

**Annual Comprehensive
Financial Report**

of the

Township of Upper Board of Education

Upper Township, New Jersey

For the Fiscal Year Ended June 30, 2023

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Introductory Section



Upper Township School District

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www.upperschools.org

December 4, 2023

Honorable President and
Members of the Board of Education
Upper Township School District
County of Cape May, New Jersey

Dear Board Members:

The Annual Comprehensive Financial Report of the Upper Township School District for the fiscal year ended June 30, 2023 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Annual Comprehensive Financial Report is presented in four sections: Introductory, Financial, Statistical and Single Audit. The Introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The Financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The Statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular Uniform Guidance, "Audits of State, Local Governments, and Nonprofit Organizations" and New Jersey OMB's Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the Single Audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES

The Upper Township School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The Upper Township Board of Education and all its schools constitute the District's reporting entity.

The district provides a full range of educational services appropriate to grade levels pre-school through 8. These include regular, as well as special education for handicapped youngsters. The District sends students in grades 9 through 12 to Ocean City High School on a sending/receiving tuition basis. Upper Township receives Corbin City Board of Education students pre-school through grade 8 on a tuition basis. The District completed the 2022-23 fiscal year with an average daily enrollment of 1,388 students. The following details the changes in the student enrollment of the District over the last five years:

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2022-2023	1,388	-1.21%
2021-2022	1,405	3.42%
2020-2021	1,357	-5.97%
2019-2020	1,438	0.35%
2018-2019	1,433	-1.13%

2. ECONOMIC OUTLOOK

Atlantic City Electric operates a power plant in Beesley's Point located in Upper Township. Through the Energy Receipts Tax, the Township of Upper is a major benefactor. Because of these revenues, the Township of Upper has had no local purpose tax until 2011. The Township had allocated a portion of the revenues generated by the Energy Receipts Tax to the school district however, since the 2007-08 school budget year; the Township has not allocated any funds to offset the tax impact.

3. INTERNAL ACCOUNTING CONTROLS

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

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management. As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

4. 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. 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 reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2023.

5. ACCOUNTING SYSTEM AND REPORTS

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

6. FINANCIAL INFORMATION AT FISCAL YEAR-END

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

7. DEBT ADMINISTRATION

As of June 30, 2023, the District has no outstanding bond issues.

8. CASH MANAGEMENT

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

9. 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.

10. OTHER INFORMATION

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ford, Scott & Associates, L.L.C., CPAs, was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular Uniform Guidance and New Jersey OMB's Circular 15-08. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

11. ACKNOWLEDGMENTS

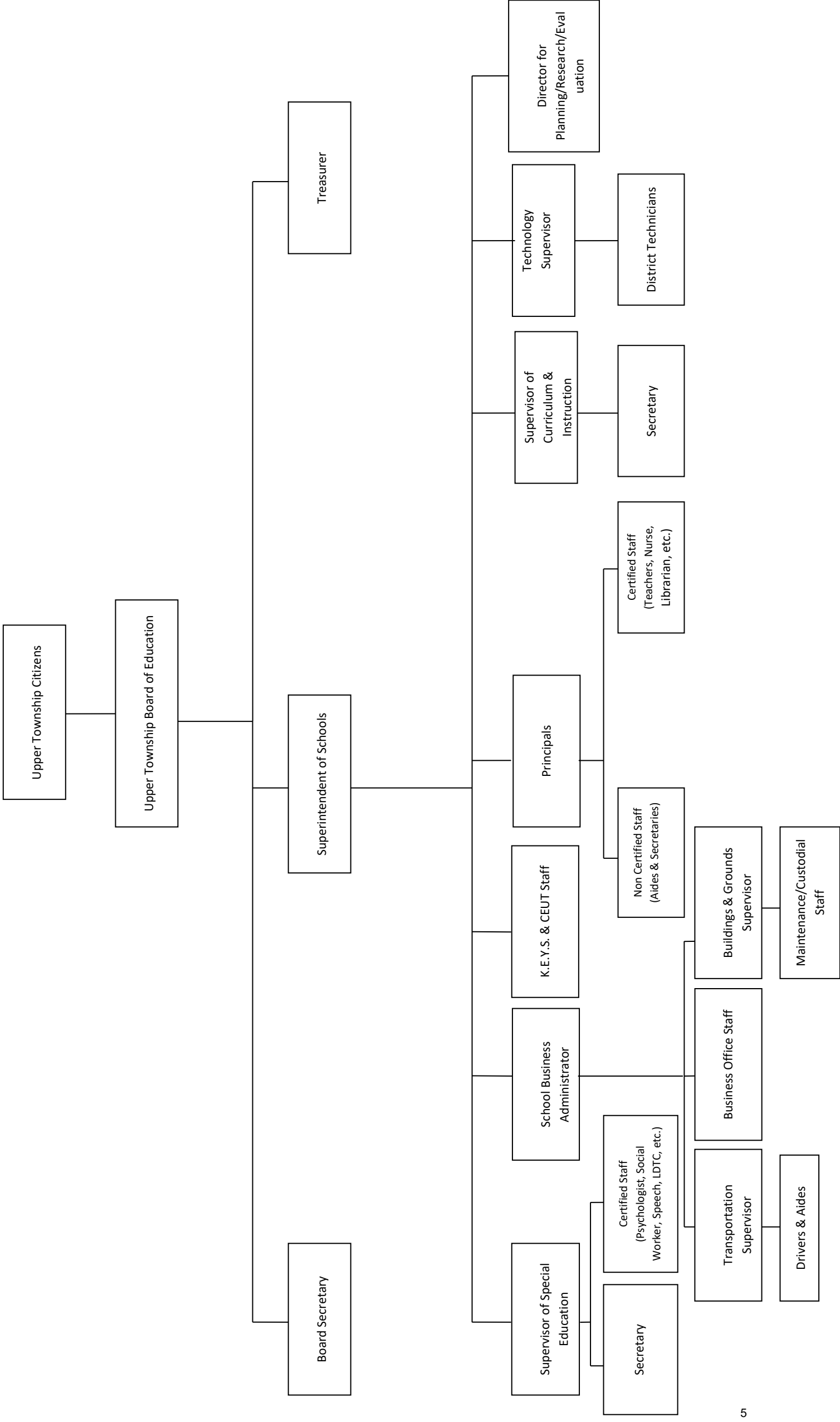
We would like to express our appreciation to the members of the Upper Township School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.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

We would like to thank the Township Committee for their continued support of local funds to strengthen the educational endeavors of the community.

Respectfully submitted,

Laurie A. Ryan

Laurie A. Ryan
Business Administrator/ Board Secretary



**TOWNSHIP OF UPPER BOARD OF EDUCATION
COUNTY OF CAPE MAY, NEW JERSEY
ROSTER OF OFFICIALS
JUNE 30, 2023**

Members of the Board of Education

Term Expires

Michele Barbieri, President	2025
Frances T. Newman	2024
Rachel Mammele	2023
Christine Lentz	2025
William Holmes	2024
Thomas McQuillen, Vice President	2023
Brian Teeney	2024
Kristie Brown - Chisholm	2025
Philip Schaffer	2023

Other Officials

Christopher Kobik, Acting Superintendent, effective 1/1/2023-6/30/2023

Allison J. Pessolano, Superintendent, effective 7/1/2023

Laurie A. Ryan, School Business Administrator/Board Secretary

Carroll A. Bailey, Treasurer

**TOWNSHIP OF UPPER BOARD OF EDUCATION
COUNTY OF CAPE MAY, NEW JERSEY
CONSULTANTS AND ADVISORS
JUNE 30, 2023**

AUDIT FIRM

Ford, Scott & Associates, L.L.C.
Certified Public Accountants
1535 Haven Avenue
Ocean City, NJ 08226-0538

ATTORNEY

Brett Gorman
Parker McCay P.A.
9000 Midlantic Drive, Suite 300
Mount Laurel, NJ 08054

OFFICIAL DEPOSITORY

Ocean First Bank
1001 Asbury Avenue
Ocean City, NJ 08226

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Financial Section



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

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Independent Auditor's Report

Honorable President and
Members of the Board of Education
Township of Upper School District
County of Cape May, 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 Upper Township School District, in the County of Cape May, 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, based on our audit and the report of the other auditors, 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 Upper Township 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.

We did not audit the financial statements of the Food Service Enterprise Fund, which is both a non-major fund and 48%, 48%, and 69%, respectively of the assets, net position, and revenues of the business-type activities. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the business-type activities, enterprise fund – food service component, is based solely on the report of the other auditors.

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 Upper Township 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 Upper Township 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 and other auditors 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 Upper Township 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 by us and other auditors. In our opinion, based on our audit and the report of the other auditors, 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 4, 2023, on our consideration of the Upper Township 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 Upper Township 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

Michael S. Garcia

Michael S. Garcia
Certified Public Accountant
Licensed Public School Accountant
No. 2080

December 4, 2023

Required Supplementary Information – Part I

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Township of Upper 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 compared to the prior year as a result of an excess of revenues over expenses.
- The State of New Jersey reimbursed the District \$776,500 during the fiscal year ended June 30, 2023 for the employer's share of social security contributions. The State of New Jersey also paid \$4,672,213 in pension contributions and retiree health coverage for TPAF members as calculated on their base salaries on behalf of the District. This amount, which is not budgeted, is 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 expenditures or \$250,000, whichever is greater. 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 surplus of \$1,944,916, of which \$975,000 was required to be budgeted as a revenue for the year ending June 30, 2023 and \$969,916 is designated for subsequent year budgets.
- During the fiscal year ended June 30, 2023, the District's revenues were approximately \$904,253 more than total expenditures in the fund financial statements.

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, and proprietary 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 milk program.

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.

**Figure A-1
Major Features of Township of Upper Board of Education's
Government-wide and Fund Financial Statements**

	Government wide Statements	Fund Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as food service and student activities	Activities the District operates similar to private businesses; food service
Required financial statements	Statement of net position Statement of activities	Balance sheet Statement of revenues, expenditures, and changes in fund balances	Statement of net position Statement of revenues, expenses, and changes in net position Statement of cash flows
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
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.
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.

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 activities 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.

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.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position. The District's governmental activities net position increased between fiscal years 2023 and 2022 as a result of an excess of revenues over expenses. The business-type activities net position also increased due to an excess of revenues over costs.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current and other assets	\$ 17,506,684	\$ 16,471,278	899,576	740,858	18,406,260	17,212,136
Capital assets	16,168,085	13,315,545	107,525	19,265	16,275,611	13,334,810
Total assets	33,674,769	29,786,823	1,007,102	760,123	34,681,871	30,546,946
Deferred outflows of resources	271,763	172,193	-	-	271,763	172,193
Long-term liabilities	7,981,010	7,358,060			7,981,010	7,358,060
Other liabilities	1,092,079	702,111	10,810	5,929	1,102,889	708,040
Total liabilities	9,073,089	8,060,171	10,810	5,929	9,083,899	8,066,100
Deferred inflows of resources	811,436	2,288,852	-	-	811,436	2,288,852
Net position						
Invested in capital assets	16,168,085	13,315,545	107,525	19,265	16,275,611	13,334,810
Restricted	11,725,111	11,144,788		-	11,725,111	11,144,788
Unrestricted	(3,831,189)	(4,850,340)	888,766	734,928	(2,942,423)	(4,115,412)
Total net position	\$ 24,062,008	\$ 19,609,993	996,291	754,194	25,058,299	20,364,186

Changes in net position. The total general fund revenue of the District increased approximately \$3,401,496 due to an increase in Local Tax Levy and federal and state grants.

Approximately 23% of the District's governmental funds revenue comes from the State of New Jersey in the form of non-restricted federal and state aid. This aid is based on the District's enrollment as well as other factors related to the District's formula aid which is a relationship of the adequacy budget and the Township's property values and income of the residents. The District expenses are primarily related to instruction, administration, and plant operations.

	<u>2023</u>		<u>2022</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Property taxes	\$ 27,009,979	58.23%	26,480,372	61.60%
Unrestricted Federal and State aid	7,564,499	16.31%	7,636,374	17.77%
Tuition	1,024,913	2.21%	969,181	2.25%
Transportation Fees	113,716	0.25%	99,712	0.23%
Operating grants and contributions	10,444,625	22.52%	7,601,320	17.68%
Other	228,850	0.49%	198,129	0.46%
Totals	\$ 46,386,583	100.00%	42,985,087	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	\$ 1,138,630	1,068,893	488,685	256,029	1,627,315	1,324,922
Grants and entitlements	10,444,625	7,601,320	266,136	504,261	10,710,761	8,105,580
General revenues						
Property taxes	27,009,979	26,480,372			27,009,979	26,480,372
State aid entitlements	7,564,499	7,636,374			7,564,499	7,636,374
Other	226,939	198,129	78,445	1,198	305,384	199,327
Transfers	(24,717)	-	24,717		-	-
Total revenues	46,359,955	42,985,087	857,983	761,488	47,217,939	43,746,575
Expenses						
Instruction:						
Regular	12,596,551	11,476,308			12,596,551	11,476,308
Special Education	6,334,167	3,399,962			6,334,167	3,399,962
Other Instruction	1,497,022	1,263,660			1,497,022	1,263,660
Support services:						
Tuition	9,616,872	9,536,836			9,616,872	9,536,836
Student & instruction related	5,540,164	4,759,409			5,540,164	4,759,409
School administration services	1,139,844	1,282,459			1,139,844	1,282,459
General & business admin	1,052,309	1,007,193			1,052,309	1,007,193
Central & Technical Services	767,826	847,889			767,826	847,889
Plant operations & maintenance	1,226,900	3,909,816			1,226,900	3,909,816
Pupil transportation	2,063,532	1,766,960			2,063,532	1,766,960
Special Schools	6,780	8,770			6,780	8,770
Charter Schools	65,974	151,758			65,974	151,758
Business-type activities			615,886	630,850	615,886	630,850
Total expenses	41,907,940	39,411,020	615,886	630,850	42,523,826	40,041,870
Increase/(Decrease) in net assets	4,452,015	3,574,067	242,098	130,638	4,694,112	3,704,705

Business-type Activities

Operating and non-operating revenues of the District's business-type activities increased by \$96,495 from the previous year and expenses decreased by \$14,964.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As of the year end, the governmental funds reported a combined fund balance of \$24,062,008 which is approximately \$4,452,015 more than the beginning of the year.

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 and, as a Type II School District, are approved by the voters annually if the District exceeds the statutory CAP limitations. Effective with the 2012-2013 school year, if the District stays within the statutory limitations, there is no vote on the budget by the District voters and Board Members are elected at the time of the general election in November. Transfers of appropriations may be made by Board resolution at any time during the fiscal year. 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 exceeded the budgeted revenue by approximately \$1,780,703. This is a result of excess unbudgeted tuition and state aid. Again, after adjusting for the Reimbursed TPAF Social Security Contribution and on-behalf TPAF Pension Contributions, actual expenditures were below the budgeted appropriations by approximately \$3,809,562.

CAPITAL ASSET

Capital Assets

At the end of 2023, the District had invested \$16,275,610 in a broad range of capital assets, including land, buildings, vehicles and machinery.

	Governmental Activities		Business-type Activities		Totals	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	\$ 420,564	\$ 420,564			420,564	420,564
Buildings and Bldg improvements	14,769,185	11,995,933			14,769,185	11,995,933
Machinery & equipment	978,336	899,048	107,525	19,265	1,085,861	918,313
Total	\$ 16,168,085	\$ 13,315,545	107,525	19,265	16,275,611	13,334,810

Long-term Debt

	Balance June 30, 2022	Issued	Retired/ Adjusted	Balance June 30, 2023
Governmental Activities				
Compensated Absences Payable	\$ 535,801		40,342	495,459
Lease Liability	3,526,397	92,600	351,414	3,267,582
Net Pension Liability	3,295,863	2,388,422	1,466,316	4,217,969
Total Governmental Activities	<u>\$ 7,358,060</u>	<u>2,481,022</u>	<u>1,858,072</u>	<u>7,981,010</u>

More detailed information about the District's long-term debt is presented in the Notes to the Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Upper Township School District is in good financial condition presently. The District is proud of its community support of the public schools. A major concern is the continued tuition increases, the elimination of the Municipal Surplus Contribution and flat state aid, which increases the reliance on local property taxes.

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

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 525 Perry Road, Petersburg, NJ 08270 or the District's website at www.upperschools.org.

