

SCHOOL DISTRICT
OF
BOROUGH
OF
STRATFORD

Stratford Borough School District
Stratford, New Jersey

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

TABLE OF CONTENTS

Page

INTRODUCTORY SECTION

Letter of Transmittal	1-5
Organizational Chart	6
Roster of Officials	7
Consultants and Advisors	8

FINANCIAL SECTION

Independent Auditor's Report	9-11
-------------------------------------	------

Required Supplementary Information - Part I Management's Discussion and Analysis	12-20
---	-------

Basic Financial Statements

A DISTRICT - WIDE FINANCIAL STATEMENTS

A-1 Statement of Net Position	21
A-2 Statement of Activities	22

B FUND FINANCIAL STATEMENTS

Governmental Funds:

B-1 Balance Sheet	23
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	24
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	25

Proprietary Funds:

B-4 Statement of Net Position	26
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	27
B-6 Statement of Cash Flows	28

Fiduciary Funds:

B-7 Statement of Fiduciary Net Position	N/A
B-8 Statement of Changes in Fiduciary Net Position	N/A

Notes to Financial Statements	29-54
--------------------------------------	-------

TABLE OF CONTENTS

Page

Required Supplementary Information - Part II

C	Budgetary Comparison Schedules		
	C-1 Budgetary Comparison Schedule - General Fund		55-66
	C-2 Budgetary Comparison Schedule - Special Revenue Fund		67

Notes to the Required Supplementary Information

	C-3 Budget - to - GAAP Reconciliation		68
--	---------------------------------------	--	----

Required Supplementary Information - Part III

L	L-1 Schedule of the District's Proportionate Share of the Net Pension Liability (PERS)		69
	L-2 Schedule of District Contributions (PERS)		70
	L-3 Schedule of the District's Proportionate Share of the Net Pension Liability (TPAF)		71
M	M-1 Schedule of the District's Proportionate Share of the Net OPEB (TPAF and PERS)		72

Other Supplementary Information

D	School Level Schedules		N/A
E	Special Revenue Fund:		
	E-1 Combining Schedule of Revenues and Expenditures - Special Revenue Fund - Budgetary Basis		73-75
	E-2 Preschool Education Program Aid Statement of Expenditures - Budgetary Basis		N/A
F	Capital Projects Fund:		
	F-1 Summary Statement of Project Expenditures		N/A
	F-2 Summary Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis		N/A
	F-2a Schedule of Project Revenue, Expenditures, Project Balance and Project Status - Budgetary Basis		N/A
G	Proprietary Funds:		
	G-1 Combining Balance Sheet		76
	G-2 Combining Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balance		77
	G-3 Combining Statement of Cash Flows		78
H	Fiduciary Funds		
	H-1 Combining Statement of Fiduciary Net Position		N/A
	H-2 Combining Statement of Changes in Fiduciary Net Position		N/A
	H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements		N/A
	H-4 Payroll Agency Fund Schedule of Receipts and Disbursements		N/A

TABLE OF CONTENTS

Page

Other Supplementary Information (Continued)

I Long-Term Debt

I-1	Schedule of General Serial Bonds	79
I-2	Statement of Obligations Under Capital Leases	N/A
I-3	Debt Service Fund Budgetary Comparison Schedule	80

J STATISTICAL SECTION (Unaudited)

J-1	Net Position by Component	81
J-2	Changes in Net Position	82-83
J-3	Fund Balances - Governmental Funds	84
J-4	Changes in Fund Balances - Governmental Funds	85
J-5	General Fund Other Local Revenue by Source	86
J-6	Assessed Value and Actual Value of Taxable Property	87
J-7	Direct and Overlapping Property Tax Rates	88
J-8	Principal Property Tax Payers	89
J-9	Property Tax Levies and Collections	90
J-10	Ratios of Outstanding Debt by Type	91
J-11	Ratios of Net General Bonded Debt Outstanding	92
J-12	Direct and Overlapping Governmental Activities Debt	93
J-13	Legal Debt Margin Information	94
J-14	Demographic and Economic Statistics	95
J-15	Principal Employers	96
J-16	Full-time Equivalent District Employees by Function/Program	97
J-17	Operating Statistics	98
J-18	School Building Information	99
J-19	Required Maintenance for School Facilities	100
J-20	Insurance Schedule	101

K SINGLE AUDIT SECTION

K-1	Report on Internal Control over Financial Reporting and on Compliance and Other Matter Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	102-103
K-2	Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance with the Uniform Guidance New Jersey OMB 15-08	104-106
K-3	Schedule of Expenditures of Federal Awards, Schedule A	107
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	108
K-5	Notes to Schedules of Awards and Financial Assistance	109-111
K-6	Schedule of Findings and Questioned Costs	112-114
K-7	Summary Schedule of Prior Audit Findings	115

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

Introductory Section

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

RENEE EGAN
Superintendent of Schools
856-783-2555
Fax: 856-784-8486
attanasit@stratford.k12.nj.us



DEBRA R. TRASATTI
Business Administrator
856-784-2917
Fax: 856-784-8486
trasattid@stratford.k12.nj.us

111 WARWICK ROAD
STRATFORD, NEW JERSEY 08084

December, 2023

Honorable President and Members
of the Board of Education
Borough of Stratford School District
County of Camden, New Jersey

Dear Board Members/Citizens:

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

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

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

Introductory Section:

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

Financial Section:

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

Statistical Section:

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

Single Audit Section:

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

REPORTING ENTITY

Stratford School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by Statement No. 14. All funds and account groups of the District are included in this report. The Stratford Board of Education and its two schools constitute the District's reporting entity.

ECONOMIC CONDITION AND OUTLOOK

The Borough of Stratford is a suburban town of 1.6 square miles. Stratford was incorporated as a borough on March 2, 1925. The Borough of Stratford has always been an active, involved community. The Borough of Stratford is home to the Stratford Division of Kennedy Memorial Hospital and University of Dentistry and Medicine of New Jersey. Population census information indicates that the Borough of Stratford has experienced a 1.4% decrease in population based on 7,040 at the 2010 census and 6,941 at the 2020 census.

The Stratford School District provides a full range of educational services appropriate to grade levels PreK through 8. The District completed the 2022-2023 year with an enrollment of 8*9 students.

ECONOMIC CONDITION AND OUTLOOK

The forecast for student enrollment over the next five years appears to show a small decrease but mostly staying stable as students continue to transfer in and out. Choice enrollment has remained consistent with the 2022-23 school year. The phase-in of Hi-Nella students that began with the 2012-13 school year has annually averaged 100 students in grades PreK-8.

The School District uses primary funding sources of property tax revenue and state aid (small increase) as the expenditures necessary to provide the excellent education Stratford is known for continue to rise. The 2022-23 general fund budget saw a tax increase of 2.00%. In addition, the district appropriated \$2,661,723.89 from fund balance to utilize in 2022-23. Tuition revenue increased due to enrollment number of students from Laurel Springs and Hi-Nella and prior year tuition adjustments. The executive county superintendent approved the budget as submitted. The election of board members took place at the general election in November and newly seated members took office in January. Full-day Kindergarten and hazardous transportation continue to be part of the annual budget as well as expenditures for technology. The School District continues to closely monitor the cost of operations and to look for new funding sources in order to maintain the quality educational services that the School District has been providing and that the students deserve.

EDUCATIONAL PROGRAM

District classrooms are primarily self-contained and the pupils are grouped heterogeneously. Basic Skills instruction in the areas of computation and communications are provided to eligible students. In addition, students are offered programs in art, music, computers, gifted and talented, physical education, reading, language arts, science, health, social studies, library science, and guidance. The District provides individual education plans for pupils who are learning disabled either in self-contained classrooms, in-class support, or

resource rooms through various programs – preschool disabilities and preschool disabilities inclusion, autism, learning and/or language disabled and multiple disabilities.

In addition to the variety of instructional programs, other services are provided. Each school has a full time school nurse who provides a full spectrum of services as required by law. Two guidance counselors service the needs of students in both Parkview and Yellin Schools. The District also provides Child Study Team Services, a food service program and with hazardous bus transportation for eligible students.

MAJOR INITIATIVES

The Stratford School District will continue to provide a challenging academic environment during the 2022-23 school year to help deepen and enhance the learning process.

A. Honors Social Studies and Honors Science: This course is available to all 7th and 8th students who meet the criteria that has been designated by the Social Studies Teachers, Science Teachers, and Building Principal. These classes incorporate more challenging reading, writing, and mathematics. The pace is increased and more in-depth topics are covered and discussed. Public speaking is emphasized and students frequently present Projects using 21st Century Technology. Individualized Instruction is also a major component of these newly constructed classes.

B. Google Classroom: Every student in the school now has a Chromebook, 1:1 initiative, allowing teachers to create and share documents via google classroom and these teachers are required to you this wonderful resource on a daily basis in Grades 3-8.

C. Remote Instruction: To help meet the diverse needs of students, teachers will be afforded professional development opportunities to enhance teaching practices as it relates to providing high quality remote instruction. Instructional Strategies such as Screen Cast-O-Matic, Google Slides, Google Forms, Kaizena, Pear Deck, Ed Puzzle, JamBoard, Go Formative, TeacherMade, and Google Break-Out Rooms will be taught by our own teachers to help ensure students success in both the Hybrid and Remote Learning settings.

D. Cross Curricular Collaboration- The Digital Shop Teacher and Media Specialist are using technology and incorporating all content areas not only into their own lessons but giving the content area teachers creative ideas on how to effectively incorporate 21st Century Technology into their lessons in Grades 4-8.

E. Social Media: We are currently set up with two social media accounts that include Twitter and Instagram to showcase students and staff activities in Grades 4-8 on a daily basis as well as staff professional development on a daily basis.

F. Citizens and Students of the Month: We are honoring 2 students per month in Grades K-8 in each category who meet the following criteria; Positive Attitude, Positive Role Model, Responsible, Hard Worker, and Honest. Our goal is to reward more students for having a positive and profound impact on our school on a daily basis.

G. State and Camden County School of Character Initiative: One of our Physical Education Teachers assists us by completing the application process on a yearly basis for both of these prestigious clubs. Our goal is to continue to be awarded the Camden County School of Character, which we have won for 5 straight years, and build upon the emerging state school of character that we were awarded last year.

H. Big Ideas Math Program: We purchased a new K-5 Mathematics Program for the 2021-22 school year. This programs allows us to fully align our curriculum and instruction from K-8. We already have the Big Ideas Program in Grades 6-8 so the transition will now be much smoother.

FINANCIAL INFORMATION

Internal Accounting

Management of the Stratford District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived; and 2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

Budgetary Controls

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

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

CASH MANAGEMENT

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

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. A schedule of insurance coverage is found in Exhibit J-20.

INDEPENDENT AUDIT

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holt McNally & Associates, Inc. was selected 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 Single Audit Act Amendments of 1996; Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and State of New Jersey 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 specific required supplemental information is included in the financial section of this report. The auditor’s reports related specifically to the single audit are included in the single audit section of this report.

ACKNOWLEDGEMENTS

We would like to express our appreciation to the members of the Stratford 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. And finally, the preparation of this report could not have been accomplished without the efficient and dedicated services of the district office staff.

Respectfully submitted,

Renee Egan

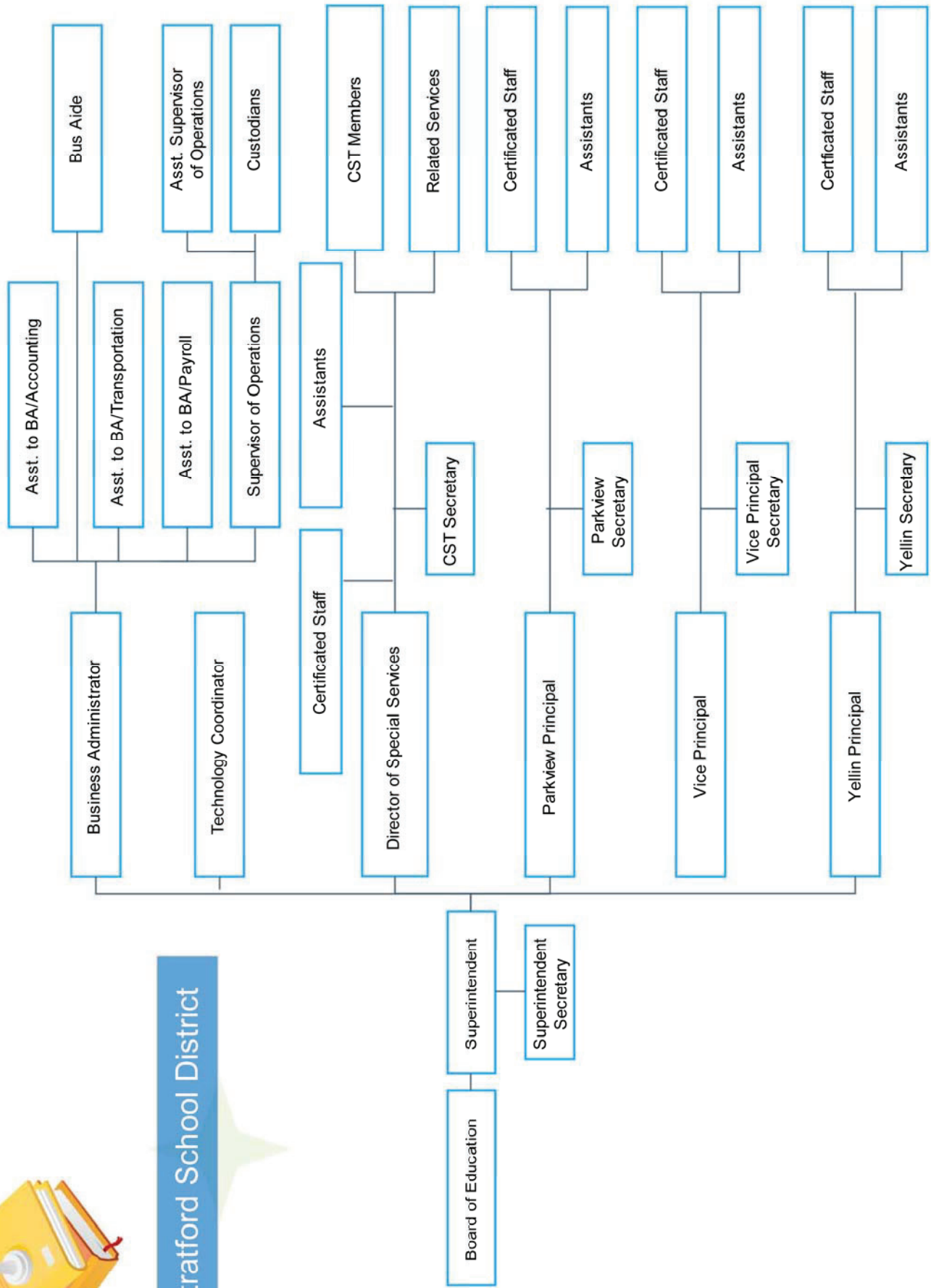
Renee Egan
Superintendent

Debra R. Trasatti

Debra R. Trasatti
Business Administrator/Board Secretary



Stratford School District



STRATFORD BOROUGH SCHOOL DISTRICT
Stratford, New Jersey

ROSTER OF OFFICIALS

JUNE 30, 2023

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Michael Redfearn, President	2023
Dawn Martin, Vice President	2025
Michael Barikian	2024
Kim Berdine	2023
Sue Bove	2025
Melissa Clark	2023
Mandy Conway	2024
Stephanie Nelson	2025
Kim Sims	2023
Dr. Sarah Woldoff, Laurel Springs Representative	2025
Vacant – Hi-Nella Representative	

OTHER OFFICIALS

Renee D. Egan, Superintendent

Debra Trasatti, Business Administrator/Board Secretary

STRATFORD BOROUGH SCHOOL DISTRICT
Stratford, New Jersey

CONSULTANTS AND ADVISORS

JUNE 30, 2023

AUDITOR/AUDIT FIRM

Nancy Sbrolla
Ford-Scott & Associates, L.L.C.
1535 Haven Avenue
Ocean City, New Jersey 08226

ATTORNEY

Wade, Long, Wood & Long, LLC
1250 Chews Landing Road, Suite 1
Laurel Springs, New Jersey 08021

OFFICIAL DEPOSITORY

Republic Bank
White Horse Pike
Stratford, New Jersey 08084

FINANCIAL ADVISOR

Capital Financial Advisors, Inc.
Robbi Acampora
8000 Midlantic Drive, Suite 110S
Mt. Laurel, New Jersey 08054

Financial Section

{THIS PAGE IS INTENTIONALLY LEFT BLANK}



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

www.ford-scott.com

Independent Auditor's Report

Honorable President and
Members of the Board of Education
Stratford Borough School District
County of Camden, New Jersey

Report on the Audit of Financial Statements

Opinions

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

In our opinion, the 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 Stratford Borough School District, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal 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 (GAAS), the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the Stratford Borough School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, 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 Stratford Borough School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's 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 GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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

- exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of the 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 entity's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether in our judgement there are conditions or events considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Stratford Borough School District's basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the schedule of state financial assistance as required by NJ OMB 15-08 and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by the Uniform Guidance, and the schedule of state financial assistance as required by NJ OMB 15-08 is 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 Comprehensive Financial Report. The other information comprises of the introductory and statistical sections and have not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2023 on our consideration of the Stratford Borough School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 entity's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Stratford Borough School District's internal control over financial reporting and compliance.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Nancy Sbrolla

Nancy Sbrolla
Certified Public Accountant
Licensed Public School Accountant
No. 2426

December 12, 2023

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

Required Supplemental Information
Part I

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Stratford Borough School District ("District") annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2023. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statement.

FINANCIAL HIGHLIGHTS

- The net position of the District increased \$1,407,603.83. The increase is due mainly to an increase in federal and state aid as well as an increase in tuition revenues.
- The State of New Jersey reimbursed the District \$537,743.76 during the fiscal year ended June 30, 2023 for the employer's share of social security contributions and pension contributions for TPAF members as calculated on their base salaries. Also, the State of New Jersey paid \$2,922,637.00 on behalf of the District for TPAF Pension Contributions. These amounts, which are not budgeted, are included as both a revenue and appropriation in the financial statements.
- As indicated by New Jersey State Statutes, the unreserved fund balance of the general fund is limited to 2% of the total general fund. Any excess is required to be designated as Reserved Fund Balance – Excess Surplus and included in the next year's budget as budgeted fund balance. As of June 30, 2023, the District had excess fund balance in the amount of \$6,151,640.68 of which \$2,827,538.21 has been included in the 2023-2024 budget and the remaining \$3,324,102.47 will be included in the 2024-2025 budget.
- During the fiscal year ended June 30, 2023, the District's revenues exceeded expenditures by \$450,905.65. This was mainly a result of an increase in federal and state grant funding. During the prior fiscal year, revenues exceeded expenditures by \$708,270.72.
- In the District's business-type activities, net assets decreased \$15,067.27 due to the cost of operations exceeding revenues.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – *management's discussion and analysis* (this section), the basic *financial statements*, *required supplementary information*, and an optional section that presents *combining statements for special revenue, proprietary, and fiduciary funds*. The basic financial statements include two kinds of statements that present different views of the District.

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District’s *overall* financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the District’s government, reporting on the District’s operations in *more detail* than the government-wide statements.
 - The *governmental funds* statements tell how *general government* services like instruction 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 the activities the District operates like businesses, such as the food service and after school program.
 - *Fiduciary fund* statements provide information about the financial relationships – like the unemployment trust fund – in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

Figure A-1 summarizes the major features of the District’s financial statements, including the portion of the District’s government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the statements.

{This space intentionally left blank}

**Major Features of Stratford Borough School District's
Government-wide and Fund Financial Statements
(Figure A-1)**

	Government wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as food service and after school programs and student activities	Activities the District operates similar to private businesses; food service and after school programs	Instances in which the District is the trustee or agent for someone else's resources, such as payroll agency and student activities.
Required financial statements	Statement of net position Statement of changes in net position	Balance sheet Statement of revenues, expenditures, and changes in fund balances	Statement of net assets Statement of revenues, expenses, and changes in net assets Statement of cash flows	Statement of fiduciary net assets Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short- term and long- term.	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included.	All assets and liabilities, both financial and capital, and short-term and long-term.	All assets and liabilities, both short-term and long-term.

Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses, regardless of when cash is received or paid.	All revenues and expenses during year, regardless of when cash is received or paid.
------------------------------------	---	--	---	---

Government-wide Statements

The government-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 government’s assets and liabilities. All of the current year’s revenues and expenses are accounted for in the statement of changes in net position regardless of when cash is received or paid.

The two government-wide statements report the District’s *net position* and how they have changed. Net position – the difference between the District’s assets and liabilities – is one way to measure the District’s financial health, or *position*.

- Over time, increases or decreases in the District’s net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the Township’s property tax base and the condition of the District’s facilities.

