,396 from fiscal year 2022 fiscal year 2023, representing fixed asset additions of \$228,729 and adjustments of \$15,362, offset by depreciation expense of \$58,695.

Long-Term Debt:

At year-end, the District had outstanding long-term debt of \$26,234 in compensated absences, \$392,828 in Net Pension Liability and \$7,307 in Right-to-Use Lease Liability. There was no other outstanding debt authorized or issued (Note 6 to the Financial Statements). The amount of debt available for authorization by statute is \$3,822,794, as shown on Exhibit J-13.

Factors Bearing on the District's Future

The Greenwich-Stow Creek Partnership between Stow Creek and Greenwich Township is entering its twelfth year. As the Partnership matures and continues to develop in new productive modes, Stow Creek Township School District foresees gaining increasingly more benefits from the economies of scale and opportunities generated by this alliance. It is anticipated that new and innovative uses of the partnership will allow the continued enhancement of the quality of instruction and the expansion of educational opportunities available to the children of both districts while at the same time maintaining fiscally prudent stewardship of taxpayers' dollars.

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 Kim Fleetwood, School Business Administrator/Board Secretary, at Stow Creek Township School District, 11 Gum Tree Corner Road, Bridgeton, NJ 08302.

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.

STOW CREEK TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 754,695	\$ 19,782	\$ 774,477
Receivables, Net	336,135	47,151	383,286
Inventory		1,596	1,596
Restricted Assets:			
Cash	314,400		314,400
Capital Assets, Net (Note 6)	553,402	5,906	559,308
Total Assets	1,958,632	74,435	2,033,067
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Pension Outflows	153,009		153,009
LIABILITIES			
Current Liabilities:			
Accounts Payable	25,808		25,808
Payable to State Governments	3,062		3,062
Payroll Deductions Payable	21,302		21,302
Unearned Revenue	54,512	729	55,241
Noncurrent Liabilities:			
Due Within One Year	5,602		5,602
Due Beyond One Year	420,767		420,767
Total Liabilities	531,053	729	531,782
DEFERRED INFLOWS OF RESOURCES:			
Deferred Pension Inflows	63,690		63,690
Net Position			
Invested in Capital Assets, Net of Related Debt	546,095	5,906	552,001
Restricted for:			
Capital Projects	200,000		200,000
Excess Surplus	372,652		372,652
Unemployment Compensation	33,684		33,684
Student Activities	28,596		28,596
Other Purposes	257,360		257,360
Committed	28,659		28,659
Unrestricted	49,852	67,800	117,652
Total Net Position	\$ 1,516,898	\$ 73,706	\$ 1,590,604

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

STOW CREEK TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business- Type Activities	Total	
Governmental Activities:							
Instruction:							
Regular	\$ 837,686		\$ 274,857	\$ (562,829)		\$ (562,829)	
Special Education	46,066			(46,066)		(46,066)	
Other Instruction	6,394			(6,394)		(6,394)	
Support Services:							
Tuition	117,201			(117,201)		(117,201)	
Student & Instruction Related Services	279,556	15,756	155,796	(108,004)		(108,004)	
General and Business Administrative Services	95,808			(95,808)		(95,808)	
School Administrative Services	27,137			(27,137)		(27,137)	
Central Services	58,625			(58,625)		(58,625)	
Plant Operations and Maintenance	264,821			(264,821)		(264,821)	
Pupil Transportation	175,004			(175,004)		(175,004)	
Unallocated Benefits	965,635		145,704	(819,931)		(819,931)	
Interest on Debt	739			(739)		(739)	
Total Governmental Activities	2,874,672	15,756	576,357	(2,282,559)		(2,282,559)	
Business-type Activities:							
Food Service	89,736	48,330	72,954		31,548	31,548	
After School Childcare	16,628	20,194			3,566	3,566	
Total Business-type Activities	106,364	68,524	72,954		35,114	35,114	
Total Primary Government	\$ 2,981,036	\$ 84,280	\$ 649,311	(2,282,559)	35,114	(2,247,445)	
General revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net				1,326,975		1,326,975	
Federal and State Aid not restricted				1,323,373		1,323,373	
Transportation Fees from Other LEAs				127,424		127,424	
Miscellaneous Income				54,617		54,617	
Transfer				(6,842)	6,842		
Interest Earned - Unrestricted					17	17	
Fixed Asset Adjustment				17,222	(1,860)	15,362	
Special Items:							
Total General Revenues, Special Items, Extraordinary Items and Transfers				2,842,769	4,999	2,847,768	
				Change in Net Position	560,210	40,113	600,323
				Net Position - Beginning	956,688	33,593	990,281
				Net Position - Ending	\$ 1,516,898	\$ 73,706	\$ 1,590,604

The accompanying Notes to 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.

GOVERNMENTAL FUNDS

STOW CREEK TOWNSHIP BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 685,787	\$ (3,360)	\$ 28,659	\$ 711,086
Cash - Capital Reserve	200,000			200,000
Cash - Maintenance Reserve	114,400			114,400
Accounts Receivables:				
Local School Tax	132,697			132,697
Federal		171,144		171,144
State Aid	32,294			32,294
Interfund Receivable	131,499			131,499
Total Assets	\$ 1,296,677	\$ 167,784	\$ 28,659	\$ 1,493,120
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 13,509	\$ 12,299	\$	\$ 25,808
Interfund Payable		87,890		87,890
Payroll Deductions and Withholdings Payable	21,302			21,302
Payable to State Government		3,062		3,062
Unearned Revenue		54,512		54,512
Total Liabilities	34,811	157,763		192,574
Fund Balances:				
Restricted For:				
Capital Reserve	200,000			200,000
Maintenance Reserve	114,400			114,400
Unemployment Compensation	33,684			33,684
Excess Surplus - Designated for Subsequent Year's Expenditu	105,128			105,128
Excess Surplus	267,524			267,524
Student Activities		28,596		28,596
Assigned Fund Balance:				
Encumbrances	142,960			142,960
Committed			28,659	28,659
Unassigned, Reported In:				
General Fund	398,170			398,170
Special Revenue Fund (Deficit)		(18,575)		(18,575)
Total Fund Balances	1,261,866	10,021	28,659	1,300,546
Total Liabilities and Fund Balances	\$ 1,296,677	\$ 167,784	\$ 28,659	\$

Amounts reported for *governmental activities* in the Statement of Net Assets (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 \$6,072,304 and the accumulated depreciation is \$5,518,902 (Note 6).	553,402
Deferred Outflows of Resources - Deferred Pension Contributions	153,009
Deferred Inflows of Resources - Pension Actuarial gains	(63,690)
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.	(392,828)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7).	(33,541)
Net Position of Governmental Activities	\$ 1,516,898

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

STOW CREEK TOWNSHIP BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Special Revenue Fund	Capital Project Fund	Total Governmental Funds
REVENUES				
Local Sources:				
Local Tax Levy	\$ 1,326,975			\$ 1,326,975
Transportation Fees from Other LEAs	127,424			127,424
Unrestricted Miscellaneous Revenues	38,861			38,861
Local Sources		15,756		15,756
Total Local Sources	1,493,260	15,756		1,509,016
State Sources	1,165,165	228,124		1,393,289
Federal Sources		380,868		380,868
Total Revenues	2,658,425	624,748		3,283,173
EXPENDITURES				
Current:				
Regular Instruction	536,672	274,857		811,529
Special Education Instruction	44,714			44,714
Other Instruction	6,202			6,202
Support Services:				
Tuition	117,201			117,201
Student & Instruction Related Services	114,848	155,796		270,644
General Administration	93,993			93,993
School Administrative Services	23,540			23,540
Central Services	56,273			56,273
Plant Operations and Maintenance	264,293			264,293
Pupil Transportation	175,004			175,004
Employee Benefits	837,755	19,536		857,291
Capital Outlay	45,323	184,145		229,468
Total Expenditures	2,315,818	634,334		2,950,152
Excess (Deficiency) of Revenues Over Expenditures	342,607	(9,586)		333,021
OTHER FINANCING SOURCES (USES)				
Transfer to Food Service Fund	(6,842)			(6,842)
Transfer to Preschool - Inclusion	(13,268)	13,268		
Total Other Financing Sources and Uses	(20,110)	13,268		(6,842)
Net Change in Fund Balances	322,497	3,682		326,179
Fund Balance—July 1	939,369	6,339	28,659	974,367
Fund Balance—June 30	\$ 1,261,866	\$ 10,021	\$ 28,659	\$ 1,300,546

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

STOW CREEK TOWNSHIP BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 326,179

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	\$	(56,550)	
Capital Outlays		228,729	
Fixed Asset Adjustments		23,429	
		195,608	195,608

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 cost, 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.

Repayment of right-to-use lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. 5,438

The issuance of long-term debt through bonds or leases provides current financial resources to the governmental funds, while the repayment of principal on long-term debt represents a use of resources in governmental funds. The payment of long-term debt principal is not a use of funds in the statement of activities.

Pension Expense recognized for GAAP but not for budgetary purposes. 26,999

In the Statement of Activities, certain operating expenses are measured by the amounts earned during the year, such as compensated absences. In the governmental funds, however, expenditures are reported when the corresponding financial resources are used or paid. 5,986

Change in Net Position of Governmental Activities (A-2) \$ 560,210

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

PROPRIETARY FUNDS

STOW CREEK TOWNSHIP BOARD OF EDUCATION
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	Business-Type Activities		
	Enterprise Fund		
	Food Service	After School Childcare	Total Enterprise
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 31,267	\$ 32,124	\$ 63,391
Accounts Receivable:			
State	40		40
Federal	20,884		20,884
Other Program Fees	7	746	753
Intergovernmental Accounts Receivable	25,474		25,474
Inventory	1,596		1,596
Total Current Assets	79,268	32,870	112,138
Noncurrent Assets:			
Furniture, Machinery & Equipment	28,955		28,955
Less Accumulated Depreciation	(23,049)		(23,049)
Total Noncurrent Assets	5,906		5,906
Total Assets	\$ 85,174	\$ 32,870	\$ 118,044
LIABILITIES AND FUND EQUITY:			
Current Liabilities:			
Interfund Payable	\$ 31,075	\$ 12,534	\$ 43,609
Unearned Revenue	729		729
Total Current Liabilities	31,804	12,534	44,338
Net Position			
Invested in Capital Assets, Net of Related Debt	5,906		5,906
Unrestricted	47,464	20,336	67,800
Total Net Position	53,370	20,336	73,706
Total Liabilities & Net Position	\$ 85,174	\$ 32,870	\$ 118,044

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

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

	Business-Type Activities Enterprise Fund		
	Food Service	After School Childcare	Total Enterprise
Operating Revenues:			
Charges for Services:			
Food Sales Reimbursable Programs	\$ 35,355		\$ 35,355
Food Sales Non-Reimbursable Programs	12,975		12,975
After School Childcare Fees		20,194	20,194
Total Operating Revenue:	48,330	20,194	68,524
Operating Expenses:			
Salaries	20,816	16,417	37,233
Supplies and Materials	35,437	211	35,648
Cost of Sales	20,664		20,664
Cost of Sales - Non Program Food	2,758		2,758
Management Fee	6,459		6,459
Miscellaneous	1,457		1,457
Depreciation	2,145		2,145
Total Operating Expenses	89,736	16,628	106,364
Operating Income (Loss)	(41,406)	3,566	(37,840)
Non-operating Revenues (Expenses):			
State Sources:			
State School Breakfast Program	208		208
State School Lunch Program	718		718
Federal Sources:			
School Breakfast Program	5,106		5,106
National School Lunch Program	14,434		14,434
CNP School Meals Equip.	35,003		35,003
CFDA LFS	1,045		1,045
P-EBT Administrative Cost Reimbursement	653		653
Supply Chain Assistance Funding	11,888		11,888
Food Distribution Program	3,899		3,899
Interest	17		17
Total Non-operating Revenues (Expenses)	72,971		72,971
Income (Loss) before Contributions & Transfers	31,565	3,566	35,131
Transfer from General Fund	6,842		6,842
Fixed Asset Adjustment	(1,860)		(1,860)
Change in Net Position	36,547	3,566	40,113
Total Net Position - Beginning	16,823	16,770	33,593
Total Net Position - Ending	\$ 53,370	\$ 20,336	\$ 73,706

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

STOW CREEK TOWNSHIP BOARD OF EDUCATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Business-Type Activities		
	Enterprise Funds		
	Food Service	After School Childcare	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 48,330	\$ 20,194	\$ 68,524
Payments to Employees	(20,816)	(16,417)	(37,233)
Payments to Suppliers	(103,055)		(103,055)
Payment to Others	(1,457)	(211)	(1,668)
Net Cash Provided by (used for) Operating Activities	<u>(76,998)</u>	<u>3,566</u>	<u>(73,432)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	926		926
Federal Sources	72,028		72,028
Interfund Transfer	6,842		6,842
Net Cash Provided by (used for) Non-capital Financing Activities	<u>79,796</u>		<u>79,796</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
Purchase of Fixed Assets			
Net Cash Used by Capital Financing			
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and Dividends	17		17
Net Cash Provided by (used for) Investing Activities	<u>17</u>		<u>17</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,815	3,566	6,381
Balances—Beginning of Year	28,452	28,558	57,010
Balances—End of Year	<u>\$ 31,267</u>	<u>\$ 32,124</u>	<u>\$ 63,391</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (41,406)	\$ 3,566	\$ (37,840)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:			
Depreciation and Net Amortization	2,145		2,145
(Increase)Decrease in Accounts Receivable, Net	(36,939)		(36,939)
(Increase)Decrease in Inventories	(592)		(592)
Increase(Decrease) in Accounts Payable			
Increase(Decrease) in Interfund Payable			
Increase(Decrease) in Unearned Revenue	(206)		(206)
Total Adjustments	<u>(35,592)</u>		<u>(35,592)</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (76,998)</u>	<u>\$ 3,566</u>	<u>\$ (73,432)</u>

Noncash Investing, Capital, and Financing Activities:

During the year, the District received \$3,118 of food commodities from the U.S. Department of Agriculture

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

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

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

A. Reporting Entity:

The Stow Creek Township School District is a Type II district located in the County of Cumberland, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of seven members elected to three-year terms. These terms are staggered so that two or three members' terms expire each year. The purpose of the district is to educate students in grades PreK-8. The Stow Creek Township School District had an approximate enrollment at June 30, 2023 of 124 students.

Business Administrator/Board Secretary services are contracted with the Upper Deerfield School District including responsibility for the administrative control of the district.

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, as stipulated in GASB No. 114, the District has no component units.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation:

The 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.

The District's financial reporting consist of a Management's Discussion and Analysis (MD&A) providing an analysis of the District's over-all financial position and results of operations, as well as Basic financial statements prepared using full-accrual accounting for all of the District's activities.

District-wide Statements: The statement of net position and the statements of activities display information about 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. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of net position presents the financial condition of the governmental and business-type activities of the District at the fiscal year end while the statement of activities presents a comparison between direct expenses and program revenues for each different 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. Indirect expenses-expenses of the District related to the administration and support of the District's programs, such as personnel and accounting-are not allocated to programs.

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

A. Basis of Presentation: (cont'd)

- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues.

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.

B. Fund Accounting:

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds and accounts are grouped in the financial statements in this report as follows:

GOVERNMENTAL FUNDS

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

As required by the New Jersey 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 capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

As a result of implementing GASB Statement No. 84, Fiduciary Activities, amounts maintained for unemployment claims and payroll withholdings for employee salary deductions are included in the general fund. Amounts maintained for unemployment claims are used to account for the portion of employee deductions for unemployment compensation required to be deposited and accumulated for future unemployment claims under the Benefit Reimbursement Method.