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Basic Financial Statements

DISTRICT – WIDE FINANCIAL STATEMENTS

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

TOWNSHIP OF UPPER SCHOOL DISTRICT
Statement of Net Position
June 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 12,900,755.46	865,143.17	13,765,898.63
Receivables, Net	1,338,346.23	19,853.14	1,358,199.37
Right to Use Leased Assets	3,267,582.46		3,267,582.46
Inventory		14,579.76	14,579.76
Capital Assets, Net			
Land	420,564.00		420,564.00
Capital Assets being Depreciated, net	15,747,521.10	107,525.43	15,855,046.53
Total Assets	33,674,769.25	1,007,101.50	34,681,870.75
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	271,763.00		271,763.00
Total Deferred outflows of Resources	271,763.00	-	271,763.00
LIABILITIES			
Accounts Payable	722,143.87	-	722,143.87
Unemployment Compensation Claims Payable	56,333.24		56,333.24
Payroll Deductions and Withholdings Payable	2,767.93		2,767.93
Unearned Revenue	310,833.48	10,810.12	321,643.60
Noncurrent Liabilities			
Due Within One Year	357,970.06		357,970.06
Due Beyond One Year	3,405,071.12		3,405,071.12
Net Pension Liability	4,217,969.00		4,217,969.00
Total Liabilities	9,073,088.70	10,810.12	9,083,898.82
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	811,436.00		811,436.00
Total Deferred inflows of Resources	811,436.00	-	811,436.00
NET POSITION			
Invested in Capital Assets, Net of Related Debt	16,168,085.10	107,525.43	16,275,610.53
Restricted for:			
Capital Projects	4,829,462.65		4,829,462.65
Other Purposes	6,895,648.59		6,895,648.59
Unrestricted	(3,831,188.79)	888,765.95	(2,942,422.84)
Total Net Position	\$ 24,062,007.55	996,291.38	25,058,298.93

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

TOWNSHIP OF UPPER SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2023

Function/Programs	Expenses	Indirect Expenses Allocation	Program Revenue		Net (Expense) Revenue and Changes in Net Assets		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities
Governmental Activities:							
Instruction:							
Regular	\$ 8,972,538.75	3,624,012.63	891,111.72	4,080,562.98		(7,624,876.68)	(7,624,876.68)
Special Education	4,511,834.80	1,822,332.20		3,623,515.68		(2,710,651.32)	(2,710,651.32)
Other Special Instruction	1,066,330.45	430,691.37		484,949.54		(1,012,072.28)	(1,012,072.28)
Support Services:							
Tuition	9,616,872.35					(9,616,872.35)	(9,616,872.35)
Student & Instruction Related Services	3,946,265.28	1,593,898.41	133,801.69	2,011,152.93		(3,395,209.07)	(3,395,209.07)
General Administrative Services	681,046.88	371,261.85		16,507.11		(1,035,801.62)	(1,035,801.62)
Central and Technical Services	496,931.55	270,894.32		12,044.56		(755,781.31)	(755,781.31)
School Administrative Services	737,699.20	402,144.96		17,880.24		(1,121,963.92)	(1,121,963.92)
Plant Operation and Maintenance	7,144.58	1,219,755.29		198,011.86		(1,028,888.01)	(1,028,888.01)
Pupil Transportation	2,063,531.62		113,716.34			(1,949,815.28)	(1,949,815.28)
Unallocated Benefits	9,734,991.03	(9,734,991.03)					
Special Schools	6,780.00					(6,780.00)	(6,780.00)
Charter Schools	65,974.00					(65,974.00)	(65,974.00)
Total Governmental Activities	41,907,940.49	-	1,138,629.75	10,444,624.90	-	(30,324,685.84)	(30,324,685.84)
Business-Type Activities:							
Food Service	438,478.89		234,811.09	266,136.15		62,468.35	62,468.35
KEYS	177,406.99		253,874.36			76,467.37	76,467.37
Total Business-Type Activities	615,885.88	-	488,685.45	266,136.15	-	138,935.72	138,935.72
Total Primary Government	\$ 42,523,826.37	-	1,627,315.20	10,710,761.05	-	(30,324,685.84)	(30,185,750.12)

General Revenues:

Taxes:							
Property Taxes, Levied for General Purposes, Net						27,009,979.00	27,009,979.00
Federal and State Aid not Restricted						7,564,499.28	7,564,499.28
Miscellaneous Income						228,850.10	233,400.54
Extraordinary Items:						4,550.44	
Loss on Disposal of Assets					(1,910.80)		(1,910.80)
Fixed Asset Adjustment						73,894.57	73,894.57
Transfers					(24,716.86)	24,716.86	
Total General Revenues, Special Items, Extraordinary Items and Transfers						34,776,700.72	34,879,862.59
Change in Net Assets						4,452,014.88	4,694,112.47
Net Position - Beginning						19,609,992.67	20,364,186.46
Net Position - Ending						\$ 24,062,007.55	25,058,298.93

FUND FINANCIAL STATEMENTS

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

TOWNSHIP OF UPPER SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2023

	General Fund	Special Revenue Fund	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 11,381,676.90	1,345,476.73	12,727,153.63
Due from Other Funds	1,731,461.22		1,731,461.22
Receivables from Other Governments	397,840.76	934,830.00	1,332,670.76
Other Receivables	5,675.47		5,675.47
Restricted Cash & Cash Equivalents	173,601.83		173,601.83
Total Assets	13,690,256.18	2,280,306.73	15,970,562.91
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	580,317.26	141,711.91	722,029.17
Unemployment Compensation Claims Payable	56,333.24		56,333.24
Payroll Deductions and Withholdings Payable	2,767.93		2,767.93
Interfund Payable		1,731,461.22	1,731,461.22
Payable to Federal Government		114.70	114.70
Unearned Revenue	26,851.47	283,982.01	310,833.48
Total Liabilities	666,269.90	2,157,269.84	2,823,539.74
Fund Balances:			
Restricted for:			
Excess Surplus - Current Year	969,915.65		969,915.65
Excess Surplus Designated for Subsequent Year's Expenditures	975,000.00		975,000.00
Student Activities		123,036.89	123,036.89
Committed to:			
Maintenance Reserve	1,422,541.00		1,422,541.00
Capital Reserve	3,699,431.65		3,699,431.65
Tuition Reserve	315,000.00		315,000.00
Unemployment Reserve	114,500.66		114,500.66
Assigned to:			
Encumbrances	947,722.39		947,722.39
Capital Reserve Designated for Subsequent Year's Expenditures	1,130,031.00		1,130,031.00
Maintenance Reserve Designated for Subsequent Year's Expenditures	674,903.00		674,903.00
Tuition Reserve Designated for Subsequent Year's Expenditures	250,000.00		250,000.00
Designated for Subsequent Year's Expenditures	1,103,029.00		1,103,029.00
Unassigned:			
General Fund	1,421,911.93		1,421,911.93
Total Fund Balances (Deficits)	13,023,986.28	123,036.89	13,147,023.17
Total Liabilities and Fund Balances	\$ 13,690,256.18	2,280,306.73	

Amounts reported for governmental activities in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	16,168,085.10
Long-term pension liabilities are not due and payable in the current period and therefore are not reported in the funds.	(4,757,642.00)
Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds.	3,267,582.46
Long - term liabilities, including compensated absences and capital leases, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(3,763,041.18)
Net position of governmental activities	24,062,007.55

TOWNSHIP OF UPPER SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Total Governmental Funds
REVENUES			
Local Sources:			
Local Tax Levy	\$ 27,009,979.00		27,009,979.00
Tuition Charges	891,111.72		891,111.72
Transportation Fees	113,716.34		113,716.34
Unrestricted Miscellaneous Revenues	179,864.61		179,864.61
Other Restricted Miscellaneous Revenues	48,985.49		48,985.49
Total Local Sources	<u>28,243,657.16</u>	-	<u>28,243,657.16</u>
State Sources	12,976,489.16	-	12,976,489.16
Federal Sources	36,723.28	1,931,842.74	1,968,566.02
Local Sources		133,801.69	133,801.69
Total Revenues	<u>41,256,869.60</u>	<u>2,065,644.43</u>	<u>43,322,514.03</u>
EXPENDITURES			
Current:			
Regular Instruction	6,982,015.86		6,982,015.86
Special Education Instruction	1,939,294.31	1,571,607.45	3,510,901.76
Other Special Instruction	829,769.17		829,769.17
Support Services and Undistributed Costs:			
Tuition	9,616,872.35		9,616,872.35
Student & Instruction Related Serv.	2,737,053.20	333,748.45	3,070,801.65
General Administrative Services	715,272.38		715,272.38
Central and Technical Administrative Services	521,904.47		521,904.47
School Administrative Services	774,771.72		774,771.72
Plant Operation and Maintenance	2,349,978.22		2,349,978.22
Pupil Transportation	2,063,531.62		2,063,531.62
Unallocated Employee Benefits	9,734,991.03		9,734,991.03
Capital Outlay	2,006,201.27	143,778.87	2,149,980.14
Special Schools	6,780.00		6,780.00
Transfer to Charter School	65,974.00		65,974.00
Total Expenditures	<u>40,344,409.60</u>	<u>2,049,134.77</u>	<u>42,393,544.37</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>912,460.00</u>	<u>16,509.66</u>	<u>928,969.66</u>
OTHER FINANCING SOURCES/(USES)			
Transfer Out	(24,716.86)		(24,716.86)
Total Other Financing Sources and Uses	<u>(24,716.86)</u>	<u>-</u>	<u>(24,716.86)</u>
Net Changes in Fund Balance	887,743.14	16,509.66	904,252.80
Fund Balance - July 1	12,136,243.14	106,527.23	12,242,770.37
Fund Balance - June 30	<u>\$ 13,023,986.28</u>	<u>123,036.89</u>	<u>13,147,023.17</u>

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

TOWNSHIP OF UPPER SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2023

Total Net Change in Fund Balance - Governmental Funds (from B-2) \$ 904,252.80

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

Capital outlays are reported in governmental funds as expenditures. However, on 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 depreciation exceeded capital outlays in the current fiscal year.

Depreciation expense	(1,525,917.20)	
Loss on Disposal of Assets	(1,910.80)	
Capital Outlay	4,380,368.29	2,852,540.29

In the statement of activities, certain operating expenses, e.g. pension expense are measured under full accrual accounting. In the governmental funds, however, expenditures are reported on the amounts actually billed by the State.

District pension contributions	352,458.00	
Cost of benefits earned, net of employee contributions	302,422.00	654,880.00

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations and sick pay) 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 a reduction in the reconciliation (-); when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation (+).

40,341.79

Change in Net Assets of Governmental Activities \$ 4,452,014.88

TOWNSHIP OF UPPER SCHOOL DISTRICT
Proprietary Funds
Statement of Net Position
June 30, 2023

	Business-Type Activities - Enterprise Fund		
	Non-Major Fund	Non-Major Fund	
	Food Service	KEYS	Totals
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 343,615.82	521,527.35	865,143.17
Federal Accounts Receivable	12,832.33		12,832.33
State Accounts Receivable	411.61		411.61
Other Accounts Receivable	6,609.20		6,609.20
Inventories	14,579.76		14,579.76
Total Current Assets	<u>378,048.72</u>	<u>521,527.35</u>	<u>899,576.07</u>
Noncurrent Assets:			
Furniture, Machinery & Equipment	435,582.95	65,861.00	501,443.95
Less: Accumulated Depreciation	<u>(328,057.52)</u>	<u>(65,861.00)</u>	<u>(393,918.52)</u>
Total Noncurrent Assets	<u>107,525.43</u>	<u>-</u>	<u>107,525.43</u>
Total Assets	<u><u>485,574.15</u></u>	<u><u>521,527.35</u></u>	<u><u>1,007,101.50</u></u>
LIABILITIES			
Current Liabilities:			
Unearned Revenue	10,810.12		10,810.12
Total Current Liabilities	<u>10,810.12</u>	<u>-</u>	<u>10,810.12</u>
Noncurrent Liabilities:			
None	-	-	-
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Invested in Capital Assets Net of Related Debt	107,525.43	-	107,525.43
Unrestricted	367,238.60	521,527.35	888,765.95
Total Net Position	<u>\$ 474,764.03</u>	<u>521,527.35</u>	<u>996,291.38</u>

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

TOWNSHIP OF UPPER SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2023

	Business-Type Activities - Enterprise Fund		
	Non-Major Fund	Non-Major Fund	Totals
	Food Service	KEYS	Enterprise
Operating Revenues:			
Charges for Services:			
Sales - Non Reimbursable	\$ 77,786.07		77,786.07
Sales - Reimbursable	156,981.70		156,981.70
Miscellaneous & Special	43.32		43.32
Program Fees		253,874.36	253,874.36
Total Operating Revenue	<u>234,811.09</u>	<u>253,874.36</u>	<u>488,685.45</u>
Operating Expenses:			
Cost of Sales - Reimbursable	180,306.94		180,306.94
Cost of Sales - Non Reimbursable	33,147.66		33,147.66
Salaries	117,824.40	123,606.91	241,431.31
Employee Benefits	35,422.39	38,497.35	73,919.74
Management Fee	33,376.00		33,376.00
Other Professional Services	2,141.00		2,141.00
Supplies & Miscellaneous	25,909.04	15,302.73	41,211.77
Depreciation	10,351.46		10,351.46
Total Operating Expenses	<u>438,478.89</u>	<u>177,406.99</u>	<u>615,885.88</u>
Operating Income (Loss)	<u>(203,667.80)</u>	<u>76,467.37</u>	<u>(127,200.43)</u>
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	4,605.79		4,605.79
State School Breakfast Program	255.30		255.30
Federal Sources:			
National School Lunch Program	114,142.84		114,142.84
National School Breakfast Program	22,878.00		22,878.00
Food Distribution Program	47,305.66		47,305.66
Supply Chain Assistance - 1st Round	31,478.54		31,478.54
Supply Chain Assistance - 2nd Round	28,994.48		28,994.48
Supply Chain Assistance - 3rd Round	15,822.54		15,822.54
P-EBT Administrative Cost	653.00		653.00
Interest and Investment Income	1,989.32	2,561.12	4,550.44
Fixed Assets Adjustment	73,894.57		73,894.57
Total Nonoperating Revenues (Expenses)	<u>342,020.04</u>	<u>2,561.12</u>	<u>344,581.16</u>
Income (Loss) before Contributions & Transfers	<u>138,352.24</u>	<u>79,028.49</u>	<u>217,380.73</u>
Transfers In - General Fund Fixed Assets	<u>24,716.86</u>	<u>-</u>	<u>24,716.86</u>
Changes in Net Position	163,069.10	79,028.49	242,097.59
Total Net Position - Beginning	<u>311,694.93</u>	<u>442,498.86</u>	<u>754,193.79</u>
Total Net Position - Ending	<u>\$ 474,764.03</u>	<u>521,527.35</u>	<u>996,291.38</u>

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

TOWNSHIP OF UPPER SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2023

	Business-Type Activities -		
	Enterprise Fund		Totals
	Non-Major Fund	Non-Major Fund	
	Food Service	KEYS	Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 233,317.32	253,874.36	487,191.68
Payments to Employees	(117,824.40)	(123,606.91)	(241,431.31)
Payments for Employee Benefits	(35,422.39)	(38,497.35)	(73,919.74)
Payments for Management Fee	(33,376.00)		(33,376.00)
Payments for Suppliers	(244,587.48)	(15,302.73)	(259,890.21)
Net Cash Provided by (Used for) Operating Activities	<u>(197,892.95)</u>	<u>76,467.37</u>	<u>(121,425.58)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	5,232.89		5,232.89
Federal Sources	289,608.22		289,608.22
Operating Subsidies and Transfers to Other Funds	24,716.86		24,716.86
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>319,557.97</u>	<u>-</u>	<u>319,557.97</u>
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Equipment Purchases	(24,716.86)	-	(24,716.86)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(24,716.86)</u>	<u>-</u>	<u>(24,716.86)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Interest and Dividends	1,989.32	2,561.12	4,550.44
Net Cash Provided by (Used for) Investing Activities	<u>1,989.32</u>	<u>2,561.12</u>	<u>4,550.44</u>
Net Increase (Decrease) in Cash and Cash Equivalents	98,937.48	79,028.49	177,965.97
Balance - Beginning of Year	244,678.34	442,498.86	687,177.20
Balance - End of Year	<u>\$ 343,615.82</u>	<u>521,527.35</u>	<u>865,143.17</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (203,667.80)	76,467.37	(127,200.43)
Adjustments to Reconcile Operating Income(Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation and Net Amortization	10,351.46	-	10,351.46
(Increase) Decrease in Accounts Receivable	(6,374.53)		(6,374.53)
(Increase) Decrease in Inventories	(3,082.84)		(3,082.84)
Increase (Decrease) in Deferred Revenue	4,880.76		4,880.76
Total Adjustments	<u>5,774.85</u>	<u>-</u>	<u>5,774.85</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (197,892.95)</u>	<u>76,467.37</u>	<u>(121,425.58)</u>

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

Notes To The Financial Statements

**UPPER TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Upper Township School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected 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 Upper Township School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. 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 Upper Township School District is a Type II district located in the County of Cape May, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades K-8. Students in grades 9-12 attend Ocean City High School on a tuition basis. The Upper Township School District had an enrollment at June 30, 2023 of 1,940 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 and special revenue activities are classified as governmental activities. The District's food service program is 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 are 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.

**UPPER TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

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 KEYS). The functions are also supported by general government revenues (property taxes, tuition, 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, vocational programs, 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.