The government-wide financial statements of the District are divided into two categories:

- *Governmental activities* – most of the District’s basic services are included here, such as instruction, transportation, administration, and plant operations. Property taxes and state and federal grants finance most of these activities.
- *Business-type activities* – the District charges fees to customers to help it cover the costs of certain services it provides. The District’s food program and after school program are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant *funds* – not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

The District has three kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which 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 funds statements provide a detailed *short-term* view that helps you 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 government-wide statements, we provide additional information at the bottom of the governmental funds statement that explains the relationship (or differences) between them.
- *Proprietary funds* – Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information. In fact, 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.
- *Fiduciary funds* – The District is the trustee, or *fiduciary*, for other assets that - because of a trust arrangement – can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position: The District's governmental activities net position increased \$1,369,561.26 between fiscal years 2022 and 2023. The business-type activities net assets decreased \$15,067.27 due to the operating costs exceeding revenues.

	Governmental Activities		Business Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and Other Assets	8,313,065.90	7,535,533.66	251,896.17	293,703.94	8,564,962.07	7,829,237.60
Capital Assets	8,882,573.80	8,760,139.23	124,824.94	102,062.09	9,007,398.74	8,862,201.32
Total Assets	17,195,639.70	16,295,672.89	376,721.11	395,766.03	17,572,360.81	16,691,438.92
Long-term Liabilities	5,084,426.88	4,979,327.79			5,084,426.88	4,979,327.79
Other Liabilities	1,438,290.06	2,051,026.17	4,721.70	8,699.35	1,443,011.76	2,059,725.52
Total Liabilities	6,522,716.94	7,030,353.96	4,721.70	8,699.35	6,527,438.64	7,039,053.31
Net Position						
Invested in Capital Assets	6,362,573.80	5,619,422.81	124,824.94	102,062.09	6,487,398.74	5,721,484.90
Restricted	7,617,149.91	6,679,019.61			7,617,149.91	6,679,019.61
Unrestricted	(3,306,800.95)	(3,033,123.49)	247,174.47	285,004.59	(3,059,626.48)	(2,748,118.90)
Total Net Position	10,672,922.76	9,265,318.93	371,999.41	387,066.68	11,044,922.17	9,652,385.61

Changes in net position. The total general fund revenue of the District decreased approximately \$325,009.10 due to an decrease in Operating grants. The local tax levy is 39.08% of total general fund revenues. The municipality levies this tax on properties located in the Borough and remits the collections on a monthly basis to the District.

Approximately 51.22% of the District's revenue comes from the State of New Jersey in the form of non-restricted state aid. This aid is based on the District's enrollment as well as other factors such as legislative funding of the SFRA formula. The District expenses are primarily related to instruction, administration, and plant operations.

	2023		2022	
	2023 Amount	Percentage	2022 Amount	Percentage
Property taxes	8,117,979.00	39.08%	7,972,276.08	37.79%
Unrestricted Federal and State aid	10,640,338.98	51.22%	6,062,140.72	28.73%
Tuition Received	2,187,898.44	10.53%	2,108,786.95	10.00%
Miscellaneous	209,660.51	1.01%	440,443.65	2.09%
Operating grants and contributions	(382,707.56)	-1.84%	4,514,531.07	21.40%
Totals	20,773,169.37	100.00%	21,098,178.47	100.00%

Governmental Activities

The following schedule summarizes the governmental and business-type activities of the District during the 2023 and 2022 fiscal years.

	Governmental Activities		Business-type Activities		Totals	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues						
Program revenue						
Charges for services	2,187,898.44	2,108,786.95	145,706.82	5,068.75	2,333,605.26	2,113,855.70
Federal and state grants	(344,664.99)	4,514,531.07	259,701.80	481,983.84	(84,963.19)	4,996,514.91
General revenues						
Property taxes	8,117,979.00	7,972,276.08			8,117,979.00	7,972,276.08
State aid entitlements	10,640,338.98	6,062,140.72			10,640,338.98	6,062,140.72
Miscellaneous	209,660.51	440,443.65			209,660.51	440,443.65
Total revenues	20,811,211.94	21,098,178.47	405,408.62	487,052.59	21,216,620.56	21,585,231.06
Expenses						
Instruction:						
Regular	5,985,585.28	5,522,502.13			5,985,585.28	5,522,502.13
Special Education	4,326,343.47	2,179,621.38			4,326,343.47	2,179,621.38
Other special instruction	707,644.11	528,822.28			707,644.11	528,822.28
Other Instruction	180,346.97	109,320.65			180,346.97	109,320.65
Support services:					-	
Tuition	497,146.65	379,857.40			497,146.65	379,857.40
Student & instruction related	3,117,342.05	1,935,119.64			3,117,342.05	1,935,119.64
School admin services	626,979.77	444,303.23			626,979.77	444,303.23
General admin services	506,254.68	787,379.76			506,254.68	787,379.76
Central Services	289,622.81				289,622.81	-
Admin. Info Tech.	203,796.47				203,796.47	-
Plant operations/maint	1,977,074.01	1,606,051.64			1,977,074.01	1,606,051.64
Pupil transportation	888,160.45	395,822.45			888,160.45	395,822.45
Unallocated Benefits	-	4,986,222.61			-	4,986,222.61
Int & Charges on Long-Term Debt	78,622.39	118,679.39			78,622.39	118,679.39
Transfer to Charter Schools	18,689.00	13,951.00			18,689.00	13,951.00
Unallocated Depreciation	-	456,992.68			-	456,992.68
Business-type activities			420,475.89	414,841.87	420,475.89	414,841.87
Total expenses	19,403,608.11	19,464,646.24	420,475.89	414,841.87	19,824,084.00	19,879,488.11
Excess (Deficiency) before Extraordinary and Special Transfers and adjustments	1,407,603.83	1,633,532.23	(15,067.27)	72,210.72	1,392,536.56	1,705,742.95
Increase (decrease) in net position	1,407,603.83	1,633,532.23	(15,067.27)	72,210.72	1,392,536.56	1,705,742.95

+

Business-type Activities

Operating revenues of the District's business-type activities decreased by \$286,966.53 from the previous year and expenditures increased by \$61,038.13.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As of the year end, the governmental funds reported a combined fund balance of \$7,455,869.26 which is \$412,863.08 higher than the beginning of the year. This is mainly a result of additional state and federal funding.

General Fund Budgetary Highlights

As further explained in the notes to the Financial Statements, annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budgets are submitted to the County office annually. Transfers of appropriations that do not exceed 10% on a cumulative basis may be made by Board resolution at any time during the fiscal year. Transfers of appropriations that exceed 10% on a cumulative basis must be approved by the Commissioner of Education. The District is permitted to encumber funds throughout the year for purchases ordered but not yet received. Any open encumbrances as of June 30th carry over to the next fiscal year and are added to the appropriation reflected in the certified budget.

After adjusting total revenue reported on Exhibit C-1 for the Reimbursed TPAF Social Security Contribution and on-behalf TPAF Pension Contributions, which are not budgeted, the District's actual revenue was less than the budget by \$5,110.83. This is a result of a decrease in miscellaneous revenue. Again, after adjusting for the Reimbursed TPAF Social Security Contribution, on-behalf TPAF Pension Contributions, actual expenditures were \$3,438,314.00 less than the budgeted appropriations. This is result of lower instruction costs, transportation, and capital outlay costs.

{This section is intentionally left blank}

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2023, the District had invested over \$8 million, net of depreciation, in a broad range of capital assets, including land, buildings and equipment. Refer to Note 4 for more detailed information.

	Governmental Activities		Business-type Activities		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land and Improvements	\$ 13,074.38	15,378.28			13,074.38	15,378.28
Buildings and Improvements	7,518,391.37	7,854,251.36			7,518,391.37	7,854,251.36
Equipment	1,351,108.05	890,509.59	124,824.94	102,062.09	1,475,932.99	992,571.68
Total	<u>\$8,882,573.80</u>	<u>8,760,139.23</u>	<u>124,824.94</u>	<u>102,062.09</u>	<u>9,007,398.74</u>	<u>8,862,201.32</u>

Long-term Debt

At June 30, 2023, the School district has \$5,079,866.53 of outstanding debt.

	Balance	Issued	Retired/ Adjusted	Balance
	June 30, 2022		June 30, 2023	
General Obligations Bonds	\$ 2,820,000.00		300,000.00	2,520,000.00
Unamortized Bond Premiums	359,063.06		50,691.25	308,371.81
Compensated Absences Payable	308,583.73	4,203.99		312,787.72
Net Pension Liability	1,491,681.00	447,026.00		1,938,707.00
Total	<u>\$ 4,979,327.79</u>	<u>451,229.99</u>	<u>350,691.25</u>	<u>5,079,866.53</u>

More detailed information about the District's long-term debt is presented in Note 5 to the financial statements.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to present users (residents, receiving districts, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have questions about the report or need additional financial information, contact the District's business administrator at 111 Warwick Road, Stratford, New Jersey 08084.

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

BASIC FINANCIAL STATEMENTS

The basic financial statements provide a financial overview of the district's operation. These financial statements present the financial position and operating results of all funds as of June 30, 2023

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

DISTRICT-WIDE FINANCIAL STATEMENTS

The district-wide financial statements provide a financial overview of the district's operation. These financial statements present the financial position and operating results of the governmental and business-type funds as of June 30, 2023

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

Stratford Borough School District
Statement of Net Position
June 30, 2023

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	5,812,386.35	220,341.98	6,032,728.33
Receivables, net			-
Due from other governments	2,312,831.62	11,550.20	2,324,381.82
Internal Funds	11,278.59	(11,278.59)	(0.00)
Other receivables	-	17,283.41	17,283.41
Right to Use Leased Assets	4,560.35		4,560.35
Inventory	-	13,999.17	13,999.17
Capital assets not being depreciated:			
Land	2.00		2.00
Construction in progress	-		-
Capital assets, net of accumulated depreciation	8,882,571.80	124,824.94	9,007,396.74
Total Assets	<u>17,023,630.71</u>	<u>376,721.11</u>	<u>17,400,351.82</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	139,076.00		139,076.00
Loss on Refunding Bonds	32,932.99	-	32,932.99
Total Deferred Outflows of Resources	<u>172,008.99</u>	<u>-</u>	<u>172,008.99</u>
LIABILITIES			
Accounts payable	15,238.94	-	15,238.94
Payroll deductions payable	37,891.32		37,891.32
Accrued Interest Payable	51,208.33		51,208.33
Deferred Revenue	489,907.60	4,721.70	494,629.30
Due to Grantor	99,546.87		99,546.87
Noncurrent liabilities:			
Due within one year	360,691.25		360,691.25
Due beyond one year	2,785,028.63		2,785,028.63
Net Pension Liability	1,938,707.00		1,938,707.00
Total liabilities	<u>5,778,219.94</u>	<u>4,721.70</u>	<u>5,782,941.64</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	<u>744,497.00</u>		<u>744,497.00</u>
NET POSITION			
Invested in Capital Assets, net of related debt	6,362,573.80	124,824.94	6,487,398.74
Restricted for:			
Other purposes	7,617,149.91	-	7,617,149.91
Unrestricted	(3,306,800.95)	247,174.47	(3,059,626.48)
Total Net Position	<u>10,672,922.76</u>	<u>371,999.41</u>	<u>11,044,922.17</u>

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

**Stratford Borough School District
Statement of Activities
For the Year Ended June 30, 2023**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular	3,869,659.74	2,115,925.54	2,187,898.44	(611,364.22)	(4,409,051.06)	-	(4,409,051.06)
Special education	2,802,351.99	1,523,991.48		345,021.63	(3,981,321.84)		(3,981,321.84)
Other special instruction	456,349.30	251,294.81		(72,607.78)	(780,251.89)		(780,251.89)
Other instruction	116,303.12	64,043.85		(18,504.49)	(198,851.46)		(198,851.46)
Support services:							
Tuition	515,835.65			-	(515,835.65)		(515,835.65)
Student and Instruction Related Services	2,010,328.15	1,107,013.90		(21,305.28)	(3,138,647.33)		(3,138,647.33)
General Administration	326,722.83	179,531.85		3,842.67	(502,412.01)		(502,412.01)
School Administration	404,635.48	222,344.29		4,759.02	(622,220.75)		(622,220.75)
Central Services	186,914.59	102,708.22		2,198.35	(287,424.46)		(287,424.46)
Administrative Information Technology	131,524.63	72,271.84		1,546.89	(202,249.58)		(202,249.58)
Plant Operations and Maintenance	1,275,949.12	701,124.89		15,006.74	(1,962,067.27)		(1,962,067.27)
Pupil Transportation	573,194.30	314,966.15		6,741.48	(881,418.97)		(881,418.97)
Unallocated benefits	6,655,216.82	(6,655,216.82)			-		-
Interest and Charges on Long-Term Debt	78,622.39			-	(78,622.39)		(78,622.39)
Total governmental activities	19,403,608.11	-	2,187,898.44	(344,664.99)	(17,560,374.66)	-	(17,560,374.66)
Business-type activities:							
Food Service	420,475.89		145,706.82	259,701.80		(15,067.27)	(15,067.27)
Total business-type activities	420,475.89		145,706.82	259,701.80		(15,067.27)	(15,067.27)
Total Primary Government	19,824,084.00		2,333,605.26	(84,963.19)	(17,560,374.66)	(15,067.27)	(17,575,441.93)
General revenues:							
Taxes:							
Property taxes, levied for general purposes					7,689,079.00	-	7,689,079.00
Property taxes, levied for debt service					428,900.00		428,900.00
Federal and State Aid Not Restricted					10,640,338.98		10,640,338.98
Miscellaneous Income					209,660.51		209,660.51
Total General Revenues, Special Items, Extraordinary Items, and Transfers					18,967,978.49	-	18,967,978.49
Change in Net Position					1,407,603.83	(15,067.27)	1,392,536.56
Net Position—beginning					9,265,318.93	387,066.68	9,652,385.61
Net Position—ending					10,672,922.76	371,999.41	11,044,922.17

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

FUND FINANCIAL STATEMENTS

The combining and individual fund statements and schedules present more detailed information for the individual funds in a format that segregates information by fund type. The statements are segregated as follows:

Governmental Funds - This section consists of the general, special revenue, capital projects funds.

Proprietary Funds - This section consists of the food service fund and internal service funds. This fund is operated in a manner similar to a private business enterprise.

Fiduciary Funds - This section consists of the unemployment compensation insurance trust fund, the student activity fund, and the payroll agency fund.

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

Stratford Borough School District
Balance Sheet
Governmental Funds
June 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS:				
Cash and cash equivalents	5,812,386.35			5,812,386.35
Due from other funds	525,795.95			525,795.95
Receivables from other governments	1,136,950.59	961,431.03	214,450.00	2,312,831.62
Other Receivables	-			-
Total assets	<u>7,475,132.89</u>	<u>961,431.03</u>	<u>214,450.00</u>	<u>8,651,013.92</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	15,238.94			15,238.94
Due to other funds		300,067.84	214,449.52	514,517.36
Due to Grantor		99,546.87		99,546.87
Payroll Deductions Payable	37,891.32			37,891.32
Unearned revenue		489,907.60		489,907.60
Total liabilities	<u>53,130.26</u>	<u>889,522.31</u>	<u>214,449.52</u>	<u>1,157,102.09</u>
Fund Balances:				
Restricted for:				
Excess surplus	3,324,102.47			3,324,102.47
Excess surplus - designated for Subsequent year's expenditures	2,827,538.21			2,827,538.21
Capital Projects				-
Debt Service			0.48	0.48
Reserve for Unemployment Fund	63,560.16			63,560.16
Committed to:				
Maintenance Reserve	212,147.29			212,147.29
Capital Reserve	846,580.00			846,580.00
Assigned to:				
Designated for Subsequent Year's Expenditures	261,961.79			261,961.79
Encumbrances	144,819.67			144,819.67
Unassigned, reported in:				
General Fund	(258,706.96)			(258,706.96)
Special Revenue Fund		71,908.72		71,908.72
Total Fund balances	<u>7,422,002.63</u>	<u>71,908.72</u>	<u>0.48</u>	<u>7,493,911.83</u>
Total Liabilities and Fund Balances	<u>7,475,132.89</u>	<u>961,431.03</u>	<u>214,450.00</u>	

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 \$18,418,720.33, and the accumulated depreciation is \$9,536,146.53	8,882,573.80
Accrued interest payments on long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(51,208.33)
Pension Liabilities Net of Deferred Outflows & Inflows	(2,544,128.00)
Deferred Outflows related to loss on bond refunding of debt	32,932.99
Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds.	4,560.35
Long-term liabilities, including capital leases payable, are not due and payable in the current period therefore, are not reported as liabilities in the funds.	<u>(3,145,719.88)</u>
Net assets of governmental activities	<u>10,672,922.76</u>

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Local tax levy	7,689,079.00		428,900.00	8,117,979.00
Tuition	2,187,898.44			2,187,898.44
Miscellaneous	209,660.51	95,315.18		304,975.69
State sources	10,630,065.76	425,052.13	-	11,055,117.89
Federal sources	10,273.22	563,537.68		573,810.90
Total revenues	<u>20,726,976.93</u>	<u>1,083,904.99</u>	<u>428,900.00</u>	<u>22,239,781.92</u>
EXPENDITURES				
Current:				
Regular instruction	4,297,337.80			4,297,337.80
Special education instruction	2,344,590.06	785,355.60		3,129,945.66
Other special instruction	510,367.05			510,367.05
Other instruction	130,069.83			130,069.83
Support services and undistributed costs:				
Tuition	515,835.65			515,835.65
Student and Instruction Related Services	1,956,901.28	291,388.00		2,248,289.28
General Administration	364,620.11			364,620.11
School Administration	451,570.02			451,570.02
Central Services	208,595.21			208,595.21
Administrative Information Technology	146,780.46			146,780.46
Plant Operations and Maintenance	1,423,949.22			1,423,949.22
Pupil Transportation	639,680.34			639,680.34
Unallocated Benefits	6,655,216.82			6,655,216.82
Capital outlay	637,718.82	-		637,718.82
Debt Service:				
Principal	-		300,000.00	300,000.00
Interest and Other Charges	-		128,900.00	128,900.00
Total expenditures	<u>20,283,232.67</u>	<u>1,076,743.60</u>	<u>428,900.00</u>	<u>21,788,876.27</u>
Excess (Deficiency) of revenues over expenditures	<u>443,744.26</u>	<u>7,161.39</u>	<u>-</u>	<u>450,905.65</u>
OTHER FINANCING SOURCES (USES)				
Transfer to Preschool Aid	-			-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	443,744.26	7,161.39	-	450,905.65
Fund balance - July 1	<u>6,978,258.37</u>	<u>64,747.33</u>	<u>0.48</u>	<u>7,043,006.18</u>
Fund balance—June 30	<u><u>7,422,002.63</u></u>	<u><u>71,908.72</u></u>	<u><u>0.48</u></u>	<u><u>7,493,911.83</u></u>

**Stratford Borough School District
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Year Ended June 30, 2023**

Total net change in fund balances - governmental funds (from B-2)		450,905.65
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>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.</p>		
	Depreciation expense	(488,128.91)
	Capital Outlays	<u>610,563.48</u>
		122,434.57
<p>Repayment of bond and loan 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.</p>		
		300,000.00
<p>Governmental funds report the effect of premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these transactions is as follows:</p>		
	Prior Year	320,716.40
	Current Year	<u>(275,438.79)</u>
		45,277.61
<p>District pension contributions - PERS</p>		
		162,000.00
<p>Cost of benefits earned net of employee contributions</p>		
		<u>326,191.00</u>
		488,191.00
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).</p>		
		(4,205.00)
<p>In the Statement of Activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The (decrease)/increase in accrued interest from the previous year is an increase/(decrease) in the reconciliation.</p>		
		5,000.00
Change in net assets of governmental activities		<u><u>1,407,603.83</u></u>

Stratford Borough School District
Statement of Net Position
Proprietary Funds
June 30, 2023

	Business-type Activities - Enterprise Funds
	Food Service
ASSETS	
Current assets:	
Cash and cash equivalents	220,341.98
Accounts receivable	
State	507.49
Federal	11,042.71
Other	17,283.41
Inventories	13,999.17
Total current assets	263,174.76
Noncurrent assets:	
Furniture, machinery & equipment	354,888.30
Less accumulated depreciation	(230,063.36)
Total noncurrent assets	124,824.94
Total assets	387,999.70
LIABILITIES	
Current liabilities:	
Accounts Payable	-
Deferred Revenue	4,721.70
Interfunds Payable	11,278.59
Total liabilities	16,000.29
NET POSITION	
Invested in capital assets net of accumulated depreciation	124,824.94
Unrestricted	247,174.47
Total net position	371,999.41

Stratford Borough School District
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
OPERATING REVENUES:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 68,097.34
Daily Sales - Non-Reimbursable Programs	49,492.43
Miscellaneous	28,117.05
	145,706.82
OPERATING EXPENSES:	
Salaries	183,394.29
Employee Benefits	-
Other Purchased Services	7,268.78
Supplies	9,901.24
Travel	-
Management Company Fee	39,439.20
Cost of Sales - Reimbursable	128,009.94
Cost of Sales - Non-Reimbursable	17,800.60
Depreciation	23,724.39
Other Costs	10,937.45
	420,475.89
Total Operating Revenues	145,706.82
Total Operating Expenses	420,475.89
Operating income (loss)	(274,769.07)
NONOPERATING REVENUES:	
State sources:	
State School Lunch Program	6,354.73
State School Breakfast Program	1,918.60
Federal sources:	
National School Lunch Program	186,037.01
National School Breakfast Program	35,474.83
Food Distribution Program	29,916.63
	259,701.80
Total Nonoperating Revenues	259,701.80
Net Income/(loss)	(15,067.27)
Transfer to other Funds	-
Adjustment to Fixed Assets	-
Net Position - July 1	387,066.68
Net Position - June 30	\$ 371,999.41

**Stratford Borough School District
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023**

	Business-type Activities - Enterprise Fund
	Food Service
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	\$ 128,423.41
Cash payments to employees for services	(183,394.29)
Cash payments to suppliers for goods and services	(189,620.48)
Net cash provided/(used) by operating activities	(244,591.36)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Cash received from state and federal reimbursements	248,497.10
Net cash provided by noncapital financing activities	248,497.10
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:	
Purchase of equipment	(46,487.24)
Net cash (used) by capital financing activities	(46,487.24)
Net Increase/(Decrease) in Cash and Cash Equivalents	(42,581.50)
Cash and Cash Equivalents, July 1	262,923.48
Cash and Cash Equivalents, June 30	220,341.98
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income/(Loss)	(274,769.07)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash provided by (used for) Operating Activities:	
Depreciation	23,724.39
Federal Commodities	29,916.63
Change in assets and liabilities:	
(Increase) in accounts receivable	(17,283.41)
Decrease in inventory	(2,202.25)
(Decrease) in accounts payable	-
Increase in unearned revenue	(3,977.65)
Net Cash Provided by (Used for) Operating Activities	\$ (244,591.36)

**STRATFORD BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Stratford Borough School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of appointed officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

The financial statements of the Board of Education (Board) of the Stratford Borough School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB). The more significant accounting policies established in GAAP and used by the District are discussed below.