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting: (cont'd)

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.

As a result of implementing GASB Statement No. 84, Fiduciary Activities, amounts maintained for student activities and private purpose scholarships are included in the special revenue fund. The amounts are considered to be restricted and available to use for specific expenditures. Amounts maintained for student activities are derived from athletic events or other activities of pupil organizations and accumulated for payment of student group activities

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election. The district currently has no capital projects and, therefore, has not included a capital projects fund.

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

Permanent Fund - The Permanent Fund is used to account for resources that are legally restricted to the extent that only earnings and not principal may be used for purposes that support the District's programs, which are stipulated for the benefit of the School District or its students. The School District does not maintain a non-expendable scholarship fund that would require a permanent fund.

PROPRIETARY FUNDS

The focus of Proprietary Fund measurement is upon determination of net income, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the Proprietary Funds of the District.

Enterprise Funds - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the District is that the costs (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; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The School District's Enterprise funds are as follows:

Food Service Fund - This fund accounts for the financial transactions of the food service operations of the District.

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting: (cont'd)

School Age Child Care Program - This fund accounts for the financial activity related to providing day care services to the students.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets.

Their reported fund equity (net total assets) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Food Service Fund - Equipment	10 to 20 Years
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FIDUCIARY FUNDS

Expendable Trust Fund - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. They account for assets where both the principal and interest may be spent. Expendable Trusts include Unemployment Compensation Insurance and scholarship funds, if any:

Nonexpendable Trust Fund - A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. The District does not maintain a nonexpendable trust fund.

C. Basis of Accounting and Measurement Focus:

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

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989. The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

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

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

C. Basis of Accounting and Measurement Focus: Continued

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement, arbitrage rebates, and postemployment healthcare benefits, are recorded only when payment is due.

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds, which are submitted to the county office. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012 and to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2 (f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the 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, which 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. Exhibit C-3 presents a reconciliation of the general fund and special revenue fund from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types.

E. 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.

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

E. Encumbrance Accounting: Continued

Open encumbrances in the special revenue fund, for which the District has received advances, are reflected in the balance sheet as Unearned 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.

F. Tuition Receivable:

Tuition charges, when applicable, are established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

G. Tuition Payable:

Tuition charges for the fiscal years 2020-2021, 2021-2022, and 2022-2023 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Inventories and Prepaid Expenses:

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

On district-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2023.

I. Short-term Interfund Receivables/Payables:

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

J. Assets, Liabilities and Equity:

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

Inventories - On District-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method and is expended when used. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2023.

At June 30, 2023, there was an ending inventory of \$1,596 in the Food Service Fund, of which \$105 was federal commodities.

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1986, 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. The District receives federal commodity food for meal service provided through a vended meal contract.

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

J. Assets, Liabilities and Equity: Continued

Capital Assets - General fixed assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The general fixed assets acquired or constructed prior to June 30, 2022 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. General fixed assets are reflected as expenditures in the applicable governmental funds, and the related assets are reported in the general fixed assets account group. Expenditures that enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the fixed asset's currently capitalized cost. The cost of normal repairs and maintenance are not capitalized. Assets in the general fixed assets account group are not depreciated.

Capital assets are depreciated in the district-wide financial statements using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements & portable classroom	20 -50
Land improvements	20
Furniture	20
Maintenance equipment	15
Musical instruments	10
Athletic equipment	10
Audio visual equipment	10
Office equipment	5 - 10
Computer equipment	5 - 10

K. Compensated Absences:

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

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the district-wide statement of net position. In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

L. Unearned Revenue:

Unearned Revenue in the special revenue fund represents cash that has been received but not yet earned.

M. 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.

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

N. 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 not 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.

O. 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.

P. Fund Equity:

Contributed capital represents fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

Q. Comparative Data/Reclassifications:

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain immaterial amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

R. Management Estimates:

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

S. Accrued Liabilities and Long-term Obligations:

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

T. Net position

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

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

The school district applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

U. Fund balances - Governmental Funds

In the fund financial statements, governmental funds report the following classifications of fund balance:

- Non-spendable - includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.
- Restricted - includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.
- Committed - includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision-making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.
- Assigned - includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.

Unassigned - includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the general fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

When an expenditure is incurred for purposes which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

V. Revenues – Exchange and Non-exchange 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 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.

Non-exchange 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 for 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 non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year-end: property taxes available as an advance, interest, and tuition.

W. New Accounting Standards:

Accounting standards that the School District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB Statement No. 96 – Subscription-Based Information Technology Arrangements was effective after June 15, 2022 and was considered by Management.
- GASB Statement No. 99 - *Omnibus 2022*: The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Management is evaluating the potential impact of the adoption of GASB 99 on the School District's financial statements.
- GASB Statement No. 100 - *Accounting Changes and Error Corrections, an amendment of GASB Statement No. 62*: The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Management is evaluating the potential impact of the adoption of GASB 100 on the School District's financial statements.
- GASB Statement No. 101 - *Compensated Absences*: The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Management is evaluating the potential impact of the adoption of GASB 101 on the School District's financial statements.

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

X. Bond and Lease Acquisition Costs:

As part of any long-term Bond or lease agreement, providing for the use of school buildings, payments constituting professional fees will be expensed when incurred in accordance with GASB Statement No. 65. There were no such bonds or leases for the year ended June 30, 2023.

Y. Tax assessments and property taxes:

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners.

Upon the filing of certified adopted budgets by the municipality, the municipality's local school districts, and the County, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are mailed annually in June. The taxes are due August 1 and November 1 respectively, and are adjusted to reflect the current fiscal year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding fiscal year are based upon one-half of the current year's total tax.

School taxes are guaranteed, as to amount of collection, by the municipality (the collection agency) and are transmitted to the school district in accordance with the Schedule of Tax Installments as certified by the school district's Board of Education on an annual basis.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S.

Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Investments are stated at cost, or amortized cost, which approximates market. The amortized cost method involves valuing a security at its cost on the date of purchase and thereafter assuming a constant amortization to maturity for any discount or premium. The Board classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

Deposits:

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

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

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

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

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

Investments:

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

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives, which have a maturity date no greater than twelve months from the date of purchase.
- c. Bonds of other obligations of the School District.

As of June 30, 2023, cash and cash equivalents in the fund financial statements of the District consisted of the following:

		Cash and Cash	
		<u>Equivalents</u>	
Checking accounts	\$	1,088,877	
Total	\$	<u>1,088,877</u>	
Unrestricted cash			
Governmental funds, Balance Sheet	B-1	\$ 711,086	
Enterprise funds, Statement of Net Position	B-4	63,391	
Restricted cash			
Governmental funds, Balance Sheet	B-1	<u>314,400</u>	
Total cash		<u>\$ 1,088,877</u>	

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 t seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA).

GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local government agencies. The program is administered by the Commissioner of the NJ Department of Banking and Insurance.

Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Funds owned by the District in excess of FDIC insured amounts are protected by GUDPA. As of June 30, 2023, the School District's bank balance of \$1,174,519 was subject to custodial credit risk as follows:

Insured	\$	250,000
Uninsured and collateralized with securities held by pledging financial institutions		<u>924,519</u>
	\$	<u><u>1,174,519</u></u>

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

NOTE 4. CAPITAL ASSETS

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

	<u>Beginning Balance 7/1/22</u>	<u>Additions</u>	<u>Adjustment/ Retirements</u>	<u>Ending Balance 6/30/23</u>
Governmental Activities:				
Capital Assets that are not being Depreciated:				
Land	\$ 6,207	\$	\$	\$ 6,207
Total Capital Assets not being Depreciated	6,207			6,207
Capital Assets Being Depreciated and Amortized				
Vehicles	363,000	33,219	(22,000)	374,219
Building and Building Improvements	5,267,730	195,510	(35,997)	5,427,243
Machinery and Equipment	187,390		50,591	237,981
Right-to-Use Lease Assets	26,654			26,654
Totals at Historical Cost	5,844,774	228,729	(7,406)	6,066,097
Less Accumulated Depreciation and Amortization				
Building and Improvements	(5,052,906)	(13,413)	4,599	(5,061,720)
Vehicles	(303,150)	(17,172)	8,150	(312,172)
Equipment	(115,647)	(20,634)	11,879	(124,402)
Right-to-Use Lease Assets	(15,277)	(5,331)		(20,608)
Total Accumulated Depreciation and Amortization	(5,486,980)	(56,550)	24,628	(5,518,902)
Total Capital Assets being Depreciated and Amortized, Net of Accumulated Depreciation and Amortization	357,794			547,195
Government Activities Capital Assets, Net	\$ 364,001	\$ 172,179	\$ 17,222	\$ 553,402
	To A-1			To A-1
Business-type Activities - Equipment	\$ 28,955		\$	\$ 28,955
Less Accumulated Depreciation	(19,044)	(2,145)	(1,860)	(23,049)
Business-type Activities Capital Assets, Net	\$ 9,911	\$ (2,145)	\$ (1,860)	\$ 5,906
Depreciation expense was charged to governmental functions as follows:				
Instruction:				
Regular		\$ 32,364		
Special Education		1,352		
Other Instruction		192		
Support Services:				
Student & Instruction Related Services		8,912		
School Administration		3,597		
General & Business Administrative Services		1,815		
Central Services		2,352		
Plant Operations and Maintenance		5,966		
Total Depreciation Expense		<u>\$ 56,550</u>		

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

NOTE 5. LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2023, the following changes occurred in long-term obligations:

	Beginning Balance 7/1/2022	Additions	Reductions	Ending Balance 6/30/2023	Amounts Due within One Year	Long-term Portion
Governmental Activities:						
Capital Lease	\$	\$	\$	\$	\$	\$
Compensated Absences Payable	32,220		5,986	26,234		26,234
Net Pension Liability	310,204	82,624		392,828		392,828
Right-to-Use Lease Liability	12,745			12,745	\$ 5,438	7,307
Total Long-term Obligations	<u>\$ 355,169</u>	<u>\$ 82,624</u>	<u>\$ 5,986</u>	<u>\$ 431,807</u>	<u>\$ 5,438</u>	<u>\$ 426,369</u>

Payments on the general obligation bonds are made in the debt service fund from property taxes and state aid. The other long-term debts are paid in the current expenditures budget of the District's general fund. The District did not have any Serial Bonds or Capital Leases payable as of June 30, 2023.

Bonds Authorized and Issued -- As of June 30, 2023, the District had no bonds authorized but not issued.

Capital Leases – As of June 30, 2023, the District had no capital leases.

NOTE 6. PENSION PLANS

Description of Plans - Eligible employees of the School District can be covered by Public Employees' Retirement System (PERS), Teachers' Pension and Annuity Fund (TPAF), or Defined Contribution Retirement Program (DCRP). PERS and TPAF are administered by the New Jersey Division of Pension and Benefits (NJDPB) and the DCRP is jointly administered by Prudential and NJDPB. The NJDPB issues publicly available financial reports that include financial statements and required supplementary information for the systems. These reports may be obtained online at <https://www.nj.gov/treasury/pensions/financial-reports.shtml>.

Public Employees' Retirement System

The PERS is a cost sharing multiple-employer defined benefit pension plan that was established in 1955. The PERS provides retirement, death and disability, and medical benefits to qualified members. The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A. All benefits vest after ten years of service, except for medical benefits that vest after 25 years of service or under the disability provisions of PERS.

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

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

NOTE 6. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

The following represents the membership tiers for PERS:

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

Contributions - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The PERS member total contribution rate as of July 1, 2021 was 7.5% of base salary. The District employees' contributions for the year ended June 30, 2023 were \$10,424. Employers in PERS are required to contribute at an actuarially determined rate which includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. The PERS employer rate due in 2023 is 15.98% of covered payroll. The District is billed annually for its normal contribution plus any accrued liability. These contributions were paid by the District and equal to the required contributions for each year. The District's contributions to PERS for the years ended June 30, 2023, and 2022, were \$32,825 and \$30,666 respectively.

The total payroll for the year ended June 30, 2023 was \$1,404,201. Payroll covered by PERS was \$138,988 for fiscal year 2023.

Components of Net Pension Liability - At June 30, 2023, the District's proportionate share of the PERS net pension liability was \$392,828. The net pension liability was measured as of June 30, 2022. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2022. The District's proportion measured as of June 30, 2022 was 0.002603% which was a decrease of 0.00002% from its proportion measured as of June 30, 2021.

Pension Expense and Deferred Outflows/Inflows of Resources - The District's 2023 PERS pension expense, with respect to GASB 68, was \$8,022. The District's 2023 deferred outflows of resources and deferred inflows of resources were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,835	\$ 2,500
Changes of assumptions	1,217	58,822
Net difference between projected and actual earnings on pension plan investments	16,259	
Changes in proportion	99,873	2,368
Contributions subsequent to the measurement date	32,825	
Total	\$ 153,009	\$ 63,690

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

NOTE 6. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

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

Year		PERS
2023	\$	18,719
2024		21,202
2025		15,977
2026		498
2027		98
Thereafter		
Total	\$	56,494

Additional Information - Collective Balances at June 30, 2023 and 2022 are as follows:

Year		2023		2022
Collective deferred outflows of resources	\$	153,009	\$	176,762
Collective deferred inflows of resources	\$	63,690	\$	197,066
Collective Net Pension Liability	\$	392,828	\$	310,204
District's Proportion		0.002603%		0.002619%

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:

	PERS
Investment Rate of Return	7.00%
Salary Increases: (Based on Years of Service):	2.75 – 6.55%
Inflation Rate – Price	2.75%
Inflation Rate – Wage	3.25%

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.

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

NOTE 6. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (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:

	PERS	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
Total	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers 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.

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

NOTE 6. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate - The following presents the collective net pension liability of the participating employers as of June 30, 2022, calculated using the discount rate as disclosed above, as well as what the collective 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 (6.00%)</u>	<u>Current Discount (7.00%)</u>	<u>1% Increase (8.00%)</u>
District's Proportionate Share of the Net Pension Liability	\$ <u>508,942</u>	\$ <u>392,828</u>	\$ <u>300,167</u>

Teachers' Pension and Annuity Fund

The State of New Jersey Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special funding situation that was established in 1955. As under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related 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.

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

The following represents the membership tiers for TPAF:

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

Special Funding Situation - The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

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

NOTE 6. PENSION PLANS (CONTINUED)

Teachers' Pension and Annuity Fund (Continued)

Contributions - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. The member contribution rate was 7.5% in as of July 1, 2021. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2022, the State's pension contribution was less than the actuarial determined amount. Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the District and all other related non-contributing employers. No normal or accrued liability contribution by the District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, Accounting and Financial Reporting for Pensions. The District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2023 because of the 100% special funding situation with the State of New Jersey.

During the fiscal year ended June 30, 2023, the State of New Jersey contributed \$287,403 to the TPAF for pension contributions, \$75,500 for post-retirement benefits on behalf of the School, and \$69 for long-term disability. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$71,126 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.

Components of Net Pension Liability - At June 30, 2023, the District was not required to report a liability for its proportionate share of the net pension liability because of a 100% reduction for State of New Jersey pension support provided to the District.

Pension Expense - For the year ended June 30, 2023, the District recognized pension expense of \$126,168 and revenue of \$126,168 for support provided by the State.