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, 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. Non-major funds by category are summarized into a single column. GASB standards 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 non-major 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 are 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. The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

**UPPER TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

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.

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 operates a food service fund to provide a child nutrition program for the students of the district and a KEYS program providing for child care before and after school hours.

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.

**UPPER TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

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.

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.

**UPPER TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

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.

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 & Supplies	\$ <u>14,579.76</u>
	\$ <u><u>14,579.76</u></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 \$6,954.45.

4. Capital Assets:

Capital assets purchased or acquired with an original cost of \$2,000.00 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	20-50 years
Machinery and equipment	5-10 years
Improvements	10-20 years
Infrastructure Assets	50-65 years

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

**UPPER TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

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 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 the eligibility requirements are met are reported as advances by the provider and unearned 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.

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 both an expenditure and a 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 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.

**UPPER TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

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 a two-thirds majority vote by the School Board and under certain circumstances require approval by the County Superintendent of Schools.

Significant transfers approved by the Board of Education during the fiscal year were as follows:

Regular Programs - Instruction	
Grades 1-5 Salaries of Teachers	\$ (63,335.41)
Grades 6-8 Salaries of Teachers	50,767.00
Regular Programs - Undistributed Instruction	
Other Purchased Services (400-500 series)	(55,120.50)
General Supplies	(128,911.00)
Undistributed Expenditures - Instruction	
Tuition to CSSD & Regional Day Schools	(61,000.00)
Undist. Expenditures- Other Support Serv. Students-Extraordinary Services	
Purchased Professional - Education Services	86,000.00
Undist. Expenditures- Supp. Serv. - General Admin.	
Salaries	66,284.00
Undist. Expenditures- Required Maint. School Fac.	
General Supplies	(167,916.86)
Undist. Expenditures- Student Transportation Serv.	
Contr. Serv. - (Bet. Home & School) - Vendors	(448,700.00)
Contr. Serv. - (Other than Home & Sch) - Vendors	(73,200.00)
Contr. Serv. - (Special Ed. Students) - Vendors	531,700.00
Unallocated Benefits -	
Health Benefits	(66,500.00)

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 payments 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.

**UPPER TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

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. Tuition Receivable:

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined. The final cost is based on an agreement with the Ocean City Board of Education with a negotiated amount up to the final cost as determined by the State of New Jersey.

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 budgetary 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.

G. 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.

**UPPER TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

NOTE 2 – 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, \$1,220,308.11 of the district’s bank balance of \$14,056,193.91 was exposed to custodial credit risk.

NOTE 3 – 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 limit the length of time for most investment 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.

NOTE 4 – RECEIVABLES

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

	Governmental Fund Financial Statements	Government Wide Financial Statements
State Aid	\$ 397,840.76	398,252.37
Federal Aid	934,830.00	947,662.33
Other	5,675.47	12,284.67
Gross Receivables	1,338,346.23	1,358,199.37
Less: Allowance for Uncollectibles		
Total Receivables, Net	\$ 1,338,346.23	1,358,199.37

**UPPER TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

NOTE 5 – FIXED ASSETS

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals/ Adjustments</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets that are not being depreciated:				
Land	\$ 420,564.00			420,564.00
Total capital assets not being depreciated	<u>420,564.00</u>	<u>-</u>	<u>-</u>	<u>420,564.00</u>
Capital Assets being depreciated				
Site Improvements	25,010.00	155,107.00		180,117.00
Bldg and bldg improvements	29,068,577.48	3,991,650.00		33,060,227.48
Machinery & equipment	3,479,304.64	233,611.29	(106,834.00)	3,606,081.93
Total at historical cost	<u>32,572,892.12</u>	<u>4,380,368.29</u>	<u>(106,834.00)</u>	<u>36,846,426.41</u>
Less accum depreciation for:				
Bldg and improvements	(17,097,654.40)	(1,373,504.67)		(18,471,159.07)
Equipment	(2,580,256.91)	(152,412.53)	104,923.20	(2,627,746.24)
Total accum depreciation	<u>(19,677,911.31)</u>	<u>(1,525,917.20)</u>	<u>104,923.20</u>	<u>(21,098,905.31)</u>
Total capital assets being depr, net of accum depr	<u>12,894,980.81</u>	<u>2,854,451.09</u>	<u>(1,910.80)</u>	<u>15,747,521.10</u>
Governmental activities capital assets, net	<u>13,315,544.81</u>	<u>2,854,451.09</u>	<u>(1,910.80)</u>	<u>16,168,085.10</u>
Business-type activities:				
Equipment	332,689.89	24,716.86	78,176.20	435,582.95
Less accum depr for:				
Equipment	(313,424.43)	(10,351.46)	(4,281.63)	(328,057.52)
Business-type activities capital assets, net	<u>19,265.46</u>	<u>14,365.40</u>	<u>73,894.57</u>	<u>107,525.43</u>

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 568,048.10
Special Eduction	285,642.59
Other Special Instruction	67,508.99
Student & Instruction Related Svc	249,836.59
General Administrative Services	58,193.67
School Administrative Services	63,034.46
Plant Operation & Maintenance	191,191.30
Central	42,461.50
	<u>\$ 1,525,917.20</u>

**UPPER TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

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. 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.

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement program (DCRP) was established as of July 1, 2008 under the provisions of Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008 (NJSA 43:15C-1 et seq). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by NJSA 43:15C-1 et seq.

**UPPER TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

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 7.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 45.28% and the PERS rate is 17.61% of covered payroll. The School District's contributions to TPAF for the years ending June 30, 2023, 2022 and 2021 were \$3,698,941.00, \$3,927,732.00, and \$2,935,514.00, respectively, and paid by the State of New Jersey on behalf of the board, equal to the required contributions for each year. The School District's contributions to PERS for the years ending June 30, 2023, 2022 and 2021 were \$352,457.00, \$325,821.00 and \$305,913.00, 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 \$971,703.00, \$917,677.00, and \$919,944.00, 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 \$776,500.16, \$751,902.63, and \$740,655.59, 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 with GASB standards.

For the DCRP, members contribute at a uniform rate of 5.5% of their base salary. Employers are required to contribute at a set rate of 3.0% of their base salary. There were employees enrolled in the DCRP for the year ended June 30, 2023.

The Board's total covered payroll for the year ended June 30, 2023, 2022, and 2021 was \$10,501,582.00, \$10,230,045.00, and \$10,537,405.00, for TPAF; and \$1,972,279.00, \$2,007,983, and \$2,027,466.00 for PERS.

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 Teacher's Pension and Annuity Fund (TPAF) operate and to the benefit provisions of those systems.

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

- New members of the PERS and TPAF 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 systems is increased from age 63 to 65 for Tier 5 members.
- 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. For fiscal year 2013, the member contribution rates increased in October 2012. 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.

**UPPER TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

- 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 and TPAF from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS and TPAF to 1/60th from 1/55th, and it provided that new members of PERS and TPAF 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 and TPAF will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. The law also requires the State to make its full pension contribution, defined as 1/7th 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 and TPAF 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.

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 \$4,217,969 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 0.02794953040%, which is an increase of 0.46% from its proportion measured as of June 30, 2021.

**UPPER TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
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(CONTINUED)**

For the year ended December 31, 2022, the District recognized negative pension expense of \$302,423.

At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	\$ 30,443	\$ (26,847)
Changes of assumptions	13,069	(631,597)
Net difference between projected and actual earnings		
on pension plan investments	174,578	-
Changes in proportion	53,673	(152,992)
Total	<u>\$ 271,763</u>	<u>\$ (811,436)</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	\$	(493,290)
2025		(181,676)
2026		(12,765)
2027		149,219
2028		(1,160)
Total	\$	<u>(539,673)</u>

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%

**UPPER TOWNSHIP SCHOOL DISTRICT
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(CONTINUED)**

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%

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.

**UPPER TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
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(CONTINUED)**

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%)
District's proportionate share of the net pension liability	\$ 5,058,210	\$	4,217,969	\$	3,503,685

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.

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		48,541,754.00
Total	\$	48,541,754.00

**UPPER TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

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 \$1,306,394 and revenue of \$1,306,394 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-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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

Long-Term Expected Rate of Return

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

**UPPER TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
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(CONTINUED)**

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:

	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	\$ 56,916,238.09	\$ 48,541,754.00	\$ 41,487,303.44

Pension plan fiduciary net position.

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

**UPPER TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
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(CONTINUED)**

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 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>.

**UPPER TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
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(CONTINUED)**

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.

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%.

**UPPER TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

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

Interest	1,342,187,139
Changes in Benefit Terms	-
Differences between Expected & Actual Experiences	1,399,200,736
Changes in assumptions or other inputs	(13,586,368,097)
Contributions: Member	42,650,252
Benefit payments	<u>(1,329,476,059)</u>
Net changes	<u>(9,361,188,004)</u>
Balance at 6/30/23 (Based on 6/30/2022 measurement date)	<u><u>50,646,462,966</u></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 non-employer 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 <u>-2.54%</u>	Discount Rate <u>-3.54%</u>	1% Increase <u>-4.54%</u>
Total OPEB Liability \$	59,529,589,697	\$ 50,646,462,966	\$ 43,527,080,995

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 <u></u>	Healthcare Cost Trend Rates <u></u>	1% Increase <u></u>
Total OPEB Liability (School Retirees) \$	41,862,397,291	\$ 50,646,462,966	\$ 62,184,866,635

**UPPER TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

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 \$432,839.00 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	(15,462,950,679)
Changes in assumptions	8,765,620,577	(17,237,289,230)
	\$ 17,808,023,196	(32,700,239,909)

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.

**UPPER TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

NOTE 10 – COMPENSATED ABSENCES

The District accounts for compensated absences (e.g. 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 policy. Upon termination, employees are paid for accrued vacation. Sick leave benefits provide for ordinary sick pay and is capped based on the various employee contracts.

In the district-wide Statement of Net Position, the liabilities whose average maturities are greater than one year are reported in two components – the amount due within one year and the amount due in more than one year.

NOTE 11 – CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Upper Township Board of Education by inclusion of \$1.00 on September 26, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. A capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both.

A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at on of the four special elections authorized pursuant to NJSA 19:60-2. Pursuant to NJAC 6A: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	\$ 5,815,615.65
Interest earnings	1,500.00
Deposits:	
Approved by resolution	1,877,347.00
Withdrawals	
Appropriated in 22-23 Budget	(2,865,000.00)
Ending balance , June 30, 2023	<u><u>\$ 4,829,462.65</u></u>

Of the above \$4,829,462.65, \$1,130,031.00 is designated for expenditures in the 2023-24 Budget.

**UPPER TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

NOTE 12 – MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by the Township of Upper Board of Education 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		\$	2,421,500.00
Interest earnings	750.00		
June Board Transfer	<u>125,194.00</u>		
			<u>125,944.00</u>
Withdrawals:			
Appropriated in 22-23 Budget	<u>(450,000.00)</u>		
			<u>(450,000.00)</u>
Ending balance, June 30, 2023		\$	<u><u>2,097,444.00</u></u>

Of the above \$2,097,444.00, \$674,903.00 is designated for expenditures in the 2023-24 Budget.

NOTE 13 – TUITION RESERVE ACCOUNT

A tuition reserve account was established by the Township of Upper Board of Education in accordance with N.J.A.C. 6A:23-3.1(f)(8). This reserve represents foreseeable future tuition adjustments up to a maximum of 10% of the estimated tuition cost of the respective year. The tuition reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

Beginning balance, July 1, 2022		\$	250,000.00
Minute Approval	315,000.00		
	<u> </u>		
Withdrawals:			
None	-		
	<u> </u>		
Ending balance, June 30, 2023		\$	<u><u>565,000.00</u></u>

Of the above \$565,000.00, \$250,000.00 is designated for expenditures in the 2023-24 Budget.

**UPPER TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

NOTE 14 – 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
Governmental Activities					
Compensated Absences Payable	\$ 535,800.51		40,341.79	495,458.72	
Lease Liability	3,526,396.60	92,599.68	351,413.82	3,267,582.46	357,970.06
Net Pension Liability	3,295,863.00	2,388,422.00	1,466,316.00	4,217,969.00	
Total Governmental Activities	<u>7,358,060.11</u>	<u>2,481,021.68</u>	<u>1,858,071.61</u>	<u>7,981,010.18</u>	<u>357,970.06</u>
Total Debt	<u>\$ 7,358,060.11</u>	<u>2,481,021.68</u>	<u>1,858,071.61</u>	<u>7,981,010.18</u>	<u>357,970.06</u>

Compensated absences have been liquidated in the General Fund.

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 June 2015, to lease ESIP equipment at different locations within the school district. The term of the lease is 15 years and matures in August 2030. The remaining liability as of June 30, 2023, is \$3,194,294.38.

The second agreement was executed in September 2022, to lease copiers located at different locations within the district. The term of the lease is 48 months and matures in August 2026. The remaining liability as of June 30, 2023, is \$73,308.08.

The third agreement was executed in July 2022, to lease (1) 54 passenger. The term of the lease is 10 months and matures in June 2023. The cost is \$100.00 per day. There is no predetermined payment schedule or liability at June 30, 2023.

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

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 357,970.06	73,109.86	431,079.92
2025	375,023.93	65,141.99	440,165.92
2026	392,684.12	56,769.80	449,453.92
2027	391,673.34	47,978.98	439,652.32
2028	406,739.21	38,754.79	445,494.00
2029-2031	1,343,491.80	53,556.36	1,397,048.16
	<u>\$ 3,267,582.46</u>	<u>335,311.78</u>	<u>3,602,894.24</u>

**UPPER TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

NOTE 15 – INTERFUND RECEIVABLES AND PAYABLES

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

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 1,731,461.22	
Special Revenue Fund		1,731,462.22
Total	\$ 1,731,461.22	1,731,462.22

Interfunds were created throughout the year due to short-term borrowings to cover cash flow needs in the various funds and to cover cash overdrafts for pooled funds. The governmental fund interfunds were eliminated in the governmental-wide statements.

NOTE 16 – FUND BALANCE APPROPRIATED

General Fund – Of the \$13,023,986.28 General Fund balance, at June 30, 2023, \$947,722.39 is reserved for encumbrances and \$1,103,029.00 is designated for subsequent year’s expenditures. \$1,944,915.65 is reserved as excess surplus in accordance with NJSA 18A:7F-7 of which \$975,000.00 has been appropriated as revenue in the 2023-2024 budget and the balance of \$969,915.65 will be budgeted in the 2024-2025 budget, \$4,829,462.65 has been reserved in the Capital Reserve Account, of which \$1,130,031.00 is designated for expenditures in the 2023-2024 Budget; \$2,097,444.00 has been reserved in the Maintenance Reserve Account of which \$674,903.00 is designated for expenditures in the 2023-2024 Budget; \$565,000.00 has been reserved in the Tuition Reserve Account of which \$250,000.00 is designated for expenditures in the 2023-2024 Budget; \$114,500.66 has been reserved in the Unemployment Account; and \$1,421,911.93 is classified and unassigned.

NOTE 17 – CALCULATION OF EXCESS SURPLUS

In accordance with NJSA 18A:7F-7, as amended by P.L. 2004, c.73, 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 \$1,944,915.65, of which \$975,000.00 has been appropriated in the 2023-2024 budget and the balance of \$969,915.65 will be appropriated in the 2024-2025 budget.

**UPPER TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

NOTE 18 – 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 expendable trust fund for the current and prior year:

<u>Fiscal Year</u>	<u>Interest on Investments</u>	<u>Employee/Other Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022-2023	\$ 950.18	\$ 64,877.41	\$ (34,768.14)	\$ 114,500.66
2021-2022	296.34	36,386.26	(23,422.82)	83,441.21
2020-2021	321.26	52,818.00	(92,160.81)	70,181.43

NOTE 19 – CONTINGENT LIABILITIES

Federal and State Grants

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

NOTE 20 – ECONOMIC DEPENDENCY

The District receives support from the federal and state governments. 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 21 – 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.

**UPPER TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

NOTE 22 – COMMITMENTS

The District does not have an encumbrance policy for the fiscal year end to determine significant encumbrances. All encumbrances are classified as Assigned Fund Balance in the General Fund and Special Revenue Fund. Significant encumbrances at June 30th are as follows:

Fund	Amount
General Fund Encumbered Orders	\$ 947,722.39
	\$ 947,722.39

NOTE 23 – 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>
ESIP	\$ 3,512,625.08		318,350.70	\$ 3,194,274.38
Copiers	3,771.52	92,599.68	23,063.12	73,308.08
(1) 54 Passenger Bus	10,000.00		10,000.00	-
Right to use assets, net	\$ 3,526,396.60	92,599.68	351,413.82	\$ 3,267,582.46

NOTE 24 – SUBSEQUENT EVENTS

The District has evaluated subsequent events through December 4, 2023, the date which the financial statements were available to be issued and no items were noted for disclosure or adjustment.