A. REPORTING ENTITY:

The Stratford Borough School District is a Type II district located in the County of Camden, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. A Superintendent is appointed by the Board and is responsible for the administrative control of the District. The purpose of the district is to educate students in grades K-8. The Stratford Borough School District had an approximate enrollment at June 30, 2023 of 899 students.

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

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

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

B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS:

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's general, special revenue, capital project, and debt service activities are classified as governmental activities. The District's food service and latch-key program are classified as business-type activities.

In the governmental-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts—invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions and business-type activities (food service and latch-key program). The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (regular instruction, special education, student & instruction related services, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

**STRATFORD BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, interest income, etc.).

- a. The District does allocate indirect costs such as depreciation expense, compensated absences, On-behalf TPAF Pension Contributions, On-behalf TPAF Post Retirement Medical Contributions and Reimbursed TPAF Social Security Contributions.

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities. Fiduciary funds are not included in the government-wide statements.

C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues, and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements. The State of New Jersey Department of Education has mandated that all New Jersey School Districts must report all governmental funds as major, regardless of the fund meeting the GASB definition of a major fund. However, the criteria is applied to proprietary funds.

The following fund types are used by the District:

1. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District.

- a. **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.
- b. **Special revenue** funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for a specific purpose. The special revenue fund is specifically used to account for state and federal grant monies that have been allocated to the District.
- c. **Capital projects** funds are 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.
- d. **Debt Service** funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

Fund Balances – Governmental Funds

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

Nonspendable – 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.

**STRATFORD BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

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:

The details of the fund balances are included in the Governmental Funds Balance Sheet. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an 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.

2. Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, 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:

- a. **Enterprise funds** are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designated to recover similar costs. The District’s enterprise funds consist of a food service fund, latch-key program and internal service fund.

3. Fiduciary Funds:

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support District programs. The reporting focus is on net position and changes in net position, and are reported using accounting principles similar to proprietary funds.

The District’s fiduciary funds are presented in the fiduciary fund financial statements by type (pension, private purpose and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

All fund internal activity is eliminated when carried to the Government-wide statements.

**STRATFORD BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

D. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual:

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

E. FINANCIAL STATEMENT AMOUNTS

1. Cash and Cash Equivalents:

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. 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. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

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

2. Investments:

Investments, including deferred compensation and pension funds, are stated at fair value, (quoted market price or the best available estimate). Interest earned on investments in the Capital Projects Fund is recognized as a reserve to pay future debt service or transferred to the general fund.

**STRATFORD BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

3. Inventories:

Inventories in the general fund consist of expendable supplies held for the District's use and are carried at cost using the first-in, first-out method. Inventories in the enterprise fund are valued at cost, which approximates market, using the first-in, first –out method. As of June 30, 2023, the District did not have inventory in the general fund and had the following inventory in the enterprise fund:

Food	\$12,086.23
Supplies	1,912.94
Total	<u>\$13,999.17</u>

The value of Federal donated commodities is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements. The value of commodities included in the food inventory on June 30, 2023 is \$8,637.39.

4. Capital:

Capital assets purchased or acquired with an original cost of \$2,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	30-50 years
Equipment & Vehicles	3-20 years
Improvements	10-50 years
Software	5-7 years

Infrastructure assets include roads, parking lots, underground pipes, etc. The District includes all infrastructure assets as depreciable assets in the financial statements.

5. Revenues:

Substantially all governmental fund revenues are accrued. Property taxes are susceptible to accrual and under New Jersey State Statutes a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non operating revenue. In respect to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements are met. Resources transmitted before eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient. Program revenues, including tuition revenue are reported as reductions to expenses in the statement of activities.

6. Expenditures:

Expenses are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

**STRATFORD BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

7. 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 Financial Statements as a Governmental Activity.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

8. Interfund Activity:

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related costs as reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

9. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office for approval and, as long as the District budget is within State mandated CAPs, there is no public vote on the budget. If the budget exceeds State mandated CAPs, the voters have an opportunity to approve or reject the budget at the regular election held in November. 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. 6:23-2(g). Transfers of appropriations may be made by School Board resolution at any time during the fiscal year and are subject to a two-thirds majority vote by the School Board and under certain circumstances require approval by the County Superintendent of Schools.

The following are the major transfers made during the year.

**STRATFORD BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

	<u>To</u>	<u>From</u>
Regular Programs - Instruction - Grades 1-5 Salaries	\$	55,053.30
Special Education - Mild Dis - Salaries of Teachers		35,400.20
Resource Room - Salaries of Teachers	163,197.04	
Special Ed - Multiple Dis - General Supplies		38,834.02
Tuition to CSSD & Reg Day Schools		155,903.94
Tuition to Private Schools for Dis - Within State	93,996.03	
Undis Exp - Speech OT PT - Salaries		67,693.89
Undis Exp - Speech OT PT - Purch Prof Svcs	81,130.80	
Undis Exp - Other Supprt Svcs - Supplies		74,000.00
Undis Exp - Guidance - Salaries of Other Prof Staff	40,000.00	
Student Transportation - Cont. Serv (Home&School) - Joint	171,868.60	
Student Transportation - Cont. Serv (Sp Ed) - ESCs and CTAs		218,634.41
Unallocated Benefits - Health Benefits	144,217.50	
Unallocated Benefits - Other Employee Benefits		94,461.14
Unallocated Benefits - Unused Sick Pay to Term/Ret	89,863.97	
Capital Outlay - Custodial Services	38,338.50	

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

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

10. Encumbrances

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

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

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

**STRATFORD BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

11. Tuition Payable

Tuition charges for the fiscal years 2022/23 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

12. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those results.

13. Allocation of Costs

In the government-wide statement of activities, the District has allocated unallocated benefits to various programs based on the actual expenditures by program.

14. Pensions

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

F. RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE

In April 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 99, "Omnibus 2022". This statement, which is effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter, may have an effect on the District's financial reporting.

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 100, "Accounting Changes and Error Corrections (an amendment of GASB Statement No. 62)". This statement, which is effective for fiscal years beginning after June 15, 2023, may have an effect on the District's financial reporting.

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 101, "Compensated Absences". This statement, which is effective for fiscal years beginning after December 15, 2023, may have an effect on the District's financial reporting.

NOTE 2. INVESTMENTS

As of June 30, 2023, the District had no investments.

Interest Rate Risk. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A:20-37 limits the length of time for most investments to 397 days.

Credit Risk. New Jersey Statutes 18A:20-37 limits District investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America or of the District or the local units in which the District is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk. The District places no limit on the amount the District may invest in any one issuer.

**STRATFORD BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

NOTE 3. CASH

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The District’s policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2023, \$0 of the District’s bank balance of \$6,463,424.98 was exposed to custodial credit risk.

NOTE 4. FIXED ASSETS

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

	<u>Balance June 30, 2022</u>	<u>Additions</u>	<u>Disposals/ Adjustments</u>	<u>Balance June 30, 2023</u>
Governmental Activities:				
Capital assets that are not being depreciated:				
Land	\$ 2.00			2.00
Total capital assets not being depreciated	<u>2.00</u>	<u>-</u>	<u>-</u>	<u>2.00</u>
Land Improvements	387,807.00			387,807.00
Bldg and bldg improve	15,060,352.45	47,660.00		15,108,012.45
Equipment	2,359,995.40	562,903.48		2,922,898.88
Total at historical cost	<u>17,808,154.85</u>	<u>610,563.48</u>	<u>-</u>	<u>18,418,718.33</u>
Less accum depr for:				
Land Improvements	(372,430.72)	(2,303.90)		(374,734.62)
Bldg and improve	(7,206,101.09)	(383,519.99)		(7,589,621.08)
Equipment	(1,469,485.81)	(102,305.02)		(1,571,790.83)
Total accum deprec	<u>(9,048,017.62)</u>	<u>(488,128.91)</u>	<u>-</u>	<u>(9,536,146.53)</u>
Total capital assets being depr, net of accum depr	<u>8,760,137.23</u>	<u>122,434.57</u>	<u>-</u>	<u>8,882,571.80</u>
Governmental activities capital assets, net	<u>\$ 8,760,139.23</u>	<u>122,434.57</u>	<u>-</u>	<u>8,882,573.80</u>
Business-type activities:				
Equipment	\$ 308,401.06	46,487.24		354,888.30
Less accum depr for:				
Equipment	(206,338.97)	(23,724.39)		(230,063.36)
Business-type activities capital assets, net	<u>\$ 102,062.09</u>	<u>22,762.85</u>	<u>-</u>	<u>124,824.94</u>

**STRATFORD BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

Depreciation expense was charged to governmental functions as follows:

Regular instruction	\$	155,193.20
Special education		111,777.62
Other special instruction		18,431.29
Other instruction		4,697.32
Student & instruction related services		81,194.27
School administrative expenses		16,307.91
General and business administration		13,167.82
Central services		7,533.17
Info technology		5,300.80
Plant operations and maintenance		51,424.22
Transportation		23,101.29
	\$	488,128.91

NOTE 5. GENERAL LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2023 was as follows:

		Balance June 30, 2022	Issued	Retired	Balance June 30, 2023	Amounts Due Within One Year
General Obligation Bonds	\$	2,820,000.00		300,000.00	2,520,000.00	310,000.00
Compensated Absences		308,583.73	4,205.00		312,788.73	
Unamortized Bond Premiums		359,063.06		50,691.25	308,371.81	50,691.25
Net Pension Liability		1,491,681.00	447,026.00		1,938,707.00	
	\$	4,979,327.79	451,231.00	350,691.25	5,079,867.54	360,691.25

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

On May 5, 2019, the School District issued \$3,415,000 Refunding School Bonds. The purpose of the Bonds is to refund the callable portion of the outstanding 2009 Bond Issue. The Refunding Bonds generated \$366,000 in gross debt service savings and an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$292,365.76 or a net annual present value savings of 7.73%. The Refunding Bonds were issued at interest rates varying from 2.00% to 5.00% and mature on August 1, 2029.

**STRATFORD BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

Debt Service requirements on serial bonds payable at June 30, 2023 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 310,000	116,700	426,700
2025	325,000	102,375	427,375
2026	345,000	85,625	430,625
2027	360,000	68,000	428,000
2028	375,000	49,625	424,625
2029-2030	805,000	40,625	845,625
	\$ 2,520,000	462,950	2,982,950

Lease Liability

The District entered into agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at present value of the future minimum lease payments as of the date of their inception. The District has determined the accumulated amortization to be immaterial to the governmental-wide financial statements and has elected to record the remaining payments in full.

The first agreement was executed in December 2020, to lease copiers within the school district. The term of the lease is 48 months and matures in November 2024. The remaining liability as of June 30, 2023, is \$921.91.

The second agreement was executed in November 2022, to a mail machine within the school district. The term of the lease is 60 months and matures in October 2027. The remaining liability as of June 30, 2023, is \$3,638.44.

The future minimum lease obligations as of June 30, 2023, are as follows:

Year Ending June 30,	
2024	\$ 1,490.40
2025	1,110.79
2026	839.64
2027	839.64
2028	279.88
	\$ 4,560.35

NOTE 6. PENSION PLANS

Description of Plans

All required employees of the District are covered by either the Public Employees' Retirement System or the Teacher's Pension and Annuity Fund cost-sharing multiple-employer defined benefit pension plans which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate.

**STRATFORD BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or the reports can be accessed on the internet at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Teachers' Pension and Annuity Fund

The Teachers' Pension and Annuity Fund was established in January, 1955 under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, 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.

Public Employees' Retirement System

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

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 7.50% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 7.50% and the PERS rate is 7.50% of covered payroll. The School District's contributions to TPAF for the years ending June 30, 2023, 2022 and 2021 were \$2,314,078, \$2,345,113, and \$2,221,657, respectively, and paid by the State of New Jersey on behalf of the board, equal to the required contributions for 2008. However, the contributions for 2011 and 2010 were not made by the State. The School District's contributions to PERS for the years ending June 30, 2023, 2022 and 2021 were \$162,000, \$147,451.42, and \$161,619, respectively, equal to the required contributions for each year.

During the fiscal years ended June 30, 2023, 2022 and 2021, the State of New Jersey contributed \$607,903, \$548,533, and \$530,526, respectively, to the TPAF for post-retirement medical benefits on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$537,743.76, \$515,598.70, and \$459,987.79 during the same fiscal years for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts, which are not required to be budgeted, have been included in the financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance in GASB 27.

Significant Legislation

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Teachers' Pension and Annuity Fund (TPAF) operate and to the benefit provisions of those systems.

**STRATFORD BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

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

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PERS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, and employer contributions to the retirement systems.

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to $\frac{1}{60}$ th from $\frac{1}{55}$ th, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined a $\frac{1}{7}$ th of the required amount, beginning in fiscal years 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

**STRATFORD BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

NOTE 7. PENSION LIABILITIES – PUBLIC EMPLOYEES’ RETIREMENT SYSTEM (PERS)

In 2012, the Governmental Accounting Standards Board issued GASB statement 68. This statement is effective for fiscal years beginning after June 15, 2014. This statement changes the method of reporting the District’s pension liabilities. The following information describes the District’s proportionate share of the statewide pension system’s liabilities and expenses.

The following represents the District’s pension liabilities as June 30, 2022:

Public Employees’ Retirement System

The District has a liability of \$1,938,707 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 that was rolled forward to June 30, 2022. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the District’s proportion is 0.01284645760%, which is an increase of 2.02% from its proportion measured as of June 30, 2021.

For the year ended December 31, 2022, the District recognized negative pension expense of \$326,191. At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected & actual experience	\$ 13,993	\$ (12,340)
Changes of assumptions	6,007	(290,301)
Net difference between projected and actual earnings on pension plan investments	80,241	-
Changes in proportion	<u>38,835</u>	<u>(441,856)</u>
Total	<u>\$ 139,076</u>	<u>\$ (744,497)</u>

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

Year ended June 30,	
2024	\$ (553,388)
2025	(203,810)
2026	(14,320)
2027	167,398
2028	<u>(1,301)</u>
Total	<u>\$ (605,421)</u>

**STRATFORD BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

Actuarial Assumptions

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

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases:	2.75% – 6.55% (based on years of service)
Investment rate of return:	7.00%

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US 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%

**STRATFORD BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for 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 in determining the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Municipality's proportionate share of the net pension liability	\$ 2,324,907	\$ 1,938,707	\$ 1,610,400

Pension plan fiduciary net position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

NOTE 8. PENSION LIABILITIES - TEACHERS' PENSION AND ANNUITY FUND (TPAF)

At June 30, 2022, the District liability for its proportionate share of the net pension liability which is considered a Special Funding Situation with the State of New Jersey is reported below.

The employer contributions for local participating employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 18:66-33. Therefore, 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 non-employer contributing entity. Since the local participating employers do not contribute directly to the plan, 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 non-employer 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 non-employer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

**STRATFORD BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$	-
State's proportionate share of the net position liability associated with the District		28,982,610.00
Total	\$	28,982,610.00

The net pension liability was measured as of June 30, 2022 and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2022, the District's proportion was 0.00%, which was no change from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the District recognized pension expense of \$780,003 and revenue of \$780,003 for support provided by the State.

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

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary increases	2.75% - 5.65% (based on years of service)
Investment rate of return	7.00%

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

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

**STRATFORD BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(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 Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return.
US 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	2.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	8.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	5.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

Discount rate.

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

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.0% as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.0%) or 1-percentage point higher (8.0%) than the current rate:

**STRATFORD BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -
State's proportionate share of the net position liability associated with the District	\$ 33,982,726.12	\$ 28,982,610.00	\$ 24,770,640.46

Pension plan fiduciary net position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued TPAF financial report.

Additional Information

Collective balances of the local group at June 30, 2022 are as follows:

Deferred outflows of resources	\$	5,004,259,312
Deferred inflows of resources		19,682,774,794
Net pension liability		51,676,587,303

Collective pension expense for the plan for the measurement period ended June 30, 2022 is \$1,390,761,344.

NOTE 9. OTHER POST-RETIREMENT BENEFITS

General Information about the OPEB Plan

State Health Benefit State Retired Employees Plan:

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

**STRATFORD BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

prescription drugs and medical claims costs. In accordance with the provisions of GASBE Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent, from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Total OPEB Liability

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education/board of trustees. Note that actual numbers will be published in June 30, 2023 III-3.8 the NJ State ACFR on the Office of Management and Budget's Financial Publications webpage: [NJ OMB - Financial Publications](#)

Actuarial assumptions and other imputes. The total OPEB liability in the June 30, 2022, actuarial valuation reported by the State in the State's most recently issued ACFR 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 and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary Increases

TPAF/ABP	PERS	PFRS
2.75% to 4.25% based on service years	2.75% to 6.55% based on service years	3.25% to 16.25% based on service years

Mortality Rates

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-2020 "Safety" (PFRS), "General" (PERS), and "Teachers" (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

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

**STRATFORD BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.5% 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 4.5% 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 4.5% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate

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

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

Balance at 6/30/22 (Based on 6/30/2021 measurement date)	\$ 60,007,650,970.00
Changes for the year:	
Service cost	2,770,618,025.00
Interest	1,342,187,139.00
Changes in Benefit Terms	-
Differences between Expected & Actual Experiences	1,399,200,736.00
Changes in assumptions or other inputs	(13,586,368,097.00)
Contributions: Member	42,650,252.00
Benefit payments	<u>(1,329,476,059.00)</u>
Net changes	<u>(9,361,188,004.00)</u>
Balance at 6/30/23 (Based on 6/30/2022 measurement date)	<u>\$ 50,646,462,966.00</u>

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability as of June 20, 2022, respectively, calculated using a discount rate as disclosed above as well as what the total nonemployer OPEB would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease █ (2.54%)	Discount Rate █ (3.54%)	1% Increase █ (4.54%)
Total OPEB Liability	\$ 59,529,589,697.00	\$ 50,646,462,966.00	\$ 43,527,080,995.00

**STRATFORD BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	\$ 41,862,397,291.00	\$ 50,646,462,966.00	\$ 62,184,866,635.00

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

For the year ended June 30, 2022, the board of education recognized OPEB expense of \$142,447 determined by the State as the total OPEB liability for benefits provided through a defined OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75 and in which there is a special funding situation.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,042,402,619.00	\$ (15,462,950,679.00)
Changes in assumptions	8,765,620,577.00	(17,237,289,230.00)
	\$ 17,808,023,196.00	\$ (32,700,239,909.00)

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

Year Ended June 30,	
2023	\$ (2,517,151,602.00)
2024	(2,517,151,602.00)
2025	(2,517,151,602.00)
2026	(2,175,449,761.00)
2027	(1,243,951,140.00)
Thereafter	(3,921,361,006.00)
	\$ (14,892,216,713.00)

(Contributions made after June 30 are reported as deferred outflow of resources but are not amortized in the expense.)

Detailed information about the plan's fiduciary net position is available in the separately issued OPEB financial report.

**STRATFORD BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

NOTE 10. COMPENSATED ABSENCES

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee and are capped based on the terms stated in the various contracts.

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

NOTE 11. DEFERRED COMPENSATION

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

American Fund/Capital Guardian
Ameriprise Financial Services, Inc.
AXA Equitable Life Insurance Companies
ING-Reliastar Life Insurance Co.
Lincoln Investment Planning
MetLife
Siracusa Benefits Program
Vanguard Fiduciary Trust Co.