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:

	<u>TPAF</u>
Investment Rate of Return	7.00%
Salary Increases	
(Based on Years of Service):	2.75 – 5.65%
Inflation Rate – Price	2.75%
Inflation Rate – Wage	3.25%

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

NOTE 6. PENSION PLANS (CONTINUED)

Teachers' Pension and Annuity Fund (Continued)

Long-Term Expected Rate of Return - 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:

Asset Class	TPAF Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
Total	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be 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 Collective Net Pension Liability to Changes in the Discount Rate - The following presents the collective net pension liability of the participating employers as of June 30, 2022, calculated using the discount rate as disclosed above, as well as what the collective 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:

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
State's Share of the Net Pension Liability associated with the District	\$ 5,505,550	\$ 4,688,014	\$ 4,013,098
State's Share of the Net Pension Liability	\$ 60,591,896,759	\$ 51,676,587,303	\$ 44,166,559,329

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

NOTE 6. PENSION PLANS (CONTINUED)

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program (DCRP) is a multiple-employer defined contribution pension fund that was established in 2007 under the provisions of N.J.S.A 43:15C-1. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and long-term disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et seq.

The following represents the individuals eligible for membership in the DCRP:

Eligibility

1. State or Local Officials who are elected or appointed on or after July 1, 2007
2. Employees enrolled in the PERS or TPAF on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits
3. Employees enrolled in the PFRS or SPRS after May 21, 2010, who earn salary in excess of established "maximum compensation" limits
4. Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually
5. Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually

Contributions – The contribution policy is set by N.J.S.A 43:15C-3 and requires contributions by active members and contributing employers. Plan members are required to contribute 5.5% of their base salary and the District's employer match is an additional 3% contribution. For the year ended June 30, 2023, employee contributions totaled \$5,389 and the District's employer contribution, recognized in pension expense, was \$3,968. There were no forfeitures during the fiscal year.

Pension Plan Fiduciary Net Position - Detailed information about each pension plan's fiduciary net position is available in the separately issued New Jersey Division of Pension and Benefits financial report. Information on where to obtain the report is indicated at the beginning of this note.

NOTE 7. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information about the OPEB Plan

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

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14- 17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP).

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

NOTE 7. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

General Information about the OPEB Plan - Continued

Pursuant to Chapter 78, P.L., 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

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

State Health Benefit State Retired Employees Plan:

State Health Benefit State Retired Employees Plan Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2022 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability. The State's share of the net pension liability, based on a measurement date of June 30, 2021, which is required to be recorded on the financial statements, is \$75.1 billion. The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contribution. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not prefund, 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>.

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

NOTE 7. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Special Funding Situation

The participating local education employer allocations included in the supplemental Schedule of special funding amounts by employer are provided as each local education employer is required to record in their financial statements, as an expense and corresponding revenue, their respective amount of total OPEB expense attributable to the State of New Jersey under the special funding situation and to include their respective amount of total OPEB liability in their notes to their financial statements. The total OPEB liability and service cost for each employer was determined separately based on actual data for each employer's participants.

Total OPEB Liability

The State of New Jersey's total OPEB liability, as of the measurement date of June 30, 2022, was \$50,646,462,966. Of this amount, the total OPEB liability attributable to the School District was \$6,735,186. The State of New Jersey's proportionate share of the total OPEB liability is 100%, including the proportion attributable to the School District of 0.01330%. The total OPEB liability for the School District measured as of June 30, 2022 is zero as a result of the Special Funding Situation with the State of New Jersey. The School District's proportionate share of the total OPEB liability measured as of June 30, 2022 is 0.00%. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position.

Total Nonemployer OPEB Liability

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

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:	2.75% to 4.25% based on years of service	2.75% to 6.55% based on years of service	3.25% to 16.25% based on years of service

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

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

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

NOTE 7. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Total Nonemployer OPEB Liability - Continued

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend 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%.

Discount rate

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

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
State of New Jersey	
Balance as of June 30, 2021 Measurement Date	\$ 60,007,650,971
Changes for the year:	
Service Cost	2,770,618,025
Interest	1,342,187,139
Changes of Benefit Terms	0
Differences between Expected and Actual	1,399,200,736
Changes of Assumptions	(13,586,368,097)
Benefit Payments	(1,329,476,059)
Contributions from Members	42,650,252
Net Changes	(9,361,188,004)
Balance as of June 30, 2022 Measurement Date	\$ 50,646,462,967

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

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

	<u>June 30, 2022</u>		
	<u>At 1.00% Decrease</u>	<u>At Discount Rate</u>	<u>At 1.00% Increase</u>
	2.54%	3.54%	4.54%
\$	59,529,589,697	50,646,462,966	43,527,080,995

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

NOTE 7. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

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

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

June 30, 2022				
		Healthcare Cost		
1.00% Decrease	Trend Rate		1.00% Increase	
\$	41,862,397,291	50,646,462,966	62,184,866,635	

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

For the year ended June 30, 2023, the School District recognized OPEB expense of \$378,064. The School District reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,202,498	\$ (2,056,330)
Changes of Assumptions	1,165,690	(2,292,289)
Net difference Between Projected and Actual Earnings on OPEB Plan Investments		
Changes in Proportion	1,874,837	(264,439)
Contributions Subsequent to the Measurement Date		
Total	\$ 4,243,025	\$ (4,613,058)

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

Measurement Period Ending June 30,	OPEB
2023	\$ 1,055,261
2024	1,055,261
2025	1,055,261
2026	1,087,252
2027	1,155,346
Thereafter	3,447,703
Total	\$ 8,856,084

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

NOTE 8. COMPENSATED ABSENCES

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

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

In the District Wide-Statement of Net Position, the liabilities whose average maturities are greater than one year should be reported in two components-the amount due within one year and the amount due in more than one year. 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, a liability existed for compensated absences in the General Fund of \$23,234 and none in the Food Service Fund.

NOTE 9. DEFERRED COMPENSATION

The Board offers its employees a choice of various 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 administrator is as follows:

Lincoln Investments
GWN Marketing
LSW

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 prior 2 years.

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022-2023	\$	\$ 1,574	\$	\$ 33,684
2021-2022		3,003		32,110
2020-2021		4,725	171	29,107

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

NOTE 11. INTERFUND RECEIVABLES AND PAYABLES

The following Interfund Balances remained on the balance sheet at June 30, 2023:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 131,499	\$
Special Revenue		87,890
Food Service Fund		31,075
After School Childcare		12,534
Total	<u>\$ 131,499</u>	<u>\$ 131,499</u>

NOTE 12. FUND BALANCE APPROPRIATED

General Fund - Of the \$1,261,866 General Fund balance at June 30, 2023, \$200,000 is restricted for Capital Reserve, of which \$0 has been assigned and appropriated as anticipated revenue in the year ending June 30, 2023; \$372,652 has been restricted for excess surplus, of which \$105,128 has been assigned and appropriated as anticipated revenue in the year ending June 30, 2023; \$114,400 is restricted for Maintenance Reserve, of which \$0 has been assigned and appropriated as anticipated revenue in the year ending June 30, 2023; \$33,684 is reserved for Unemployment Compensation; \$142,960 is assigned for encumbrances: \$0 has been assigned and appropriated as anticipated revenue in the year ending June 30, 2023; and \$398,170 is unreserved and undesignated.

Debt Service Fund - There was no undesignated Debt Service fund balance at June 30, 2023.

NOTE 13. LITIGATION

The District is from time to time involved in claims and lawsuits incidental to its operations. Per confirmation by the District's legal counsel, there are no pending litigations, claims, assessments of contingent liability against the District.

NOTE 14. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2005, c.73(S1701), the designation for Reserved Fund Balance -- Excess Surplus is a required calculation pursuant to the New Jersey School Funding Reform Act of 2008 (SFRA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2023 is \$372,652, of which \$105,128 must be budgeted in the 2022-2024 budget and \$267,524 must be budgeted in 2023-2024.

NOTE 15. TAX ABATEMENT

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.

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

NOTE 15. TAX ABATEMENT - Continued

If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because NJSA 54:4-75 and NJSA 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district. For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at NJSA 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

NOTE 16. DEFICIT FUND BALANCES

The District had no deficit fund balance in the General Fund and a \$(18,575) deficit in unassigned fund balance 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 year, districts must record the last state aid payment as revenue, for budgeted purposes only, in the current 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 as 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 cannot 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 deficit in the Special Revenue Fund does not alone indicate that the district is facing financial difficulties. The deficit in the Special Revenue Fund is equal to the 19th and 20th state aid payments received in July 2023.

NOTE 17. RECEIVABLES

Receivables at June 30, 2023 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds.

Receivables as of year-end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

Receivables:	General Fund	Special Revenue Fund	Proprietary Funds	Total
Intergovernmental	\$ 164,991	\$ 171,144	\$ 46,398	\$ 382,533
Other			753	753
Totals	\$ 164,991	\$ 171,144	\$ 47,151	\$ 383,286

NOTE 18. OPERATING LEASES

The School is a lessee for various copiers and a postage meter. The District recognizes a lease liability – finance purchase and a capital asset or recognizes a lease liability – right to use and an intangible right-to use lease asset in the district-wide financial statements based on the criteria dictated in GASB Statement No. 87 – Leases. At the commencement of a lease, the School determines based on the criteria dictated in GASB Statement No. 87 – Leases, if the lease is a finance purchase or a right to use lease liability.

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

NOTE 18. OPERATING LEASES - Continued

Then the School initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease liabilities are reported with the long-term obligations on the statement of net position.

A finance purchased asset is initially measured as the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. The asset is depreciated on a straight-line basis over the life of the lease which is considered the asset's useful life. The asset is reported with the School capital assets as land, land improvements, buildings and improvements or furniture and equipment.

An intangible right-to use lease asset is initially measured as the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date. The intangible right-to use lease asset is amortized on a straight-line basis over the life of the lease. The intangible right-to use lease asset is reported with the School's capital assets in its own category called Right-to-Use Lease Assets.

Key estimates and judgements related to leases include how the School determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District is utilizing the treasury bill rate (corresponding to length of lease) in place at the date of implementation along with other risk factors to determine the discount interest rate for leases.

The School has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position.

The District has determined all of their copier lease agreements qualify as right-to-use assets. As of June 30, 2023, total future minimum lease payments under right-to-use lease agreements are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ 8,244
2025	8,244
2026	2,748
Total	<u>\$ 19,236</u>

NOTE 19. SUBSEQUENT EVENTS

There were no subsequent events affecting the District between June 30, 2023 and the Audit Report Date.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

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

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,326,975	\$	\$ 1,326,975	\$ 1,326,975	\$
Transportation Fees from Other LEAs	62,000		62,000	127,424	65,424
Unrestricted Miscellaneous Revenues	50,100		50,100	38,861	(11,239)
Interest Earned on Maintenance Reserve	15		15		
Interest Earned on Cap Reserve Funds	250		250		
Total - Local Sources	1,439,340		1,439,340	1,493,260	53,920
State Sources:					
Categorical Special Education Aid	88,149		88,149	88,149	
Equalization Aid	342,607		342,607	342,607	
Categorical Security Aid	17,125		17,125	17,125	
Categorical Transportation Aid	55,120		55,120	55,120	
Additional Non Public Transportation				1,872	1,872
Supplemental Stabilization Aid		160,000	160,000	191,638	31,638
Extraordinary Aid				23,663	23,663
Lead Testing for Schools Aid				481	481
On-Behalf TPAF Pension Contrib (Non-budgeted)				287,403	287,403
On-behalf Post-Retirement Medical Contribution				75,500	75,500
On-behalf Long-term Disability Contribution				69	69
Reimbursed TPAF Social Security Contributions (Non-budgeted)				71,126	71,126
Total - State Sources	503,001	160,000	663,001	1,154,753	491,752
TOTAL REVENUES	1,942,341	160,000	2,102,341	2,648,013	545,672
EXPENDITURES:					
Current Expense:					
Salaries of Teachers:					
Kindergarten	\$74,986	\$0	\$74,986	\$74,986	\$0
Grades 1-5	273,475	(46,369)	227,106	227,106	
Grades 6-8	114,792	49,835	164,627	164,627	
Regular Programs - Home Instruction:					
Salaries of Teachers	1,000		1,000		1,000
Regular Programs - Undistributed Instruction:					
Other Purchased Services	53,000	7,330	60,330	53,446	6,884
General Supplies	12,220	3,893	16,113	15,731	382
Other Objects	835		835	776	59
Total Regular Programs - Instruction	\$ 530,308	\$ 14,689	\$ 544,997	\$ 536,672	\$ 8,325

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

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES:					
Resource Room/Resource Center					
Salaries of Teachers	\$ 63,943	\$ (3,466)	\$ 60,477	44,714	\$ 15,763
General Supplies	750		750		750
Total Resource Room/Resource Center	<u>64,693</u>	<u>(3,466)</u>	<u>61,227</u>	<u>44,714</u>	<u>16,513</u>
Total Special Education - Instruction	<u>64,693</u>	<u>(3,466)</u>	<u>61,227</u>	<u>44,714</u>	<u>16,513</u>
Basic Skills/Remedial - Instruction					
Other Salaries for Instruction	23,957		23,957		23,957
General Supplies	100		100		100
Total Basic Skills/Remedial - Instruction	<u>24,057</u>		<u>24,057</u>		<u>24,057</u>
School Sponsored Co-curricular Activities - Instruction					
Salaries of Teachers	3,500		3,500	3,000	500
Total School Sponsored Co-curr. Act. - Instr.	<u>3,500</u>		<u>3,500</u>	<u>3,000</u>	<u>500</u>
School Sponsored Athletics - Athletics					
Salaries of Teachers	5,000		5,000	1,700	3,300
Other Purchased Services	1,800		1,800	1,426	374
Supplies and Materials	700		700	76	624
Total School Sponsored Athletics - Instruction	<u>7,500</u>		<u>7,500</u>	<u>3,202</u>	<u>4,298</u>
Total Instruction	<u>630,058</u>	<u>11,223</u>	<u>641,281</u>	<u>587,588</u>	<u>53,693</u>
Undistributed Expenditures:					
Instruction					
Tuition - CSSD & Regular Day Schools	136,941		136,941	117,201	19,740
Total Instruction	<u>136,941</u>		<u>136,941</u>	<u>117,201</u>	<u>19,740</u>
Attendance and Social Work Services:					
Salaries	20,367	742	21,109	21,109	
Total Attendance and Social Work Services	<u>20,367</u>	<u>742</u>	<u>21,109</u>	<u>21,109</u>	
Health Services:					
Salaries	56,389	942	57,331	57,331	
Purch Professional/Technical Services	1,500	(500)	1,000	1,000	
Other Purchased Services	500	(500)			
Supplies and Materials	1,500	(684)	816	697	119
Total Health Services	<u>\$ 59,889</u>	<u>\$ (742)</u>	<u>\$ 59,147</u>	<u>\$ 59,028</u>	<u>\$ 119</u>

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

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES: (Continued)					
Undistributed Expenditures: (Continued)					
Speech, OT, PT and Related Services:					
Purchased Professional/Educational Services	\$ 10,000	\$	\$ 10,000	\$	\$ 10,000
Total Speech, OT, PT and Related Services	<u>10,000</u>		<u>10,000</u>		<u>10,000</u>
Other Support Services-Students-Extra Services:					
Purchased Professional/Educational Services					
Total Other Support Serv-Students-Extra Services					
Other Support Services - Students-Regular:					
Salaries Other Prof Staff					
Total Other Support Services - Students - Regular					
Guidance					
Salaries of Other Professional Staff	13,500		13,500	2,404	11,096
Total Undistributed Services Guidance	<u>13,500</u>		<u>13,500</u>	<u>2,404</u>	<u>11,096</u>
Other Support Services-Students-Child Study Teams:					
Purchased Professional - Educational Services	6,500		6,500		6,500
Total Other Support Serv-Child Study Teams	<u>6,500</u>		<u>6,500</u>		<u>6,500</u>
Improvement of Instruction Services:					
Purchased Prof - Ed Services	26,000	4,752	30,752	30,752	
Total Improvement of Instruction Services	<u>26,000</u>	<u>4,752</u>	<u>30,752</u>	<u>30,752</u>	
Educational Media Services/School Library:					
Other Purchased Services	800	(631)	169	53	116
Supplies and Materials	1,000	1,226	2,226	1,502	724
Total Educational Media Services/School Library	<u>1,800</u>	<u>595</u>	<u>2,395</u>	<u>1,555</u>	<u>840</u>
Instructional Staff Training Services:					
Purchased Professional/Educational Services					
Other Purchased Services					
Total Instructional Staff Training Services	\$	\$	\$	\$	\$