Required Supplementary Information – Part II

Budgetary Comparison Schedules

TOWNSHIP OF UPPER SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 27,009,979.00		27,009,979.00	27,009,979.00	-
Tuition from Individuals	130,000.00		130,000.00	206,410.00	76,410.00
Tuition from Other LEA's within the State	647,397.00		647,397.00	684,701.72	37,304.72
Transportation Fees from Other LEAs	56,000.00		56,000.00	113,716.34	57,716.34
Unrestricted Miscellaneous Revenues	39,820.00		39,820.00	179,864.61	140,044.61
Other Restricted Miscellaneous Revenues			-	48,985.49	48,985.49
Interest earned on Maintenance Reserve Funds	750.00		750.00		(750.00)
Interest earned on Capital Reserve Funds	1,500.00		1,500.00		(1,500.00)
Total Local Sources	27,885,446.00	-	27,885,446.00	28,243,657.16	358,211.16
State Sources:					
School Choice Aid	534,600.00		534,600.00	534,600.00	-
Categorical Special Education Aid	1,280,868.00		1,280,868.00	1,280,868.00	-
Equalization Aid	2,564,580.00		2,564,580.00	2,564,580.00	-
Categorical Security Aid	179,311.00		179,311.00	179,311.00	-
Categorical Transportation Aid	1,445,583.00		1,445,583.00	1,445,583.00	-
Extraordinary Aid			-	296,850.00	296,850.00
Non-public Transportation Aid			-	25,584.00	25,584.00
Other State Aid			-	160,193.00	160,193.00
Stabilization Aid			-	937,275.00	937,275.00
On-Behalf TPAF Pension Contribution (Non-Budgeted)					
Post Retirement Medical Contributions			-	971,703.00	971,703.00
Pension Costs			-	3,698,941.00	3,698,941.00
Long Term Disability			-	1,569.00	1,569.00
Reimbursed TPAF Social Security (Non-Budgeted)			-	776,500.16	776,500.16
Total State Sources	6,004,942.00	-	6,004,942.00	12,873,557.16	6,868,615.16
Federal Sources:					
Medicaid Reimbursement	34,133.00		34,133.00	33,090.73	(1,042.27)
FFCRA/SEMI			-	3,632.55	3,632.55
Total Federal Sources	34,133.00	-	34,133.00	36,723.28	2,590.28
Total Revenues	33,924,521.00	-	33,924,521.00	41,153,937.60	7,229,416.60
EXPENDITURES:					
CURRENT EXPENSE					
REGULAR PROGRAMS - INSTRUCTION					
Preschool - Salaries of Teachers	292,376.00	(5,396.00)	286,980.00	282,462.02	4,517.98
Kindergarten - Salaries of Teachers	607,911.00	(27,780.59)	580,130.41	577,214.85	2,915.56
Grades 1 - 5 Salaries of Teachers	3,000,974.00	(63,335.41)	2,937,638.59	2,930,956.26	6,682.33
Grades 6 - 8 Salaries of Teachers	2,505,521.00	50,767.00	2,556,288.00	2,520,591.64	35,696.36
Regular Programs - Home Instruction					
Salaries of Teachers	15,000.00		15,000.00	6,290.00	8,710.00
Purchased Professional - Educational Services	1,400.00		1,400.00		1,400.00
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	168,853.00	-	168,853.00	156,153.01	12,699.99
Other Purchased Services (400-500 series)	142,726.00	(55,120.50)	87,605.50	72,567.74	15,037.76
General Supplies	664,357.12	(128,911.00)	535,446.12	404,837.38	130,608.74
Textbooks		31,000.00	31,000.00	30,942.96	57.04
TOTAL REGULAR PROGRAMS - INSTRUCTION	7,399,118.12	(198,776.50)	7,200,341.62	6,982,015.86	218,325.76
Special Education Instruction-Multiple Disabilities					
Salaries of Teachers	202,036.00	(2,013.00)	200,023.00	191,162.34	8,860.66
Other Salaries for Instruction	26,129.00	600.00	26,729.00	25,983.73	745.27
General Supplies	3,300.00	1,100.00	4,400.00	1,998.72	2,401.28
Total Multiple Disabilities	231,465.00	(313.00)	231,152.00	219,144.79	12,007.21
Special Education Instruction-Resource Room/Resource Center					
Salaries of Teachers	1,330,367.00	(8,151.00)	1,322,216.00	1,316,477.13	5,738.87
Other Salaries for Instruction	236,894.00	19,980.00	256,874.00	250,127.42	6,746.58
General Supplies	21.74	5,400.00	5,421.74	3,658.00	1,763.74
Total Resource Room/Resource Center	1,567,282.74	17,229.00	1,584,511.74	1,570,262.55	14,249.19

TOWNSHIP OF UPPER SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Special Education Instruction- Preschool Disabilities - Full-Time					
Salaries of Teachers	91,316.00	850.00	92,166.00	91,566.00	600.00
Other Salaries for Instruction	54,701.00	(8,350.00)	46,351.00	45,474.30	876.70
General Supplies	200.00		200.00	198.67	1.33
Total Preschool Disabilities - Full-Time	<u>146,217.00</u>	<u>(7,500.00)</u>	<u>138,717.00</u>	<u>137,238.97</u>	<u>1,478.03</u>
Special Education Instruction- Home Instruction					
Salaries of Teachers	6,800.00	7,500.00	14,300.00	11,610.00	2,690.00
Purchased Professional - Education Services		2,000.00	2,000.00	1,038.00	962.00
Total Home Instruction	<u>6,800.00</u>	<u>9,500.00</u>	<u>16,300.00</u>	<u>12,648.00</u>	<u>3,652.00</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>1,951,764.74</u>	<u>18,916.00</u>	<u>1,970,680.74</u>	<u>1,939,294.31</u>	<u>31,386.43</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	612,344.00	35,431.00	647,775.00	644,034.75	3,740.25
General Supplies	2,132.00	-	2,132.00	1,978.90	153.10
Total Basic Skills/Remedial - Instruction	<u>614,476.00</u>	<u>35,431.00</u>	<u>649,907.00</u>	<u>646,013.65</u>	<u>3,893.35</u>
Bilingual Education - Instruction					
Salaries of Teachers	128,124.00	(600.00)	127,524.00	100,368.44	27,155.56
Purchased Professional - Education Services	4,750.00	(500.00)	4,250.00	118.26	4,131.74
Other Purchased Services (400-500 Series)	500.00	500.00	1,000.00	551.14	448.86
General Supplies	1,100.00		1,100.00	428.98	671.02
Total Bilingual Education - Instruction	<u>134,474.00</u>	<u>(600.00)</u>	<u>133,874.00</u>	<u>101,466.82</u>	<u>32,407.18</u>
School-Spon. Co/Extra-Curr. Activities - Instruction					
Salaries	28,982.00	750.00	29,732.00	28,148.50	1,583.50
Supplies & Materials	3,198.00	(750.00)	2,448.00	698.00	1,750.00
Other Objects	1,300.00		1,300.00	615.00	685.00
Total School-Spon Co/Extra-Curr. Activities - Inst.	<u>33,480.00</u>	<u>-</u>	<u>33,480.00</u>	<u>29,461.50</u>	<u>4,018.50</u>
School-Sponsored Athletics - Instruction					
Salaries	51,500.00		51,500.00	39,785.78	11,714.22
Purchased Services (300-500 series)	5,500.00		5,500.00	4,829.00	671.00
Supplies & Materials	6,500.00		6,500.00	2,758.44	3,741.56
Other Objects	1,000.00		1,000.00	225.00	775.00
Total School-Sponsored Athletics - Inst.	<u>64,500.00</u>	<u>-</u>	<u>64,500.00</u>	<u>47,598.22</u>	<u>16,901.78</u>
Before/After School Programs - Instruction					
Salaries of Teachers	15,800.00		15,800.00	4,946.00	10,854.00
Total Before/After School Programs - Instruction	<u>15,800.00</u>	<u>-</u>	<u>15,800.00</u>	<u>4,946.00</u>	<u>10,854.00</u>
Summer School - Instruction					
Salaries of Teachers	67,215.00		67,215.00		67,215.00
Other Salaries of Instruction	11,857.00		11,857.00		11,857.00
General Supplies	2,000.00		2,000.00	282.98	1,717.02
Total Summer School - Instruction	<u>81,072.00</u>	<u>-</u>	<u>81,072.00</u>	<u>282.98</u>	<u>80,789.02</u>
TOTAL INSTRUCTION	<u>10,294,684.86</u>	<u>(145,029.50)</u>	<u>10,149,655.36</u>	<u>9,751,079.34</u>	<u>398,576.02</u>

TOWNSHIP OF UPPER SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
UNDISTRIBUTED EXPENDITURES					
Undistributed Expenditures - Instruction					
Tuition to Other LEAs Within the State-Regular	\$ 8,840,023.00		8,840,023.00	8,840,023.00	-
Tuition to Other LEAs Within the State-Special	86,649.00	20,000.00	106,649.00	62,691.60	43,957.40
Tuition to County Voc. School Dist. - Regular	333,387.00		333,387.00	333,387.00	-
Tuition to County Voc. School Dist. - Special	66,326.00	1.00	66,327.00	66,326.90	0.10
Tuition to CSSD & Regional Day Schools	309,995.00	(61,000.00)	248,995.00	77,320.50	171,674.50
Tuition to Private Schools for the Disabled - W/I State	164,609.00	(1.00)	164,608.00	156,583.35	8,024.65
Tuition - State Facilities	80,540.00		80,540.00	80,540.00	-
Total Undistributed Expenditures - Instruction	9,881,529.00	(41,000.00)	9,840,529.00	9,616,872.35	223,656.65
Undistributed Expend. - Attend. & Social Worker					
Salaries	17,451.00	619.00	18,070.00	18,068.64	1.36
Other Purchased Services (400-500 series)	14,000.00	(220.00)	13,780.00	13,605.00	175.00
Total Undist. Expend. - Attend. & Social Worker	31,451.00	399.00	31,850.00	31,673.64	176.36
Undistributed Expend. - Health Services					
Salaries	237,112.00	1,990.00	239,102.00	225,927.00	13,175.00
Purchased Professional and Technical Services	8,112.50		8,112.50	7,725.00	387.50
Other Purchased Services (400-500 series)	75.00		75.00	75.00	-
Supplies & Materials	7,541.83	900.00	8,441.83	6,961.17	1,480.66
Total Undistributed Expend. - Health Services	252,841.33	2,890.00	255,731.33	240,613.17	15,118.16
Undist. Expend. - Speech, OT, PT, & Related Services					
Salaries	276,414.00	(4,400.00)	272,014.00	240,675.99	31,338.01
Purchased Professional - Education Services	87,200.00	26,981.00	114,181.00	68,413.89	45,767.11
Supplies & Materials	13,396.97		13,396.97	7,856.02	5,540.95
Total Undist. Expend. - Speech, OT, PT, & Related Services	377,010.97	22,581.00	399,591.97	316,945.90	82,646.07
Undist. Expend. - Other Support Serv. Students - Extraordinary Services					
Salaries	342,909.00	19,145.00	362,054.00	358,667.64	3,386.36
Purchased Professional - Education Services	468,410.00	86,000.00	554,410.00	456,986.44	97,423.56
Total Undist. Expend. - Other Support Services Students - Extraordinary Services	811,319.00	105,145.00	916,464.00	815,654.08	100,809.92
Undistributed Expenditures - Guidance					
Salaries of Other Professional Staff	236,600.00	1,090.00	237,690.00	235,691.90	1,998.10
Supplies & Materials	2,500.00		2,500.00	227.77	2,272.23
Total Undistributed Expenditures - Guidance	239,100.00	1,090.00	240,190.00	235,919.67	4,270.33
Undistributed Expenditures - Child Study Teams					
Salaries of Other Professional Staff	406,892.00	8,188.03	415,080.03	409,628.43	5,451.60
Salaries of Secretarial and Clerical Assistants	50,676.00	(11,383.00)	39,293.00	39,143.85	149.15
Purchased Professional - Education Services	30,000.00	(7,382.03)	22,617.97	17,111.88	5,506.09
Other Purchased Professional and Tech. Services	14,775.00		14,775.00	14,574.90	200.10
Other Purchased Services (400-500 series)	12,350.00		12,350.00	4,180.31	8,169.69
Supplies & Materials	8,725.78		8,725.78	6,884.03	1,841.75
Total Undistributed Expenditures - Child Study Teams	523,418.78	(10,577.00)	512,841.78	491,523.40	21,318.38
Undist. Expend. - Improvement of Inst. Services					
Salaries of Other Professional Staff	150,030.00	49,222.00	199,252.00	133,015.81	66,236.19
Salaries of Secretarial and Clerical Assistants	38,033.00	11,667.00	49,700.00	49,699.92	0.08
Purchased Professional Educational Services	107,507.00	8,000.00	115,507.00	74,589.62	40,917.38
Other Purchased Services (400-500 series)	2,500.00		2,500.00	651.93	1,848.07
Supplies & Materials	107,126.08	(8,000.00)	99,126.08	69,462.44	29,663.64
Other Objects	1,200.00		1,200.00	845.00	355.00
Total Undist. Expend. - Improvement of Inst. Serv.	406,396.08	60,889.00	467,285.08	328,264.72	139,020.36

TOWNSHIP OF UPPER SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	\$ 239,419.00	11,899.00	251,318.00	251,037.13	280.87
Purchased Professional and Technical Services	5,040.00	76.74	5,116.74	5,116.74	-
Supplies & Materials	23,240.26	(576.74)	22,663.52	19,502.79	3,160.73
Total Undistributed Expenditures - Educational Media Services - School Library	<u>267,699.26</u>	<u>11,399.00</u>	<u>279,098.26</u>	<u>275,656.66</u>	<u>3,441.60</u>
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Professional Educational Services	8,500.00		8,500.00		8,500.00
Other Purchased Services (400-500 series)	23,000.00	(2,851.50)	20,148.50	801.96	19,346.54
Total Undistributed Expenditures - Instructional Staff Training Services	<u>31,500.00</u>	<u>(2,851.50)</u>	<u>28,648.50</u>	<u>801.96</u>	<u>27,846.54</u>
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	249,732.00	66,284.00	316,016.00	316,015.76	0.24
Legal Services	87,492.50	9,416.00	96,908.50	90,010.75	6,897.75
Audit Fee	34,000.00		34,000.00	31,550.00	2,450.00
Architectural/Engineering Services	30,000.00	6,000.00	36,000.00	33,987.25	2,012.75
Other Purchased Professional Services	27,200.00	(4,300.00)	22,900.00	13,835.00	9,065.00
Communications/Telephone	129,829.70	(14,450.00)	115,379.70	100,222.77	15,156.93
BOE Other Purchased Services	3,500.00	700.00	4,200.00	3,434.05	765.95
Misc. Purchased Services (400-500 series)	94,275.00	5,750.00	100,025.00	98,318.56	1,706.44
General Supplies	12,000.00		12,000.00	5,704.32	6,295.68
BOE In-House Training/Meeting Supplies	500.00		500.00	201.11	298.89
Miscellaneous Expenditures	10,193.00		10,193.00	5,638.61	4,554.39
BOE Membership Dues and Fees	17,000.00		17,000.00	16,354.20	645.80
Total Undistributed Expenditures - Support Services - General Administration	<u>695,722.20</u>	<u>69,400.00</u>	<u>765,122.20</u>	<u>715,272.38</u>	<u>49,849.82</u>
Undist. Expend. - Supp. Serv. - School Admin.					
Salaries of Principals/Assistant Principals	366,165.00	9,000.00	375,165.00	369,914.88	5,250.12
Salaries Other Professional Staff	144,802.00		144,802.00	140,171.10	4,630.90
Salaries of Secretarial and Clerical Assistants	242,892.00	6,000.00	248,892.00	236,407.15	12,484.85
Other Purchased Services (400-500 series)	9,100.00		9,100.00	2,494.44	6,605.56
Supplies & Materials	19,829.00	41,750.00	61,579.00	21,648.17	39,930.83
Other Objects	6,000.00	12,000.00	18,000.00	4,135.98	13,864.02
Total Undistributed Expenditures - Support Services - School Administration	<u>788,788.00</u>	<u>68,750.00</u>	<u>857,538.00</u>	<u>774,771.72</u>	<u>82,766.28</u>
Undistributed Expenditures - Central Services					
Salaries	342,700.00	2,874.00	345,574.00	345,073.84	500.16
Purchased Professional Services	15,500.00	2,126.00	17,626.00	3,500.00	14,126.00
Purchased Technical Services	10,121.00	3,000.00	13,121.00	10,120.31	3,000.69
Misc. Purchased Services (400-500 Series)	16,075.76	7,500.00	23,575.76	6,001.58	17,574.18
Supplies and Materials	10,000.00	15,000.00	25,000.00	10,213.39	14,786.61
Miscellaneous Expenditures	1,700.00		1,700.00	-	1,700.00
Total Undistributed Expenditures - Central Service	<u>396,096.76</u>	<u>30,500.00</u>	<u>426,596.76</u>	<u>374,909.12</u>	<u>51,687.64</u>
Undistributed Expenditures- Admin. Info. Tech.					
Salaries	140,999.00	15,263.75	156,262.75	114,974.92	41,287.83
Purchased Technical Services	48,625.00	(8,263.75)	40,361.25	25,632.61	14,728.64
Other Purchased Services (400-500 series)	5,750.00	2,500.00	8,250.00		8,250.00
Supplies and Materials	12,000.00	20,250.00	32,250.00	6,387.82	25,862.18
Total Undistrib Expend- Admin. Info. Technology	<u>207,374.00</u>	<u>29,750.00</u>	<u>237,124.00</u>	<u>146,995.35</u>	<u>90,128.65</u>