NOTE 12. 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 and surety bonds. During the fiscal year ended June 30, 2023 the District did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

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 trust fund for the current and previous two years:

**STRATFORD BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

Fiscal Year	Interest Earnings	Employee Contributions	Amount Reimbursed	Ending Balance
2023	\$ 685.33		3,407.58	63,560.16
2022	172.27	-	-	66,282.41
2021	-	17,561.87	10,752.98	66,110.14

NOTE 13. INTERFUND RECEIVABLES AND PAYABLES

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

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 525,795.95	
Special Revenue Fund		300,067.84
Debt Service Fund		214,449.52
Food Service Fund		11,278.59
Total	\$ <u>525,795.95</u>	<u>525,795.95</u>

Interfunds were created throughout the year due to short-term borrowings to cover cash flow needs in the various funds. It is anticipated that all interfunds will be liquidated during the fiscal year. All governmental fund interfunds are eliminated in the governmental-wide statements, except for Due From Agency, which is a Fiduciary Fund.

NOTE 14. ECONOMIC DEPENDENCY

The District receives support from the federal government and from the state government. A significant reduction in the level of support, if this were to occur, would have an effect on the District's programs and activities.

NOTE 15. MAINTENANCE RESERVE ACCOUNT

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

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

Beginning Balance - July 1, 2022	\$ 212,147.29
Budgeted Increase - FY 2023	
Excess Surplus Transfer by Board Resolution	
Withdrawals:	
Per Approved Budget Board Resolution	_____
Ending Balance - June 30, 2023	\$ <u>212,147.29</u>

**STRATFORD BOROUGH SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023
 (CONTINUED)**

NOTE 16. CAPITAL RESERVE

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

Funds placed in the capital reserve account are restricted to capital projects in the School District’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a School District may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year-end (June 1 to June 30) of an unanticipated revenue or unexpended line-item appropriation amounts, or both. A School District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant N.J.S.A.19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Beginning Balance - July 1, 2022	\$	846,580.00
Budgeted Increase - FY 2023		
Excess Surplus Transfer by Board Resolution		
Withdrawals:		
Per Approved Budget Board Resolution		
Ending Balance - June 30, 2023	\$	846,580.00

The June 30, 2023 balance did not exceed the LRFP balance of local support costs of uncompleted capital projects.

NOTE 17. FUND BALANCE APPROPRIATED

General Fund – Of the \$8,117,535.63 General Fund fund balance at June 30, 2023, \$144,819.67 is reserved for encumbrances; \$6,151,640.68 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$2,827,538.21 of the total reserve for excess surplus has been appropriated and also included as anticipated revenue for the year ending June 30, 2024); \$261,961.79 has been legally restricted and included as anticipated revenue for the year ending June 30, 2024; \$212,147.29 has been reserved in the Maintenance Reserve Account; \$846,580.00 has been reserved in the Capital Reserve Account, \$63,560.16 is reserved for Unemployment Compensation, and \$436,826.04 is unreserved and undesignated.

NOTE 18. CALCULATION OF EXCESS SURPLUS

In accordance with NJSA 18A:7F-7, as amended by P.L. 2004, C.73 (S1701), the designation for Reserved Fund Balance – Excess Surplus is a required calculation. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years’ budget. The excess fund balance at June 30, 2023 is \$6,151,640.68, of which \$2,827,538.21 has been appropriated and included as anticipated revenue for the year ended June 30, 2024.

**STRATFORD BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

NOTE 19. LITIGATION

From time to time, the District is a defendant in legal proceedings relating to its operations as a school district. In the best judgment of the District's management, the outcome of any legal proceedings will not have any adverse effect on the accompanying financial statements.

NOTE 20. RIGHT TO USE ASSETS

The district has recorded right to use assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability, plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place to lease into service. The District has determined the other charges and amortization to be immaterial to the government-wide financial statements and has elected to record the Right to Use Assets at their remaining liability payments.

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Copiers	\$	921.91		921.91
Mail Machine		3,638.44		3,638.44
Right to use assets, net	\$	4,560.35	-	4,560.35

NOTE 21. SUBSEQUENT EVENTS

The District has evaluated events through December 12, 2023, the date on which the financial statements were available to be issued and no additional items were noted for disclosure.

Required Supplemental Information
Part II

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

BUDGETARY COMPARISON SCHEDULES

The budgetary comparison schedules consist of the comparison of anticipated revenues and budgeted expenditures to actual results for the general and special revenue funds.

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**Stratford Borough School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 7,689,079.00	-	7,689,079.00	7,689,079.00	-
Tuition	2,200,631.00	-	2,200,631.00	2,187,898.44	(12,732.56)
Miscellaneous	284,935.00	-	284,935.00	209,660.51	(75,274.49)
Total - Local Sources	10,174,645.00	-	10,174,645.00	10,086,637.95	(88,007.05)
State Sources:					
Categorical Transportation Aid	202,610.00	-	202,610.00	202,610.00	-
Categorical Special Education Aid	437,575.00	-	437,575.00	437,575.00	-
Equalization Aid	6,119,928.00	-	6,119,928.00	6,119,928.00	-
Categorical Security Aid	137,797.00	-	137,797.00	137,797.00	-
Adjustment Aid	-	-	-	-	-
School Choice Aid	180,236.00	-	180,236.00	180,236.00	-
Extraordinary Aid	100,000.00	-	100,000.00	196,625.00	96,625.00
Nonpublic Transportation Aid	-	-	-	3,744.00	3,744.00
On-Behalf TPAF Pension Contributions (non-budgeted)	-	-	-	2,314,078.00	2,314,078.00
On-Behalf TPAF Post Retirement Medical (non-budgeted)	-	-	-	607,903.00	607,903.00
On-Behalf TPAF Long Term Disability (non-budgeted)	-	-	-	656.00	656.00
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	537,743.76	537,743.76
Total - State Sources	7,178,146.00	-	7,178,146.00	10,738,895.76	3,560,749.76
Federal Sources:					
Medicaid Aid Reimbursement	27,746.00	-	27,746.00	10,273.22	(17,472.78)
Total - Federal Sources	27,746.00	-	27,746.00	10,273.22	(17,472.78)
Total Revenues	\$ 17,380,537.00	-	17,380,537.00	20,835,806.93	3,455,269.93

**Stratford Borough School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarten	\$ 351,834.00	(6,357.34)	345,476.66	343,091.16	2,385.50
Grades 1-5	2,135,933.00	6,061.88	2,141,994.88	2,140,692.30	1,302.58
Grades 6-8	1,357,356.00	(55,053.30)	1,302,302.70	1,292,589.81	9,712.89
Regular Programs - Home Instruction:					
Salaries of Teachers	12,500.00	-	12,500.00	2,584.19	9,915.81
Purchased Professional - Educational Services	16,000.00	-	16,000.00	5,244.76	10,755.24
Regular Programs - Undistributed Instruction:					
Purchased Professional - Educational Services	52,500.00	14,125.76	66,625.76	63,429.75	3,196.01
Other Purchased Services (400-500 series)	190,558.00	(19,591.90)	170,966.10	148,411.76	22,554.34
General Supplies	371,867.67	1,166.80	373,034.47	280,959.27	92,075.20
Textbooks	-	-	-	-	-
Other Objects	2,500.00	-	2,500.00	1,645.80	854.20
Total Regular Programs	4,491,048.67	(59,648.10)	4,431,400.57	4,278,648.80	152,751.77
Special Education - Learning and/or Language Disabilities - Mild/Moderate					
Salaries of Teachers	891,510.00	(35,400.20)	856,109.80	703,075.56	153,034.24
Other Salaries for Instruction	126,473.00	(5,363.26)	121,109.74	90,201.06	30,908.68
Purchased Professional - Educational Services	414,500.00	(1,166.78)	413,333.22	193,101.48	220,231.74
General Supplies	13,480.00	7,811.16	21,291.16	18,372.35	2,918.81
Total Sp Education - Learning and/or Language Disabilities - Mild/Moderate	1,445,963.00	(34,119.08)	1,411,843.92	1,004,750.45	407,093.47
Emotional Regulation Impairment					
Salaries of Teachers	80,069.00	2,157.78	82,226.78	82,226.78	-
Other Salaries for Instruction	19,199.00	6,424.26	25,623.26	25,623.26	-
Purchased Professional - Educational Services	72,000.00	(13,991.02)	58,008.98	32,913.00	25,095.98
Other Purchased Services (400-500 series)	286.00	-	286.00	-	286.00
General Supplies	400.00	-	400.00	278.44	121.56
Total Emotional Regulation Impairment	171,954.00	(5,408.98)	166,545.02	141,041.48	25,503.54

**Stratford Borough School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
Special Education - Instruction:					
Resource Room/Resource Center:					
Salaries of Teachers	241,147.00	163,197.04	404,344.04	403,825.00	519.04
Other Salaries for Instruction	19,199.00	-	19,199.00	18,930.30	268.70
Other Purchased Services (400-500 series)	4,000.00	-	4,000.00	121.50	3,878.50
General Supplies	475.00	-	475.00	336.67	138.33
Total Resource Room/Resource Center	264,821.00	163,197.04	428,018.04	423,213.47	4,804.57
Special Education - Multiple Disabilities					
Salaries of Teachers	138,089.00	(4,602.24)	133,486.76	127,191.76	6,295.00
Other Salaries for Instruction	181,086.00	(21,257.72)	159,828.28	110,407.28	49,421.00
Purchased Professional - Educational Services	75,000.00	4,914.26	79,914.26	73,675.85	6,238.41
Other Purchased Services (400-500 series)	500.00	-	500.00	500.00	-
General Supplies	50,000.00	(38,834.02)	11,165.98	5,017.79	6,148.19
Other Objects	500.00	-	500.00	-	500.00
Total Multiple Disabilities	445,175.00	(59,779.72)	385,395.28	316,792.68	68,602.60
Special Education - Autism					
Salaries of Teachers	94,510.00	(965.04)	93,544.96	93,287.96	257.00
Other Salaries for Instruction	82,608.00	(18,145.47)	64,462.53	64,462.53	-
Purchased Professional - Educational Services	125,000.00	(20,531.67)	104,468.33	90,017.06	14,451.27
Other Purchased Services (400-500 series)	500.00	-	500.00	-	500.00
General Supplies	3,533.00	399.69	3,932.69	3,854.93	77.76
Other Objects	800.00	(400.00)	400.00	180.00	220.00
Total Autism	306,951.00	(39,642.49)	267,308.51	251,802.48	15,506.03
Preschool Disabilities - Part Time					
Salaries of Teachers	137,729.00	0.20	137,729.20	135,684.52	2,044.68
Other Salaries for Instruction	68,130.00	0.20	68,130.20	46,599.67	21,530.53
Purchased Professional Educational Services	-	30,252.52	30,252.52	24,191.08	6,061.44
Other Purchased Services (400-500 series)	500.00	-	500.00	-	500.00
General Supplies	3,630.00	254.10	3,884.10	-	3,884.10
Other Objects	2,000.00	(254.10)	1,745.90	514.23	1,231.67
Total Preschool Disabilities - Part Time	211,989.00	30,252.92	242,241.92	206,989.50	35,252.42
Total Special Education - Instruction	2,846,853.00	54,499.69	2,901,352.69	2,344,590.06	556,762.63

**Stratford Borough School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
Basic Skills/Remedial - Instruction					
Salaries of Teachers	321,461.00	0.40	321,461.40	294,645.30	26,816.10
General Supplies	6,934.00	(0.56)	6,933.44	2,748.07	4,185.37
Total Basic Skills/Remedial - Instruction	328,395.00	(0.16)	328,394.84	297,393.37	31,001.47
Bilingual Education - Instruction:					
Salaries of Teachers	221,457.00	0.33	221,457.33	210,109.20	11,348.13
General Supplies	3,365.00	88.00	3,453.00	2,864.48	588.52
Total Bilingual Education - Instruction	224,822.00	88.33	224,910.33	212,973.68	11,936.65
School Sponsored Cocurricular Activities - Instruction:					
Salaries	71,000.00	-	71,000.00	64,345.69	6,654.31
Other Purchased Services (400-500 series)	400.00	-	400.00	385.00	15.00
Supplies and Materials	5,103.00	(73.15)	5,029.85	2,716.06	2,313.79
Other Objects	699.00	433.00	1,132.00	732.00	400.00
Total School Sponsored Cocurricular Activities - Instruction	77,202.00	359.85	77,561.85	68,178.75	9,383.10
School Sponsored Athletics - Instruction					
Salaries	40,000.00	-	40,000.00	37,450.00	2,550.00
Purchased Services (300-500 Series)	21,100.00	-	21,100.00	14,008.00	7,092.00
Supplies and Materials	14,978.62	-	14,978.62	10,433.08	4,545.54
Other Objects	400.00	-	400.00	-	400.00
Total School Sponsored Athletics - Instruction	76,478.62	-	76,478.62	61,891.08	14,587.54
Total Instruction	8,044,799.29	(4,700.39)	8,040,098.90	7,263,675.74	776,423.16

**Stratford Borough School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs w/in State - Regular	-	16,908.00	16,908.00	16,728.15	179.85
Tuition to CSSD & Regional Day Schools	293,738.00	(155,903.94)	137,834.06	115,645.60	22,188.46
Tuition to Private Schools for the Disabled- Within State	357,341.00	93,996.03	451,337.03	383,461.90	67,875.13
Total Undistributed Expenditures - Instruction	651,079.00	(44,999.91)	606,079.09	515,835.65	90,243.44
Undistributed Expenditures - Attendance and Social Work:					
Salaries	57,035.00	-	57,035.00	57,034.80	0.20
Total Undistributed Expenditures - Attendance and Social Work	57,035.00	-	57,035.00	57,034.80	0.20
Undistributed Expenditures - Health Services:					
Salaries	184,528.00	(4,908.75)	179,619.25	179,589.25	30.00
Purchased Professional and Technical Services	14,500.00	9,823.75	24,323.75	23,281.50	1,042.25
Other Purchased Services (400-500 series)	5,300.00	(4,000.00)	1,300.00	279.00	1,021.00
Supplies and Materials	5,504.00	114.00	5,618.00	4,802.79	815.21
Other Objects	1,929.00	(629.00)	1,300.00	780.23	519.77
Total Undistributed Expenditures - Health Services	211,761.00	400.00	212,161.00	208,732.77	3,428.23
Undistributed Expenditures - Speech, OT, PT & Related Services					
Students - Related Services:					
Salaries	321,162.00	(67,693.89)	253,468.11	253,468.11	-
Purchased Professional Educational Services	220,800.00	81,130.80	301,930.80	296,153.05	5,777.75
Supplies and Materials	5,305.00	(4,485.00)	820.00	289.00	531.00
Other Objects	1,000.00	424.28	1,424.28	1,424.28	-
Total Undistributed Expenditures - Speech, OT, PT & Related Services	548,267.00	9,376.19	557,643.19	551,334.44	6,308.75

**Stratford Borough School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
Undistributed Expenditures - Other Support Services - Extra. Serv.					
Salaries	161,511.00	(24,376.19)	137,134.81	112,146.81	24,988.00
Supplies and Materials	379,000.00	(74,000.00)	305,000.00	113,238.80	191,761.20
Total Undistributed Services - Other Support Services - Extra. Serv.	540,511.00	(98,376.19)	442,134.81	225,385.61	216,749.20
Undistributed Expenditures - Guidance					
Salaries of Other Professional Staff	219,193.00	40,000.00	259,193.00	187,955.01	71,237.99
Supplies and Materials	575.00	-	575.00	331.91	243.09
Total Undistributed Services - Guidance	219,768.00	40,000.00	259,768.00	188,286.92	71,481.08
Undistributed Expenditures - Other Support Services - Students - Special (CHILD STUDY TEAM)					
Salaries of Other Professional Staff	314,625.00	0.25	314,625.25	313,538.49	1,086.76
Salaries of Secretarial and Clerical Assistants	51,048.00	0.40	51,048.40	51,048.00	0.40
Other Salaries	7,200.00	-	7,200.00	1,876.62	5,323.38
Purchased Professional - Educational Services	158,440.00	(20,000.00)	138,440.00	40,083.29	98,356.71
Other Purchased Professional & Technical Services	12,600.00	-	12,600.00	6,600.00	6,000.00
Other Purchased Services (400-500 Series)	4,600.00	-	4,600.00	4,581.36	18.64
Miscellaneous Purchased Services	-	-	-	-	-
Supplies and Materials	26,863.04	-	26,863.04	16,100.19	10,762.85
Other Objects	500.00	-	500.00	-	500.00
Total Undistributed Expenditures - Other Support Services - Students - Special	575,876.04	(19,999.35)	555,876.69	433,827.95	122,048.74

**Stratford Borough School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
Undistributed Expenditures - Improvement of Instructional Services					
Salaries of Supervisor of Instruction	38,300.00	9,631.70	47,931.70	33,960.50	13,971.20
Salaries of Other Professional Staff	104,014.00	367.90	104,381.90	104,381.90	-
Other Salaries	16,750.00	-	16,750.00	11,115.00	5,635.00
Purchased Prof Educational Services	1,100.00	-	1,100.00	-	1,100.00
Supplies & Materials	425.00	-	425.00	150.00	275.00
Other Objects					
Total Undistributed Expenditures - Improvement of Instructional Services	160,589.00	9,999.60	170,588.60	149,607.40	20,981.20
Undistributed Expenditures - Educational Media Services - School Library					
Salaries	115,821.98	0.22	115,822.20	115,822.20	-
Purchased Professional and Technical Services	-	-	1,463.64	1,463.64	(1,463.64)
Other Purchased Services (400-500 Series)	1,500.00	-	1,500.00	19,721.18	(18,221.18)
Supplies and Materials	18,187.00	2,400.26	20,587.26	-	20,587.26
Other Objects	50.00	-	50.00	-	50.00
Total Undistributed Expenditures - Educational Media Services - School Library	135,558.98	2,400.48	137,959.46	137,007.02	952.44
Undistributed Expenditures - Instructional Staff Training Services					
Salaries of Other Professional Staff	-	1,110.67	1,110.67	1,110.67	-
Other Purchased Services (400-500 Series)	10,500.00	(4,200.00)	6,300.00	4,573.70	1,726.30
Supplies and Materials	200.00	-	200.00	-	200.00
Total Undistributed Expenditures - Instructional Staff Training Services	10,700.00	(3,089.33)	7,610.67	5,684.37	1,926.30

**Stratford Borough School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
Undistributed Expenditures - Support Services - Gen. Admin.:					
Salaries	240,728.00	(610.67)	240,117.33	228,946.83	11,170.50
Legal Services	7,500.00	6,826.00	14,326.00	14,326.00	-
Audit Fees	35,000.00	8,500.00	43,500.00	43,500.00	-
Other Purchased Prof. Services	6,600.00	707.05	7,307.05	7,307.05	-
Communications/Telephone	16,920.00	(14,469.97)	2,450.03	752.10	1,697.93
Travel - All Other		3,084.00	3,084.00	3,060.77	23.23
BOE Other Purchased Services		-	-	-	-
Misc. Purchased Services (400-500)	40,975.00	584.08	41,559.08	41,154.59	404.49
General Supplies	5,704.00	(1,127.24)	4,576.76	4,557.47	19.29
BOE In-House Training/Meeting Supplies	500.00	(398.41)	101.59	101.59	-
Judgments Against the School District	-	-	-	-	-
Miscellaneous Expenditures	5,160.00	9,681.31	14,841.31	14,841.31	-
BOE Membership Dues & Fees	6,250.00	(138.31)	6,111.69	6,072.40	39.29
Total Undistributed Expenditures - Support Services - Gen. Admin.	365,337.00	12,637.84	377,974.84	364,620.11	13,354.73
Undistributed Expenditures - Support Serv. - School Admin.:					
Salaries of Principals/Assistant Principals	242,698.00	859.56	243,557.56	243,557.28	0.28
Salaries of Secretarial and Clerical Assistants	213,100.80	(1,359.16)	211,741.64	201,890.61	9,851.03
Other Purchased Services	7,050.00	(2,398.74)	4,651.26	2,962.24	1,689.02
Supplies and Materials	4,500.00	(3,387.76)	1,112.24	374.89	737.35
Other Objects	2,900.00	-	2,900.00	2,785.00	115.00
Total Undistributed Expenditures - Support Serv. - School Admin.	470,248.80	(6,286.10)	463,962.70	451,570.02	12,392.68
Central Services					
Salaries	151,676.00	13,027.42	164,703.42	163,932.27	771.15
Purchased Professional Services	-	-	-	-	-
Miscellaneous Purchased Services	28,720.00	18,464.38	47,184.38	38,691.46	8,492.92
Supplies and Materials	7,703.52	(3,368.27)	4,335.25	4,035.11	300.14
Interest on Lease Purchase Agreements		-	-	-	-
Miscellaneous Expenditures	2,250.00	(313.63)	1,936.37	1,936.37	-
Total Central Services	190,349.52	27,809.90	218,159.42	208,595.21	9,564.21