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

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES: (Continued)					
Undistributed Expenditures: (Continued)					
Support Services - General Administration:					
Salaries	\$ 70,032		\$ 70,032	52,748	\$ 17,284
Legal Fees	4,500	2,314	6,814	6,814	
Audit Fees	16,000	960	16,960	16,960	
Other Purchased Prof Services		5,875	5,875	5,875	
Communications/Telephone	4,500	(988)	3,512	2,732	780
BOE Other Purchased Services	1,500	821	2,321	2,292	29
Miscellaneous Purch Serv.	5,000	(1,255)	3,745	3,745	
General Supplies	1,300		1,300	1,279	21
BOE Membership Dues and Fees	2,500	(952)	1,548	1,548	
Total Support Services - General Administration	105,332	6,775	112,107	93,993	18,114
Support Services - School Administration:					
Salaries of Secretarial/Clerical Assistants	21,367		21,367	21,367	
Other Purchased Services	500		500	175	325
Supplies and Materials	2,000		2,000	1,998	2
Total Support Services - School Administration	23,867		23,867	23,540	327
Central Services:					
Salaries	71,690		71,690	49,034	22,656
Purchased Professional Services	3,060	241	3,301	3,060	241
Purchased Technical Services	3,500	159	3,659	3,659	
Supplies and Maintenance	1,000	(400)	600	520	80
Total Central Services	79,250		79,250	56,273	22,977
Operation and Maintenance of Plant Services:					
Required Maintenance for School Facilities:					
Cleaning, Repair and Maintenance Services	65,956	31,456	97,412	96,454	958
General Supplies	4,500		4,500	4,207	293
Total Required Maintenance for School Facilities	70,456	31,456	101,912	100,661	1,251
Other Operation and Maintenance of Plant Services:					
Salaries	65,606		65,606	61,102	4,504
Purchased Professional/Technical Services	20,400	(9,994)	10,406	10,406	
Cleaning, Repair and Maintenance Services	15,000	(2,001)	12,999	12,999	
Other Purchased Property Services	12,480	(346)	12,134	12,134	
Insurance	17,048	(8,202)	8,846	8,846	
General Supplies	5,000	5,283	10,283	10,259	24
Energy (Electricity)	21,000	2,004	23,004	22,832	172
Energy (Oil)	20,000	5,054	25,054	25,054	
Total Other Operation and Maint. of Plant Services	176,534	(8,202)	168,332	163,632	4,700
Total Operation and Maintenance of Plant Services	\$ 246,990	\$ 23,254	\$ 270,244	\$ 264,293	\$ 5,951

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

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES: (Continued)					
Undistributed Expenditures: (Continued)					
Student Transportation Services:					
Sal. For Pupil Trans (Btw Home & School) - Reg	\$ 72,631	\$ 16,899	\$ 89,530	\$ 88,560	\$ 970
Management Fee - ESC & CTSA Trans. Program	1,800	(1,758)	42		42
Cleaning, Repair and Maintenance Services	25,000	20,710	45,710	45,710	
Contracted Services - Aid in Lieu Payments - Non-Pub.	7,000		7,000	6,132	868
Miscellaneous Purchased Services - Transportation	3,300	(395)	2,905	2,837	68
General Supplies	30,000	1,765	31,765	31,765	
Total Student Transportation Services	139,731	37,221	176,952	175,004	1,948
Regular Programs - Instruction - Employee Benefits					
Social Security Contributions	25,000	7,947	32,947	31,809	1,138
Other Retirement Contributions - PERS	34,666	3,731	38,397	38,397	
Workmen's Compensation	15,000		15,000	15,000	
Health Benefits	437,018	(51,783)	385,235	318,451	66,784
Other Employee Benefits	10,000		10,000		10,000
Total Allocated Benefits	521,684	(40,105)	481,579	403,657	77,922
Unallocated Benefits					
Tuition Reimbursement					
Total Unallocated Benefits					
On-Behalf TPAF Pension Contrib (Non-budgeted)				287,403	(287,403)
On-Behalf TPAF Post Retirem. Medical Contrib.(Non-budgeted)				75,500	(75,500)
On-behalf Long-term Disability Contribution				69	(69)
Reimbursed TPAF Soc. Sec. Contrib. (Non-budgeted)				71,126	(71,126)
Total Undistributed Expenditures	1,391,851	32,492	1,424,343	1,682,907	(258,564)
Interest Earned on Maintenance Reserve	15		15		15
TOTAL EXPENDITURES - CURRENT EXPENSE	\$ 2,021,924	\$ 43,715	\$ 2,065,639	\$ 2,270,495	\$ (204,856)

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

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
CAPITAL OUTLAY:					
Undistributed Expenditures:					
Equipment					
Undistributed Expenditures - Security					
Undist. Exp-Req Maint Schl Facilities	\$	\$ 33,219	\$ 33,219	\$ 33,219	\$
Undist. Exp-School Buses - regular		136,362	136,362		136,362
Total Undistributed Expenditures		169,581	169,581	33,219	136,362
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services		11,365	11,365	11,365	
Construction Services	132,789	(11,365)	121,424		121,424
Assessment for Debt Service on SDA Funding	739		739	739	
Total Facilities Acquisition and Construction Services	133,528		133,528	12,104	121,424
Interest Deposit to Capital Reserve	250		250		250
TOTAL CAPITAL OUTLAY	133,778	169,581	303,359	45,323	258,036
TOTAL EXPENDITURES	2,155,702	213,296	2,368,998	2,315,818	53,180
Excess (Deficiency) of Revenues and Other Over (Under) Expenditures	(213,361)	(53,296)	(266,657)	332,195	598,852
Other Financing Sources (Uses):					
Transfer to Food Service	(11,818)		(11,818)	(6,842)	4,976
Transfer to Preschool - Inclusion	(13,268)		(13,268)	(13,268)	
Total Other Financing Sources	(25,086)		(25,086)	(20,110)	4,976
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(238,447)	(53,296)	(291,743)	312,085	603,828
Fund Balances, July 1	995,121		995,121	995,121	
Fund Balances, June 30	\$ 756,674	\$ (53,296)	\$ 703,378	\$ 1,307,206	\$ 603,828
RECAPITULATION :					
Restricted Fund Balance:					
Capital Reserve				\$ 200,000	
Maintenance Reserve				114,400	
Unemployment Compensation				33,684	
Excess Surplus				267,524	
Excess Surplus - Designated for Subsequent Year's Expenditures				105,128	
Assigned Fund Balance:					
Encumbrances				142,960	
Designated for Subsequent Year's Expenditures					
Unassigned Fund Balance				443,510	
				1,307,206	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP Basis				(45,340)	
Fund Balance per Governmental Funds (GAAP)				\$ 1,261,866	

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:					
Local Sources	\$ 2,000		\$ 2,000	\$ 17,756	\$ 15,756
Federal Sources	971,440	(313,909)	657,531	406,737	(250,794)
State Sources	200,787	48,803	249,590	233,260	(16,330)
Total Revenues	<u>1,174,227</u>	<u>(265,106)</u>	<u>909,121</u>	<u>657,753</u>	<u>(251,368)</u>
EXPENDITURES:					
Instruction					
Salaries of Teachers	261,537		141,537	141,425	112
Other Salaries for Instruction	63,635	67,000	130,635	63,635	67,000
Purchased Professional and Technical Services	35,463	1,273	36,736	20,957	15,779
General Supplies	76,546	273	76,819	50,548	26,271
Textbooks	6,732		6,732	6,382	350
Total Instruction	<u>443,913</u>	<u>(51,454)</u>	<u>392,459</u>	<u>282,947</u>	<u>109,512</u>
Support Services					
Salaries of Teachers	23,000	7,000	30,000	22,000	8,000
Employee Benefits	45,727		45,727	19,536	26,191
Purchased Professional Technical Services	136,841		35,326	15,485	19,841
Purchased Property Services	306,850		73,667	29,614	44,053
Other Purchased Services		111,499	111,499	96,653	14,846
Materials and Supplies	31,350	2,547	33,897	4,885	29,012
				13,028	(13,028)
Total Support Services	<u>543,768</u>	<u>(213,652)</u>	<u>330,116</u>	<u>201,201</u>	<u>128,915</u>
Facilities Acquisition and Construction Services:					
Facilities					
Buildings	186,546		186,546	184,145	2,401
Total Facilities Acquisition and Constr. Serv.	<u>186,546</u>		<u>186,546</u>	<u>184,145</u>	<u>2,401</u>
Total Expenditures	<u>1,174,227</u>	<u>(265,106)</u>	<u>909,121</u>	<u>668,293</u>	<u>240,828</u>
Other Financing Sources (Uses)					
Total Outflows	<u>1,174,227</u>	<u>(265,106)</u>	<u>909,121</u>	<u>668,293</u>	<u>240,828</u>
Transfer of Preschool Inclusion from General Fund				13,268	13,268
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$	\$	\$	\$ 2,728	\$ 2,728
Fund Balance, July 1				25,868	
Fund Balance, June 30	\$	\$	\$	\$ 28,596	\$
Recapitulation:					
Restricted					
Student Activities				\$ 28,596	
Total Fund Balance				\$ 28,596	

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

STOW CREEK TOWNSHIP SCHOOL DISTRICT
BUDGET-TO-GAAP RECONCILIATION
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
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$	2,648,013	[E-1] \$	657,753
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				
Current Year				(33,959)
State aid payment recognized for Gaap statements in the current year, previously recognized for budgetary purposes.		55,752		19,529
State aid payment recognized for budgetary purposes, not recognized for GAAP statements		(45,340)		(18,575)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$	2,658,425	[B-2] \$	624,748
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$	2,315,818	[E-1] \$	668,293
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				
Current Year				(33,959)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2] \$	2,315,818	[B-2] \$	634,334

REQUIRED SUPPLEMENTARY INFORMATION – PART III

STOW CREEK TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employees' Retirement System (PERS)
Last Ten Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability	0.002603%	0.002619%	0.002124%	0.001811%	0.001758%	0.001689%	0.001830%	0.001992%	0.002094%	0.002053%
District's Proportionate Share of the Net Pension Liability	\$ 392,828	\$ 310,204	\$ 346,406	\$ 326,283	\$ 346,094	\$ 393,178	\$ 542,012	\$ 447,142	\$ 392,153	\$ 392,371
District's Covered-Employee Payroll	\$ 138,988	\$ 173,985	\$ 239,383	\$ 183,305	\$ 138,666	\$ 121,829	\$ 123,440	\$ 117,014	\$ 120,042	\$ 134,938
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	282.63%	178.29%	144.71%	178.00%	249.59%	322.73%	439.09%	382.13%	326.68%	290.78%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	48.10%	40.14%	47.93%	52.08%

Note: The amounts presented for each fiscal year were determined as of the prior fiscal year end measurement date.

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a 10-year trend is compiled, this presentation will include information for those years for which information is available.

STOW CREEK TOWNSHIP SCHOOL DISTRICT
Schedule of District Contributions
Public Employees' Retirement System (PERS)
Last Ten Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 32,825	\$ 30,666	\$ 23,238	\$ 17,750	\$ 17,591	\$ 15,966	\$ 16,406	\$ 17,125	\$ 17,267	\$ 15,469
Contributions in relation to the Contractually Required Contribution	(32,825)	(30,666)	(23,238)	(17,750)	(17,591)	(15,966)	(16,406)	(17,125)	(17,267)	(15,469)
Contribution Deficiency (Excess)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
District's Covered-Employee Payroll	\$ 138,988	\$ 173,985	\$ 239,383	\$ 183,305	\$ 138,666	\$ 121,829	\$ 123,440	\$ 117,014	\$ 120,042	\$ 134,938
Contributions as a Percentage of Covered-Employee Payroll	23.62%	17.63%	9.71%	9.68%	12.69%	13.11%	13.29%	14.64%	14.38%	11.46%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a 10-year trend is compiled, this presentation will include information for those years for which information is available.

STOW CREEK TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers' Pension and Annuity Fund (TPAF)
Last Ten Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability	0.009086%	0.009007%	0.008659%	0.008365%	0.008102%	0.008148%	0.008006%	0.007886%	0.007244%	0.006428%
District's Proportionate Share of the Net Pension Liability	\$ 4,688,014	\$ 4,330,254	\$ 5,702,164	\$ 5,133,856	\$ 5,154,033	\$ 5,493,835	\$ 6,928,203	\$ 4,984,452	\$ 3,871,470	\$ 3,248,592
District's Covered-Employee Payroll	\$ 935,011	\$ 869,419	\$ 828,195	\$ 884,249	\$ 915,652	\$ 898,562	\$ 857,458	\$ 837,974	\$ 838,960	\$ 809,677
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	501.39%	498.06%	688.51%	580.59%	562.88%	611.40%	807.99%	594.82%	461.46%	401.22%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

Note: The amounts presented for each fiscal year were determined as of the prior fiscal year end measurement date.

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a 10-year trend is compiled, this presentation will include information for those years for which information is available.

STOW CREEK TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information - Part III
Schedule of Changes in the Total OPEB Liability and Related Ratios
State Health Benefit Local Education Retired Employees Plan
Last Ten Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability						
Service Cost	\$ 295,975	\$ 306,666	\$ 167,635	\$ 153,821	\$ 166,595	\$ 201,147
Interest Cost	178,490	188,172	168,281	196,011	190,825	165,585
Changes of Benefit Terms		(7,721)				
Differences Between Expected and Actual Experiences	984,802	(316,162)	985,586	(559,513)	95,660	
Changes of Assumptions	(1,806,774)	7,156	1,318,686	70,089	(571,528)	(689,409)
Member Contributions	5,672	4,811	3,809	4,277	4,603	4,458
Gross Benefit Payments	(176,799)	(148,227)	(125,679)	(144,301)	(133,175)	(121,079)
Net Change in Total OPEB Liability	<u>(518,634)</u>	<u>34,695</u>	<u>2,518,318</u>	<u>(279,616)</u>	<u>(247,020)</u>	<u>(439,298)</u>
Total OPEB Liability - Beginning	<u>7,253,820</u>	<u>7,219,125</u>	<u>4,700,807</u>	<u>4,980,423</u>	<u>5,227,443</u>	<u>5,666,741</u>
Total OPEB Liability - Ending	<u>\$ 6,735,186</u>	<u>\$ 7,253,820</u>	<u>\$ 7,219,125</u>	<u>\$ 4,700,807</u>	<u>\$ 4,980,423</u>	<u>\$ 5,227,443</u>
Covered-Employee Payroll	\$ 1,073,999	\$ 1,043,404	\$ 1,067,578	\$ 1,067,554	\$ 1,054,318	\$ 1,020,391
Total OPEB Liability as a Percentage of Covered-Employee Payroll	627.11%	695.21%	676.22%	440.33%	472.38%	512.30%

Notes to Schedule:

Changes of Benefit Terms: The decrease in liability from June 30, 2020 to June 30, 2021 is due to employers adopting Chapter 44 provisions.

Differences Between Expected and Actual Experiences: The decrease in liability from June 30, 2020 to June 30, 2021 is due to changes in the census.