TOWNSHIP OF UPPER SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Required Maint. School Fac.					
Salaries	\$ 221,602.00	(37,657.00)	183,945.00	133,738.01	50,206.99
Cleaning, Repair and Maintenance Service	369,398.46	78,352.00	447,750.46	343,302.59	104,447.87
General Supplies	443,304.74	(167,916.86)	275,387.88	140,545.81	134,842.07
Total Undistributed Expenditures - Allowable Maintenance for School Facilities	<u>1,034,305.20</u>	<u>(127,221.86)</u>	<u>907,083.34</u>	<u>617,586.41</u>	<u>289,496.93</u>
Undist. Expend. - Custodial Services					
Salaries	732,731.00	(20,000.00)	712,731.00	649,100.03	63,630.97
Purchased Professional and Technical Services	27,600.00		27,600.00	18,710.40	8,889.60
Cleaning, Repair, and Maintenance Services	30,150.00	(2,000.00)	28,150.00	13,784.75	14,365.25
Lease Purchase Payments - Energy Savings Impr Prog	399,038.00		399,038.00	399,038.00	-
Other Purchased Property Services	17,500.00	2,000.00	19,500.00	19,049.29	450.71
Insurance	95,573.00	4,400.00	99,973.00	98,827.00	1,146.00
Misc. Purchased Services	1,500.00		1,500.00		1,500.00
General Supplies	117,595.64	(2,000.00)	115,595.64	72,388.06	43,207.58
Energy (Natural Gas)	108,500.00		108,500.00	88,980.07	19,519.93
Energy (Electricity)	288,649.20	(9,145.00)	279,504.20	220,805.58	58,698.62
Energy (Gasoline)	5,400.00	2,000.00	7,400.00	7,079.96	320.04
Other Objects	1,125.00	4,745.00	5,870.00	4,477.00	1,393.00
Total Undistributed Expenditures - Custodial Services	<u>1,825,361.84</u>	<u>(20,000.00)</u>	<u>1,805,361.84</u>	<u>1,592,240.14</u>	<u>213,121.70</u>
Undistributed Expenditures - Care & Upkeep of Grounds					
Salaries	35,660.00	312.00	35,972.00	35,534.72	437.28
Cleaning, Repair, and Maintenance Services	28,500.00	(312.00)	28,188.00	10,049.77	18,138.23
General Supplies	16,200.00		16,200.00	6,961.37	9,238.63
Total Undistributed Expenditures - Care & Upkeep of Grounds	<u>80,360.00</u>	<u>-</u>	<u>80,360.00</u>	<u>52,545.86</u>	<u>27,814.14</u>
Undistributed Expenditures - Security					
Salaries	118,384.00	700.00	119,084.00	87,605.81	31,478.19
Total Undistributed Expenditures - Security	<u>118,384.00</u>	<u>700.00</u>	<u>119,084.00</u>	<u>87,605.81</u>	<u>31,478.19</u>
Total Undistributed Expenditures					
Operations and Maintenance of Plant	<u>3,058,411.04</u>	<u>(146,521.86)</u>	<u>2,911,889.18</u>	<u>2,349,978.22</u>	<u>561,910.96</u>
Undist. Expend. - Student Transportation Serv.					
Salaries of Non-Instructional Aides	59,907.00	(700.00)	59,207.00	24,626.70	34,580.30
Sal.- Pup. Trans. (Bet. Home & School) - Reg.	73,219.00	1,150.00	74,369.00	69,395.59	4,973.41
Sal.- Pup. Trans. (Bet. Home & School) - Special Ed	59,814.00	(6,150.00)	53,664.00		53,664.00
Other Purchased Professional and Tech. Services	5,050.00		5,050.00	4,350.00	700.00
Cleaning, Repair, & Maint. Services	16,700.00		16,700.00	2,128.17	14,571.83
Rental Payments - School Buses	35,500.00	(25,000.00)	10,500.00	10,100.00	400.00
Contr. Serv. - Aid in Lieu Payments - NonPub School	95,000.00		115,200.00	85,280.60	29,919.40
Contr. Serv. - (Bet. Home & School) - Vendors	1,281,899.00	(448,700.00)	833,199.00	766,603.60	66,595.40
Contr. Serv. - (Other than Home & Sch) - Vendors	209,829.00	(73,200.00)	136,629.00	93,260.46	43,368.54
Contr. Serv. - (Bet. Home & School) Joint Agrm.	5,000.00		5,000.00		5,000.00
Contr. Serv. - (Special Ed. Students) - Vendors	576,187.00	531,700.00	1,107,887.00	1,005,729.03	102,157.97
Contr. Serv. - (Spc Ed. Students) - Joint Agrmt	15,000.00		15,000.00		15,000.00
Transportation Supplies	51,880.00	(30,000.00)	21,880.00	1,741.47	20,138.53
Other Objects	1,845.00		1,845.00	316.00	1,529.00
Total Undistributed Expenditures - Student Transportation Services	<u>2,486,830.00</u>	<u>(30,700.00)</u>	<u>2,456,130.00</u>	<u>2,063,531.62</u>	<u>392,598.38</u>

TOWNSHIP OF UPPER SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Unallocated Benefits					
Social Security Contribution	310,000.00		310,000.00	262,259.21	47,740.79
Other Retirement Contributions - PERS	346,935.00	36,065.00	383,000.00	368,136.96	14,863.04
Workmen's Compensation	115,270.00		115,270.00	112,891.32	2,378.68
Health Benefits	4,074,363.00	(66,500.00)	4,007,863.00	3,495,742.38	512,120.62
Tuition Reimbursement	57,000.00		57,000.00		57,000.00
Other Employee Benefits	74,313.00	(27,065.00)	47,248.00	47,248.00	-
Total Unallocated Benefits	<u>4,977,881.00</u>	<u>(57,500.00)</u>	<u>4,920,381.00</u>	<u>4,286,277.87</u>	<u>634,103.13</u>
On-Behalf Contributions					
On-Behalf TPAF Pension Contribution (Non-Budgeted)			-	4,672,213.00	(4,672,213.00)
Reimbursed TPAF Social Security (Non-Budgeted)			-	776,500.16	(776,500.16)
Total On-Behalf Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,448,713.16</u>	<u>(5,448,713.16)</u>
Total Personal Services - Employee Benefits	<u>4,977,881.00</u>	<u>(57,500.00)</u>	<u>4,920,381.00</u>	<u>9,734,991.03</u>	<u>(4,814,610.03)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>25,433,368.42</u>	<u>113,642.64</u>	<u>25,547,011.06</u>	<u>28,514,374.99</u>	<u>(2,967,363.93)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>35,728,053.28</u>	<u>(31,386.86)</u>	<u>35,696,666.42</u>	<u>38,265,454.33</u>	<u>(2,568,787.91)</u>
CAPITAL OUTLAY					
Equipment					
Undist. Expend. - Admin. Info. Tech. Equipment		6,670.00	6,670.00	6,669.55	0.45
Undist. Expend. - Required Maint for School Fac.	11,131.72		11,131.72	7,381.72	3,750.00
Total Equipment	<u>11,131.72</u>	<u>6,670.00</u>	<u>17,801.72</u>	<u>14,051.27</u>	<u>3,750.45</u>
Facilities Acquisition and Construction Services					
Construction Services	2,865,000.00		2,865,000.00	1,988,250.00	876,750.00
Assessment for Debt Service on SDA funding	3,900.00		3,900.00	3,900.00	-
Total Facilities Acquisition and Construction Services	<u>2,868,900.00</u>	<u>-</u>	<u>2,868,900.00</u>	<u>1,992,150.00</u>	<u>876,750.00</u>
TOTAL CAPITAL OUTLAY	<u>2,880,031.72</u>	<u>6,670.00</u>	<u>2,886,701.72</u>	<u>2,006,201.27</u>	<u>880,500.45</u>
SPECIAL SCHOOLS					
Adult Education -Local- Instruction					
Salaries of Teachers	15,000.00		15,000.00	6,780.00	8,220.00
General Supplies	500.00		500.00		500.00
Total Adult Education	<u>15,500.00</u>	<u>-</u>	<u>15,500.00</u>	<u>6,780.00</u>	<u>8,720.00</u>
TOTAL SPECIAL SCHOOLS	<u>15,500.00</u>	<u>-</u>	<u>15,500.00</u>	<u>6,780.00</u>	<u>8,720.00</u>
Transfer of Funds to Charter Schools	106,390.00		106,390.00	65,974.00	40,416.00
TOTAL EXPENDITURES	<u>38,729,975.00</u>	<u>(24,716.86)</u>	<u>38,705,258.14</u>	<u>40,344,409.60</u>	<u>(1,639,151.46)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(4,805,454.00)</u>	<u>24,716.86</u>	<u>(4,780,737.14)</u>	<u>809,528.00</u>	<u>5,590,265.14</u>

TOWNSHIP OF UPPER SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Other Financing Sources and Uses:					
Operating Transfers In (Out):					
Interest Deposit to Capital Reserve	(1,500.00)		(1,500.00)		1,500.00
Interest Deposit to Maintenance Reserve	(750.00)		(750.00)		750.00
Transfer to Food Service		(24,716.86)	(24,716.86)	(24,716.86)	-
Total Other Financing Sources:	<u>(2,250.00)</u>	<u>(24,716.86)</u>	<u>(26,966.86)</u>	<u>(24,716.86)</u>	<u>2,250.00</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(4,807,704.00)	-	(4,807,704.00)	784,811.14	5,592,515.14
Fund Balance July 1	12,774,886.14		12,774,886.14	12,774,886.14	-
Fund Balance June 30	<u>\$ 7,967,182.14</u>	<u>-</u>	<u>7,967,182.14</u>	<u>13,559,697.28</u>	<u>5,592,515.14</u>
Recapitulation:					
Nonspendable Fund Balance:					
None				-	
Restricted Fund Balance:					
Excess Surplus - Designated for Subsequent Year's Expenditures				\$ 975,000.00	
Excess Surplus - Current Year				969,915.65	
Reserve for Unemployment Compensation				114,500.66	
Committed Fund Balance:					
Capital Reserve				3,699,431.65	
Tuition Reserve				315,000.00	
Maintenance Reserve				1,422,541.00	
Assigned Fund Balance:					
Capital Reserve Designated for Subsequent Year's Expenditures				1,130,031.00	
Maintenance Reserve Designated for Subsequent Year's Expenditures				674,903.00	
Tuition Reserve Designated for Subsequent Year's Expenditures				250,000.00	
Designated for Subsequent Year's Expenditures				1,103,029.00	
Year-End Encumbrances				947,722.39	
Unassigned Fund Balance				<u>1,957,622.93</u>	
				13,559,697.28	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				(535,711.00)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 13,023,986.28</u>	

TOWNSHIP OF UPPER SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State Sources	531,854.00	1,549,764.00	2,081,618.00	1,713,594.35	(368,023.65)
Federal Sources		117,292.03	117,292.03	133,801.69	16,509.66
Local Sources				-	-
Total Revenues	<u>531,854.00</u>	<u>1,667,056.03</u>	<u>2,198,910.03</u>	<u>1,847,396.04</u>	<u>(351,513.99)</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	137,029.00	155,098.84	292,127.84	195,322.06	96,805.78
Purchased Professional and Technical Services		28,850.00	28,850.00	28,850.00	-
Other Purchased Services (400-500 series)	364,228.00	399,331.00	763,559.00	750,337.00	13,222.00
General Supplies	9,250.00	369,600.00	378,850.00	378,850.00	-
Total Instruction	<u>510,507.00</u>	<u>952,879.84</u>	<u>1,463,386.84</u>	<u>1,353,359.06</u>	<u>110,027.78</u>
Support Services:					
Salaries of Other Professional Staff		123,500.00	123,500.00	45,315.70	78,184.30
Personal Services - Employee Benefits	6,074.00	119,115.33	125,189.33	34,977.16	90,212.17
Purchased Professional and Technical Services	13,058.00	41,625.00	54,683.00	45,802.00	8,881.00
Other Purchased Services (400-500 series)	2,215.00	88,658.80	90,873.80	90,161.56	712.24
Supplies & Materials		200.00	200.00	200.00	-
Student Activities		117,292.03	117,292.03	117,292.03	-
Total Support Services	<u>21,347.00</u>	<u>490,391.16</u>	<u>511,738.16</u>	<u>333,748.45</u>	<u>177,989.71</u>

TOWNSHIP OF UPPER SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES(cont'd):					
Facilities Acquisitions and Construction Services:					
Buildings	-	79,122.16	79,122.16	-	79,122.16
Instructional Equipment	-	144,662.87	144,662.87	143,778.87	884.00
Total Facilities Acquisitions and Const. Services:	-	223,785.03	223,785.03	143,778.87	80,006.16
Transfer to Charter Schools			-	-	-
Other Financing Sources (Uses)			-	-	-
None	-	-	-	-	-
Total Expenditures	531,854.00	1,667,056.03	2,198,910.03	1,830,886.38	368,023.65
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	-	-	16,509.66	16,509.66
Fund Balance, July 1			\$ 106,527.23		
Fund Balance, June 30				123,036.89	
Recapitulation:					
Restricted:					
Student Activities				123,036.89	
Total Fund Balance				\$ 123,036.89	

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Notes to the Required Supplementary Information

**TOWNSHIP OF UPPER SCHOOL DISTRICT
Required Supplementary Information
Budget-to-GAAP Reconciliation
Note to Required Supplementary Information
For the Year Ended June 30, 2023**

Note A - Explanation of Differences Between Budgetary Inflows and Outflows GAAP Revenue and Expenditures

		General Fund		Special Revenue Fund
Sources / inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 41,153,937.60	[C-2]	\$ 1,847,396.04
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				218,248.39
Prior year final State Aid payment was delayed until July 2022 and is recorded as revenue in current year under GAAP.		638,643.00		
Final State Aid payment delayed until July 2023 is recorded as budgetary revenue but is not recognized under GAAP.		(535,711.00)		
Total revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2]	41,256,869.60	[B-2]	2,065,644.43
Uses / outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	40,344,409.60	[C-2]	1,830,886.38
Difference - budget to GAAP:				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for GAAP financial reporting purposes.				218,248.39
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2]	\$ 40,344,409.60	[B-2]	\$ 2,049,134.77

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Required Supplementary Information – Part III

TOWNSHIP OF UPPER SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employees 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)	0.02794853040%	0.02782140600%	0.02796408630%	0.02831020940%	0.02844594310%	0.02809325450%	0.02732247890%	0.0240421488%	0.02686356223%	0.0261585060%
District's proportionate of the net pension liability (asset)	4,217,969	3,295,863	4,560,211	5,281,255	5,797,759	6,539,661	8,092,135	5,396,981	5,024,362	4,999,410
District's covered payroll	2,007,983	2,027,466	2,038,294	2,076,906	2,076,906	2,070,979	2,008,124	2,018,575	1,716,833	1,823,408
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	210.06%	162.56%	223.73%	254.28%	279.15%	315.78%	402.97%	267.37%	292.65%	274.18%
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

Note: This schedule is required by GASB 68 to show information for a 10 year period.

TOWNSHIP OF UPPER 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	352,457	325,821	305,913	286,335	285,102	294,446	263,803	244,059	206,698	197,099
Contributions in relation to the contractually required contribution	352,457	325,821	305,913	286,335	285,102	294,446	263,803	244,059	206,698	197,099
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 2,007,983	\$ 2,027,466	\$ 2,038,294	\$ 2,076,906	\$ 2,076,906	\$ 2,070,979	\$ 2,008,124	\$ 2,018,575	\$ 1,716,833	\$ 1,823,408
Contributions as a percentage of covered-employee payroll	17.55%	16.07%	15.01%	13.79%	13.73%	14.22%	13.14%	12.09%	12.04%	10.81%

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

Note: This schedule is required by GASB 68 to show information for a 10 year period.

TOWNSHIP OF UPPER 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	48,541,754	47,642,303	65,312,473	62,581,944	63,667,534	66,955,354	74,543,014	61,681,017	51,101,385	49,189,666
Total	\$ 48,541,754	\$ 47,642,303	\$ 65,312,473	\$ 62,581,944	\$ 63,667,534	\$ 66,955,354	\$ 74,543,014	\$ 61,681,017	\$ 51,101,385	\$ 49,189,666
District's covered payroll	10,230,045	10,252,404	10,537,405	10,653,332	10,653,332	10,544,908	10,694,063	10,444,234	9,517,531	9,644,148
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%	22.33%	28.71%	33.64%	33.76%

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

Note: This schedule is required by GASB 68 to show information for a 10 year period.