**Stratford Borough School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
Administrative Information Technology					
Salaries	110,883.50	6,807.59	117,691.09	116,779.09	912.00
Purchased Technical Services	28,305.00	10,116.90	38,421.90	28,138.90	10,283.00
Other Purchased Services (400-500 series)	500.00	65.00	565.00	565.00	-
Supplies and Materials	1,297.47	-	1,297.47	1,297.47	-
Other Objects	-	-	-	-	-
Total Administrative Information Technology	140,985.97	16,989.49	157,975.46	146,780.46	11,195.00
Undistributed Expenditures - Required Maintenance for School Facilities					
Salaries	77,857.00	(0.30)	77,856.70	77,856.48	0.22
Cleaning Repairs and Maintenance Services	364,483.54	(25,240.59)	339,242.95	261,955.45	77,287.50
General Supplies	46,775.00	9,210.00	55,985.00	21,440.47	34,544.53
Other Objects	-	-	-	-	-
Total Undistributed Expenditures - Required Maintenance for School Facilities	489,115.54	(16,030.89)	473,084.65	361,252.40	111,832.25
Undistributed Expenditures - Operation and Maintenance - Custodial Services					
Salaries	505,399.20	(9,999.90)	495,399.30	432,413.66	62,985.64
Salaries of Non-Instructional Aides	-	-	-	-	-
Purchased Professional and Technical Services	6,100.00	-	6,100.00	3,785.00	2,315.00
Cleaning, Repair and Maintenance Services	35,000.00	-	35,000.00	14,713.32	20,286.68
Other Purchased Property Services	37,000.00	-	37,000.00	33,985.02	3,014.98
Insurance	80,650.00	(3,353.82)	77,296.18	77,296.18	-
Miscellaneous Purchased Services	3,800.00	(1,573.42)	2,226.58	993.00	1,233.58
General Supplies	77,500.00	(13,440.04)	64,059.96	49,149.24	14,910.72
Energy (Electricity)	200,000.00	8,440.04	208,440.04	208,440.04	-
Energy (Oil)	-	-	-	-	-
Energy (Gasoline)	4,000.00	-	4,000.00	3,097.05	902.95
Energy (Natural Gas)	55,175.24	5,000.00	60,175.24	58,757.21	1,418.03
Other Objects	1,000.00	-	1,000.00	535.00	465.00
Total Undistributed Exp - Operation and Maintenance - Custodial Services	1,005,624.44	(14,927.14)	990,697.30	883,164.72	107,532.58
Undistributed Expenditures - Security					
Salaries	124,234.00	(7,187.95)	117,046.05	97,479.15	19,566.90
Purchased Professional & Technical Services	76,000.00	6,052.95	82,052.95	82,052.95	-
General Supplies	-	-	-	-	-
Total Undistributed Expenditures - Security	200,234.00	(1,135.00)	199,099.00	179,532.10	19,566.90

**Stratford Borough School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
Total Undistributed Expenditures - Operation and Maintenance of Plant Services	1,694,973.98	(32,093.03)	1,662,880.95	1,423,949.22	238,931.73
Undistributed Expenditures - Student Transportation Services:					
Salaries - Pupil Transportation (Between Home and School) - Sp Ed	190,624.30	-	190,624.30	151,243.77	39,380.53
Salaries - Pupil Transportation Other than Between Home and School Management Fee	3,000.00	-	3,000.00	-	3,000.00
Cleaning Repairs and Maintenance Service	-	6,342.12	6,342.12	6,342.12	-
Lease Purchase Payments - School Buses	5,000.00	(2,342.12)	2,657.88	1,492.61	1,165.27
Contracted Services - (Between Home and School) - Joint Agreements	42,000.00	(33,038.50)	8,961.50	-	8,961.50
Contracted Services - (Other than between Home and School) - Vendor	242,000.00	171,868.60	413,868.60	295,920.00	117,948.60
Contracted Services - (Sp Ed Students) - Vendors	16,350.00	-	16,350.00	5,570.03	10,779.97
Contracted Services - (Sp Ed Students) - ESCs and CTAs	5,550.00	-	5,550.00	-	5,550.00
Contracted Services - (Sp Ed Students)-Non Public School	366,800.00	(218,634.41)	148,165.59	143,311.04	4,854.55
Contracted Services - Aid in Lieu of Payments-Charter School	14,000.00	-	14,000.00	12,458.18	1,541.82
Contracted Services - Aid in Lieu of Payments-Choice School	3,000.00	-	3,000.00	-	3,000.00
Misc Purchased Services - Transportation	5,000.00	(1,200.00)	3,800.00	7,955.40	5,000.00
General Supplies	9,500.00	410.00	10,350.00	15,387.19	344.60
	20,350.00		20,760.00		5,372.81
Total Undistributed Expenditures - Student Transportation Serv.	923,174.30	(76,594.31)	846,579.99	639,680.34	206,899.65
Unallocated Benefits:					
Social Security Contributions	193,923.60	1,902.91	195,826.51	195,826.51	-
Other Retirement Contributions - PERS	175,000.00	(9,058.99)	165,941.01	165,941.01	-
Other Retirement Contributions - Regular	27,000.00	(5,007.85)	21,992.15	21,992.15	-
Unemployment Compensation	-	-	-	2,722.25	(2,722.25)
Workmen's Compensation	105,600.00	6,402.84	112,002.84	112,002.84	-
Health Benefits	2,201,989.00	144,217.37	2,346,206.37	2,346,206.37	-
Tuition Reimbursements	42,100.00	(24,207.50)	17,892.50	17,892.50	-
PSA Tuition Reimbursements	-	5,550.00	5,550.00	5,550.00	-
Other Employee Benefits	244,946.00	(94,461.14)	150,484.86	221,838.46	(71,353.60)
Unused Sick Payment to Term/Ret Staff	-	89,863.97	89,863.97	89,863.97	-
Unused Sick Payment to Term/Ret Staff	-	15,000.00	15,000.00	15,000.00	-
Total Unallocated Benefits	2,990,558.60	130,201.61	3,120,760.21	3,194,836.06	(74,075.85)

**Stratford Borough School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
On-Behalf TPAF Pension Contributions (Non-Budgeted)	-	-	-	2,314,078.00	(2,314,078.00)
On-Behalf TPAF Post Retirement Medical (Non-Budgeted)	-	-	-	607,903.00	(607,903.00)
On-Behalf TPAF Long Term Disability (non-budgeted)	-	-	-	656.00	(656.00)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	537,743.76	(537,743.76)
Total On-Behalf Contributions	-	-	-	3,460,380.76	(3,460,380.76)
Total Undistributed Expenditures	9,886,773.19	(31,623.11)	9,855,150.08	12,363,149.11	(2,507,999.03)
Total Current Expense	17,931,572.48	(36,323.50)	17,895,248.98	19,626,824.85	(1,731,575.87)
Capital Outlay:					
Equipment:					
Instruction	47,660.00	-	47,660.00	47,660.00	-
Central Services	2,495.00	2,495.00	2,495.00	2,495.00	-
Admin Info Tech	163,001.00	(4,510.00)	158,491.00	142,286.64	16,204.36
Custodial Services	178,868.00	38,338.50	217,206.50	217,206.50	-
Non-Instructional Services	-	-	-	-	-
Total Equipment	389,529.00	36,323.50	425,852.50	409,648.14	16,204.36
Facility Acquisition and Construction Services:					
Architectural and Engineering Services	-	-	-	-	-
Construction Services	1,925,000.00	-	1,925,000.00	199,963.68	1,725,036.32
Assessment for Debt Service on SDA Funding	28,107.00	-	28,107.00	28,107.00	-
Total Facilities Acquisition and Construction Services	1,953,107.00	-	1,953,107.00	228,070.68	1,725,036.32
Total Capital Outlay	2,342,636.00	36,323.50	2,378,959.50	637,718.82	1,741,240.68
Transfers to Charter Schools	25,000.00	-	25,000.00	18,689.00	6,311.00
Total Expenditures	20,299,208.48	(0.00)	20,299,208.48	20,283,232.67	15,975.81
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,918,671.48)	0.00	(2,918,671.48)	552,574.26	3,471,245.74

**Stratford Borough School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
Other Financing Sources (Uses):					
Interest Deposit to Capital Reserve	(100.00)		(100.00)	-	100.00
Interest Deposit to Maintenance Reserve	(100.00)		(100.00)	-	100.00
Total Other Financing Sources (Uses)	(200.00)	-	(200.00)	-	200.00
Fund Balances, July 1	7,564,961.37	-	7,564,961.37	7,564,961.37	-
Fund Balances, June 30	4,646,089.89	0.00	4,646,089.89	8,117,535.63	3,471,445.74
Recapitulation:					
Restricted Fund Balance:					
Reserve for Excess Surplus				3,324,102.47	
Excess Surplus - Designated for Subsequent Year's Expenditures				2,827,538.21	
Unemployment Compensation				63,560.16	
Committed Fund Balance:					
Maintenance Reserve				212,147.29	
Capital Reserve				846,580.00	
Assigned Fund Balance:					
Designated for Subsequent Years Expenditures				261,961.79	
Reserve for Encumbrances				144,819.67	
Unassigned Fund Balance				436,826.04	
				8,117,535.63	
Reconciliation to Governmental Funds Statements (GAAP):				(695,533.00)	
Last State Aid Payment not Recognized on GAAP Basis				7,422,002.63	
Fund Balance Per Governmental Funds (GAAP)				7,422,002.63	

**Stratford Borough School District
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2023**

	Original Budget	Budget Transfers/Adjustments	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
REVENUES:					
Local Sources		7,180.00	7,180.00	95,315.18	88,135.18
Slate Sources:	133,140.00	408,031.00	541,171.00	425,052.13	(116,118.87)
Federal Sources:	402,662.00	988,845.87	1,391,507.87	938,846.53	(452,661.34)
Total Revenues	535,802.00	1,404,056.87	1,939,858.87	1,459,213.84	(480,645.03)
EXPENDITURES:					
Instruction					
Salaries of Teachers	134,301.00	208,807.72	343,108.72	167,957.94	175,150.78
Other Salaries for Instruction	36,723.00	(29,321.00)	7,402.00	2,811.88	4,590.12
Purchased Professional and Technical Services	78,980.00	352,576.00	431,556.00	356,370.30	75,185.70
Other Purchased Services (400-500 series)	223,138.00	(13,942.00)	209,196.00	209,191.00	5.00
General Supplies	23,020.00	47,424.15	70,444.15	48,678.58	21,765.57
Other Objects		13,142.00	13,142.00	345.90	12,796.10
Total Instruction	496,162.00	578,686.87	1,074,848.87	785,355.60	289,493.27
EXPENDITURES (CONT'D):					
Support Services					
Salaries		1,500.00	1,500.00	-	1,500.00
Salaries of Program Directors		-	-	-	-
Salaries of Other Professional Staff		-	-	-	-
Salaries of Secretaries and Clerical Assistants		-	-	-	-
Personal Services- Employee Benefits		90,153.00	90,153.00	63,153.00	27,000.00
Cleaning Repairs and Maintenance		-	-	-	-
Professional and Technical Services		156,597.00	156,597.00	102,134.77	54,462.23
Other Purchased Services (400-500 Series)		14,289.00	14,289.00	12,957.00	1,332.00
Contracted Services (Bet. Home & School)		-	-	-	-
Travel		-	-	-	-
Supplies and Materials		155,320.00	155,320.00	82,562.29	72,757.71
Other Objects		2,330.00	2,330.00	1,350.00	980.00
Student Activities		-	-	80,973.79	(80,973.79)
Total Support Services	-	420,189.00	420,189.00	343,130.85	77,058.15
Facilities acquisition and construction services:					
Facilities		-	-	-	-
Instructional Equipment		-	-	-	-
Non-instructional Equipment	39,640.00	405,181.00	444,821.00	323,566.00	121,255.00
Total Facilities acquisition and construction services	39,640.00	405,181.00	444,821.00	323,566.00	121,255.00
Total expenditures	535,802.00	1,404,056.87	1,939,858.87	1,452,052.45	487,806.42
Excess (Deficiency) of Revenues Over (Under) Expenditures:				7,161.39	7,161.39

Stratford Borough School District
 Required Supplementary Information
 Budgetary Comparison Schedule
 Note to Required Supplementary Information
 For the Fiscal Year Ended June 30, 2023

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

		General Fund	Special Revenue
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	C-1; C-2	20,835,806.93	1,459,213.84
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			36,255.07
Current year			(411,563.92)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		586,703.00	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(695,533.00)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	B-2	20,726,976.93	1,083,904.99
 Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	C-1; C-2	20,283,232.67	1,452,052.45
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is place for budgetary purposes, but in the year the supplies are received for financial reporting purposes.			
Prior Year			36,255.07
Current year			(411,563.92)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	B-2	20,283,232.67	1,076,743.60

Required Supplemental Information
Part III

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

STRATFORD BOROUGH SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employee Retirement System
Last Ten Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.01284645760%	0.01259%	0.01477%	0.01615%	0.01625%	0.01691%	0.01753%	0.01971%	0.01730%	0.01804%
District's proportionate of the net pension liability (asset)	\$ 1,938,707	1,491,681	2,409,237	2,909,671	3,198,722	3,936,828	5,190,816	4,425,306	3,238,813	3,447,049
District's covered payroll	1,016,900	1,040,311	910,063	1,075,426	1,082,526	1,106,584	1,116,842	1,156,408	1,180,952	1,270,768
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	190.65%	143.39%	264.73%	270.56%	295.49%	355.76%	464.78%	382.68%	274.25%	271.26%
Plan fiduciary net position as a percentage of the total pension liability	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

Source: GASB 68 report on Public Employees' Retirement System; District records

STRATFORD BOROUGH SCHOOL DISTRICT
Schedule of District Contributions
Public Employee Retirement System
Last Ten Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 162,000	147,464	161,619	157,075	149,045	161,596	156,671	155,702	169,484	142,609
Contributions in relation to the contractually required contribution	162,000	147,464	161,619	157,075	149,045	161,596	156,671	155,702	169,484	142,609
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
District's covered-employee payroll	1,016,900	1,040,311	910,063	1,075,426	1,082,526	1,106,584	1,116,842	1,156,408	1,180,852	1,270,768
Contributions as a percentage of covered-employee payroll	15.93%	14.17%	17.76%	14.61%	13.77%	14.60%	14.03%	13.46%	14.35%	11.22%

Source: GASB 68 report on Public Employees' Retirement System; District records

STRATFORD BOROUGH SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers' Pension and Annuity Fund
Last Ten Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate of the net pension liability (asset)	\$ -	-	-	-	-	-	-	-	-	-
State's proportionate share of the net pension liability (asset) associated with the District	28,982,610	27,446,432	39,564,952	37,244,880	38,332,882	37,526,495	43,669,843	35,626,160	28,245,623	25,418,706
Total	<u>28,982,610</u>	<u>27,446,432</u>	<u>39,564,952</u>	<u>37,244,880</u>	<u>38,332,882</u>	<u>37,526,495</u>	<u>43,669,843</u>	<u>35,626,160</u>	<u>28,245,623</u>	<u>25,418,706</u>
District's covered payroll	7,323,756	7,127,994	6,368,948	6,350,642	6,270,844	7,349,084	6,697,016	6,629,512	6,559,992	6,102,796
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	23.33%	28.71%	33.64%	33.76%

Source: GASB 68 report on Public Employees' Retirement System; District records

STRATFORD BOROUGH SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net OPEB Liability
Public Employee Retirement System and Teachers' Pension and Annuity Fund
Last Seven Fiscal Years

	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net OPEB liability (asset)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate of the net OPEB liability (asset)	\$ -	-	-	-	-	-	-
State's proportionate share of the net OPEB liability (asset) associated with the District	31,589,083.00	37,641,361.00	43,605,359.00	27,145,193.00	29,543,568.00	33,814,902.00	36,532,468.00
Total	\$ 31,589,083.00	37,641,361.00	43,605,359.00	27,145,193.00	29,543,568.00	33,814,902.00	36,532,468.00
District's covered payroll	8,340,656.00	8,168,305.00	7,279,011.00	7,426,068.00	7,353,370.00	8,455,668.00	7,813,858.00
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State's proportionate share of OPEB associated with the District:							
Service Cost	1,542,397.00	1,744,706.00	1,084,160.00	1,086,336.00	1,195,313.00	1,443,124.00	
Interest Cost	837,146.00	976,457.00	975,256.00	1,169,880.00	1,239,834.00	1,071,630.00	
Change in Benefit Terms		(40,065.00)					
Expected vs. Actual	844,849.00	(7,938,021.00)	7,171,673.00	(4,250,753.00)	(2,553,528.00)	(4,477,935.00)	
Changes in Assumptions	(8,474,055.00)	37,136.00	7,965,201.00	404,737.00	(3,390,272.00)	(4,477,935.00)	
Member Contributions	26,602.00	24,963.00	23,009.00	24,701.00	27,303.00	28,840.00	
Benefit Payments	(829,217.00)	(769,174.00)	(759,133.00)	(833,276.00)	(789,984.00)	(783,225.00)	
Change in Total OPEB Liability	(6,052,278.00)	(5,963,998.00)	16,460,166.00	(2,398,375.00)	(4,271,334.00)	(2,717,566.00)	
State's proportionate share of the net OPEB liability (asset) associated with the District - Beginning Balance	37,641,361.00	43,605,359.00	27,145,193.00	29,543,568.00	33,814,902.00	36,532,468.00	
Ending Balance	\$ 31,589,083.00	\$ 37,641,361.00	43,605,359.00	27,145,193.00	29,543,568.00	33,814,902.00	
State's proportionate share of the net OPEB liability associated with the District - as a percentage of its covered-employee payroll	378.74%	460.82%	599.06%	365.54%	401.77%	399.91%	

Source: GASB 75 report on State of New Jersey State Health Benefits Program; District records

Note: This schedule is required by GASB 75 to show information for a 10 year period. However, information is only currently available for seven years. Additional years will be presented as they become available.

Other Supplementary Information

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

SPECIAL REVENUE FUND

Special revenue funds are 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.

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

Stratford Borough School District
Special Revenue Fund
Combining Schedule of Revenue and Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2023

	Title I	Title III	Title IV A	IDEA Basic	ARP IDEA Basic	ARP IDEA PreK	Corona Virus Relief	ESSER II	ESSER II Mental Health	ESSER III	Total Federal
REVENUES:											
State Sources	187,054.00	12,991.69	4,070.92	238,592.52	48,932.00	3,246.57	306.23	323,566.00	23,000.00	97,086.60	938,846.53
Federal Sources											
Local Sources											
Total revenues	187,054.00	12,991.69	4,070.92	238,592.52	48,932.00	3,246.57	306.23	323,566.00	23,000.00	97,086.60	938,846.53
EXPENDITURES											
Instruction:											
Salaries of Teachers	123,830.00	2,811.88								44,127.94	167,957.94
Other Salaries for Instruction											2,811.88
Purchased Prof. and Technical Services				174,395.00	34,796.00						
Other Purchased Services (400-500 Series)	71.00	664.66	1,450.00			3,246.57	306.23			19,242.62	209,191.00
General Supplies		345.90									24,981.08
Other Objects											345.90
Total instruction	123,901.00	3,822.44	1,450.00	174,395.00	34,796.00	3,246.57	306.23	-	-	63,370.56	405,287.80
Support services:											
Salaries											
Salaries of Program Directors											
Salaries of Other Professional Staff											
Salaries of Secretaries and Clerical Assistants											
Other Salaries											
Personal Services- Employee Benefits	63,153.00										63,153.00
Cleaning Repairs and Maintenance											
Professional and Technical Services	801.25			64,197.52	14,136.00			23,000.00			102,134.77
Other Purchased Services (400-500 Series)	5,777.00										5,777.00
Contracted Services (Bet. Home & School)											
Travel											
Supplies and Materials	1,241.00		2,620.92							33,716.04	37,577.96
Other Objects	1,350.00										1,350.00
Student Activities											
Total support services	63,153.00	9,169.25	2,620.92	64,197.52	14,136.00	-	-	23,000.00	23,000.00	33,716.04	209,992.73
Facilities Acquisition and Construction Services:											
Instructional Equipment								323,566.00			323,566.00
Non-instructional Equipment											
Total Facilities Acquisition and Construction Services:								323,566.00	-	-	323,566.00
Total expenditures	187,054.00	12,991.69	4,070.92	238,592.52	48,932.00	3,246.57	306.23	323,566.00	23,000.00	97,086.60	938,846.53
Excess (Deficiency) of Revenues Over (Under) Expenditures											
Fund Balance, July 1											
Fund Balance, July 31	\$										

Stratford Borough School District
Special Revenue Fund
Combining Schedule of Revenue and Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2023

	Non Public Comp Ed.	Non Public Technology	Non Public Security	Non Public ESL	Non Public Transportation	Non Public Supp Instruct	Non Public Speech	Non Public Textbook	Non Public Nursing
REVENUES:									
State Sources	174,731.44	9,185.38	44,984.33	18,640.92	18,469.82	46,916.80	33,759.00	14,512.12	24,393.60
Federal Sources									
Local Sources									
Total revenues	174,731.44	9,185.38	44,984.33	18,640.92	18,469.82	46,916.80	33,759.00	14,512.12	24,393.60
EXPENDITURES									
Instruction:									
Salaries of Teachers									
Other Salaries for Instruction									
Purchased Prof. and Technical Services	174,731.44			18,640.92	18,469.82	46,916.80	33,759.00		24,393.60
Other Purchased Services (400-500 Series)		9,185.38						14,512.12	
General Supplies									
Other Objects									
Total instruction	174,731.44	9,185.38	-	18,640.92	18,469.82	46,916.80	33,759.00	14,512.12	24,393.60
Support services:									
Salaries									
Salaries of Program Directors									
Salaries of Other Professional Staff									
Salaries of Secretaries and Clerical Assistants									
Other Salaries									
Personal Services- Employee Benefits									
Cleaning Repairs and Maintenance									
Professional and Technical Services									
Other Purchased Services (400-500 Series)									
Contracted Services (Bet. Home & School)									
Travel									
Supplies and Materials			44,984.33						
Other Objects									
Student Activities									
Total support services	-	-	44,984.33	-	-	-	-	-	-
Facilities Acquisition and Construction Services:									
Instructional Equipment									
Non-instructional Equipment									
Total Facilities Acquisition and Construction Services:									
Total expenditures	174,731.44	9,185.38	44,984.33	18,640.92	18,469.82	46,916.80	33,759.00	14,512.12	24,393.60
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-	-	-	-	-
Fund Balance, July 31	-	-	-	-	-	-	-	-	-