Changes in Assumptions: The increase in the liability from June 30, 2020 to June 30, 2021 is due to the combined effect of Trend Updates, Mortality Projection Scale Updates, Discount Rate Changes, and Salary Scale changes.

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

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.

STOW CREEK TOWNSHIP SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

	Title I 2022-23	NCLB Title IIA	Title IV ESEA	IDEA			ARP IDEA Pre School	Sub-Total Per E-1(2)	Sub-Total Per E-1(3)	Totals	
				IDEA Basic Flow- Through	Pre- School	ARP IDEA Basic Purch				2023	2022
REVENUES:											
Local Sources								\$ 15,756	\$ 2,000	\$ 17,756	\$ 5,492
Federal Sources	\$ 25,847	\$ 3,807	\$ 5,265	\$ 53,084	\$ 1,246	\$ 10,137	\$ 931	306,420		406,737	194,438
State Sources									233,260	233,260	211,485
Total Revenues	25,847	3,807	5,265	53,084	1,246	10,137	931	322,176	235,260	657,753	411,415
EXPENDITURES:											
Instruction:											
Salaries of Teachers								13,347	128,078	141,425	133,656
Other Salaries for Instruction	17,117								46,518	63,635	45,174
Purchased Professional and Technical Services			3,050					2,255	15,652	20,957	11,995
General Supplies			1,166		1,246			29,882	18,254	50,548	37,408
Textbooks									6,382	6,382	5,895
Other Purchased Serv.											52,598
Total Instruction	17,117		4,216		1,246			45,484	214,884	282,947	286,726
Support Services:											
Salaries of Teachers								22,000		22,000	47,418
Salaries of Other											17,336
Salaries of Secretaries and Clerical Assistants											5,693
Employee Benefits	8,730							10,806		19,536	10,938
Purchased Professional Technical Services		3,807	610			10,137	931			15,485	1,761
Purchased Property Services								24,161	5,453	29,614	
Other Purchased Services				53,084				17,378	26,191	96,653	36,541
Materials and Supplies			439					2,446	2,000	4,885	12,529
Student Activities								13,028		13,028	4,589
Total Support Services	8,730	3,807	1,049	53,084		10,137	931	89,819	33,644	201,201	136,805
Facilities Acquisition/Construction:											
Facilities											
Instructional Equipment											
Building								184,145		184,145	
Total Facilities Acquisition/Construction								184,145		184,145	
Total Expenditures	\$ 25,847	\$ 3,807	\$ 5,265	\$ 53,084	\$ 1,246	\$ 10,137	\$ 931	\$ 319,448	\$ 248,528	668,293	\$ 423,531
Excess (Deficiency) of Revenues Over (Under) Expenditures								\$ 2,728	\$ (13,268)	(10,540)	\$ 103
Transfer from General Fund									13,268	2,728	103
Fund Balance, July 1								25,868		25,868	24,862
Fund Balance, June 30	\$	\$	\$	\$	\$	\$	\$	\$ 28,596	\$	\$ 28,596	\$ 24,965

**STOW CREEK TOWNSHIP SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)**

	Equalization Stabilization Fund										Totals 2023	Totals 2022	
	CRRSA				ARP				REAP	Student Activity			
	CARES	ESSER II	Learning ACC	Mental Health	ESSER	Mental Health	Esser Accel	Esser Beyond					
REVENUES:													
Local sources											\$ 15,756	\$ 15,756	\$ 5,492
Federal Sources	\$ 13,155	\$ 24,161	\$ 15,602	\$ 11,806	\$ 190,609	\$ 32,798	\$ 2,596	\$ 6,314	\$ 9,379		\$ 306,420	\$ 98,556	
State Sources													
Total Revenues	13,155	24,161	15,602	11,806	190,609	32,798	2,596	6,314	9,379	15,756	322,176	104,048	
EXPENDITURES:													
Instruction:													
Salaries of Teachers			13,347								13,347	11,541	
Other Salaries for Instruction													
Purchased Professional and Technical Services			2,255								2,255		
General Supplies	13,155				1,568		2,546	3,234	9,379		29,882	19,915	
Textbooks													
Other Purchased Serv.												2,745	
Total Instruction	13,155		15,602		1,568		2,546	3,234	9,379		45,484	34,201	
Support Services:													
Salaries of Teachers							22,000				22,000	27,014	
Salaries of Other													
Salaries of Secretaries and Clerical Assistants													
Employee Benefits				10,806							10,806		
Purchased Professional Technical Services													
Purchased Property Services		24,161									24,161		
Other Purchased Services				1,000	2,500	10,798		3,080			17,378	36,541	
Materials and Supplies					2,396		50				2,446	800	
Student Activities										13,028	13,028	4,589	
Total Support Services		24,161		11,806	4,896	32,798	50	3,080		13,028	89,819	68,944	
Facilities Acquisition/Construction:													
Facilities					184,145						184,145		
Instructional Equipment													
Total Facilities Acquisition/Construction					184,145						184,145		
Total Expenditures	\$ 13,155	\$ 24,161	\$ 15,602	\$ 11,806	\$ 190,609	\$ 32,798	\$ 2,596	\$ 6,314	\$ 9,379	\$ 13,028	\$ 319,448	\$ 103,145	
Excess (Deficiency) of Revenues Over (Under) Expenditures										2,728	2,728		
Fund Balance, July 1										25,868	25,868		
Fund Balance, June 30	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 28,596	\$ 28,596	\$	

STOW CREEK TOWNSHIP SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

	N.J. Nonpublic Security Aid	N.J. Nonpublic Textbook Aid	Non Public Nursing	Non Public Technology	SDA Emergent	Safety Grant Supplies	Preschool Education	Totals 2023	Totals 2022
REVENUES:									
Local Sources						\$ 2,000		\$ 2,000	
Federal Sources									
State Sources	\$ 18,254	\$ 6,382	\$ 11,368	\$ 4,284	\$ 5,453		\$ 187,519	233,260	\$ 198,389
Total Revenues	18,254	6,382	11,368	4,284	5,453	2,000	187,519	235,260	198,389
EXPENDITURES:									
Instruction:									
Salaries of Teachers							128,078	128,078	119,958
Other Salaries for Instruction							46,518	46,518	
Purchased Professional and Technical Services			11,368	4,284				15,652	
General Supplies	18,254							18,254	16,613
Textbooks		6,382						6,382	5,544
Other Purchased Serv.									
Total Instruction	18,254	6,382	11,368	4,284			174,596	214,884	142,115
Support Services:									
Salaries of Teachers									
Salaries of Other									
Salaries of Secretaries and Clerical Assistants									
Employee Benefits									56,274
Purchased Professional Technical Services									
Purchased Property Services					5,453			5,453	
Other Purchased Services							26,191	26,191	
Materials and Supplies						2,000		2,000	
Student Activities									
Total Support Services					5,453	2,000	26,191	33,644	56,274
Facilities Acquisition/Construction:									
Instructional Equipment									
Total Facilities Acquisition/Construction									
Total Expenditures	\$ 18,254	\$ 6,382	\$ 11,368	\$ 4,284	\$ 5,453	\$ 2,000	\$ 200,787	\$ 248,528	\$ 198,389
Transfer from General Fund							13,268	13,268	
Excess (Deficiency) of Revenues Over (Under) Expenditures							\$	\$	

STOW CREEK TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 128,078	\$ 128,078	\$
Other Salaries for Instruction	46,518	46,518	
Total Instruction	<u>174,596</u>	<u>174,596</u>	
Support:			
Other Purchased Services	26,191	26,191	
Total Support Services	<u>26,191</u>	<u>26,191</u>	
Facilities Acquisition and Const. Services:			
Instructional Equipment			
Non-instructional Equipment			
Total Facilities Acquisition and Const. Services:			
Total Expenditures	<u>\$ 200,787</u>	<u>\$ 200,787</u>	<u>\$</u>

CALCULATION OF BUDGET & CARRYOVER

Total revised 2021-2022 Preschool Education Aid Allocation	\$ 185,752	(1)
Add: Actual ECPA/PEA Carryover (June 30, 2022)	17,660	(2)
Add: Budgeted Transfer from the General Fund 2022-2023	13,268	(3)
Total Preschool Education Aid Funds Available for 2022-2023 Budget	<u>216,680</u>	(4)
Less: 2022-2023 Budgeted Preschool Education Aid (including prior year budget carryover)	<u>(200,787)</u>	(5)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2023	15,893	(6)
Add: June 30, 2023 Unexpended Preschool Education Aid		(7)
Less: 2022-2023 Commissioner-approved Transfer to the General Fund		(8)
2022-2023 Carryover - Preschool Education Aid/Preschool Programs	<u>\$ 15,893</u>	(9)
2022-2023 Preschool Education Aid Carryover Budgeted for Preschool Programs in 2023-2024	<u>\$ 1,767</u>	(10)

CAPITAL PROJECTS FUND DETAIL STATEMENT

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.

STOW CREEK TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

<u>Number</u>	<u>Issue/Project Title</u>	<u>Expenditures to Date</u>			<u>Unexpended</u>	<u>Memo Only</u>	
		<u>Appropriations</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Balance 6/30/23</u>	<u>Encumbrances</u>	<u>Available Balance</u>
2020-1	Acquisition of Fire Doors	\$ 65,000	\$ 36,341	\$	\$ 28,659	\$	\$ 28,659
		<u>\$ 65,000</u>	<u>\$ 36,341</u>	<u>\$</u>	<u>\$ 28,659</u>	<u>\$</u>	<u>\$ 28,659</u>

STOW CREEK TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2023

**Revenues and Other Financing
Sources**

Transfer from Capital Reserve	\$ _____
Total Revenues	_____

**Expenditures and Other Financing
Uses**

Other Professional and Technical Services	
Construction Services	_____
Total Expenditures	_____

Excess (Deficiency) of Revenues Over (Under) Expenditures

Fund Balance - Beginning	28,659
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Fund Balance - Ending	\$ <u>28,659</u>
-----------------------	------------------

STOW CREEK TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

<u>Acquisition of Fire Doors</u>	<u>Prior</u>	<u>Current</u>	<u>Totals</u>	<u>Revised</u>
Revenues and Other Financing Sources	Periods	Year		Authorized
				Cost
Transfer from Capital Reserve	\$ 65,000	\$	\$ 65,000	\$ 65,000
Total Revenues	<u>65,000</u>		<u>65,000</u>	<u>65,000</u>
Expenditures and Other Financing Uses				
Construction Services	36,341		36,341	65,000
Total Expenditures	<u>36,341</u>		<u>36,341</u>	<u>65,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ <u>28,659</u>	\$	\$ <u>28,659</u>	\$

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 for the schools within the school district.

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

STOW CREEK TOWNSHIP SCHOOL DISTRICT
FOOD SERVICES ENTERPRISE FUND
COMBINED SCHEDULE OF NET POSITION
AS OF JUNE 30, 2023 AND 2022

	Food Service Fund	After School Childcare	Total	
			2023	2022
ASSETS:				
Current Assets:				
Cash and Cash Equivalents	\$ 31,267	\$ 32,124	\$ 63,391	\$ 57,010
Accounts Receivable:				
State	40		40	54
Federal	20,884		20,884	9,366
Other	7	746	753	792
Intergovernmental	25,474		25,474	
Inventories	1,596		1,596	1,004
Total Current Assets	79,268	32,870	112,138	68,226
Fixed Assets:				
Equipment	28,955		28,955	28,955
Accumulated Depreciation	(23,049)		(23,049)	(19,044)
Total Fixed Assets	5,906		5,906	9,911
Total Assets	85,174	32,870	118,044	78,137
LIABILITIES:				
Current Liabilities:				
Accounts Payable				
Interfund Payable	31,075	12,534	43,609	43,609
Unearned Revenue	729		729	935
Total Current Liabilities	31,804	12,534	44,338	44,544
Total Liabilities	31,804	12,534	44,338	44,544
NET POSITION:				
Investment in Fixed Assets	5,906		5,906	9,911
Unrestricted	47,464	20,336	67,800	23,682
Total Net Position	\$ 53,370	\$ 20,336	\$ 73,706	\$ 33,593

STOW CREEK TOWNSHIP SCHOOL DISTRICT
FOOD SERVICES ENTERPRISE FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

	Food Service Fund	After School Childcare	Total	
			2023	2022
OPERATING REVENUES:				
Local Sources:				
Food Sales Reimbursable Programs	\$ 35,355	\$	\$ 35,355	\$
Food Sales Non-Reimbursable Programs	12,975		12,975	49,024
After School Childcare Fees		20,194	20,194	20,580
Total Operating Revenue	48,330	20,194	68,524	69,604
OPERATING EXPENSES:				
Salaries and Benefits	20,816	16,417	37,233	64,025
Supplies and Materials	35,437	211	35,648	8,857
Cost of Sales	20,664		20,664	31,084
Cost of Sales - Non Program Food	2,758		2,758	4,148
Management Fee	6,459		6,459	15,450
Miscellaneous	1,457		1,457	3,725
Depreciation	2,145		2,145	2,145
Total Operating Expenses	89,736	16,628	106,364	129,434
Operating Income/(Loss)	(41,406)	3,566	(37,840)	(59,830)
NON-OPERATING REVENUES:				
State Sources:				
State School Breakfast Program	208		208	
State School Lunch Program	718		718	833
Federal Sources:				
National School Breakfast Program	5,106		5,106	8,809
National School Lunch Program	14,434		14,434	35,478
CNP School Meals Equip.	35,003		35,003	
CFDA LFS	1,045		1,045	
P-EBT Administrative Cost Reimbursement	653		653	1,242
Supply Chain Assistance Funding	11,888		11,888	6,436
Emerg. Operational Cost Prog-Schs				2,771
Food Distribution Program	3,899		3,899	3,126
Interest	17		17	17
Total Non-Operating Revenues	72,971		72,971	58,712
Change in Net Assets Before Operating Transfers				
In/(out)	31,565	3,566	35,131	(1,118)
Operating Transfer In - General Fund	6,842		6,842	11,818
Fixed Asset Adjustment	(1,860)		(1,860)	
Net (Loss)/Income	36,547	3,566	40,113	10,700
Net Position - July 1	16,823	16,770	33,593	22,893
Net Position - June 30	\$ 53,370	\$ 20,336	\$ 73,706	\$ 33,593

STOW CREEK TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2023

	<u>Food Service Fund</u>	<u>After School Childcare</u>	<u>Total</u>	
			<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 48,330	\$ 20,194	\$ 68,524	\$ 69,604
Payments to Employees	(20,816)	(16,417)	(37,233)	(64,025)
Payments to Suppliers	(103,055)		(103,055)	(70,148)
Payments to Others	(1,457)	(211)	(1,668)	(5,440)
Net Cash Provided by (Used for) Operating Activities	<u>(76,998)</u>	<u>3,566</u>	<u>(73,432)</u>	<u>(70,009)</u>
Cash Flows from Non-capital Financing Activities				
State Sources	926		926	833
Federal Sources	72,028		72,028	57,862
Interfund Transfer	6,842		6,842	11,818
Net Cash Provided by (Used for) Non-capital Financing Activities	<u>79,796</u>		<u>79,796</u>	<u>70,513</u>
Cash Flows from Capital Financing Activities				
Purchase of Fixed Assets				
Net Cash Provided by (Used for) Capital Financing				
Cash Flows from Investing Activities				
Interest and Dividends	17		17	17
Net Cash Provided by (Used for) Investing Activities	<u>17</u>		<u>17</u>	<u>17</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	2,815	3,566	6,381	521
Balances - Beginning of Year	28,452	28,558	57,010	56,489
Balances - End of Year	<u>\$ 31,267</u>	<u>\$ 32,124</u>	<u>\$ 63,391</u>	<u>\$ 57,010</u>
Operating Income/(Loss)	\$ (41,406)	\$ 3,566	\$ (37,840)	\$ (59,830)
Adjustments to Reconcile Operating Income/(Loss) to Cash Used by Operating Activities:				
Depreciation	2,145		2,145	2,145
Change in Assets and Liabilities:				
Decrease/(Increase) in Accounts Receivable	(36,939)		(36,939)	(4,981)
Decrease/(Increase) in Interfund Receivable				
Decrease/(Increase) in Other Program Fees Receivable				
Decrease/(Increase) in Inventory	(592)		(592)	165
Increase/(Decrease) in Accounts Payable				(5,828)
Increase/(Decrease) in Interfund Payable				(1,242)
Increase/(Decrease) in Cash Overdraft				
Increase/(Decrease) in Unearned Revenue	(206)		(206)	(438)
Total Adjustments	<u>(35,592)</u>		<u>(35,592)</u>	<u>(10,179)</u>
Net Cash Used by Operating Activities	<u>\$ (76,998)</u>	<u>\$ 3,566</u>	<u>\$ (73,432)</u>	<u>\$ (70,009)</u>