TOWNSHIP OF UPPER 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	\$ 55,886,298.00	\$ 65,585,423.00	\$ 75,488,941.00	\$ 45,505,597.00	\$ 50,922,094.00	\$ 59,180,118.00	\$ 63,905,350.00
Total	\$ 55,886,298.00	\$ 65,585,423.00	\$ 75,488,941.00	\$ 45,505,597.00	\$ 50,922,094.00	\$ 59,180,118.00	\$ 63,905,350.00
District's covered payroll	12,238,028.00	12,279,870.00	12,575,699.00	12,730,238.00	12,730,238.00	12,615,887.00	12,702,187.00
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	2,708,911.00	3,251,217.00	1,772,548.00	1,699,764.00	1,905,504.00	2,298,993.00	
Interest Cost	1,481,049.00	1,701,355.00	1,632,625.00	2,010,486.00	2,163,541.00	1,868,142.00	
Change in Benefit Terms		(69,808.00)					
Differences between Expected & Actual	2,522,875.00	(13,554,291.00)	14,063,303.00	(8,449,761.00)	(5,168,925.00)	-	
Changes in Assumption	(14,992,001.00)	64,705.00	13,789,235.00	678,492.00	(5,843,565.00)	(7,572,104.00)	
Member Contributions	47,063.00	43,495.00	39,833.00	41,408.00	47,060.00	50,474.00	
Benefit Payments	(1,467,022.00)	(1,340,191.00)	(1,314,200.00)	(1,396,886.00)	(1,361,639.00)	(1,370,737.00)	
Change in Total OPEB Liability	(9,699,125.00)	(9,903,518.00)	29,983,344.00	(5,416,497.00)	(8,258,024.00)	(4,725,232.00)	
State's proportionate share of the net OPEB liability (asset) associated with the District - Beginning Balance	65,585,423.00	75,488,941.00	45,505,597.00	50,922,094.00	59,180,118.00	63,905,350.00	
Ending Balance	\$ 55,886,298.00	\$ 65,585,423.00	\$ 75,488,941.00	\$ 45,505,597.00	\$ 50,922,094.00	\$ 59,180,118.00	
State's proportionate share of the net OPEB liability associated with the District - as a percentage of its covered-employee payroll	456.66%	534.09%	600.28%	357.46%	400.01%	469.09%	

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

Note: This schedule is required by GASB 75 to be 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

SPECIAL REVENUE FUND DETAIL STATEMENTS

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.

TOWNSHIP OF UPPER SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Year Ended June 30, 2023

	Title I Part A	Title IIA	Title IV	IDEA	IDEA Preschool	CRRSA Mental	ARP ESSER	ARP ESSER Learning Acceleration	ARP ESSER Summer
REVENUES:									
State Sources	241,125.10	46,615.76	13,475.00	465,069.00	18,324.00	31,619.00	529,438.99	26,315.70	40,000.00
Federal Sources									
Local Sources									
Total Revenues	<u>241,125.10</u>	<u>46,615.76</u>	<u>13,475.00</u>	<u>465,069.00</u>	<u>18,324.00</u>	<u>31,619.00</u>	<u>529,438.99</u>	<u>26,315.70</u>	<u>40,000.00</u>
EXPENDITURES:									
Instruction:									
Salaries of Teachers	136,160.50	11,948.00					10,056.56		37,157.00
Purchased Professional and Technical Services							28,850.00		
Other Purchased Services (400-500 series)	12,442.00	9,250.00		465,069.00	18,324.00		357,158.00		
General Supplies									
Total Instruction	<u>148,602.50</u>	<u>21,198.00</u>	<u>-</u>	<u>465,069.00</u>	<u>18,324.00</u>	<u>-</u>	<u>396,064.56</u>	<u>-</u>	<u>37,157.00</u>
Support Services:									
Salaries of Other Professional Staff								26,315.70	
Personal Services - Employee Benefits	23,678.60	7,894.00					561.56		2,843.00
Purchased Professional and Technical Services		708.00	13,475.00			31,619.00			
Other Purchased Services (400-500 series)	57,678.00	16,815.76							
Supplies & Materials	200.00								
Student Activities									
Total Support Services	<u>81,556.60</u>	<u>25,417.76</u>	<u>13,475.00</u>	<u>-</u>	<u>-</u>	<u>31,619.00</u>	<u>561.56</u>	<u>26,315.70</u>	<u>2,843.00</u>
Facilities Acquisitions and Construction Services:									
Building	10,966.00								
Instructional Equipment	10,966.00						132,812.87		
Total Facilities Acquisitions and Const. Services:	<u>21,932.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>132,812.87</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)									
None									
Total Expenditures	<u>241,125.10</u>	<u>46,615.76</u>	<u>13,475.00</u>	<u>465,069.00</u>	<u>18,324.00</u>	<u>31,619.00</u>	<u>529,438.99</u>	<u>26,315.70</u>	<u>40,000.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, July 1									
Fund Balance, June 30									
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

TOWNSHIP OF UPPER SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2023

	ARP ESSER Emergency	ACSERS	Student Activities Funds			Totals 2023
			Primary School	Elementary School	Middle School	
REVENUES:						
State Sources	34,667.80	266,944.00				1,713,594.35
Federal Sources			22,802.36	38,868.09	72,131.24	133,801.69
Local Sources			22,802.36	38,868.09	72,131.24	1,847,396.04
Total Revenues	34,667.80	266,944.00				
EXPENDITURES:						
Instruction:						
Salaries of Teachers						195,322.06
Purchased Professional and Technical Services						28,850.00
Other Purchased Services (400-500 series)		266,944.00				750,337.00
General Supplies						378,850.00
Total Instruction	-	266,944.00	-	-	-	1,353,359.06
Support Services:						
Salaries of Other Professional Staff	19,000.00					45,315.70
Personal Services - Employee Benefits						34,977.16
Purchased Professional and Technical Services	15,667.80					45,802.00
Other Purchased Services (400-500 series)						90,161.56
Supplies & Materials						200.00
Student Activities			21,409.42	38,262.84	57,619.77	117,292.03
Total Support Services	34,667.80	-	21,409.42	38,262.84	57,619.77	333,748.45
Facilities Acquisitions and Construction Services:						
Building						-
Instructional Equipment						143,778.87
Total Facilities Acquisitions and Const. Services:	-	-	-	-	-	143,778.87
Other Financing Sources (Uses)						
None						-
Total Expenditures	34,667.80	266,944.00	21,409.42	38,262.84	57,619.77	1,830,886.38
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	1,392.94	605.25	14,511.47	16,509.66
Fund Balance, July 1			11,736.53	22,771.67	72,019.03	106,527.23
Fund Balance, June 30	-	-	13,129.47	23,376.92	86,530.50	123,036.89

LONG-TERM DEBT SCHEDULES

The long-term debt schedules are used to reflect the outstanding principal balance of the general long-term liabilities of the school district. This includes serial bonds outstanding, the outstanding principal balance on capital leases.

TOWNSHIP OF UPPER SCHOOL DISTRICT
Schedule of Obligations Under Capital Lease
As of June 30, 2023

Description	Amount of Original Issue	Balance June 30, 2022	Issued	Retired Current Year	Balance June 30, 2023
ESIP	\$ 5,542,037.00	\$ 3,512,625.08		318,350.70	3,194,274.38
		<u>\$ 3,512,625.08</u>	<u>-</u>	<u>318,350.70</u>	<u>3,194,274.38</u>

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Statistical Section

UPPER TOWNSHIP SCHOOL DISTRICT
Net Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

	For the Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Invested in capital assets, net of related debt	10,389,753	10,665,433	9,969,674	12,576,610	12,678,810.23	12,600,042.00	11,600,454.00	10,722,076.87	13,315,544.81	16,168,085.10
Restricted	1,785,954	1,726,565	2,390,906	5,039,317	6,919,380.83	9,337,136.43	7,977,896.75	8,032,848.25	11,144,788.09	11,725,111.24
Unrestricted*	(1,714,209)	601,104	1,628,102	(5,319,666)	(6,105,085.95)	(6,518,993.55)	(5,109,064.36)	(2,718,999.55)	(4,850,340.23)	(3,831,188.79)
Total governmental activities net position	10,461,498	12,993,102	13,988,682	12,296,260	13,493,105.11	15,418,184.88	14,469,286.39	16,035,925.57	19,609,992.67	24,062,007.55
Business-type activities										
Invested in capital assets, net of related debt	1,898	536	-	3,687	23,065.32	32,068.78	27,664.44	23,260.10	19,265.46	107,525.43
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	278,538	348,969	456,641	490,907	505,170.76	563,781.47	548,437.70	600,295.53	734,928.33	888,765.95
Total business-type activities net position	280,436	349,505	456,641	494,594	529,236.08	595,850.25	576,102.14	623,555.63	754,193.79	986,291.36
District-wide										
Invested in capital assets, net of related debt	10,391,651	10,665,969	9,969,674	12,580,297	12,701,875.55	12,632,110.78	11,628,118.44	10,745,336.97	13,334,810.27	16,275,610.53
Restricted	1,785,954	1,726,565	2,390,906	5,039,317	6,919,380.83	9,337,136.43	7,977,896.75	8,032,848.25	11,144,788.09	11,725,111.24
Unrestricted	(1,435,671)	950,073	2,084,743	(4,828,760)	(5,598,915.19)	(5,955,212.08)	(4,560,626.66)	(2,118,704.02)	(4,115,411.90)	(2,942,422.84)
Total district net position	10,741,934	13,342,607	14,445,323	12,790,854	14,022,341.19	16,014,035.13	15,045,388.53	16,659,481.20	20,364,186.46	25,058,298.93

* - Restated Unrestricted in 2014 for the effects of GASB 68

Source: ACFR Schedule A-1

UPPER TOWNSHIP SCHOOL DISTRICT
 Changes in Net Position,
 Last Ten Fiscal Years
 (accrual basis of accounting)

	For the Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
Instruction:										
Regular	8,957,017	10,405,256	11,177,513	13,395,377	13,334,356	12,449,274	11,156,455	13,330,272	11,476,308	12,586,551
Special education	3,034,663	3,284,159	3,512,911	3,880,901	4,119,795	4,017,512	3,847,988	4,398,969	3,399,962	6,334,167
Other special education	883,008	1,220,260	1,332,906	1,739,797	2,013,622	2,016,679	1,521,427	337,545	1,263,660	1,497,022
Support Services:										
Tuition	10,023,586	10,005,740	11,635,035	11,768,554	10,664,698	10,551,349	10,184,219	9,773,002	9,536,836	9,616,872
Student & instruction related services	3,076,178	3,442,238	4,055,337	4,976,640	5,327,899	5,408,179	4,523,829	4,614,969	4,759,409	5,540,164
General administrative services	679,856	892,085	901,095	739,512	736,212	706,985	721,954	757,554	1,007,193	1,052,309
School administrative services	914,407	1,088,419	1,157,392	1,213,299	1,195,475	1,082,741	1,004,660	888,036	1,282,459	1,139,844
Business administrative services	622,911	719,734	778,196	768,948	685,264	689,171	617,001	636,485	847,889	767,826
Plant operations and maintenance	2,900,311	3,195,915	3,817,651	5,188,214	4,209,252	2,613,065	6,656,967	4,744,783	3,909,816	1,226,900
Pupil transportation	2,364,623	2,386,717	2,564,212	1,774,366	1,783,599	1,879,439	1,398,106	1,830,359	1,766,960	2,063,532
Capital Outlay	21,375	11,658	103,640	-	-	-	-	-	-	-
Special schools	15,590	13,517	12,651	9,730	10,607	16,694	19,400	120	8,770	6,780
Charter Schools	78,068	65,198	68,842	107,941	88,064	111,372	108,809	93,222	151,758	65,974
Interest on long-term debt	-	-	-	-	-	-	-	-	-	-
Total governmental activities expenses	33,571,593	36,690,896	41,117,381	45,563,276	44,168,841	41,542,460	41,760,817	41,475,315	39,411,020	41,907,940
Business-type activities:										
Food service	317,304	332,998	310,401	311,338	312,384	310,396	281,251	286,857	463,151	438,479
KEYS	165,287	164,184	189,216	187,167	227,845	215,175	190,184	116,184	167,698	177,407
Total business-type activities expenses	482,591	497,182	499,617	498,505	540,229	525,571	471,435	403,041	630,850	615,886
Total district expenses	34,054,184	37,188,078	41,616,998	46,061,783	44,709,070	42,068,031	42,232,252	41,878,356	40,041,870	42,523,826
Program Revenues										
Governmental activities:										
Charges for services:										
Pupil transportation	861,074	911,745	1,045,148	1,384,531	1,173,946	1,284,378	920,392	862,319	1,068,893	1,138,630
Operating grants and contributions	681,614	3,311,000	4,444,958	8,339,149	9,822,671	7,722,540	5,255,300	7,446,915	7,601,320	10,444,625
Capital grants and contributions	-	-	-	79,589	-	-	-	-	-	-
Total governmental activities program revenues	1,542,688	4,222,745	5,490,106	9,803,269	10,996,617	9,006,918	6,175,692	8,309,234	8,670,213	11,583,255
Business-type activities:										
Charges for services:										
Food service	212,886	212,071	210,350	190,376	190,212	191,720	143,584	25,330	60,534	234,811
KEYS	217,506	222,293	265,566	239,476	239,526	262,309	169,364	68,148	195,495	253,874
Operating grants and contributions	131,384	131,414	130,245	121,190	121,955	123,175	137,076	355,832	504,261	266,136
Total business-type activities program revenue	561,776	565,778	606,161	551,041	551,693	577,204	450,024	449,311	760,289	754,822
Total district program revenue	2,104,464	4,788,523	6,096,267	10,354,310	11,548,310	9,584,122	6,625,716	8,758,545	9,430,502	12,338,076
Net (Expense)/Revenue										
Governmental activities	(32,028,905)	(32,468,151)	(35,627,275)	(35,760,008)	(33,172,224)	(32,535,542)	(35,585,125)	(33,166,081)	(30,740,807)	(30,324,686)
Business-type activities	79,185	68,596	106,545	52,536	11,464	51,633	(21,411)	46,270	129,440	138,936
Total district-wide net expense	(31,949,720)	(32,399,555)	(35,520,731)	(35,707,472)	(33,160,760)	(32,483,909)	(35,606,537)	(33,119,812)	(30,611,368)	(30,185,751)

UPPER TOWNSHIP SCHOOL DISTRICT
Changes in Net Position,
Last Ten Fiscal Years
(accrual basis of accounting)

	For the Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	22,813,892	22,975,000	23,200,000	23,864,000	24,000,000	24,290,000	24,926,570	25,562,381	26,480,372	27,009,979
Taxes levied for debt service	-	-	-	-	-	-	-	-	-	-
Unrestricted grants and contributions	11,598,394	11,894,785	13,310,259	10,311,872	10,233,725	10,114,586	9,530,286	8,818,031	7,836,374	7,564,499
Municipal Surplus	-	-	-	-	-	-	-	-	-	-
Tuition	-	-	-	-	-	-	-	-	-	-
Cancellation of Prior Year Accounts Payable	162,897	129,970	112,596	91,714	157,786	69,446	124,804	120,548	198,129	228,850
Miscellaneous income	-	-	-	-	-	-	-	-	-	(1,911)
Loss on Disposal of Assets	-	-	-	-	(22,442)	(13,408)	54,584	-	-	(24,717)
Transfers	34,575,183	34,999,755	36,822,855	34,067,587	34,369,069	34,460,624	34,636,224	34,500,960	34,314,875	34,776,701
Total governmental activities	34,575,183	34,999,755	36,822,855	34,067,587	34,369,069	34,460,624	34,636,224	34,500,960	34,314,875	34,776,701
Business-type activities:										
Investment earnings	361	473	591	636	737	1,573	1,662	1,184	1,198	4,550
Prior Year's Accounts Payable	-	-	-	(15,219)	-	-	-	-	-	-
Fixed Asset Adjustment	(6,052)	-	-	-	22,442	13,408	-	-	-	73,895
Transfers	(5,691)	473	591	(14,583)	23,178	14,981	1,662	1,184	1,198	24,717
Total business-type activities	(6,052)	473	591	(14,583)	22,442	13,408	-	-	-	-
Total district-wide	<u>34,569,492</u>	<u>35,000,228</u>	<u>36,823,446</u>	<u>34,053,004</u>	<u>34,392,247</u>	<u>34,475,005</u>	<u>34,637,885</u>	<u>34,502,144</u>	<u>34,316,073</u>	<u>34,879,863</u>
Changes in Net Position	2,546,278	2,531,604	995,580	(1,692,422)	1,196,845	1,925,082	(948,901)	1,334,879	3,574,067	4,452,015
Governmental activities	73,494	69,069	107,136	37,953	34,642	66,614	(19,749)	47,453	130,638	242,098
Business-type activities	2,619,772	2,600,673	1,102,716	(1,654,469)	1,231,487	1,991,696	(968,650)	1,382,332	3,704,705	4,694,112
Total district	<u>2,619,772</u>	<u>2,600,673</u>	<u>1,102,716</u>	<u>(1,654,469)</u>	<u>1,231,487</u>	<u>1,991,696</u>	<u>(968,650)</u>	<u>1,382,332</u>	<u>3,704,705</u>	<u>4,694,112</u>