Stratford Borough School District
 Special Revenue Fund
 Combining Schedule of Revenue and Expenditures
 Budgetary Basis
 For the Fiscal Year Ended June 30, 2023

	Non Public Ch. 192 Auxiliary	Total State	NJSBAIG Safety Grant	Student Activities	Total Local Projects	Total
REVENUES:						
State Sources	39,458.72	425,052.13	-	-	-	425,052.13
Federal Sources	-	-	-	-	-	938,846.53
Local Sources	-	-	7,180.00	88,135.18	95,315.18	95,315.18
Total revenues	39,458.72	425,052.13	7,180.00	88,135.18	95,315.18	1,459,213.84
EXPENDITURES						
Instruction:						
Salaries of Teachers	-	-	-	-	-	167,957.94
Other Salaries for Instruction	-	-	-	-	-	2,811.88
Purchased Prof. and Technical Services	39,458.72	356,370.30	-	-	-	356,370.30
Other Purchased Services (400-500 Series)	-	-	-	-	-	209,191.00
General Supplies	-	23,697.50	-	-	-	48,678.58
Other Objects	-	-	-	-	-	345.90
Total instruction	39,458.72	380,067.80	-	-	-	785,355.60
Support services:						
Salaries	-	-	-	-	-	-
Salaries of Program Directors	-	-	-	-	-	-
Salaries of Other Professional Staff	-	-	-	-	-	-
Salaries of Secretaries and Clerical Assistants	-	-	-	-	-	-
Other Salaries	-	-	-	-	-	-
Personal Services- Employee Benefits	-	-	-	-	-	63,153.00
Cleaning Repairs and Maintenance	-	-	-	-	-	-
Professional and Technical Services	-	-	-	-	-	102,134.77
Other Purchased Services (400-500 Series)	-	-	7,180.00	-	7,180.00	12,957.00
Contracted Services (Bet. Home & School)	-	-	-	-	-	-
Travel	-	-	-	-	-	-
Supplies and Materials	-	44,984.33	-	-	-	82,562.29
Other Objects	-	-	-	-	-	1,350.00
Student Activities	-	-	-	80,973.79	80,973.79	80,973.79
Total support services	-	44,984.33	7,180.00	80,973.79	88,153.79	343,130.85
Facilities Acquisition and Construction Services:						
Instructional Equipment	-	-	-	-	-	-
Non-instructional Equipment	-	-	-	-	-	323,566.00
Total Facilities Acquisition and Construction Services:	-	-	-	-	-	323,566.00
Total expenditures	39,458.72	425,052.13	7,180.00	80,973.79	88,153.79	1,452,052.45
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	7,161.39	7,161.39	7,161.39
Fund Balance, July 1	-	-	-	64,747.33	64,747.33	64,747.33
Fund Balance, July 31	-	-	-	71,908.72	71,908.72	71,908.72

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

PROPRIETARY FUNDS

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

Stratford Borough School District
Enterprise Funds
Combining Balance Sheet
June 30, 2023

G-1

	Business Type Activity	
	Food Service	Total
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 220,341.98	220,341.98
Accounts Receivable:		
State	507.49	507.49
Federal	11,042.71	11,042.71
Other	17,283.41	17,283.41
Inventories	13,999.17	13,999.17
Total Current Assets	263,174.76	263,174.76
Fixed Assets:		
Furniture, Machinery and Equipment	354,888.30	354,888.30
Accumulated depreciation	(230,063.36)	(230,063.36)
Total Fixed Assets	124,824.94	124,824.94
Total assets	387,999.70	387,999.70
LIABILITIES:		
Current liabilities:		
Accounts payable	-	-
Deferred Revenue	4,721.70	4,721.70
Interfunds Payable	11,278.59	11,278.59
Total current liabilities	16,000.29	16,000.29
NET ASSETS		
Investment in capital assets, net of related debt	124,824.94	124,824.94
Unreserved Net Assets	247,174.47	247,174.47
Total net assets	371,999.41	371,999.41
Total liabilities and net assets	\$ 387,999.70	387,999.70

Stratford Borough School District
Enterprise Funds
Combining Statement of Revenues, Expenses
and Changes in Retained Earnings/Fund Balance
For the Fiscal Year ended June 30, 2023

G-2

	Business Type Activity	
	Food Service	Total
OPERATING REVENUES:		
Local Sources:		
Daily Sales - Reimbursable Programs	\$ 68,097.34	68,097.34
Daily Sales - Non-Reimbursable Programs	49,492.43	49,492.43
Miscellaneous Revenues	28,117.05	28,117.05
Total Operating Revenues	145,706.82	145,706.82
OPERATING EXPENSES:		
Salaries	183,394.29	183,394.29
Employee Benefits	-	-
Other Purchased Services	7,268.78	7,268.78
Supplies	9,901.24	9,901.24
Travel	-	-
Management Fee	39,439.20	39,439.20
Cost of Sales - Reimbursable	128,009.94	128,009.94
Cost of Sales - Non-Reimbursable	17,800.60	17,800.60
Depreciation	23,724.39	23,724.39
Miscellaneous	10,937.45	10,937.45
Total Operating Expenses	420,475.89	420,475.89
Operating income (loss)	(274,769.07)	(274,769.07)
NONOPERATING REVENUES:		
State sources:		
State School Lunch Program	6,354.73	6,354.73
State School Breakfast Program	1,918.60	1,918.60
Federal sources:		
National School Lunch Program	186,037.01	186,037.01
National School Breakfast Program	35,474.83	35,474.83
Food Distribution Program	29,916.63	29,916.63
Interest Revenues	-	-
Total Nonoperating Revenues	259,701.80	259,701.80
Net Income (Loss)	(15,067.27)	(15,067.27)
Operating Transfer		-
Adjustment to Fixed Assets		-
Net Assets - July 1	387,066.68	387,066.68
Net Assets - June 30	\$ 371,999.41	371,999.41

Stratford Borough School District
Combining Statement of Cash Flows
Enterprise Funds
For the Fiscal Year ended June 30, 2023

G-3

	Business Type Activity	Total
	Food Service	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 128,423.41	128,423.41
Cash payments to employees for services	(183,394.29)	(183,394.29)
Cash payments to suppliers for goods and services	(189,620.48)	(189,620.48)
	<u>(244,591.36)</u>	<u>(244,591.36)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Cash received from state and federal reimbursements	248,497.10	248,497.10
Operating subsidies and transfers to other funds	-	-
Interfund loans	-	-
	<u>248,497.10</u>	<u>248,497.10</u>
Net cash provided by noncapital financing activities	<u>248,497.10</u>	<u>248,497.10</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
Purchase of equipment	<u>(46,487.24)</u>	<u>(46,487.24)</u>
Net cash used by capital financing activities	<u>(46,487.24)</u>	<u>(46,487.24)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on investments	<u>-</u>	<u>-</u>
Net cash provided by investing activities	<u>-</u>	<u>-</u>
Net Increase in Cash and Cash Equivalents	(42,581.50)	(42,581.50)
Cash and Cash Equivalents, July 1	<u>262,923.48</u>	<u>262,923.48</u>
Cash and Cash Equivalents, June 30	<u>220,341.98</u>	<u>220,341.98</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)		
by Operating Activities:		
Operating Income (Loss)	(274,769.07)	(274,769.07)
Adjustments to Reconcile Operating Income (Loss) to Net Cash provided by (used for) Operating Activities:		-
Depreciation	23,724.39	23,724.39
Federal Commodities	29,916.63	29,916.63
Change in assets and liabilities:		-
(Increase) in accounts receivable	(17,283.41)	(17,283.41)
Decrease in inventory	(2,202.25)	(2,202.25)
Increase in accounts payable	-	-
Increase in unearned revenue	(3,977.65)	(3,977.65)
Net Cash Provided by (Used for) Operating Activities	<u>\$ (244,591.36)</u>	<u>(244,591.36)</u>

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

LONG-TERM DEBT

The long-term debt section consists of the schedules of obligations under capital leases.

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

Stratford Borough School District
 Long-Term Debt
 Schedule of General Serial Bonds
 For the Fiscal Year Ended June 30, 2023

I-1

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds				Interest Rate	Balance June 30, 2022	Increased	Decreased	Balance June 30, 2023
			Date	Amount	Outstanding June 30, 2023	June 30, 2022					
2019 Refunding Bonds	3/21/2019	\$ 3,415,000	8/1/2023	310,000	310,000	4.000%	2,820,000.00		300,000.00	2,520,000.00	
			8/1/2024	325,000	325,000	5.000%					
			8/1/2025	345,000	345,000	5.000%					
			8/1/2026	360,000	360,000	5.000%					
			8/1/2027	375,000	375,000	5.000%					
			8/1/2028	395,000	395,000	5.000%					
			8/1/2029	410,000	410,000	5.000%					
Total Bond Issue							<u>2,820,000.00</u>	<u>-</u>	<u>300,000.00</u>	<u>2,520,000.00</u>	

**Stratford Borough School District
Long-Term Debt
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 428,900.00	-	428,900.00	428,900.00	-
State Sources:					
Debt Service Aid Type II			-		-
Total - State Sources	-	-	-	-	-
Total Revenues	428,900.00	-	428,900.00	428,900.00	-
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	128,900.00	-	128,900.00	128,900.00	-
Redemption of Principal	300,000.00	-	300,000.00	300,000.00	-
Total Regular Debt Service	428,900.00	-	428,900.00	428,900.00	-
Total Expenditures	428,900.00	-	428,900.00	428,900.00	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	0.48	-	0.48	0.48	-
Fund Balance, June 30	\$ 0.48	-	0.48	0.48	-

Statistical Section

Governmental Accounting Standards Board (GASB) requires 10 years of statistical information to be included in the ACFR.

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

STRATFORD BOROUGH SCHOOL DISTRICT
Net Position by Component,
Last Ten Fiscal Years
Unaudited

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Invested in capital assets, net of related debi	5,913,028.87	5,660,971.07	5,556,177.71	5,374,698.13	5,275,718.45	5,120,430.81	5,151,565.30	5,369,044.54	5,619,422.81	6,362,573.80
Restricted	1,291,583.24	1,466,748.31	1,358,352.24	1,660,676.21	1,347,871.80	1,550,571.42	2,730,611.71	4,865,823.40	6,679,019.61	7,617,149.91
Unrestricted	(435,158.25)	(3,943,710.35)	(4,197,486.49)	(4,376,531.28)	(4,509,204.43)	(4,189,730.59)	(3,465,167.65)	(2,603,081.24)	(3,033,123.49)	(3,506,800.95)
Total governmental activities net position	6,769,453.86	3,184,009.03	2,717,043.46	2,658,843.06	2,114,385.82	2,481,271.64	4,417,009.36	7,631,786.70	9,265,318.93	10,672,922.76
Business-type activities										
Invested in capital assets, net of related debi	104,623.19	94,342.31	113,706.67	127,888.13	112,299.19	115,473.25	101,046.31	113,576.37	102,062.09	124,824.94
Unrestricted	193,648.94	243,113.22	171,995.70	170,788.79	184,585.98	197,519.54	202,153.33	201,279.59	285,004.59	247,174.47
Total business-type activities net position	298,272.13	337,455.53	285,702.37	298,676.92	296,885.17	312,992.79	303,199.64	314,855.96	387,066.68	371,999.41
District-wide										
Invested in capital assets, net of related debi	6,017,652.06	5,755,313.38	5,669,884.38	5,502,586.26	5,388,017.64	5,235,904.06	5,252,611.61	5,482,620.91	5,721,484.90	6,487,398.74
Restricted	1,291,583.24	1,466,748.31	1,358,352.24	1,660,676.21	1,347,871.80	1,550,571.42	2,730,611.71	4,865,823.40	6,679,019.61	7,617,149.91
Unrestricted	(241,509.31)	(3,700,597.13)	(4,025,490.79)	(4,205,742.49)	(4,324,618.45)	(3,992,211.05)	(3,263,014.32)	(2,401,601.65)	(2,748,118.90)	(3,059,626.48)
Total district net position	7,067,725.99	3,521,464.56	3,002,745.83	2,957,519.98	2,411,270.99	2,794,264.43	4,720,209.00	7,946,842.66	9,652,385.61	11,044,922.17

* Net position was restated as of June 30, 2014 as required by implementation of GASB 68

Source: ACFR Schedule A-1

STRATFORD BOROUGH SCHOOL DISTRICT
Changes in Net Position, Last Ten Fiscal Years
Unaudited

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities										
Instruction										
Regular	3,881,412.27	4,255,502.32	4,137,390.84	4,549,952.12	4,657,163.29	7,609,789.51	4,878,221.67	4,647,240.09	5,522,502.13	5,985,585.28
Special education	1,319,593.84	1,301,261.79	1,449,938.47	1,526,357.58	1,539,180.40	2,995,339.91	1,773,016.52	1,831,049.21	2,179,621.38	4,326,343.47
Other special education							266,066.16	327,035.83	528,822.28	707,644.11
Other instruction	576,274.96	602,776.78	688,561.27	624,159.27	629,677.45	754,088.59	117,140.82	74,837.11	109,320.65	180,346.97
Support Services:										
Tuition	452,128.04	684,119.38	850,707.82	787,394.94	1,084,400.93	1,021,114.80	317,667.07	284,793.16	379,857.40	515,835.65
Student & Instruction Related Services	1,266,446.47	1,482,852.36	1,467,952.55	1,513,927.64	1,693,462.84	2,515,011.55	1,720,755.72	1,517,596.15	1,935,119.64	3,117,342.05
General Administrative Services	748,498.24	805,987.94	684,620.99	732,628.71	713,435.43	355,453.72	669,956.13	776,790.17	787,379.76	506,254.68
School Administrative Services	460,211.86	421,434.15	419,605.39	419,925.09	447,668.97	433,678.91	406,874.94	383,591.00	444,303.23	626,979.77
Central Services						184,375.39				289,622.81
Administrative Information Technology						566,378.45				203,796.47
Business Admin and Technical Services										
Plant Operations and Maintenance	933,802.58	1,043,345.61	1,001,941.62	1,005,645.45	973,127.62	1,533,345.32	1,043,505.35	1,013,418.69	1,606,051.64	1,977,074.01
Pupil Transportation	335,789.42	466,033.94	520,865.10	480,501.61	539,731.61	786,743.99	484,617.86	338,834.81	395,822.45	888,160.45
Employee Benefits	3,037,725.55	4,615,882.24	5,656,300.76	6,875,538.05	7,637,439.13					
Unallocated Benefits										
Special Schools	67,249.00	18,432.00		18,891.00	44,699.00	47,755.00	5,643,354.64	7,284,644.97	4,986,222.61	-
Capital Outlay										
Interest on Long-Term Debt	378,455.86	219,892.84	212,199.08	205,162.62	169,985.84	247,517.06	131,350.22	129,816.89	118,679.39	78,622.39
Revaluation of Fixed Assets										
Security				71,336.07	54,201.57		13,704.00		13,951.00	
Transfer to Charter Schools	481,811.89	485,818.67	453,865.90	427,575.38	456,992.68		456,992.68		456,992.68	
Unallocated Depreciation and Amortization										
Total governmental activities expenses	13,939,399.98	16,403,340.02	17,543,949.79	19,238,995.53	20,641,166.76	19,050,592.20	17,923,223.78	19,066,640.76	19,464,646.24	#####
Business-type activities:										
Food Service	333,944.59	322,944.49	439,445.94	389,602.91	407,440.20	389,323.94	319,822.99	226,872.33	414,841.87	420,475.89
Summer Drama Camp	10,509.85	10,608.47	11,988.38	13,058.50	13,611.10	18,118.23				
Summer Technology Camp			4,832.78	2,583.60	3,229.50	1,187.87				
Summer Music Lessons				322.95	347.95	19.10				
Total business-type activities expense	344,454.44	333,552.96	456,267.10	405,567.96	424,628.75	408,649.14	319,822.99	226,872.33	414,841.87	420,475.89
Total district expenses	14,283,854.42	16,736,892.98	18,000,216.89	19,644,563.49	21,065,795.51	19,459,241.34	18,243,046.77	19,293,513.09	19,879,488.11	#####

STRATFORD BOROUGH SCHOOL DISTRICT
Changes in Net Position, Last Ten Fiscal Years
Unaudited

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (Tuition)	1,594,433.24	2,046,649.39	1,705,913.08	2,171,359.28	1,927,655.22	4,820,742.63	4,687,428.94	6,112,903.21	4,514,531.07	2,187,898.44
Business and Other Support Services	38,221.47	24,425.58	29,520.89	27,886.00	29,349.00	4,820,742.63	4,687,428.94	6,112,903.21	4,514,531.07	(344,664.99)
Operating Grants and Contributions	1,736,875.39	3,216,663.26	3,617,445.99	4,084,942.42	4,588,597.29	4,820,742.63	4,687,428.94	6,112,903.21	4,514,531.07	1,843,233.45
Special Item Refinance of Debt Savings	3,369,530.10	5,287,738.23	5,352,879.96	6,284,187.70	6,545,601.51	4,820,742.63	4,687,428.94	6,112,903.21	4,514,531.07	1,843,233.45
Total governmental activities program revenues										
Business-type activities:										
Charges for services:										
Food Service	213,016.00	201,999.78	214,314.58	222,296.53	231,180.91	232,649.82	151,776.43	20,967.06	5,068.75	145,706.82
Summer Drama Camp	9,822.56	13,244.65	14,896.30	16,117.00	18,161.00	232,649.82	151,776.43	20,967.06	5,068.75	145,706.82
Summer Technology Camp			5,625.00	2,723.75	3,485.00					
Summer Music Lessons				330.00	360.00					
Operating Grants and Contributions	124,752.00	157,491.93	169,718.06	177,075.23	169,670.09	192,106.94	158,253.41	217,561.59	481,983.84	259,701.80
Total business type activities program revenues	347,590.56	372,736.36	404,513.94	418,542.51	422,837.00	424,756.76	310,029.84	238,528.65	487,052.59	405,408.62
Total district program revenues	3,717,120.86	5,660,474.39	5,757,393.90	6,702,730.21	6,968,438.51	5,245,499.39	4,997,458.78	6,351,431.86	5,001,583.66	2,248,642.07
Net (Expense)/Revenue										
Governmental activities	(10,569,869.88)	(11,115,601.79)	(12,191,069.83)	(12,954,807.83)	#####	(14,229,849.57)	(13,235,794.84)	(12,953,737.55)	#####	#####
Business-type activities	3,136.12	39,183.40	(51,753.16)	12,974.55	(1,791.75)	16,107.62	(9,793.15)	11,656.32	72,210.72	(15,067.27)
Total district-wide net expense	(10,566,733.76)	(11,076,418.39)	(12,242,822.99)	(12,941,833.28)	#####	(14,213,741.95)	(13,245,587.99)	(12,942,081.23)	#####	#####
General Revenues and Other Changes in Net Asset:										
Governmental activities:										
Property Taxes Levied for General Purposes, Net	5,804,375.00	5,829,924.00	6,161,630.00	6,423,150.00	6,712,467.00	7,066,887.00	7,258,770.00	7,401,387.00	7,549,415.00	7,689,079.00
Taxes Levied for Debt Service	320,228.50	358,978.00	371,102.00	404,634.00	432,965.00	445,190.00	456,114.00	425,425.00	422,861.08	428,900.00
Unrestricted Grants and Contributions	4,399,538.43	4,565,179.60	5,023,433.38	5,794,883.44	6,158,834.75	5,097,469.59	5,172,608.72	5,402,439.33	6,062,140.72	#####
Restricted Grants						1,743,044.87	2,137,663.00	2,151,472.63	2,108,786.95	#####
Tuition										#####
Special Items										#####
Investment Earnings										#####
Special Item Refinance of Debt Savings		223,124.36	167,938.88	273,939.29	246,841.26	244,143.92	338,665.87	474,202.32	440,443.65	209,660.51
Miscellaneous Income	288,672.45									
Transfers	237,487.00									
Adjustment to Capital Assets										
Total governmental activities	11,050,299.38	10,977,205.96	11,724,104.26	12,896,606.73	13,551,108.01	14,596,735.38	15,354,250.68	15,854,926.28	16,583,647.40	#####
Business-type activities:										
Investment Earnings										
Special Items										
Transfers										
Total business-type activities										
Total district-wide	11,050,299.38	10,977,205.96	11,724,104.26	12,896,606.73	13,551,108.01	14,596,735.38	15,354,250.68	15,854,926.28	16,583,647.40	#####
Change in Net Position										
Governmental activities	480,429.50	(138,395.83)	(466,965.57)	(58,201.10)	(544,457.24)	366,885.81	2,118,455.84	2,901,188.73	1,633,532.23	#####
Business-type activities	3,136.12	39,183.40	(51,753.16)	12,974.55	(1,791.75)	16,107.62	(9,793.15)	11,656.32	72,210.72	#####
Total district	483,565.62	(99,212.43)	(518,718.73)	(45,226.55)	(546,248.99)	382,993.43	2,108,662.69	2,912,845.05	1,705,742.95	#####