STATISTICAL SECTION

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

	Fiscal Year Ending,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$ 232,210	\$ 374,058	\$ 383,497	\$ 376,841	\$ 367,725	\$ 395,828	\$ 398,228	\$ 167,238	\$ 345,049	\$ 546,095
Restricted	191,828	180,035	317,106	388,213	367,016	384,474	685,210	813,850	797,328	920,951
Unrestricted (Deficit)	131,736	(254,332)	(279,417)	(307,854)	(259,728)	(321,269)	(340,416)	(287,462)	(185,689)	49,852
Total Governmental Activities Net Position	\$ 555,774	\$ 299,761	\$ 421,186	\$ 457,200	\$ 475,013	\$ 459,033	\$ 743,022	\$ 693,626	\$ 956,688	\$ 1,516,898
Business-Type Activities										
Invested in Capital Assets, Net of Related Debt	\$ 5,827	\$ 5,320	\$ 4,813	\$ 4,306	\$ 3,800	\$ 3,293	\$ 2,746	\$ 12,056	\$ 9,911	\$ 5,906
Unrestricted	14,992	5,741	5,963	12,525	18,635	20,114	20,623	10,837	23,682	67,800
Total Business-Type Activities Net Position	\$ 20,819	\$ 11,061	\$ 10,776	\$ 16,831	\$ 22,435	\$ 23,407	\$ 23,369	\$ 22,893	\$ 33,593	\$ 73,706
District-Wide										
Invested in Capital Assets, Net of Related Debt	\$ 238,037	\$ 379,378	\$ 388,310	\$ 381,147	\$ 371,525	\$ 399,121	\$ 400,974	\$ 179,294	\$ 354,960	\$ 552,001
Restricted	191,828	180,035	317,106	388,213	367,016	384,474	685,210	813,850	797,328	920,951
Unrestricted (Deficit)	146,728	(248,591)	(273,454)	(295,329)	(241,093)	(301,155)	(319,793)	(276,625)	(162,007)	117,652
Total District-Wide Net Position	\$ 576,593	\$ 310,822	\$ 431,962	\$ 474,031	\$ 497,448	\$ 482,440	\$ 766,391	\$ 716,519	\$ 990,281	\$ 1,590,604

Source: ACFR Schedule A-1

STOW CREEK TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(UNAUDITED)

	Fiscal Year Ending,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 675,387	760,729	717,894	700,516	794,950	858,470	710,666	828,456	913,124	837,686
Special Education	49,904	51,425	52,738	87,246	1,209	62,884	103,919	95,820	102,201	46,066
Other	21,561	23,154	34,190	31,755	54,895	38,505	32,957	70,507	27,765	6,394
Support Services										
Tuition	135,939	34,831	11,175	20,258	7,451	51,371	46,889	43,247	56,885	117,201
Student and Instruction Related Services	151,793	153,350	144,172	157,887	127,865	134,896	216,555	183,021	194,256	279,556
General Administrative Services	127,614	129,742	129,081	114,353	141,760	143,265	183,654	123,265	102,343	95,808
School Administrative Services	21,196	21,145	21,095	24,060	25,558	26,622	27,114	30,700	25,712	27,137
Central Services	31,864	32,700	32,635	23,337	20,899	51,795	34,558	25,369	54,742	58,625
Plant Operations and Maintenance	224,106	191,315	199,520	220,251	198,128	184,299	183,010	204,839	225,555	264,821
Pupil Transportation	182,231	171,145	167,778	118,682	169,573	192,512	163,602	155,346	174,073	175,004
Other Support Services	473,902	676,487	847,299	1,069,535	1,249,367	1,090,513	1,116,099	1,287,400	1,043,509	965,635
Unallocated depreciation										
Interest on Debt		739	739	739	739	739	739	739	739	739
Total Governmental Activities Expenses	2,095,497	2,246,762	2,358,316	2,568,619	2,792,394	2,835,871	2,819,762	3,048,709	2,920,904	2,874,672
Business-Type Activities										
Food Service	73,563	80,173	77,461	78,724	77,729	77,495	66,356	91,301	114,787	89,736
Child Care	16,297	11,413	13,332	11,977	11,976	16,016	20,207	8,882	14,647	16,628
Total Business-Type Activities Expense	89,860	91,586	90,793	90,701	89,705	93,511	86,563	100,183	129,434	106,364
Total District Expenses	\$ 2,185,357	2,338,348	2,449,109	2,659,320	2,882,099	2,929,382	2,906,325	3,148,892	3,050,338	2,981,036
Program Revenues										
Governmental Activities										
Operating Grants and Contributions	\$ 235,658	451,899	400,065	559,625	503,651	527,558	590,916	709,624	525,424	576,357
Charges for Services								3,884	5,492	15,756
Total Governmental Activities Program Revenues	235,658	451,899	400,065	559,625	503,651	527,558	590,916	713,508	530,916	592,113
Business-Type Activities										
Charges for Services										
Food Service	44,216	43,041	46,045	47,978	33,285	46,678	31,823	16,621	49,024	48,330
Child Care	10,138	12,451	16,299	16,584	21,999	19,204	15,558	2,545	20,580	20,194
Operating Grants and Contributions	19,946	25,277	20,872	21,176	20,306	19,547	14,018	53,941	58,695	72,954
Total Business-Type Activities Program Revenues	74,300	80,769	83,216	85,738	75,590	85,429	61,399	73,107	128,299	141,478
Total District Program Revenues	\$ 309,958	532,668	483,281	645,363	579,241	612,987	652,315	786,615	659,215	733,591
Net (Expense)/Revenue										
Governmental Activities	\$ (1,859,839)	(1,794,863)	(1,958,251)	(2,008,994)	(2,288,743)	(2,308,313)	(2,228,846)	(2,335,201)	(2,389,988)	(2,282,559)
Business-Type Activities	(15,560)	(10,817)	(7,577)	(4,963)	(14,115)	(8,082)	(25,164)	(27,076)	(1,135)	35,114
Total District-Wide Net Expense	\$ (1,875,399)	(1,805,680)	(1,965,828)	(2,013,957)	(2,302,858)	(2,316,395)	(2,254,010)	(2,362,277)	(2,391,123)	(2,247,445)
General Revenues and Other Changes in Net Assets										
Governmental Activities										
Property Taxes Levied for General Purposes, Net	\$ 956,810	1,019,220	1,030,397	1,044,065	1,078,995	1,100,575	1,158,624	1,215,796	1,276,797	1,326,975
Unrestricted Grants and Contributions	830,696	831,394	965,397	975,767	1,177,083	1,102,869	986,957	1,138,359	1,161,923	1,323,373
Restricted Grants, Tuition and Contributions										
Tuition Received	3,200	6,240	12,960	6,720	3,200					
Transportation Fees Received	34,425	35,800	37,250	6,710		41,078	39,910	49,255	97,670	127,424
Investment Earnings										
Miscellaneous Income	32,485	24,098	40,937	22,746	66,956	56,811	352,367	42,216	124,515	54,617
Fixed Asset Adjustment								(185,561)		17,222
Right-to-Use Lease Adjustment									3,963	
Transfers	(3,058)	(1,000)	(7,265)	(11,000)	(19,678)	(9,000)	(25,023)	(23,675)	(11,818)	(6,842)
Total Governmental Activities	1,854,558	1,915,752	2,079,676	2,045,008	2,305,556	2,292,333	2,512,835	2,236,390	2,653,050	2,842,769
Business-Type Activities										
Investment and Miscellaneous Earnings	78	59	27	18	41	54	103	80	17	17
Fixed Asset Adjustment								2,845		(1,860)
Transfers	3,058	1,000	7,265	11,000	19,678	9,000	25,023	23,675	11,818	6,842
Total Business-Type Activities	3,136	1,059	7,292	11,018	19,719	9,054	25,126	26,600	11,835	4,999
Total District-Wide	\$ 1,857,694	1,916,811	2,086,968	2,056,026	2,325,275	2,301,387	2,537,961	2,262,990	2,664,885	2,847,768
Change in Net Position										
Governmental Activities	\$ (5,281)	120,889	121,425	36,014	17,813	(15,980)	283,989	(98,811)	263,062	560,210
Business-Type Activities	(12,424)	(9,758)	(285)	6,055	5,604	972	(38)	(476)	10,700	40,113
Total District-Wide	\$ (17,705)	111,131	121,140	42,069	23,417	(15,008)	283,951	(99,287)	273,762	600,323

Source: ACFR Schedule A-2

STOW CREEK TOWNSHIP SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(UNAUDITED)

	Fiscal Year Ending,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Restricted	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Capital Reserve Account	73,608	119,991	116,391	197,690	75,580	75,958	353,630	353,880		200,000
Excess Surplus	46,383	42,047	122,610	77,125	186,436	120,660	179,802	178,531	160,206	372,652
Maintenance Reserve			60,000	105,000	105,000	73,332	40,818	80,833	114,400	114,400
Student Activity										
Unemployment Compensation								29,107	32,110	33,684
Assigned:										
Capital Reserve Account						65,000	73,582		132,789	
Year-end Encumbrances	10,837	17,152	16,539	7,528		3,364	8,719	117,875	53,296	142,960
Subsequent Year's Expenditures	61,000	845	1,566	870	46,392	46,160			580	
Maintenance Reserve									50,000	
Unassigned	177,800	173,329	169,622	171,836	174,195	173,155	178,338	186,119	195,988	398,170
Total General Fund	\$ 369,628	\$ 353,364	\$ 486,728	\$ 560,049	\$ 587,603	\$ 557,629	\$ 834,889	\$ 946,345	\$ 739,369	\$ 1,261,866
All Other Governmental Funds										
Restricted	\$	\$	\$	\$	\$	\$	\$	24,965	25,868	28,596
Committed							28,659	28,659	28,659	28,659
Unassigned, Reported in:										
Special Revenue Fund (Deficit)						(8,660)	(17,623)	(17,924)	(19,529)	(18,575)
Total All Other Governmental Funds	\$	\$	\$	\$	\$	\$ (8,660)	\$ 11,036	\$ 35,700	\$ 34,998	\$ 38,680

Source: ACFR Schedule B-1

STOW CREEK TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
 (UNAUDITED)

	Fiscal Year Ending,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax Levy	\$ 956,810	\$ 1,019,220	\$ 1,030,397	\$ 1,044,065	\$ 1,078,995	\$ 1,100,575	\$ 1,158,624	\$ 1,215,796	\$ 1,276,797	\$ 1,326,975
Tuition Charges	3,200	6,240	12,960	6,720	3,200					
Transportation Charges	34,425	35,800	37,250	6,710		41,078	39,910	49,255	97,670	127,424
Interest Earnings			736	736	500	378	500	317	265	
Miscellaneous	32,485	24,098	40,201	22,010	66,456	56,433	351,867	41,899	124,250	54,617
State Sources	990,138	991,955	1,048,328	1,079,912	1,102,886	1,217,578	1,292,506	1,312,943	1,380,528	1,393,289
Federal Sources	76,216	125,653	76,889	73,910	106,868	110,559	80,606	148,734	194,438	380,868
Total Revenues	2,093,274	2,202,966	2,246,761	2,234,063	2,358,905	2,526,601	2,924,013	2,768,944	3,073,948	3,283,173
Expenditures										
Instruction										
Regular Instruction	670,614	753,704	710,869	694,592	789,417	853,084	704,749	820,536	893,253	811,529
Special Education Instruction	49,904	51,425	52,738	87,246	1,209	62,884	103,919	95,820	102,201	44,714
Other Instruction	21,561	23,154	34,190	31,755	54,895	38,505	32,957	70,507	27,765	6,202
Support Services										
Tuition	135,939	34,831	11,175	20,258	7,451	51,371	46,889	43,247	56,885	117,201
Student and Instruction Related Services	151,793	153,350	144,172	157,887	127,865	134,896	216,555	183,021	194,256	270,644
General Administration	126,861	129,722	129,061	114,336	141,744	143,250	183,637	123,243	96,703	93,993
School Administrative Services	21,196	21,145	21,095	24,060	25,558	26,622	27,114	30,700	25,712	23,540
Central Services	31,864	32,700	32,635	23,337	20,899	51,795	34,558	25,369	54,742	56,273
Plant Operations and Maintenance	223,909	191,025	197,825	218,822	196,793	182,999	181,583	202,928	219,734	264,293
Pupil Transportation	160,790	139,588	136,221	92,071	167,341	168,315	137,022	119,770	153,123	175,004
Employee Benefits	465,647	506,107	585,676	657,314	777,762	782,774	895,971	942,684	1,018,565	857,291
Capital Outlay	89,352	181,479	50,475	28,064	739	59,740	37,080	739	226,869	229,468
Total Expenditures	2,149,430	2,218,230	2,106,132	2,149,742	2,311,673	2,556,235	2,602,034	2,658,564	3,069,808	2,950,152
Excess (Deficiency) of Revenues Over (Under) Expenditures	(56,156)	(15,264)	140,629	84,321	47,232	(29,634)	321,979	110,380	4,140	333,021
Other Financing Sources (Uses)										
Transfers Out	(3,058)	(1,000)	(7,265)	(11,000)	(19,678)	(9,000)	(25,023)	(23,675)	(11,818)	(6,842)
Proceeds from Capital Lease	88,613									
Total Other Financing Sources (Uses)	85,555	(1,000)	(7,265)	(11,000)	(19,678)	(9,000)	(25,023)	(23,675)	(11,818)	(6,842)
Net Change in Fund Balances	\$ 29,399	\$ (16,264)	\$ 133,364	\$ 73,321	\$ 27,554	\$ (38,634)	\$ 296,956	\$ 86,705	\$ (7,678)	\$ 326,179
Debt Service as a Percentage of Noncapital Expenditures	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Source: ACFR Schedule B-2

STOW CREEK TOWNSHIP SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
 (UNAUDITED)

<u>Fiscal Year</u> <u>Ended</u> <u>June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u>	<u>Transport-</u> <u>ation</u>	<u>Prior</u> <u>Year</u> <u>Revenue</u>	<u>Cell</u> <u>Tower</u> <u>Rent</u>	<u>ERATE</u>	<u>Prior</u> <u>Year</u> <u>Refunds</u>	<u>Misc.</u>	<u>Total</u>
2023	\$	\$	\$ 127,424	\$	\$ 23,000	\$ 6,975	\$ 2,501	\$ 6,385	\$ 166,285
2022			38,861	(373)	2,501	6,975		20,236	68,200
2021	1,291		49,255		24,659		2,097	9,313	86,615
2020	1,150		39,910		21,950			326,681	389,691
2019	1,573		41,078		23,244			29,433	95,328
2018	1,280	3,200			33,136	17,837		14,703	70,156
2017	981	6,720	6,710		14,624		3,522	3,619	36,176
2016	1,184	12,960	37,250		21,271		15,608	2,874	91,147
2015	1,402	6,240	34,425		20,600			2,096	64,763
2014	1,783	3,200	34,425		20,000			1,726	61,134