Source: ACRF Schedule A-2

UPPER TOWNSHIP SCHOOL DISTRICT
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Restricted	1,770,961	1,726,565	2,390,906	2,417,685	1,887,838	1,932,163	1,950,000	1,953,000	1,953,000	1,944,916
Committed	2,225,003	2,586,803	3,035,003	2,214,968	4,976,488	7,349,898	6,027,897	5,967,242	5,255,557	5,551,473
Assigned	1,348,884	1,501,757	1,176,128	1,251,985	666,182	298,151	1,678,185	2,999,438	3,829,704	4,105,685
Unassigned	14,993	-	-	(153,497)	(103,656)	(28,289)	56,855	936,492	1,097,982	1,421,912
Reserved										
Unreserved										
Total General Fund	5,359,841	5,815,125	6,602,037	5,731,140	7,426,832	9,551,923	9,712,938	11,856,173	12,136,243	13,023,986
All Other Governmental Funds										
Restricted	-	-	-	-	-	-	-	-	-	-
Debt Service Fund	-	-	-	-	-	-	-	-	-	-
Student Activities	-	-	-	-	-	-	-	-	106,527	123,037
Committed	-	1,860,035	327,075	313,150	-	-	947,722	-	-	-
Assigned										
Unassigned										
Reserved										
Unreserved, reported in:										
Special revenue fund				93,515	55,075	55,075	-	-	-	-
Capital projects fund										
Debt service fund										
Permanent fund										
Total all other governmental funds	-	1,860,035	327,075	406,664	55,075	55,075	947,722	-	106,527	123,037

Source: ACFR Schedule B-1

UPPER TOWNSHIP SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax Levy	22,813,892	22,975,000	23,200,000	23,664,000	24,000,000	24,290,000	24,926,570	25,562,381	26,480,372	27,009,979
Municipal Surplus	-	-	-	-	-	-	-	-	-	-
Tuition charges	669,893	838,772	962,741	1,319,383	1,126,320	1,134,921	873,397	778,693	859,665	891,112
Transportation charges	191,181	72,973	82,407	65,149	47,626	149,457	46,996	83,626	99,712	113,716
Miscellaneous	162,897	129,970	112,596	91,714	157,786	69,446	124,804	120,548	198,129	228,850
State sources	11,552,478	12,378,998	13,800,007	13,185,392	13,440,197	13,831,698	13,268,862	13,366,863	13,223,291	12,976,489
Federal sources	727,530	604,660	713,504	699,003	722,851	718,636	697,315	867,666	1,336,166	1,968,566
Local Sources	-	-	-	-	-	-	39,069	109,515	133,802	-
Total revenue	36,117,871	37,000,373	38,871,255	39,024,641	39,494,780	40,194,158	39,837,944	40,838,845	42,306,850	43,322,514
Expenditures										
Instruction:										
Regular instruction	6,856,387	7,220,134	7,383,314	7,804,698	7,053,733	7,144,293	6,805,562	7,467,020	7,027,380	6,982,016
Special education instruction	2,289,941	2,251,099	2,320,456	2,261,173	2,182,071	2,305,539	2,347,315	2,453,064	2,081,926	3,510,902
Other special education instruction	666,314	846,730	880,452	1,013,677	1,062,328	1,167,316	928,087	188,230	773,787	829,769
Support Services:										
Tuition	10,023,586	10,005,740	11,635,035	11,768,554	10,664,698	10,551,349	10,184,219	9,773,002	9,536,836	9,616,872
Student & instruction related services	2,321,268	2,388,544	2,678,756	2,899,595	2,819,526	3,103,604	2,759,586	2,573,514	2,914,368	3,070,802
General administrative services	513,016	619,012	595,219	500,821	513,650	526,114	584,630	600,195	621,380	715,272
School administrative services	690,007	755,246	764,516	821,685	834,075	805,738	813,562	711,496	791,203	774,772
Business administrative services	470,046	499,418	514,038	520,756	478,105	512,857	499,640	504,274	523,098	521,904
Plant operations and maintenance	2,188,960	2,217,623	2,521,752	3,513,626	2,936,768	2,484,263	3,019,218	2,836,557	2,651,721	2,349,978
Pupil transportation	1,784,333	1,656,126	1,693,792	1,774,366	1,783,599	1,879,439	1,398,106	1,830,359	1,766,960	2,063,532
Unallocated employee benefits	4,912,030	5,238,519	5,708,451	6,009,852	6,517,712	7,249,715	7,379,206	8,403,141	9,698,275	9,734,991
Special schools	11,764	9,390	8,355	9,730	10,607	16,694	19,400	120	8,770	6,780
Charter Schools	78,068	65,198	68,842	107,941	88,064	111,372	108,809	93,222	151,758	65,974
Capital outlay	2,471,414	912,285	2,844,325	809,473	1,183,299	207,367	3,039,250	1,380,569	3,485,396	2,149,980
Debt service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-	-	-	-
Total Expenditures	35,276,734	34,685,054	39,617,303	39,815,949	38,128,236	38,055,660	39,886,588	38,814,763	42,032,859	42,393,544
Excess (Deficiency) of revenues over (under) expenditures	841,137	2,315,319	(746,046)	(791,308)	1,366,544	2,138,498	51,356	2,024,082	273,992	928,970
Other Financing Sources (Uses)										
Bond and Lease Proceeds	-	-	-	-	(22,442)	(13,408)	54,584	-	-	(24,717)
Transfers	-	-	-	-	-	-	-	-	-	-
Cancellation of Prior Year Accounts Payable	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	(22,442)	(13,408)	54,584	-	-	(24,717)
Net change in fund balances	841,137	2,315,319	(746,046)	(791,308)	1,344,103	2,125,090	105,940	2,024,082	273,992	904,253
Debt service as a percentage of noncapital expenditures	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Source: ACFR Schedule B-2

Exhibit J-5

UPPER TOWNSHIP SCHOOL DISTRICT
 General Fund Other Local Revenue by Source,
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ended June 30,	Tuition Revenue	Transportation Revenue	Interest on Investments	Community		Totals
				Education Fees	Miscellaneous	
2014	669,893	191,181	12,060	12,151	138,686	1,023,971
2015	838,772	72,973	13,771	14,042	102,157	1,041,715
2016	962,741	82,407	-	-	112,596	1,157,744
2017	1,319,383	65,149	-	-	91,703	1,476,235
2018	1,126,320	47,626	-	-	156,842	1,330,788
2019	1,134,921	149,457	-	-	67,510	1,351,888
2020	873,397	46,996	-	-	121,929	1,042,322
2021	778,693	83,626	-	-	120,548	982,867
2022	859,665	99,712	-	-	198,129	1,157,507
2023	891,112	113,716	79,392	-	149,458	1,233,678

Source: District Records

UPPER TOWNSHIP SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Regular	Q Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Total District School Tax Rate	Estimated County Equalized Value
2014	75,988,300	1,840,681,400	12,545,300	511,700	198,419,400	24,019,300	3,279,300	2,155,424,700	4,322,083	2,159,746,783	1.064	1,901,835,701
2015	67,165,500	1,487,098,100	10,247,300	525,300	197,528,800	16,992,600	2,224,500	1,781,782,100	4,411,317	1,786,193,417	1.299	1,933,545,452
2016	67,137,400	1,492,490,400	8,029,200	502,200	198,925,300	16,992,600	2,049,500	1,786,126,600	4,097,961	1,790,224,561	1.322	1,940,116,125
2017	64,422,300	1,562,607,700	8,237,800	505,500	199,004,300	16,992,600	1,048,800	1,852,819,000	4,113,457	1,856,932,457	1.293	1,973,679,725
2018	62,851,500	1,570,171,500	9,937,400	545,000	198,478,300	16,992,600	1,048,800	1,860,025,100	4,302,832	1,864,327,932	1.303	1,923,614,287
2019	61,772,700	1,580,477,900	9,928,500	537,200	200,778,200	16,992,600	1,048,800	1,871,535,900	-	1,871,535,900	1.332	1,946,824,665
2020	58,193,700	1,591,098,900	10,048,100	524,100	200,413,000	9,200,000	1,048,800	1,870,526,600	-	1,870,526,600	1.367	1,975,754,755
2021	56,079,100	1,599,200,800	10,480,600	515,000	203,395,900	7,668,200	1,048,800	1,878,392,400	-	1,878,392,400	1.410	2,026,413,071
2022	52,953,600	1,615,151,600	11,204,300	532,500	203,965,400	7,668,200	1,048,800	1,892,524,400	-	1,892,524,400	1.428	2,196,580,943
2023	51,455,700	1,627,688,700	11,595,800	553,800	203,596,200	3,689,000	1,048,800	1,899,628,000	-	1,899,628,000	1.451	2,579,110,493

Source: County Abstract of Ratables & Municipal Tax Assessor

UPPER TOWNSHIP SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates,
Last Ten Fiscal Years
(rate per \$100 of assessed value)

Fiscal Year Ended June 30,	UPPER TOWNSHIP SCHOOL DISTRICT			Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate	General		County General	County Library	County Open Space	Municipal Local Purpose	
		Obligation Debt Service	Total Direct					
2014	1.064	-	1.064	0.184	0.026	0.009	0.125	1.408
2015	1.299	-	1.299	0.232	0.032	0.011	0.151	1.725
2016	1.322	-	1.322	0.236	0.032	0.011	0.171	1.772
2017	1.293	-	1.293	0.233	0.036	0.011	0.171	1.744
2018	1.303	-	1.303	0.232	0.035	0.011	0.183	1.764
2019	1.332	-	1.332	0.237	0.035	0.011	0.196	1.811
2020	1.367	-	1.367	0.241	0.036	0.011	0.201	1.856
2021	1.410	-	1.410	0.254	0.037	0.011	0.219	1.931
2022	1.428	-	1.428	0.273	0.040	0.012	0.252	2.005
2023	1.451	-	1.451	0.283	0.047	0.014	0.280	2.075

Source: District Records and Municipal Tax Collector

UPPER TOWNSHIP SCHOOL DISTRICT
Principal Property Tax Payers,
Current Year and Nine Years Ago

Taxpayer	2023				2014			
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value		
SP Marmora, LLC	9,560,900	1	0.50%	9,835,700	2	0.46%		
Ocean Sands Resort Assoc., Inc.	8,963,300	2	0.47%	11,774,300	1	0.55%		
MHC Whippoorwill RV LLC	6,051,800	3	0.32%					
Individual Property Owner	5,891,000	4	0.31%					
Shore Acres Manf Housing LLC	5,720,100	5	0.30%					
All Seasons Marina, LLC	5,489,800	6	0.29%	5,714,400	5	0.26%		
ACME#7835	5,268,200	7	0.28%	5,502,700	7	0.25%		
Clayton Rentals, LLC	4,927,800	8	0.26%	5,370,600	8	0.25%		
DV Tower LLC	4,809,200	9	0.25%					
MHC Echo Farms, LLC	4,741,000	10	0.25%					
Ruth Mgmt, LLC & Harjust Mgmt, LLC				5,676,100	6	0.26%		
Individual Property Owner				9,964,900	3	0.46%		
Individual Property Owner				6,357,000	4	0.29%		
Tuckahoe Sand and Gravel				4,884,500	9	0.23%		
Individual Property Owner				4,533,200	10	0.21%		
Totals	\$ 61,423,100		3.23%	\$ 69,613,400		3.22%		
							\$ 2,159,746,783	

District Assessed Value \$ 1,899,628,000

Source: District ACFR & Municipal Tax Assessor

**UPPER TOWNSHIP SCHOOL DISTRICT
Property Tax Levies and Collections,
Last Ten Fiscal Years**

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	22,813,892.00	22,813,892.00	100%	-
2015	22,975,000.00	22,975,000.00	100%	-
2016	23,200,000.00	23,200,000.00	100%	-
2017	23,664,000.00	23,664,000.00	100%	-
2018	24,000,000.00	24,000,000.00	100%	-
2019	24,290,000.00	24,290,000.00	100%	-
2020	24,926,570.00	24,926,570.00	100%	-
2021	25,562,381.00	25,562,381.00	100%	-
2022	26,480,372.00	26,480,372.00	100%	-
2023	27,009,979.00	27,009,979.00	100%	-

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

UPPER TOWNSHIP SCHOOL DISTRICT
 Ratios of Outstanding Debt by Type,
 Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income	Per Capita Personal Income *
	General Obligation Bonds	Capital Leases	Bond Anticipation Notes (BANs)			
2014	-	-	-	-	0.00831%	50,841
2015	-	-	-	-	0.00837%	52,901
2016	-	-	-	-	0.00842%	54,772
2017	-	-	-	-	0.00844%	57,477
2018	-	3,194,274	-	3,194,274	0.00844%	60,246
2019	-	-	-	-	0.00839%	63,203
2020	-	-	-	-	0.00843%	67,836
2021	-	-	-	-	0.00802%	72,010
2022	-	3,512,625	-	3,512,625	0.00793%	72,010
2023	-	3,194,274	-	3,194,274	0.00793%	72,010

* = Data shown is for the entire County of Cape May.

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

UPPER TOWNSHIP SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding,
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita Personal Income
	General Obligation Bonds	Deductions			
2014	-		-	0.00%	50,841
2015	-		-	0.00%	52,901
2016	-		-	0.00%	54,772
2017	-		-	0.00%	57,477
2018	-		-	0.00%	60,246
2019	-		-	0.00%	63,203
2020	-		-	0.00%	67,836
2021	-		-	0.00%	72,010
2022	-		-	0.00%	72,010
2023	-		-	0.00%	72,010

**UPPER TOWNSHIP SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt,
As of December 31, 2022**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
Township of Upper	\$ 10,035,495	100.00%	\$ 10,035,495
Other Debt			
County of Cape May	\$ 337,931,851	3.33%	11,259,082
Subtotal, Overlapping Debt			21,294,577
School District Direct Debt			-
Total Direct and Overlapping Debt			\$ 21,294,577

UPPER TOWNSHIP SCHOOL DISTRICT
 Legal Debt Margin Information,
 Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	60,758,885	58,657,989	57,750,454	57,541,713	57,422,680	57,444,142	58,220,831	59,279,738	61,753,119	67,679,546
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	57,824,530	60,758,885	57,750,454	57,750,454	57,422,680	57,444,142	58,220,831	59,279,738	61,753,119	67,679,546
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

	2022	2021	2020
Equalized valuation basis	\$ 2,568,921,406	2,181,640,418	2,017,392,796
	<u>\$ 6,767,954,620</u>		
Average equalized valuation of taxable property	\$ 2,255,984,873		
Debt limit (3% of average)	67,679,546		
Net bonded school debt			
Legal debt margin	<u>\$ 67,679,546</u>		

Total net debt applicable to the limit
 as a percentage of debt limit

Source: Abstract of Rates and District Records.