Sources: ACFR Schedule A-2

STRATFORD BOROUGH SCHOOL DISTRICT
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
Unaudited

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Restricted	1,351,192.25	1,466,747.66	1,358,352.09	1,660,675.81	1,347,871.40	1,838,024.05	2,910,590.43	4,792,066.46	6,614,271.80	6,151,640.88
Committed										#REF!
Assigned	100,644.04	70,774.81		78,825.51	49,590.62		918,116.52	1,405,397.40	256,947.50	406,781.46
Unassigned	(195,935.00)	(177,774.57)	(184,582.85)	(91,684.63)	(153,981.18)		(143,841.10)	63,514.66	107,039.07	(258,706.96)
Reserved										
Unreserved										
Total general fund	<u>1,255,901.29</u>	<u>1,359,747.90</u>	<u>1,173,769.24</u>	<u>1,647,816.69</u>	<u>1,243,480.84</u>	<u>1,838,024.05</u>	<u>3,684,865.85</u>	<u>6,260,978.52</u>	<u>6,978,258.37</u>	<u>#REF!</u>
All Other Governmental Funds										
Unreserved, reported in:										
Special Revenue Fund	4,862.65	0.65	0.15	0.40	0.40	0.40	2,739.40	71,017.54	64,747.33	71,908.72
Debt Service Fund								2,739.40	0.48	
Total all other governmental funds	<u>4,862.65</u>	<u>0.65</u>	<u>0.15</u>	<u>0.40</u>	<u>0.40</u>	<u>0.40</u>	<u>2,739.40</u>	<u>73,756.94</u>	<u>64,747.81</u>	<u>71,909.20</u>

Source: ACFR Schedule B-1

STRATFORD BOROUGH SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
Unaudited

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax levy	6,124,601.50	6,188,902.00	6,532,732.00	6,827,784.00	7,145,432.00	7,512,077.00	7,714,884.00	7,826,812.00	7,972,276.08	8,117,979.00
Tuition Charges	1,594,433.24	2,046,649.39	1,705,913.08	2,171,359.28	1,927,655.22	1,743,044.87	2,137,663.00	2,151,472.63	2,108,786.95	2,187,898.44
Transportation Fees from other LEAs	38,221.47	24,425.58	29,520.89	27,886.90	29,349.00	29,094.88	33,279.00	8,250.80		
Interest/Earnings										
Miscellaneous	288,672.45	220,389.45	168,084.88	273,939.29	246,841.26	221,612.04	305,386.87	465,951.52	440,443.65	304,975.69
State Sources	5,792,904.11	6,186,578.26	6,427,501.03	6,772,398.54	7,170,127.88	7,824,518.22	8,260,208.01	8,581,259.62	9,889,340.20	11,055,117.89
Federal Sources	343,509.71	380,123.60	482,536.34	474,177.32	434,313.16	277,505.00	501,093.65	542,449.92	1,097,877.59	573,810.90
Total Revenues	14,182,342.48	15,047,068.28	15,346,288.22	16,547,545.33	16,953,718.52	17,607,852.01	18,952,514.53	19,576,196.49	21,508,724.47	22,239,781.92
Expenditures										
Instruction										
Regular Instruction	3,922,229.14	4,296,319.19	4,178,207.71	4,549,952.12	4,657,163.29	4,234,815.57	4,878,221.67	4,647,240.09	5,522,502.13	4,297,337.80
Special education instructor	1,319,593.84	1,301,261.79	1,449,938.47	1,526,357.58	1,539,180.40	1,666,893.95	1,773,016.52	1,831,049.21	2,179,621.38	3,129,945.66
Other special instruction							266,066.16	327,035.83	528,822.28	510,367.05
Other instruction	576,274.96	602,776.78	688,561.27	624,159.27	629,677.45	419,647.10	117,140.82	74,837.11	109,320.65	130,069.83
Support Services:										
Tuition	452,128.04	684,119.38	850,707.82	787,394.94	1,084,400.93	743,954.03	317,667.07	284,793.16	379,857.40	515,835.65
Student & Instruction Related Services	1,266,446.47	1,482,852.36	1,467,952.55	1,513,927.64	1,693,462.84	189,154.46	1,720,755.72	1,517,596.15	1,935,119.64	2,248,289.28
General Admin Services	748,498.24	805,987.94	684,620.99	732,628.71	705,980.43		669,956.13	776,790.17	787,379.76	364,620.11
School Admin Services	460,211.86	421,434.15	419,605.39	419,925.09	447,668.97		406,874.94	383,591.00	444,303.23	451,570.02
Central Services							412,646.58			208,595.21
Administrative Information Technology							1,094,292.59			146,780.46
Plant Operations and Maintenance	933,802.58	1,043,345.61	1,001,941.62	1,005,645.45	973,127.62	573,198.39	1,043,505.35	1,013,418.69	1,606,051.64	1,423,949.22
Pupil Transportation	335,789.42	466,033.94	520,865.10	480,501.61	539,731.61	4,661,549.19	484,617.86	338,834.81	395,822.45	639,680.34
Unallocated employee benefits							2,525,808.91	2,375,379.45	2,657,657.13	6,655,216.82
Security				71,336.07	54,201.57					
Other Support Services	2,993,465.50	3,413,364.44	3,747,255.29	3,888,941.40	4,450,327.26	2,218,147.22				
On Behalf TPAF Pension and Social Security Contributions							2,286,696.11	2,681,644.79	3,409,244.70	
Transfer of Fund to Charter Schools	67,249.00	18,432.00	151,508.67	18,891.00	44,699.00	47,755.00	107,849.56	354,194.31	377,093.36	637,718.82
Capital Outlay	269,431.85	48,316.09		49,203.00	105,468.00	140,585.27				
Debt Service:										
Principal	125,000.00	170,000.00	185,000.00	225,000.00	260,000.00	283,042.00	335,000.00	275,000.00	285,000.00	300,000.00
Interest and Other Charges	199,865.00	193,840.00	186,102.50	179,633.75	172,965.00	291,392.50	146,482.00	178,532.00	168,707.00	128,900.00
Total expenditures	13,669,985.90	14,948,083.67	15,532,267.38	16,073,497.63	17,358,054.37	17,111,404.30	17,079,658.82	17,059,936.77	20,786,502.75	21,788,876.27
Excess (Deficiency) of revenues over (under) expenditures	512,356.58	98,984.61	(185,979.16)	474,047.70	(404,335.85)	496,447.71	1,872,855.71	2,516,259.72	722,221.72	450,905.65
Other Financing sources (uses)										
Capital Leases	122,450.61									
Transfers in	-	-	-	-	-	(3,836,489.85)	(9,570.91)	-	-	-
Transfers out	-	-	-	-	-	3,934,585.35	(13,704.00)	-	(13,951.00)	-
Deposit to Refunding Escrow										
Bond Proceeds										
Total other financing sources (uses)	122,450.61	-	-	-	-	98,095.50	(23,274.91)	-	(13,951.00)	-
Net change in fund balances	634,807.19	98,984.61	(185,979.16)	474,047.70	(404,335.85)	594,543.21	1,849,580.80	2,516,259.72	708,270.72	450,905.65
Debt service as a percentage of noncapital expenditures	2.42%	2.44%	2.41%	2.53%	2.51%	3.38%	2.84%	2.71%	2.22%	2.03%

Source: ACFR Schedule B-2

STRATFORD BOROUGH SCHOOL DISTRICT
General Fund Other Local Revenue by Source
Last Ten Fiscal Years
Unaudited

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>PY Tuition</u> <u>Revenue</u>	<u>PY Refunds</u>	<u>Other</u> <u>Reimbursements</u>	<u>Transportation</u> <u>Fees</u>	<u>Shared Service</u> <u>Fees</u>	<u>Misc.</u>	<u>Total</u>
2014	4,882.97	24,473.52	41,922.00		38,221.47	213,051.61	1,848.33	324,399.90
2015	0.19		2,420.01	1,606.52	24,425.58	204,552.78	5,413.65	238,418.73
2016					29,520.89	158,727.68	6,938.20	195,186.77
2017			16,493.10	34,018.93	27,886.90	206,406.64	11,052.43	295,858.00
2018		6,779.22	6,244.06		29,349.00	228,343.49	6,461.21	277,176.98
2019			215,049.04		29,094.88			244,143.92
2020				182,718.12	33,279.00		121,298.75	337,295.87
2021					8,250.80	232,135.35	161,272.43	401,658.58
2022	16,575.14		12,267.01			257,191.40	109,738.92	395,772.47
2023	67,386.32		8,958.34			85,090.62	48,225.23	209,660.51

Source: District Records

STRATFORD BOROUGH SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Exempt Property	Tax-Property	Public Utilities ^a	Net Valuation Taxable	School Tax Rate ^b	Total Direct	Estimated Actual (County Equalized Value)
2014	2,028,800	331,915,900			62,743,100		19,410,700	416,098,500	158,535,400	158,535,400	100	257,563,200	1.480	426,787,872	
2015	1,948,700	331,915,300			60,706,200		19,051,800	413,622,000	158,787,400	158,787,400	100	254,834,700	1.538	431,242,479	
2016	1,910,700	332,339,600			59,786,600		19,051,800	413,088,700	158,668,600	158,668,600	100	254,420,200	1.618	427,782,367	
2017	1,952,000	332,370,500			58,690,500		19,051,800	412,064,800	158,515,300	158,515,300	100	253,549,600	1.696	427,668,193	
2018	1,952,000	333,543,300			58,260,700		19,051,800	412,807,800	159,259,700	159,259,700	100	253,548,200	1.771	427,977,349	
2019	1,952,000	332,256,900			54,944,900		19,051,800	408,205,600	162,575,900	162,575,900	100	245,629,800	1.982	433,722,438	
2020															
2021															
2022															
2023	113,836,600	296,529,600						410,366,200	176,900	176,900	78	410,189,378	2.680	525,720,010	

Source: District records, Tax list summary & Municipal Tax Assessor

Nc 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

STRATFORD BOROUGH SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Rate per \$100 of Assessed Value
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Stratford School District Direct Rate					Total Direct and Overlapping Tax Rate	
	Basic Rate ^a	General		Borough of Stratford	Regional High School		Camden County
		Obligation Debt Service ^b	Total Direct				
2014	1.403	0.077	1.480	0.916	0.709	3.929	
2015	1.449	0.089	1.538	0.937	0.702	4.041	
2016	1.526	0.092	1.618	0.961	0.667	4.108	
2017	1.595	0.101	1.696	0.980	0.691	4.238	
2018	1.664	0.107	1.771	0.996	0.651	4.291	
2019	1.875	0.107	1.982	0.999	0.684	4.531	
2020	1.897	0.107	2.004	0.996	0.665	4.534	
2021	1.929	0.107	2.036	1.041	0.663	4.613	
2022	1.865	0.107	1.972	1.072	0.741	4.659	
2023	1.891	0.107	1.998	1.074	0.682	4.622	

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 component: of the district's net budget may not exceed the prebudget 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 the net valuation taxable
- b** Rates for debt service are based on each year's requirements

STRATFORD BOROUGH SCHOOL DISTRICT
Principal Property Tax Payers,
Current Year and Ten Years Ago
Unaudited

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Woodmere Investment Assoc.	\$ 7,355,700.00	1	1.79%	Information not available		
Laurel Manor Realty LLC	3,948,400.00	2	0.96%			
Echelon Ford Real Estate Holdings	3,182,100.00	3	0.78%			
Gator Stratford LLC	2,519,800.00	4	0.61%			
Stratford Properties, LLC	2,500,000.00	5	0.61%			
Stratford Court Apartments, LLC	2,215,100.00	6	0.54%			
SB Stratford Propco	2,040,000.00	7	0.50%			
Aldi, Inc. C/O Ryan Tax Compliance	2,012,900.00	8	0.49%			
Stanton L Meltzer Properties, LLC	1,950,000.00	9	0.48%			
Pep Boys - Manny Moe & Jack of Del	1,598,100.00	10	0.39%			
Total	\$ 29,322,100.00		7.15%	\$ -		0.00%
	Total Assessed Value		\$ 410,189,378.00			\$ 257,563,200.00

Source: District ACFR & Municipal Tax Assessor

STRATFORD BOROUGH SCHOOL DISTRICT
Property Tax Levies and Collections,
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	6,124,601.00	6,124,601.00	100.00%	-
2015	5,829,924.00	5,829,924.00	100.00%	-
2016	6,161,630.00	6,161,630.00	100.00%	-
2017	6,423,150.00	6,423,150.00	100.00%	-
2018	6,712,467.00	6,712,467.00	100.00%	-
2019	7,512,077.00	7,512,077.00	100.00%	-
2020	7,714,884.00	7,714,884.00	100.00%	-
2021	7,826,812.00	7,826,812.00	100.00%	-
2022	7,972,276.08	7,972,276.08	100.00%	-
2023	7,689,079.00	7,048,323.00	91.67%	640,756

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

STRATFORD BOROUGH SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2014	5,031,000	-	-	-	-	5,031,000	1.56%	720	
2015	5,031,000	-	-	-	-	5,031,000	1.50%	721	
2016	4,846,000	-	81,634	-	-	4,927,634	1.43%	707	
2017	4,621,000	-	40,817	-	-	4,661,817	1.31%	669	
2018	4,361,000	-	-	-	-	4,361,000	1.18%	627	
2019	3,715,000	-	-	-	-	3,715,000	0.97%	534	
2020	3,380,000	-	-	-	-	3,380,000	0.89%	487	
2021	3,105,000	-	-	-	-	3,105,000	0.81%	446	
2022	2,820,000	-	-	-	-	2,820,000	0.69%	405	
2023	2,520,000	-	-	-	-	2,520,000	0.59%	362	

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

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

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

STRATFORD BOROUGH SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2014	5,031,000	-	5,031,000	0.01953307	721
2015	5,031,000	-	5,031,000	1.97%	720
2016	4,846,000	-	4,846,000	1.90%	694
2017	4,621,000	-	4,621,000	1.82%	663
2018	4,361,000	-	4,361,000	1.72%	626
2019	3,715,000	-	3,715,000	1.51%	534
2020	3,380,000	-	3,380,000	#DIV/0!	487
2021	3,105,000	-	3,105,000	#DIV/0!	446
2022	2,820,000	-	2,820,000	#DIV/0!	405
2023	2,520,000	-	2,520,000	0.61%	362

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

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

STRATFORD BOROUGH 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 Borough of Stratford	\$ 3,395,771.25	100.00%	3,395,771.25
Other debt Camden County as of December 31, 2022	29,335,000.00	1.09%	319,751.50
Subtotal, overlapping debt			3,715,522.75
Stratford Borough School District Direct Debt			<u>2,520,000.00</u>
Total direct and overlapping debt			<u>\$ 6,235,522.75</u>

Sources: Stratford Borough Finance Officer, Camden County Finance Office and Authorities

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Borough of Stratford. 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.

STRATFORD BOROUGH SCHOOL DISTRICT
 Legal Debt Margin Information,
 Last Ten Fiscal Years
Unaudited

Legal Debt Margin Calculation for Fiscal Year 2023

	Equalized valuation basis									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	13,817,168	13,190,321	12,938,582	12,863,057	12,808,295	12,969,506	12,794,160	13,281,588	13,643,996	14,559,363
Total net debt applicable to limit	5,201,000	5,031,000	4,846,000	4,621,000	4,361,000	3,715,000	3,380,000	3,105,000	2,820,000	2,520,000
Legal debt margin	<u>8,616,168</u>	<u>8,159,321</u>	<u>8,092,582</u>	<u>8,242,057</u>	<u>8,447,295</u>	<u>9,254,506</u>	<u>9,414,160</u>	<u>10,176,588</u>	<u>10,823,996</u>	<u>12,039,363</u>
Total net debt applicable to the limit as a percentage of debt limit	37.64%	38.14%	37.45%	35.92%	34.05%	28.64%	26.42%	23.38%	20.67%	17.31%

	2022	2021	2020
Equalized valuation basis	\$ 521,437,700	485,369,697	449,128,919
[A]	<u>1,455,936,316</u>		
Average equalized valuation of taxable property [A/3]	485,312,105		
Debt limit (3 % of average equalization value) [B]	14,559,363		
Net bonded school debt [C]	2,520,000		
Legal debt margin [B-C]	<u>\$ 12,039,363</u>		

Source: Abstract of Rates and District Records ACFR Schedule J-6

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

STRATFORD BOROUGH SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2014	6,982	322,519.53	46,193	7.30%
2015	6,985	335,293.97	48,002	5.80%
2016	6,978	344,657.38	49,392	5.00%
2017	6,968	356,036.93	51,096	5.00%
2018	6,967	369,432.14	53,026	4.30%
2019	6,955	382,232.89	54,958	3.90%
2020	6,937	381,243.65	54,958	10.40%
2021	6,961	382,562.64	54,958	6.40%
2022	6,961	409,515.63	58,830	6.40%
2023	6,965	429,336.53	61,642	3.80%

Source:

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

b Personal income is calculated by multiplying per capita income by the population

c Per Capita Income US Department of Commerce, Bureau of Economic Analysis

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

STRATFORD BOROUGH SCHOOL DISTRICT
Full-time Equivalent District Employees by Function/Program,
Last Nine Fiscal Years
Unaudited

<u>Function/Program</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	54.50	55.10	57.60	57.60	57.60	57.60	63.20	63.20	63.20
Special education	16.80	18.50	18.80	18.80	18.80	18.80	18.80	18.80	18.80
Other special education	-	-	-	-	-	-	-	-	-
Support Services:									
Student & instruction related services	26.80	25.50	28.10	28.10	28.10	28.10	30.10	30.10	30.10
General & Business Administrative services	1.70	2.70	2.70	2.70	3.00	3.00	3.00	3.00	3.00
School administrative services	8.50	7.80	7.40	7.40	2.70	2.70	7.00	7.00	7.00
Central Services	3.20	3.20	3.00	3.00	6.40	6.40	2.00	2.00	2.00
Administrative Information Technology	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Plant operations and maintenance	11.40	10.60	11.40	11.40	11.40	11.40	8.00	8.00	8.00
Pupil Transportation	1.50	1.50	1.50	1.50	1.50	1.50	1.50	2.50	2.50
Food Service	-	-	-	-	-	-	-	-	-
Total	125.40	125.90	131.50	131.50	130.50	130.50	134.60	135.60	135.60

GASB requires this table to present the full-time equivalent district employees by function/program for the current year and the previous nine years.

Source: District Personnel Records

STRATFORD BOROUGH SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years
Unaudited

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Parkview	Yellin	Yellin				
2014	829	12,749,510	15,379	-2.77%	78	1:21	1:21	847	815	5.23%	96.22%	
2015	865	14,535,928	16,805	9.27%	83	1:21	1:21	859	819	1.37%	95.40%	
2016	824	15,009,656	18,216	8.40%	84	1:21	1:21	834	797	-2.90%	95.53%	
2017	868	15,619,661	17,995	-1.21%	84	1:22	1:22	868	828	4.04%	95.39%	
2018	832	16,819,621	20,216	12.34%	89	1:20	1:20	878	803	1.20%	91.46%	
2019	854	17,111,404	20,037	-0.89%	89	1:20	1:20	855	835	-2.61%	97.60%	
2020	864	16,490,540	19,086	-4.74%	90	1:20	1:20	885	849	3.53%	95.90%	
2021	864	16,252,210	18,810	-1.45%	82	1:20	1:20	851	814	-3.86%	95.61%	
2022	879	19,955,702	22,703	20.69%	82	1:20	1:20	879	807	3.28%	91.81%	
2023	899	20,722,257	23,050	1.53%	82	1:20	1:20	899		2.28%	0.00%	

Sources: District records, ASSA and Schedules J-12, J-14

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

STRATFORD BOROUGH SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years
Unaudited

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>District Buildings</u>										
<u>Elementary Schools</u>										
Parkview Elementary (1964)	48,198	48,198	48,198	48,198	48,198	48,198	48,198	48,198	48,198	48,198
Square Feet	307	307	307	307	307	307	307	307	400	400
Capacity (students)	350	378	356	353	353	359	369	333	398	371
Enrollment										
Yellin Elementary (1957)	76,682	76,682	76,682	76,682	76,682	76,682	76,682	76,682	76,682	76,682
Square Feet	547	547	547	547	547	547	547	547	547	547
Capacity (students)	479	487	468	515	515	495	495	531	481	528
Enrollment										

Number of Schools at June 30, 2023
 Elementary - 2
 Middle - 0
 High School - 0
 Other - 0

Source: District records, ASSA

Note: Year of original construction is shown in parentheses.
 Enrollment is based on the actual October district count.