Source: District Records

STOW CREEK TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual County Equalized Value
2023	\$ 1,391,600	\$ 64,920,300	\$ 33,082,900	\$ 4,321,200	\$ 4,588,200	\$ 108,304,200	\$ 413,313	\$ 108,717,513	1.876	\$ 141,852,259
2022	1,261,100	65,138,300	32,330,300	4,277,100	4,618,600	107,625,400	459,165	108,084,565	1.840	123,344,160
2021	1,303,100	64,898,100	32,040,700	4,460,300	4,630,100	107,332,300	423,274	107,755,574	1.734	119,497,105
2020	1,215,600	64,891,300	32,081,000	4,479,600	4,630,100	107,297,600	405,263	107,702,863	1.694	113,602,541
2019	1,328,500	64,634,300	32,605,600	4,489,900	4,165,700	107,224,000	405,263	107,629,263	1.647	117,338,586
2018	1,289,000	65,098,500	31,826,300	4,561,700	4,291,400	107,066,900	440,610	107,507,510	1.694	118,279,828
2017	1,428,400	64,871,200	32,077,800	4,373,700	3,850,100	106,601,200	442,943	107,044,143	1.559	106,134,209
2016	1,251,700	64,025,500	32,998,600	4,396,700	3,850,100	106,522,600	444,192	106,966,792	1.559	102,811,119
2015	1,389,600	64,176,800	32,264,900	4,412,700	3,850,100	106,094,100	419,884	106,513,984	1.595	105,692,469 R
2014	1,119,400	47,383,300	26,179,900	3,413,400	2,734,900	80,830,900	215,848	81,046,748	1.603	114,345,593

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

R Revaluation

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

Year Ended June 30,	Stow Creek Township and Regional Boards of Education			Overlapping Rates		
	Basic Rate ^a	General Obligation Debt Service ^b	Total District	Stow Creek Township	Cumberland County	Total
2023	\$ 1.876	\$ 0.000	\$ 1.876	\$ 0.210	\$ 1.363	\$ 3.449
2022	1.840	0.000	1.840	0.210	1.338	3.388
2021	1.734	0.000	1.734	0.210	1.384	3.328
2020	1.694	0.000	1.694	0.210	1.322	3.226
2019	1.647	0.000	1.647	0.209	1.320	3.176
2018	1.694	0.000	1.694	0.208	1.308	3.210
2017	1.559	0.000	1.559	0.179	1.164	2.902
2016	1.595	0.000	1.595	0.178	1.089	2.862
2015	1.603	0.000	1.603	0.179	1.111	2.893
2014	2.023	0.000	2.023	0.233	1.484	3.740

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 pre-budget year net budget by more than the spending growth limitation calculation

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

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

STOW CREEK TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

<u>Taxpayer</u>	<u>2023</u>		<u>2014</u>	
	<u>Taxable Assessed Value</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>% of Total District Net Assessed Value</u>
Taxpayer #1	\$		\$ 774,600	0.85%
Taxpayer #2	827,800	0.76%	526,100	0.62%
Taxpayer #3	828,500	0.76%	457,000	0.61%
Taxpayer #4	655,500	0.60%	423,700	0.60%
Taxpayer #5	557,800	0.51%	370,300	0.58%
Taxpayer #6	555,100	0.51%	332,900	0.54%
Taxpayer #7	504,100	0.46%	321,900	0.49%
REM Farms LLC	520,000	0.48%		
Taxpayer #8	457,000	0.42%	317,400	0.48%
Taxpayer #9	460,700	0.42%	314,500	0.46%
Farm-Rite	848,200	0.78%	650,000	0.67%
Total	<u>\$ 6,214,700</u>	<u>5.72%</u>	<u>\$ 4,488,400</u>	<u>5.90%</u>

Source: District ACFR & Municipal Tax Assessor

STOW CREEK TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	% of Levy	
2023	\$ 1,326,975	\$ 1,326,975	100%	\$
2022	1,276,797	1,276,797	100%	
2021	1,215,796	1,215,796	100%	
2020	1,158,624	1,158,624	100%	
2019	1,100,575	1,100,575	100%	
2018	1,078,995	869,467	81%	209,528
2017	1,044,065	1,044,065	100%	
2016	1,030,397	1,030,397	100%	
2015	1,019,220	1,019,220	100%	
2014	956,810	956,810	100%	

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, the amount voted upon or certified prior to the end of the school year.

STOW CREEK TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)

N/A

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income ^a		Per Capita ^a
	General Obligation Bonds ^b	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			Income ^a	Per Capita ^a	
2023	\$	\$	\$	\$	\$			\$	
2022									
2021									
2020									
2019									
2018									
2017									
2016									
2015									
2014									

Note: This statement is not applicable the district does not have any debt in any of the years reported herein.

STOW CREEK TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(UNAUDITED)

N/A

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

Note: This statement is not applicable the district does not have any debt in any of the years reported herein.

If a district has resources that are restricted to repaying the principal of debt outstanding, these amounts should be shown in a separate column "Deductions" and be subtracted from the total, and the schedule should be named ratios of net general bonded debt outstanding.

STOW CREEK TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2023
(UNAUDITED)

<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			
Township of Stow Creek	\$ 50,000	100%	\$ 50,000
Other debt			
County of Cumberland - Township's share	93,661,798	1.336%	1,251,369
Cumberland Regional School Debt	3,017,000	7.035%	212,241
Subtotal, Overlapping Debt			<u>1,513,610</u>
Stow Creek Township School District Direct Debt			
Total Direct and Overlapping Debt			<u>\$ 1,513,610</u>

Sources: Stow Creek Township Finance Officer and Cumberland County Finance Office

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 Stow Creek. 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.

STOW CREEK TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
 (UNAUDITED)

Legal Debt Margin Calculation for Fiscal Year 2022

	Equalized Valuation Basis	
	2022	\$ 140,963,196
	2021	121,857,743
	2020	119,458,473
	[A]	\$ 382,279,412
Average Equalized Valuation of Taxable Property	[A/3]	\$ 127,426,471
Debt Limit (3% of Average Equalization Value)	[B]	3,822,794 ^a
Net Bonded School Debt	[C]	
Legal Debt Margin	[B-C]	\$ 3,822,794

	<u>Fiscal Year,</u>									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Debt Limit	\$ 3,457,353	\$ 2,192,474	\$ 3,216,449	\$ 3,136,062	\$ 3,262,189	\$ 3,409,880	\$ 3,484,566	\$ 3,501,498	\$ 3,548,408	\$ 3,822,794
Total Net Debt Applicable to Limit										
Legal Debt Margin	\$ 3,457,353	\$ 2,192,474	\$ 3,216,449	\$ 3,136,062	\$ 3,262,189	\$ 3,409,880	\$ 3,484,566	\$ 3,501,498	\$ 3,548,408	\$ 3,822,794
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit										

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

^a Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts

STOW CREEK TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Year</u>	<u>Population ⁽¹⁾</u>	<u>Personal Income (thousands of dollars) ⁽²⁾</u>	<u>Per Capita Personal Income ⁽³⁾</u>	<u>Unemployment Rate ⁽⁴⁾</u>
2023 *	1,298	\$ 62,967,050	\$ 48,515	4.07%
2022	1,311	62,973,347	48,035	3.70%
2021	1,326	55,837,127	47,559	6.20%
2020	1,359	50,159,846	45,498	7.40%
2019	1,365	51,559,605	41,327	3.20%
2018	1,379	51,525,229	39,448	4.70%
2017	1,389	50,904,399	38,353	5.60%
2016	1,404	50,942,717	37,100	6.70%
2015	1,415	50,796,560	36,322	7.50%
2014	1,422	50,541,900	34,972	10.30%

* Estimate

Source:

- ¹ Population information provided by the NJ Dept of Labor and Workforce Development
- ² Personal income
- ³ Per Capita
- ⁴ Unemployment data provided by the NJ Dept of Labor and Workforce Development

STOW CREEK TOWNSHIP SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

Employer*	2023		2014	
	Employees*	Percentage of Total Employment	Employees	Percentage of Total Employment
Inspira Health Network	3,600	5.38%		
Americold formerly AGRO Merchants	495	0.74%		
F & S Produce/Pipcp Transportstion	1,208	1.81%		
Wal-Mart	820	1.23%		
Duramd Glass Manufacturing Co./ARC Interna'l	750	1.12%		
Safeway Fresh Foods		0.00%		
ShopRite	742	1.11%		
WaWa	775	1.16%		
Sheppard Bus Service	602	0.90%		
Northeast Precast	461	0.69%		
AJM Packaging	498	0.74%		
STOW CREEK BUSINESSES**				
Farm Rite			20	
Les Fogg Tractors			16	
Mayhews Greenhouses			12	
Wide Skye Farms			12	
Maelvin R Dickonson Farms			10	
Cruzans Freightliner			10	
	9,951	14.87%	80	N/A

*Cumberland County

** Number of employees will vary seasonally.

Source: Cumberland County

**STOW CREEK TOWNSHIP SCHOOL DISTRICT
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS
 (UNAUDITED)**

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Instruction										
Regular	9.7	9.7	9.7	9.7	9.7	9.7	9.7	9.7	9.7	9.7
Special education	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Other special Education										
Vocational										
Other Instruction	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Nonpublic School Programs										
Adult/Continuing Education Programs										
Support Services:										
Student & Instruction Related Services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
General Administrative Services										
School Administrative Services	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1
Other Administrative Services										
Central Services										
Administrative Information Technology										
Plant Operations and Maintenance	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Pupil Transportation	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Other Support Services										
Contracted Service - Speech	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Special Schools										
Food Service - Contracted										
Totals	<u>19.1</u>	<u>19.1</u>	<u>19.1</u>	<u>19.1</u>	<u>19.1</u>	<u>19.1</u>	<u>19.1</u>	<u>19.1</u>	<u>19.1</u>	<u>19.1</u>

Source: District Personnel Records

STOW CREEK TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures^a</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff^b</u>	<u>Pupil/Teacher Ratio Elementary</u>	<u>Average Daily Enrollment (ADE)^c</u>	<u>Average Daily Attendance (ADA)^c</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2014	116	1,963,745	16,929	3.39%	11.7	12.0 to 1	115.9	111.5	-1.11%	96.20%
2015	112	2,060,078	18,394	8.65%	11.7	12.4 to 1	111.8	107.5	-3.54%	96.15%
2016	112	2,036,751	18,185	-1.13%	11.7	12.4 to 1	111.7	107.3	-0.09%	96.06%
2017	117	2,055,657	17,570	-3.38%	11.7	12.4 to 1	117.5	112.3	5.19%	95.57%
2018	110	2,310,934	21,008	19.57%	11.7	9.4 to 1	110.2	108.0	-6.21%	98.00%
2019	116	2,496,495	21,522	2.44%	11.7	12.4 to 1	111.0	106.8	0.73%	96.22%
2020	113	2,564,954	22,699	8.05%	11.7	9.7 to 1	126.9	123.3	15.15%	97.16%
2021	121	2,657,825	21,965	4.56%	11.7	10.3 to 1	130.9	127.4	18.78%	97.33%
2022	123	2,842,939	23,113	31.55%	11.7	10.5 to 1	122.9	114.9	4.60%	93.46%
2023	124	2,092,861	16,878	-26.98%	11.7	10.5 to 1	123.2	115.3	11.80%	93.59%

Sources: District records, ASSA

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1
- 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).

STOW CREEK TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

	<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>Elementary</u>										
Stow Creek Township School (19..)										
Square Feet	20,461	20,461	20,461	20,461	20,461	20,461	20,461	20,461	20,461	20,461
Capacity (Students)	191	191	191	191	191	191	191	191	191	191
Enrollment	116	112	112	117	110	116	113	111	123	124

Number of Schools at June 30, 2023
Elementary = 1

Source: District records, ASSA

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

STOW CREEK TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
(UNAUDITED)

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

<u>School Facilities</u>	<u>Project #</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Stow Creek Township School		\$ 100,661	\$ 56,056	\$ 43,469	\$ 31,385	\$ 31,548	\$ 14,172	\$ 43,939	\$ 30,206	\$ 33,835	\$ 50,917
Total School Facilities		<u>100,661</u>	<u>43,469</u>	<u>31,385</u>	<u>31,548</u>	<u>14,172</u>	<u>43,939</u>	<u>30,206</u>	<u>33,835</u>	<u>50,917</u>	<u>8,525</u>
Other Facilities											
Grand Total		<u>\$ 100,661</u>	<u>\$ 43,469</u>	<u>\$ 31,385</u>	<u>\$ 31,548</u>	<u>\$ 14,172</u>	<u>\$ 43,939</u>	<u>\$ 30,206</u>	<u>\$ 33,835</u>	<u>\$ 50,917</u>	<u>\$ 8,525</u>

STOW CREEK TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(UNAUDITED)

Company	Type of Coverage	Coverage	Deductible
New Jersey School Boards Association Insurance Group	School Package Policy		
	Blanket Real and Personal Property	\$ 3,133,770	\$ 1,000
	Extra Expense	50,000,000	1,000
	Valuable Papers & Records	10,000,000	1,000
	Flood	10,000,000	500,000
	Earthquake	50,000,000	
	Demolition and Increased Cost of Construction	1,000,000	
	Electronic Data Processing	150,000	1,000
	Boiler & Machinery	100,000,000	5,000
	Commercial General Liability:		
	Aggregate	17,000,000	1,000
	Commercial Automobile Liability	16,000,000	1,000
	Professional Liability Errors & Omission	6,000,000	5,000
	Professional Liability	100,000/300,000	5,000
	Public Employee Dishonesty - Per Loss & Faithful Performance	25,000	500
	Money and Securities	5,000	500
	Loss of Income	10,000	
	Workers Compensation		
	Each Accident	2,000,000	
	Disease per Employee	2,000,000	
	Disease Policy Limit	2,000,000	
Markel Insurance Company	Student Accident Coverage		
	Accidental Death Principal Sum	10,000	
	Medical Expense	1,000,000	
	Accidental Dismemberment	50,000	
	Accident Medical Expense Benefit	1,000,000	
American International Company - AIG	Student Accident Coverage		
	Catastrophic Cash Benefit	1,000,000	
C.N.A Surety Surety Bonds	Treasurer of School Monies	130,000	
	Board Secretary/Business Administrator	2,000	

SINGLE AUDIT SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

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

The Honorable President and
Members of the Board of Education
Stow Creek Township School District
County of Cumberland, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Stow Creek Township School District, in the County of Cumberland, State of New Jersey, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Board of Education of the Stow Creek Township School District's basic financial statements, and have issued our report thereon dated November 27, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915
November 27, 2023

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

The Honorable President and
Members of the Board of Education
Stow Creek Township School District
County of Cumberland, New Jersey

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited The Board of Education of the Stow Creek Township School District, in the County of Cumberland, State of New Jersey's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of The Board of Education of the Stow Creek Township School District, in the County of Cumberland, State of New Jersey's major state programs for the year ended June 30, 2023. The Board of Education of the Stow Creek Township School District, in the County of Cumberland, State of New Jersey'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 Board of Education of the Stow Creek Township School District, in the County of Cumberland, State of New Jersey 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; and the audit requirements of the Office of School Finance, *Department of Education, State of New Jersey*, and New Jersey OMB 15-08. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of The Board of Education of the Stow Creek Township School District, in the County of Cumberland, State of New Jersey and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of The Board of Education of the Stow Creek Township School District, in the County of Cumberland, State of New Jersey'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 Board of Education of the Stow Creek Township School District, in the County of Cumberland, State of New Jersey's state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on The Board of Education of the Stow Creek Township School District, in the County of Cumberland, State of New Jersey'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 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 Board of Education of the Stow Creek Township School District, in the County of Cumberland, State of New Jersey'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 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 Board of Education of the Stow Creek Township School District, in the County of Cumberland, State of New Jersey'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 Board of Education of the Stow Creek Township School District, in the County of Cumberland, State of New Jersey's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the New Jersey OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of The Board of Education of the Stow Creek Township School District, in the County of Cumberland, State of New Jersey's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

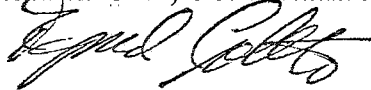
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant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

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

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

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915
November 27, 2023

**TOWNSHIP OF STOW CREEK SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SCHEDULE A)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-Through Grant Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance at June 30, 2022			Budgetary Expenditures Pass Through Funds	Budgetary Expenditures Direct	Total Budgetary Expenditures (A)	Adj.	Balance at June 30, 2023		
							Accounts Receivable	Unearned Revenue	Cash Received					Accounts Receivable	Unearned Revenue	Due to Grantor
U.S. Department of Education General Fund																
U.S. Department of Education Passed-through State Department of Education: Special Revenue Fund: E.S.E.A.																
Title I, Part A	84.010	S010A220030	ESEA 5070-23	\$ 25,848	7/1/22	9/30/23	\$	\$	\$ 8,627	\$ (25,847)	\$			(17,220)	\$	\$
Title I, Part A Reallocated																
Title I, Part A	84.010	S010A210030	ESEA 5070-22	29,249	7/1/21	9/30/22	(19,364)		19,364							
Title II, A	84.367A	S367A220029	ESEA 5070-23	3,628	7/1/22	9/30/23			2,430	(3,807)				(1,377)		
Title II, A	84.367A	S367A210029	ESEA 5070-22	3,937	7/1/21	9/30/22										
Title IV, A	84.424	S424A220031	ESEA 5070-23	10,000	7/1/22	9/30/23			439	(5,265)				(4,826)		
Title IV, A	84.424	S424A210031	ESEA 5070-22	16,989	7/1/21	9/30/22	(11,895)		11,897	(9,379)			(2)			
REAP																
Rural Education	84.358A	S358A202503	S358A202503		7/2/21	9/30/22										
IDEA Cluster:																
I.D.E.A. Part B, Basic Regular	84.027A	H027A210100	IDEA507023	52,677	7/1/22	9/30/23			34,413	(53,084)				(18,671)		
I.D.E.A. Part B, Basic Regular	84.027A	H027A210100	IDEA507022	65,650	7/1/21	9/30/22	(49,853)		49,478			375				
ARP IDEA Part B-Basic	84.027X	H027X210100	IDEA507022	10,917	7/1/21	9/30/22	(780)		1,167	(10,137)				(9,750)		
ARP IDEA Preschool									931	(931)				(931)		
I.D.E.A. Part B, Pre-School	84.173	H173A220114	IDEA507023	1,246	7/1/22	9/30/23				(1,246)				(1,246)		
I.D.E.A. Part B, Pre-School	84.173	H173A210114	IDEA507022	981	7/1/21	9/30/22	(981)		981							
Education Stabilization Fund:																
CARES ACT 2020/ESSER	84.425D	S425D200027	CARES-5070-20	25,361	3/13/20	9/30/22		1,633	11,522	(13,155)				(13,155)		
CRRSA:																
CRRSA ESSER II	84.425D	S425D210027	CRRSA-5070-23	103,755	3/13/20	9/30/23	(35,541)		21,554	(24,161)				(38,148)		
CRRSA ESSER Learning	84.425D	S425D210027	CRRSA-5070-23	25,000	3/13/20	9/30/23	(145)		11,525	(15,602)				(4,222)		
CRRSA ESSER Mental Health	84.425D	S425D210027	CRRSA-5070-23	45,000	3/13/20	9/30/23	(21,756)		26,756	(11,806)				(6,806)		
ARP:																
ARP ESSER III	84.425U	S425D210027	ARP-5070-24	233,183	3/13/20	9/30/24			158,480	(190,609)				(32,129)		
ARP Accel Learning	84.425U	S425D210027	ARP-5070-24							(2,596)				(2,596)		
ARP Mental Health (Emergency)	84.425U	S425D210027	ARP-5070-24	45,000	3/13/20	9/30/24			4,959	(32,798)				(27,839)		
ARP Summer	84.425U	S425D210027	ARP-5070-24													
ARP Beyond	84.425U	S425D210027	ARP-5070-24							(6,314)				(6,314)		
Total Special Revenue Fund							(140,315)	1,633	373,902	(406,737)			373	(171,144)		
U.S. Department of Agriculture Passed-through State Department of Education: Enterprise Fund:																
Non-Cash Assistance:																
Food Distribution Program	10.565	Unknown	NA	4,004	7/1/22	6/30/23			4,004	(3,899)						105
Child Nutrition Cluster:																
Cash Assistance:																
P-EBT Administrative Cost Reimb.	10.649	202222S900941	NA	653	7/1/22	6/30/23				(653)				(653)		
Supply Chain Assistance Funding	10.555	221NJ344N8903	NA	6,436	7/1/21	6/30/22	(6,436)		6,436							
Supply Chain Assistance Funding	10.555	231NJ344N8903	NA	11,888	7/1/22	6/30/23			11,888	(11,888)				(11,888)		
School Equipment	10.579	231NJ354N8103	NA	35,003	7/1/22	6/30/23			15,767	(35,003)				(35,003)		(19,236)
CFDA LFS			NA	1,045					1,045	(1,045)				(1,045)		
National School Snack Program	10.555	211NJ304N1099	NA		7/1/22	6/30/23										
National School Breakfast Program	10.553	221NJ304N1099	NA	5,106	7/1/22	6/30/23			4,786	(5,106)				(5,106)		(320)
National School Breakfast Program	10.553	191NJ304N1099	NA	1,253	7/1/21	6/30/22	(599)		599							
National School Lunch Program	10.555	221NJ304N1099	NA	14,434	7/1/22	6/30/23			13,759	(14,434)				(14,434)		(675)
National School Lunch Program	10.555	211NJ304N1099	NA	31,601	7/1/21	6/30/22	(2,331)		2,331							
Total Enterprise Fund							(9,366)		60,615	(72,028)				(72,028)		(20,884)
Total Federal Financial Awards							\$ (149,681)	\$ 1,633	\$ 434,517	\$ (478,765)	\$	\$ (478,765)	\$ 373	\$ (192,028)	\$ 105	\$

(A) There were no awards passed through to sub-recipients.

See accompanying notes to schedules of financial assistance
These funds were not audited in accordance with the Uniform Guidance since the total of all grant expenditures did not exceed \$750,000.

**TOWNSHIP OF STOW CREEK SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (SCHEDULE B)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance at June 30, 2022					Repaymt. of Prior Year Balances	Balances at June 30, 2023			MEMO	
					(Accounts Receivable)/	Unearned Revenue	Due to Grantor	Carry Over	Cash Received		Budgetary Expenditures	(Accounts Receivable)	Unearned Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable
State Department of Education															
General Fund:															
Equalization Aid	23-495-034-5120-078	342,607	7/1/22	6/30/23	\$	\$	\$	\$	311,725	\$ (342,607)	\$ (30,882)	\$	\$	*(30,882)	\$(342,607)
Transportation Aid	23-495-034-5120-014	55,120	7/1/22	6/30/23					50,152	(55,120)	(4,968)			*(4,968)	(55,120)
Special Education Categorical Aid	23-495-034-5120-089	88,149	7/1/22	6/30/23					80,203	(88,149)	(7,946)			*(7,946)	(88,149)
Security Aid	23-495-034-5120-084	17,125	7/1/22	6/30/23					15,581	(17,125)	(1,544)			*(1,544)	(17,125)
Securing our Children's Future Bond Act	N/A	19,785	7/1/21	6/30/22	(19,785)				19,785						
Lead Testing for Schools Aid	23-495-034-5120-104	481	7/1/22	6/30/23					481	(481)				*	(481)
Additional Non Public School Trans Costs	23-495-034-5120-014	1,872	7/1/22	6/30/23						(1,872)	(1,872)			*	(1,872)
Additional Non Public School Trans Costs	22-495-034-5120-014	1,740	7/1/21	6/30/22	(1,740)				1,740						
Extraordinary Aid		23,663	7/1/22	6/30/23						(23,663)	(23,663)			*	(23,663)
Supplemental Stabilization Aid		191,638	7/1/22	6/30/23					191,638	(191,638)				*	(191,638)
Reimbursed TPAF Social Security Contrib.	23-495-034-5094-003	71,126	7/1/22	6/30/23					64,367	(71,126)	(6,759)			*	(71,126)
Reimbursed TPAF Social Security Contrib.	22-495-034-5094-003	71,108	7/1/21	6/30/22	(3,266)				3,266					*	
On-Behalf TPAF Pension Contribution	23-495-034-5094-002	287,403	7/1/22	6/30/23					287,403	(287,403)				*	(287,403)
On-Behalf TPAF Post Retirement Medical	23-495-034-5094-001	75,500	7/1/22	6/30/23					75,500	(75,500)				*	(75,500)
On-Behalf TPAF Long-Term Disability	23-495-034-5094-004	69	7/1/22	6/30/23					69	(69)				*	(69)
Total General Fund					(24,791)				1,101,910	(1,154,753)	(77,834)				(45,340)
Special Revenue Fund:															
Preschool Education Expansion Aid	23-495-34-5120-086	185,752	7/1/22	6/30/23				17,660	167,177	(200,787)		(18,575)	2,625	*	(18,575)
Preschool Education Expansion Aid	22-495-034-5120-086	208,304	7/1/21	6/30/22	(19,529)	17,660		(17,660)	19,529					*	(19,529)
SDA Emergent Needs & Capital Maintenan	22-100-034-5120-086	2,667	7/1/21	6/30/22					5,453	(5,453)				*	(5,453)
N.J. Nonpublic Aid:															
Nursing	23-100-034-5120-070	11,424	7/1/22	6/30/23					11,424	(11,368)				56*	(11,368)
Nursing	21-100-034-5120-070	11,088	7/1/20	6/30/21			3,236				(3,236)				
Textbooks	23-100-034-5120-064	6,732	7/1/22	6/30/23					6,732	(6,382)			350*		(6,382)
Textbooks	22-100-034-5120-064	5,942	7/1/21	6/30/22			47				(47)				
Technology	23-100-034-5120-373	4,284	7/1/22	6/30/23					4,284	(4,284)				*	(4,284)
Technology	22-100-034-5120-373	4,158	7/1/21	6/30/22			15				(15)				
Security	23-100-034-5120-509	20,910	7/1/22	6/30/23					20,910	(18,254)			2,656*		(18,254)
Security	22-100-034-5120-509	17,325	7/1/21	6/30/22			3,122				(3,122)				
Total Special Revenue Fund					(19,529)	17,660	6,420		235,509	(246,528)	(6,420)	(18,575)	2,625	3,062	(18,575)
State Department of Agriculture															
Enterprise Fund:															
State School Breakfast Program	22-100-010-3350-023	208	7/1/22	6/30/23					199	(208)		(9)		*	(208)
State School Lunch Program	22-100-010-3350-023	718	7/1/22	6/30/23					687	(718)		(31)		*	(718)
State School Lunch Program	21-100-010-3350-023	833	7/1/20	6/30/21	(54)				54						
Total Enterprise Fund					(54)				940	(926)		(40)			(926)
Total State Financial Assistance					\$ (44,374)	\$ 17,660	\$ 6,420	\$	\$ 1,338,359	\$ (1,402,207)	\$ (6,420)	\$ (96,249)	\$ 2,625	\$ 3,062	\$ (63,915)
Less: On-Behalf TPAF Pension System Contributions															
On-Behalf TPAF Pension Contribution	23-495-034-5094-002	287,403	7/1/22	6/30/23					\$ 287,403	\$ (287,403)					
On-Behalf TPAF Post Retirement Medical	23-495-034-5094-001	75,500	7/1/22	6/30/23					75,500	(75,500)					
On-Behalf TPAF Long-Term Disability Med	22-495-034-5094-004	69	7/1/22	6/30/23					69	(69)					
Total State Financial Assistance - Major Program Determination									\$ 975,387	\$ (1,039,235)					

See accompanying notes to schedules of financial assistance

STOW CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2023

NOTE 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Stow Creek Township School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedules of expenditures of federal awards and 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. The information in this schedule is presented in accordance with the requirements of 2 CFR 200- *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey Treasury Circular OMB 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$10,412 for the general fund and (\$33,005) for the special revenue fund. See Note 1 (the Notes to Required Supplementary Information) 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:

STOW CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2023
(Continued)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$	1,165,165	1,165,165
Special Revenue Fund	380,868	226,124	606,992
Food Service Fund	<u>72,028</u>	<u>926</u>	<u>72,954</u>
Total Financial Assistance	<u>\$ 452,896</u>	<u>1,392,215</u>	<u>1,845,111</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING

The Stow Creek School District had no federal or state loan balances outstanding at June 30, 2023.

NOTE 6: 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, if any, represents the amount paid by the state on behalf of the district for the year ended June 30, 2021. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2021.

NOTE 7: MAJOR PROGRAM

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

NOTE 8: SCHOOL-WIDE PROGRAM FUNDS

As the District's Federal Programs are on a targeted student group basis, there are no schoolwide programs in the District.

NOTE 9: ADJUSTMENT

There was an adjustment of \$373 on Schedule A, Exhibit K-3 and no adjustment on Schedule B, Exhibit K-4.

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

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

2) Significant deficiencies identified? _____ yes X no

Noncompliance material to basic financial statements noted? _____ yes X no

Federal Awards **N/A**

Internal control over major programs:

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

2) Significant deficiencies identified? _____ Yes _____ none reported

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

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

Identification of major programs:

CFDA Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
N/A		

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

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

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

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

State Awards

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

Auditee qualified as low-risk auditee? X yes no

Internal control over major programs:

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

2) Significant deficiencies identified that are not considered to be material weaknesses? yes X no

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

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Treasury Circular Letter 15-08 yes X no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
23-495-034-5120-078	Equalization Aid
23-495-034-5120-089	Special Education Categorical Aid
23-495-034-5120-084	Security Aid

**STOW CREEK TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(continued)**

Section II - Financial Statement Findings

This section identifies the significant deficiencies, material weakness, 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 and with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey that requires reporting in the Uniform Guidance, New Jersey OMB Treasury Circular 15-08 audit.

Finding: N/A

Criteria or specific requirement:

Condition:

Context:

Effect:

Cause:

Recommendation:

Views of responsible officials and planned corrective actions:

**STOW CREEK TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(continued)**

**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

Finding: N/A

Information on the federal program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Views of responsible officials and planned corrective actions:

STATE AWARDS

Finding: NONE

Information on the state program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Management's response:

**STOW CREEK TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED
COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

This section identifies the status of prior - year findings related to the basic financial statements and Federal and State awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, US OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* section .511(a)(b) and New Jersey OMB's Treasury Circular 15-08, as applicable.

STATUS OF PRIOR - YEAR FINDINGS

There were no prior year findings.