STRATFORD BOROUGH SCHOOL DISTRICT
General Fund
Schedule of Required Maintenance for School Facilities
Last Ten Years
Unaudited

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

School Facilities	Project # (s)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Samuel Yellin School	N/A	227,589.01	301,784.00	114,754.00	83,569.00	121,432.00	106,635.00	12,544.00	117,049.00	138,183.00	103,288.00
Parkview School	N/A	133,663.39	175,706.00	76,502.00	55,712.00	80,954.00	69,270.00	65,621.00	59,779.00	94,686.00	52,499.00
Total School Facilities		<u>361,252.40</u>	<u>477,490.00</u>	<u>191,256.00</u>	<u>139,281.00</u>	<u>202,386.00</u>	<u>175,905.00</u>	<u>78,165.00</u>	<u>176,828.00</u>	<u>232,869.00</u>	<u>155,787.00</u>
Other Facilities											
Grand Total		<u>361,252.40</u>	<u>477,490.00</u>	<u>191,256.00</u>	<u>139,281.00</u>	<u>202,386.00</u>	<u>175,905.00</u>	<u>78,165.00</u>	<u>176,828.00</u>	<u>232,869.00</u>	<u>155,787.00</u>

STRATFORD BOROUGH SCHOOL DISTRICT
Insurance Schedule
June 30, 2023
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy:		
Property		
Building and Contents (All Locations)	\$ 31,393,732	5,000
Comprehensive General Liability	6,000,000.00	N/A
Comprehensive Automobile Liability	6,000,000.00	N/A
Comprehensive Crime Coverage:		
Faithful Performance	250,000.00	1,000.00
Money Orders/Counterfeit	10,000.00	500.00
Money and Securities	10,000.00	500.00
Secretarys Bond	200,000.00	1,000.00
Computer Fraud	250,000.00	100.00
Forgery and Alteration	25,000.00	500.00
Equipment and Breakdown	100,000,000.00	5,000.00
Workers Compensation	Statutory	
School Leaders Error and Admissions	6,000,000.00	5,000.00
Supplemental Workers Compensation	Statutory	
Student Accident Insurance	5,000,000.00	
Berkley Life and Health Insurance Company		
Student Accident Policy Catastrophe	1,000,000.00	
Cyber and Privacy	500,000.00	5,000.00

Source: District Records

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

Single Audit Section

{THIS PAGE IS INTENTIONALLY LEFT BLANK}



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

www.ford-scott.com

K-1

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

The Honorable President and
Members of the Board of Education
Stratford Borough School District
County of Camden, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Stratford Borough School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Stratford Borough School District's basic financial statements, and have issued our report thereon dated December 12, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Purpose of this Report

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

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Nancy Sbrolla

Nancy Sbrolla
Certified Public Accountant
Licensed Public School Accountant
No. 2426

December 12, 2023



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

www.ford-scott.com

K-2

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE REQUIRED BY UNIFORM ADMINISTRATIVE AWARDS (UNIFORM GUIDANCE), AND NEW JERSEY OMB'S CIRCULAR 15-08

Honorable President and
Members of the Board of Education
Stratford Borough School District
County of Camden, New Jersey

Report on Compliance for Each Major Federal & State Program

Opinion on Each Major Federal & State Program

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

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

Basis for Opinion on Each Major Federal & State Program

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and NJ OMB 15-08. Our responsibilities under those standards and the Uniform Guidance 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 Stratford Borough School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Stratford Borough School District's compliance with the 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 its Federal and 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 Stratford Borough School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and NJ 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 Stratford Borough School District's compliance with the requirements of each major federal or state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, 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 Stratford Borough School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Stratford Borough School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJ OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of Stratford Borough School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance or NJ OMB 15-08.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or 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 federal or 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 paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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 have not been 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 Uniform Guidance and NJ OMB 15-08. Accordingly, this report is not suitable for any other purpose.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Nancy Sbrolla

Nancy Sbrolla
Certified Public Accountant
Licensed Public School Accountant
No. 2426

December 12, 2023

**Stratford Borough School District
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2023**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Grant Period	Program or Award Amount	Balance at June 30, 2022	Carryover/ (W/over)	Cash Received	Budgetary Expenditures			(MEMO) Passed Through to Subrecipients	Adjustments	Repayment of Prior Years' Business	Balance at June 30, 2023	
									Pass-Through	Source	Direct				Total	(Accounts Receivable)
U.S. Department of Agriculture																
Passed-through State Department of Education:																
Emergency Food Distribution Program	10.555	221NFB04N1 099	N/A	7/1/21 - 6/30/22	10,964 \$	3,796.11	-	29,916.63	(29,916.63)	-	(3,796.11)	-	-	-	-	-
National School Lunch Program	10.555	221NFB04N1 099	N/A	7/1/21 - 6/30/22	339,666	(22,479.44)	-	22,479.44	(186,007.01)	-	-	-	-	-	-	-
School Breakfast Program	10.553	221NFB04N1 099	N/A	7/1/21 - 6/30/22	84,552	(7,265.35)	-	17,665.35	-	-	-	-	-	-	-	-
School Breakfast Program	10.553	231NFB04N1 099	N/A	7/1/22 - 6/30/23	35,475	-	-	32,789.57	(35,474.83)	-	-	-	-	-	-	-
Total U.S. Department of Agriculture																
U.S. Department of Human Services																
Passed-through State Department of Education:																
Medical Assistance Program	93.778	2205NJSMAP	100-054-7540-211	7/1/21 - 6/30/22	7,518	(1,506.99)	-	1,506.90	(10,273.22)	-	-	-	-	-	-	-
Medical Assistance Program	93.778	2305NJSMAP	100-054-7540-211	7/1/22 - 6/30/23	10,273	-	-	10,273.22	(10,273.22)	-	-	-	-	-	-	-
Total General Fund																
Passed-through State Department of Education:																
Special Revenue Fund:																
Title I, Part A	84.010A	S010A220030	100-034-5064-194	7/1/22-6/30/23	187,683	-	-	33,360.00	(187,054.00)	-	-	-	-	-	-	-
Title I, Part A, Carryover	84.010A	S010A220030	100-034-5064-194	7/1/21-6/30/22	211,425	(211,425.00)	-	198,342.00	-	-	-	-	-	-	-	-
Title I, Part A, Carryover	84.010A	S010A220030	100-034-5064-194	7/1/20-6/30/21	160,388	(10,425.00)	-	-	-	-	-	-	-	-	-	-
Title I, Part A, Carryover	84.367	S87A220029	100-034-5065-290	7/1/22-6/30/23	112,965	(21,714.59)	-	-	-	-	-	-	-	-	-	-
Title I, Carryover	84.367	S387A21 0029	100-034-5063-290	7/1/21-6/30/22	29,664	(5,328.24)	-	24,677.00	-	-	-	-	-	-	-	-
Title III, Carryover	84.365	S165A220030	100-034-5064-187	7/1/22-6/30/23	10,020	(9,721.00)	-	2,833.00	(12,991.69)	-	-	-	-	-	-	-
Title III, Carryover	84.365	S165A220030	100-034-5064-187	7/1/21-6/30/22	17,116	(157.43)	-	210.00	(4,070.92)	-	-	-	-	-	-	-
Title III, Carryover	84.424	S424A220031	100-034-5063-348	7/1/22-6/30/23	10,438	(9,721.00)	-	9,721.00	(4,070.92)	-	-	-	-	-	-	-
Title III, Carryover	84.424	S424A21 0031	100-034-5063-348	7/1/21-6/30/22	10,020	(806.40)	-	-	(23,892.52)	-	-	-	-	-	-	-
Title IV, Carryover	84.027	H027A220100	100-034-5065-016	7/1/22-6/30/23	292,484	(95,845.85)	-	95,845.85	(48,032.60)	-	-	-	-	-	-	-
Title IV, Carryover	84.027	H027A21 0100	100-034-5065-016	7/1/21-6/30/22	30,179	(30,179.00)	-	-	(3,246.57)	-	-	-	-	-	-	-
Title IV, Carryover	84.173A	H173A200114	100-034-5065-020	7/1/20-6/30/21	30,179	(104,216.11)	-	-	(323,566.00)	-	-	-	-	-	-	-
Title IV, Carryover	84.173B	H173A200114	100-034-5065-020	7/1/19-6/30/20	4,125	(22,400.00)	-	100,889.00	(23,000.00)	-	-	-	-	-	-	-
ARR - LID - Basic	84.425D	S425D20027	100-034-5120-513	3/13/20-9/30/23	101,461	(104,216.11)	-	-	(71,086.60)	-	-	-	-	-	-	-
ARR - LID - Basic	84.425D	S425D20027	100-034-5120-513	3/13/20-9/30/22	48,144	(306.23)	-	-	(306.23)	-	-	-	-	-	-	-
COVID-19 CARES Emergency Relief Grant	84.625D	S425D20027	100-034-5120-518	3/13/20-9/30/23	578,566	(22,400.00)	-	22,400.00	(323,566.00)	-	-	-	-	-	-	-
COVID-19 ESSER II - Mental Health	84.625D	S425D20027	100-034-5120-518	3/13/20-9/30/23	45,000	(6,773.28)	-	47,000.00	(23,000.00)	-	-	-	-	-	-	-
COVID-19 ESSER II - Beyond the School Day	84.625D	S425D20027	100-034-5120-523	3/13/20-9/30/24	40,000	(306.23)	-	-	(306.23)	-	-	-	-	-	-	-
COVID-19 American Rescue Plan - Coronavirus Relief Fund	21.019	S425U210027	100-034-5120-495	3/1/20-12/31/21	48,114	79.69	-	-	(93,846.53)	-	-	-	-	-	-	-
COVID-19 Nompahic CRF Technology	21.019	S425U210027	100-034-5120-495	7/1/21-6/30/21	11,441	(93,742.67)	-	93,500.85	(93,846.53)	-	-	-	-	-	-	-
Total Special Revenue Fund																
Total Federal Financial Awards																
						\$	(965,198.25)	1,275,412.52	(1,190,275.00)	(10,273.22)	(3,796.11)	-	-	-	78,343.68	78,343.68

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

Stratford Borough School District
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year ended June 30, 2023

Federal Grantor/Pass-Through Grantor/ Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022		Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Reversion of Prior Years' Balances	Balance at June 30, 2023		MEMO Budgetary Receivable	Cumulative Total Expenditures
				Deferred Revenue/ (Accounts Receivable)	Due to Grantor					(Accounts Receivable)	Deferred Revenue/ Interfund		
State Department of Education													
General Fund:													
State Aid-Public Cluster:													
Equalization Aid	23-495-034-5120-078	7/1/22-6/30/23	6,119,928.00				6,119,928.00	(6,119,928.00)				601,374.00	6,119,928.00
Categorical Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	437,575.00				437,575.00	(437,575.00)				42,998.00	437,575.00
Categorical Security Aid	23-495-034-5120-084	7/1/22-6/30/23	137,797.00				137,797.00	(137,797.00)				13,541.00	137,797.00
School Choice Aid	23-495-034-5120-068	7/1/22-6/30/23	180,236.00				180,236.00	(180,236.00)				17,711.00	180,236.00
Total State-Aid Public Cluster			6,875,536.00				6,875,536.00	(6,875,536.00)				675,624.00	6,875,536.00
Categorical Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	202,610.00				202,610.00	(202,610.00)				19,909.00	202,610.00
Extraordinary Aid	22-495-034-5120-044	7/1/21-6/30/22	151,108.00	(151,108.00)		151,108.00							151,108.00
Nonpublic Transportation Aid	22-495-034-5120-044	7/1/21-6/30/22	196,625.00	(2,030.00)		2,030.00	(196,625.00)	(196,625.00)					196,625.00
Nonpublic Transportation Aid	22-495-034-5120-014	7/1/22-6/30/23	2,030.00										2,030.00
Searing Our Children's Future Bond Act	23-495-034-5120-014	7/1/22-6/30/23	3,744.00					(3,744.00)					3,744.00
On-Behalf Teachers' Pension and Annuity Fund - Post-Retirement Medical	23-495-034-5094-002	7/1/22-6/30/23	44,592.00	(44,592.00)		2,314,078.00	(2,314,078.00)		44,592.00				2,314,078.00
On-Behalf Teachers' Pension and Annuity Fund - On-Behalf Teachers' Pension and Annuity Fund -	23-495-034-5094-001	7/1/22-6/30/23	607,903.00			607,903.00	(607,903.00)						607,903.00
On-Behalf Teachers' Pension and Annuity Fund - Reimbursed TPAF Social Security Contributions	23-495-034-5094-004	7/1/22-6/30/23	656.00			656.00	(656.00)						656.00
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	7/1/21-6/30/22	518,599.00	(25,137.35)		25,137.35	(537,743.76)	(537,743.76)					518,599.00
Reimbursed TPAF Social Security Contributions	23-495-034-5094-003	7/1/22-6/30/23	537,744.00			488,252.24	(537,743.76)	(537,743.76)					537,743.76
Total General Fund			10,664,310.59	(222,867.35)		10,664,310.59	(10,238,895.76)	(44,592.00)				695,533.00	11,407,632.46
Special Revenue Fund:													
Non-Public Aid													
Textbooks	23-100-034-5120-064	7/1/22-6/30/23	14,652.00			14,652.00	(14,652.00)						14,652.00
Nursing Services	22-100-034-5120-064	7/1/21-6/30/22	13,805.00		335.00		(24,864.00)	(335.00)					13,805.00
Nursing Services	22-100-034-5120-070	7/1/22-6/30/23	24,864.00			24,864.00	(24,864.00)						24,864.00
Technology Initiative	22-100-034-5120-070	7/1/21-6/30/22	2,760.00		812.00		(9,185.38)	(812.00)					2,760.00
Technology Initiative	22-100-034-5120-070	7/1/22-6/30/23	9,660.00			9,324.00	(9,185.38)						9,660.00
Security Aid	23-100-034-5120-509	7/1/22-6/30/23	45,510.00			45,510.00	(44,984.33)	(210.00)					45,510.00
Auxiliary Services Aid (Chapter 192)	22-100-034-5120-509	7/1/21-6/30/22	40,250.00		8,093.16			(8,093.16)					40,250.00
Compensatory Education	23-100-034-5120-067	7/1/22-6/30/23	187,284.00			187,284.00	(174,731.44)	(26,426.50)					187,284.00
Compensatory Education	22-100-034-5120-067	7/1/21-6/30/22	189,910.00		26,426.50		(18,469.82)	(8,368.38)					189,910.00
Transportation	23-100-034-5120-067	7/1/22-6/30/23	37,049.00			37,049.00	(18,640.92)	(10,414.40)					37,049.00
Transportation	22-100-034-5120-067	7/1/21-6/30/22	33,427.00		8,368.38			(8,368.38)					33,427.00
ESL	23-100-034-5120-067	7/1/22-6/30/23	31,271.00			31,271.00	(18,640.92)	(10,414.40)					31,271.00
ESL	22-100-034-5120-067	7/1/21-6/30/22	28,319.00		10,414.40			(10,414.40)					28,319.00
Handicapped Services (Chapter 193)	23-100-034-5120-066	7/1/22-6/30/23	80,965.00			80,965.00	(39,458.72)	(9,105.07)					39,458.72
Examination and Classification	22-100-034-5120-066	7/1/21-6/30/22	62,384.00		9,105.07			(9,105.07)					62,384.00
Examination and Classification	23-100-034-5120-066	7/1/22-6/30/23	39,990.00			39,990.00	(33,759.00)	(22,041.00)					39,990.00
Corrective Speech	22-100-034-5120-066	7/1/21-6/30/22	54,870.00		22,041.00			(22,041.00)					54,870.00
Supplementary Instruction	23-100-034-5120-066	7/1/22-6/30/23	53,690.00			53,690.00	(46,916.80)	(6,608.00)					46,916.80
Supplementary Instruction	22-100-034-5120-066	7/1/21-6/30/22	56,168.00		6,608.00			(6,608.00)					56,168.00
Total Special Revenue Fund			524,590.00		92,413.31		524,590.00	(425,052.13)	(92,413.31)				11,407,632.46
Enterprise Fund:													
National School Lunch Program (State Share)	23-100-010-3360-067	7/1/22-6/30/23	6,355.00			5,898.54	(6,354.73)						6,354.73
National School Lunch Program (State Share)	22-100-010-3360-067	7/1/21-6/30/22	7,981.00	(517.34)		517.34		(456.19)					7,980.96
National School Breakfast Program (State Share)	23-100-010-3360-021	7/1/22-6/30/23	1,919.00			1,867.50	(1,918.60)						1,918.60
Total Enterprise Fund			16,255.00	(517.34)		8,283.18	(8,283.33)						16,254.29
Total State Financial Assistance			11,197,192.77	(223,384.69)	92,413.31	11,197,192.77	(11,172,221.22)	(47,821.51)				695,533.00	12,237,106.27
Less: On-Behalf Contributions													
Pension	23-495-034-5094-002						2,314,078.00						
Post-retirement Medical	23-495-034-5094-001						607,903.00						
Long-Term Disability	23-495-034-5094-004						656.00						
Total for State Financial Assistance-Major Program Determination			\$			\$	(8,249,584.22)						

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

Stratford Borough School District
Notes to the Schedules of 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, Stratford Borough School District. The Board of Education is defined in Note 1(A) 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 schedule 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 included in this schedule is presented in accordance with the requirements of OMB Uniform Guidance and NJ 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% de minimis indirect cost rate.

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to P.L. 2003, c.97 (A3521). For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

See the following schedules and Note 1(D) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. There are no differences in the reporting of the food service funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

Stratford Borough School District
Notes to the Schedules of Financial Assistance
June 30, 2023

	<u>General fund</u>	<u>Special Revenue Fund</u>	<u>Food Service Fund</u>	<u>Total</u>
State Assistance:				
Actual amounts (budgetary) “revenues” from the Schedule of Expenditures of State Financial Assistance	10,738,895.76	425,052.13	8,273.33	11,172,221.22
Difference – budget to “GAAP”				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	586,703.00			586,703.00
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(695,533.00)			(695,533.00)
Total State revenue as reported on the statement of revenues, expenditures and changes in fund balances	<u>10,630,065.76</u>	<u>425,052.13</u>	<u>8,273.33</u>	<u>11,063,391.22</u>

Stratford Borough School District
Notes to the Schedules of Financial Assistance
June 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service Fund</u>	<u>Total</u>
Federal Assistance:				
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of Federal Awards	\$ 10,273.22	938,846.53	251,428.47	1,200,548.22
Difference - budget to "GAAP" Grant accounting budgetary basis differs from "GAAP" in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(375,308.85)		(375,308.85)
Total Federal revenue as reported on the statement of revenue, expenditures, and changes in fund balance	<u>\$ 10,273.22</u>	<u>563,537.68</u>	<u>251,428.47</u>	<u>825,239.37</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. OTHER

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

**STRATFORD BOROUGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

Section I -- Summary of Auditor's Results

Financial Statement

Type of auditor's report issued	<u>Unmodified</u>		
Internal control over financial reporting:			
• Material weakness(es) identified?	_____	yes	_____ <u>X</u> _____ no
• Significant deficiency(ies) identified?	_____	yes	_____ <u>X</u> _____ no
Noncompliance material to financial statements noted?	_____	yes	_____ <u>X</u> _____ no

Federal Awards

Internal Control over major programs:			
• Material weakness(es) identified?	_____	yes	_____ <u>X</u> _____ no
• Significant deficiency(ies) identified?	_____	yes	_____ <u>X</u> _____ none reported

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

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	_____	yes	_____ <u>X</u> _____ no
--	-------	-----	-------------------------

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number</u>	<u>Name of Federal Program or Cluster</u>
84.425D	S425U210027	ESSER Funding

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

Auditee qualified as low-risk auditee?	_____ <u>x</u> _____	yes	_____ no
--	----------------------	-----	----------

State Awards

Internal Control over major programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? _____ yes X none reported

Type of auditor's report issued on compliance major programs

Unmodified

Any audit findings disclosed that are required to be reported in accordance with OMB Circular 15-08

_____ yes X no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
_____	State Aid Cluster
23-495-034-5120-078	Equalization Aid
23-495-034-5120-089	Special Education Aid
23-495-034-5120-084	Security Aid
23-495-034-5120-068	School Choice Aid
_____	_____
_____	_____
_____	_____
_____	_____

Dollar Threshold used to distinguish between type A and type B programs:

\$ 750,000

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

**STRATFORD BOROUGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDING JUNE 30, 2023**

Part 2 – Schedule of Financial Statement Findings

None

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs

None

**STRATFORD BOROUGH SCHOOL DISTRICT
SUMMARY OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDING JUNE 30, 2023**

Status of Prior Year Findings

Finding 2022-001:

Condition: Net cash resources in the Food Service Fund exceeded three months average expenditures.

Current Status: This finding has been partially corrected in the current year.

Finding 2022-002:

Condition: The District did not maintain an accurate subsidiary ledger for accounts receivable.

Current Status: This finding has been corrected in the current year.

Finding 2022-003:

Condition: The District is not maximizing its efforts under the Special Education Medicaid Initiative (SEMI) Program for obtaining federal funding for special education services.

Current Status: This finding has been corrected in the current year.