**UPPER TOWNSHIP SCHOOL DISTRICT
Demographic and Economic Statistics,
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Population	Personal Income (thousands of dollars)	** Per Capita Personal Income	Unemployment Rate
2014	12,034	611,821	50,841	8.0%
2015	11,953	632,326	52,901	7.6%
2016	11,881	650,746	54,772	6.6%
2017	11,845	680,815	57,477	6.4%
2018	11,849	713,855	60,246	5.2%
2019	11,926	753,759	63,203	4.3%
2020	11,857	804,331	67,836	10.6%
2021	12,465	897,605	72,010	6.3%
2022	12,617	908,550	72,010	4.2%
2023	12,617	908,550	72,010	Not Available

** County wide information

Source:

U.S. Department of Commerce, Bureau of Economic Analysis,
Regional Economic Information System; New Jersey Department of Labor,
Bureau of Labor Force Statistics; U.S. Bureau of Census, Population Division

UPPER TOWNSHIP SCHOOL DISTRICT
Principal Employers,
Current Year and Nine Years Ago

Employer	2023			2014		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
INFORMATION NOT AVAILABLE		1				
		2				
		3				
		4				
		5				
		6				
		7				
		8				
		9				
		10				
Totals	-		0.00%	-		0.00%

UPPER TOWNSHIP SCHOOL DISTRICT
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Instruction:										
Regular instruction	99	111	111	115	117	107	111	105	103	101
Special education instruction	42	30	32	32	35	32	37	35	36	33
Support Services:										
Student & instruction related services	37	43	43	41	39	44	44	33	33	33
General administrative services	3	3	3	3	3	3	3	4	3	4
School administrative services	11	11	11	12	11	11	11	10	11	10
Business administrative services	6	6	6	5	5	5	5	5	5	5
Plant operations and maintenance	29	31	31	29	30	34	33	30	30	29
Pupil transportation	8	10	10	8	8	9	8	8	5	3
Child Care	1	1	1	1	1	1	1	1	1	1
Total	<u>236</u>	<u>246</u>	<u>248</u>	<u>246</u>	<u>249</u>	<u>246</u>	<u>253</u>	<u>231</u>	<u>227</u>	<u>219</u>

Source: District Personnel Records

UPPER TOWNSHIP SCHOOL DISTRICT
Operating Statistics,
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost per Pupil	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Primary School	Elementary School	Middle School				
2014	2,025	32,805,320	16,200	118	12:1	12:1	11:1	1,369	1,326	-2.49%	96.86%
2015	2,079	33,772,769	16,245	117	12:1	12:1	11:1	1,408	1,341	2.85%	95.24%
2016	2,040	36,772,978	18,026	120	12:1	12:1	11:1	1,423	1,356	1.07%	95.29%
2017	2,018	39,006,476	19,329	126	11:1	12:1	11:1	1,412	1,336	-0.77%	94.62%
2018	2,003	36,944,936	18,445	124	11:1	12:1	11:1	1,417	1,346	0.35%	94.99%
2019	2,136	37,848,291	17,719	125	11:1	12:1	11:1	1,433	1,358	1.13%	94.77%
2020	2,047	36,847,340	18,001	123	12:1	11:1	11:1	1,444	1,388	0.77%	96.12%
2021	2,039	38,814,763	19,036	116	9.25:1	11:1	11:1	1,357	1,291	-6.02%	95.14%
2022	2,031	42,032,859	20,696	125	13:1	10:1	11:1	1,405	1,324	3.54%	94.23%
2023	1,940	42,393,544	21,852	124	14:1	10:1	11:1	1,388	1,288	-1.21%	92.80%

Source: District records

UPPER TOWNSHIP SCHOOL DISTRICT
 School Building Information,
 Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>District Buildings</u>										
<u>Elementary</u>										
Primary School - 1990										
Square Feet	84,825	84,825	84,825	84,825	84,825	84,825	84,825	84,825	84,825	84,825
Capacity (students)	613	613	613	613	613	613	613	613	613	613
Enrollment	464	487	498	498	498	498	498	444	500	498
Elementary School - 1952										
Square Feet	69,607	69,607	69,607	69,607	69,607	69,607	69,607	69,607	69,607	69,607
Capacity (students)	488	488	488	488	488	488	488	488	488	488
Enrollment	423	458	440	440	440	440	440	440	417	436
<u>Middle School</u>										
Middle School - 1973										
Square Feet	94,264	94,264	94,264	94,264	94,264	94,264	94,264	94,264	94,264	94,264
Capacity (students)	652	652	652	652	652	652	652	652	652	652
Enrollment	478	475	485	485	485	485	485	473	488	462
<u>Other</u>										
Modular Classrooms (4)										
Square Feet	5,000	5,000	5,000	5,000	-	-	-	-	-	-
Capacity (students)	80	80	80	80	-	-	-	-	-	-
Enrollment	-	-	-	-	-	-	-	-	-	-

Number of Schools at June 30, 2023

Elementary - 2

Middle - 1

Other - 0

Source: District Records, ASSA

UPPER TOWNSHIP SCHOOL DISTRICT
General Fund
Schedule of Required Maintenance for School Facilities,
Last Ten Fiscal Years
(Unaudited)

Undistributed Expenditures - Required Maintenance for School Facilities

School Facilities	Project # (s)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Primary School	N/A	225,519	319,101	420,199	708,229	130,122	293,108	257,162	227,966	225,632	170,545
Elementary School	N/A	262,457	100,976	136,809	230,586	833,679	232,982	466,212	141,502	481,140	271,431
Middle School	N/A	218,770	316,428	420,199	708,229	201,296	281,311	256,725	724,543	206,090	175,610
Total School Facilities		706,746	736,505	977,207	1,647,044	1,165,097	807,401	980,099	1,094,011	912,862	617,586
Other Facilities	N/A	-	-	-	-	-	-	-	-	-	-
Grand Total		706,746	736,505	977,207	1,647,044	1,165,097	807,401	980,099	1,094,011	912,862	617,586

Source: District Records

**UPPER TOWNSHIP SCHOOL DISTRICT
Insurance Schedule
For the Fiscal Year Ended June 30, 2023
(Unaudited)**

Type of Coverage	Amount of Coverage	Deductible
Property, Inland Marine and Automobile Physical Damages		
A. Limit of Liability	\$ 175,000,000	
ACCASBOJIF Self Insured Retention, per occurrence	250,000	
Members District Deductible, per occurrence		500
Perils Included	"All Risk"	
B. Property Valuation		
Buildings and Contents	Replacement Cost	
Contractors Equipment	Actual Cash Value	
Automobiles	Replacement Cost	
Boiler and Machinery		
A. Limit of Liability	125,000,000	
ACCASBOJIF Self Insured Retention	None	
Members District Deductible		1,000
Crime		
A. Limit of Liability	500,000	
ACCASBOJIF Self Insured Retention	250,000	
Members District Deductible		500
General and Automobile Liability		
A. Limit of Liability	20,000,000	
ACCASBOJIF Self Insured Retention	250,000	
Members District Deductible		None
Workers' Compensation		
A. Limit of Liability	Statutory	
ACCASBOJIF Self Insured Retention	250,000	
Members District Deductible		None
Educator's Legal Liability		
A. Limit of Liability	20,000,000	
ACCASBOJIF Self Insured Retention	250,000	
Members District Deductible		None
Pollution Legal Liability/Mold Legal Liability		
A. Limit of Liability	3,000,000	
ACCASBOJIF Self Insured Retention	None	
Members District Deductible - Pollution Incident		25,000
Members District Deductible - Mold Incident		\$100,000-\$250,000
Cyber Liability		
A. Limit of Liability	2,000,000	
ACCASBOJIF Self Insured Retention	None	
Members District Deductible		\$50,000-\$100,000
Crisis Protection & Disaster Management Services		
A. Limit of Liability	1,000,000	
ACCASBOJIF Self Insured Retention	None	
Members District Deductible		10,000

Source: District Records (Coverage is through the Atlantic & Cape May Counties Association of School Business Officials Joint Insurance Fund (ACCASBOJIF))

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Single Audit Section



FORD - SCOTT

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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
Upper Township School District
County of Cape May
Upper Township, 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 Upper Township School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Upper Township School District's basic financial statements, and have issued our report thereon dated December 4, 2023. Our report includes a reference to other auditors who audited the financial statements of the Food Service Enterprise Fund as described in our report on the Upper Township School District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Upper Township 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 Upper Township 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 Upper Township 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

Michael S. Garcia

Michael S. Garcia
Certified Public Accountant
Licensed Public School Accountant
No. 2080

December 4, 2023



FORD - SCOTT

& ASSOCIATES, L.L.C.

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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
Upper Township School District
County of Cape May, New Jersey

Report on Compliance for Each Major Federal & State Program

Opinion on Each Major Federal & State Program

We have audited the Upper Township 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 Upper Township School District's major federal and state programs for the year ended June 30, 2023. The Upper Township 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 Upper Township 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 Upper Township 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 Upper Township 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 Upper Township 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 Upper Township 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 Upper Township 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 Upper Township 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 Upper Townships 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

Michael S. Garcia

Michael S. Garcia
Certified Public Accountant
Licensed Public School Accountant
No. 2080

December 4, 2023

TOWNSHIP OF UPPER SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2023

Federal Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2022	Carryover/ (Walkover) Amount	Cash Received	Source		Adjustments	Balance at June 30, 2023	
									Pass Through	Direct		(Accounts Receivable)	Due to Grantor at June 30
U.S. Department of Health and Human Services:													
Passed-Through State Department of Health and Human Services:													
General Fund:													
Medical Assistance Program (SEM)	93.778	2005NJ5MAP		\$	6/30/2022	(9,090.05)		9,090.05					
Medical Assistance Program (SEM)	93.778	2005NJ5MAP			6/30/2023			33,090.73	(33,090.73)				
FFCRA/SEMI	93.778	2005NJ5MAP			12/31/2021			3,632.55	(3,632.55)				
Total General Fund						(9,090.05)		45,813.33	(36,723.28)				
U.S. Department of Education:													
Passed-Through State Department of Education:													
Special Revenue Fund:													
Title I, Part A Cluster:													
Title I	84.010A	S010A220030	ESEA-5340-23	223,092	7/1/2022			139,125.00	(200,706.10)	0.10	A	(61,581.00)	
Title I	84.010A	S010A210030	ESEA-5340-22	176,263	7/1/2021	(29,432.10)		69,997.80	(40,419.00)	0.10	A	0.00	146.80
Total Title I, Part A Cluster						(29,432.10)		209,122.80	(241,125.10)	0.20		(61,581.00)	146.80
Elementary and Secondary Education Act (ESEA):													
Title II - Part A	84.367A	S367A220029	ESEA-5340-23	45,069	7/1/2022			42,280.00	(43,708.76)	(0.24)	A	(1,429.00)	
Title II - Part A	84.367A	S367A210029	ESEA-5340-22	37,549	7/1/2021	(10,576.92)		13,484.00	(2,907.00)	(0.08)	A	(0.00)	
Title IV	84.424A	S424A220031	ESEA-5340-23	13,475	7/1/2022	(68.32)		13,475.00	(13,475.00)				
Title IV	84.424A	S424A210031	ESEA-5340-22	10,972	7/1/2021	(10,645.24)		68.00	(13,475.00)	0.32	A	0.00	
Total Elementary and Secondary Education Act (ESEA)						(10,645.24)		69,307.00	(60,090.76)			(1,429.00)	
Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund:													
CRRSA - Learning Acceleration	84.425D	S425D210027	N/A	31,615	3/13/2020	(668.00)		568.00					
CRRSA - Mental Health	84.425D	S425D210027	N/A	45,000	3/13/2020			33,667.00	(31,619.00)				2,048.00
ARP ESSER	84.425U	S425U210027	N/A	1,107,144	3/13/2020	(428,072.84)		303,846.60	(529,438.99)	(0.17)	A	(654,407.00)	741.60
ARP ESSER Instruction	84.425U	S425U210027	N/A	156,222	3/13/2020			2,631.50	(26,315.70)	(0.30)	A	(23,684.00)	
ARP ESSER Summer	84.425U	S425U210027	N/A	40,000	3/13/2020			37,157.00	(40,000.00)			(2,843.00)	
ARP ESSER After-school	84.425U	S425U210027	N/A	40,000	3/13/2020	(10,215.16)		10,215.00	(40,000.00)			0.00	
ARP ESSER Emergency	84.425U	S425U210027	N/A	45,000	3/13/2020			4,007.00	(34,667.80)	0.16	A	(30,661.00)	
Total Education Stabilization Fund						(438,856.00)		392,092.60	(662,041.49)	(0.51)		(711,595.00)	2,789.60
Compensatory Special Education & Related Services (ACRSERS)													
	21.027	SLFRFDOE1SES	N/A	266,944	7/1/2022			155,057.00	(266,944.00)			(111,887.00)	
Special Education Cluster (IDEA):													
CARES Act Elementary & Secondary School Emergency Relief (ESSER)	84.425D	S425D200027	N/A	124,140	3/13/2020	(6.22)		6,107.00		0.22	A		
ARP - ID.E.A. Part B, Basic Regular	84.027X	H027X210100	N/A	61,071	7/1/2021	(6,107.00)							
ARP - ID.E.A. Part B, Preschool	84.173X	H173X210114	N/A	5,207	7/1/2021	(521.00)							
ID.E.A. Part B, Basic Regular	84.027A	H027A220100	IDEA-5340-23	465,069	7/1/2022			418,563.00	(465,069.00)			(46,506.00)	
ID.E.A. Part B, Basic Regular	84.027A	H027A210100	IDEA-5340-22	455,285	7/1/2021	(45,529.00)		45,529.00					
ID.E.A. Part B, Preschool	84.173A	H173A220114	IDEA-5340-23	18,324	7/1/2022			16,492.00	(18,324.00)			(1,832.00)	
ID.E.A. Part B, Preschool	84.173A	H173A210114	IDEA-5340-22	16,984	7/1/2021	(53,855.22)		488,910.00	(483,393.00)	0.22		(48,338.00)	
Total Special Education Cluster (IDEA)						(53,278.56)		1,314,489.40	(1,713,594.35)	(0.09)		(934,830.00)	2,936.40
Total Special Revenue Fund						(53,278.56)		1,649,910.95	(2,011,592.69)	(0.09)		(947,662.33)	2,936.40
U.S. Department of Education													
Passed-through State Department of Education:													
Enterprise Fund:													
Child Nutrition Cluster:													
Food Distribution Program	10.550	231NJ304N1199	N/A	47,306	7/1/2022			47,305.66	(47,305.66)				
National School Lunch Program	10.555	221NJ304N1099	N/A	420,477	7/1/2021	(34,040.81)		34,040.81					
National School Breakfast Program	10.553	221NJ304N1099	N/A	7,124.68	7/1/2021	(7,124.68)							
National School Lunch Program	10.555	231NJ304N1199	N/A	114,143	7/1/2022			104,603.73	(114,142.84)			(9,539.11)	
National School Breakfast Program	10.553	231NJ304N1199	N/A	22,878	7/1/2022			20,237.78	(22,878.00)			(2,640.22)	
Supply Chain Assistance - Round 1	10.555	221NJ344N8903	N/A	31,479	7/1/2022			31,478.54	(31,478.54)				
Supply Chain Assistance - Round 2	10.555	221NJ344N8903	N/A	28,994	7/1/2022			28,994.48	(28,994.48)				
Supply Chain Assistance - Round 3	10.555	221NJ344N8903	N/A	15,822	7/1/2022			15,822.54	(15,822.54)				
P-EBT Administrative Cost	10.649	231NJ304S9009	N/A	653	7/1/2022	(41,165.49)		289,608.22	(261,275.06)			(653.00)	
Total Child Nutrition Cluster						(41,165.49)		289,608.22	(261,275.06)			(12,832.33)	
Total Enterprise Fund						(41,165.49)		289,608.22	(261,275.06)			(12,832.33)	
Total Federal Financial Awards						(583,044.10)		1,649,910.95	(2,011,592.69)	(0.09)		(947,662.33)	2,936.40
(A) Transfer to General Fund													

TOWNSHIP OF UPPER SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2023

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Unearned Revenue (Accts Receivable)	Due to Grantor	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	(Accounts Receivable)	Due to Grantor at	Budgetary Receivable	Cumulative Total Expenditures
			From	To										
Balance at June 30, 2022														
MEMO														
State Department of Education														
General Fund:														
State Aid Public Cluster:														
Special Education Categorical Aid	23-495-034-5121-089	\$ 1,280,868	7/1/2022	6/30/2023	-	-	1,280,868.00	(1,280,868.00)	-	-	-	(114,268.39)	1,280,868.00	
Equalization Aid	23-495-034-5121-078	2,564,580	7/1/2022	6/30/2023	-	-	2,564,580.00	(2,564,580.00)	-	-	-	(228,790.50)	2,564,580.00	
Security Aid	23-495-034-5121-084	179,311	7/1/2022	6/30/2023	-	-	179,311.00	(179,311.00)	-	-	-	(15,996.64)	179,311.00	
School Choice Aid	23-495-034-5121-068	534,600	7/1/2022	6/30/2023	-	-	534,600.00	(534,600.00)	-	-	-	(47,692.57)	534,600.00	
Stabilization Aid	23-100-034-5120-494	937,275	7/1/2022	6/30/2023	-	-	937,275.00	(937,275.00)	-	-	-	-	937,275.00	
Total State Aid Public Cluster							5,496,634.00	(5,496,634.00)				(406,748.10)	5,496,634.00	
Categorical Transportation Aid	23-495-034-5121-014	1,445,583	7/1/2022	6/30/2023	-	-	1,445,583.00	(1,445,583.00)	-	-	-	(128,962.90)	1,445,583.00	
Extraordinary Aid	23-495-034-5120-044	296,850	7/1/2022	6/30/2023	-	-	296,850.00	(296,850.00)	-	-	(296,850.00)	-	296,850.00	
Extraordinary Aid	22-495-034-5120-044	314,238	7/1/2021	6/30/2022	(314,238.00)	-	314,238.00	-	-	-	-	-	-	
Additional Transportation Aid	23-495-034-5121-014	25,584	7/1/2021	6/30/2022	-	-	22,620.00	(25,584.00)	-	-	(25,584.00)	-	25,584.00	
Additional Transportation Aid	22-495-034-5121-014	22,620	7/1/2021	6/30/2022	(22,620.00)	-	22,620.00	-	-	-	(75,406.76)	-	776,500.16	
Reimbursed TPAF Social Security Contributions	23-495-034-5095-003	776,500	7/1/2022	6/30/2023	-	-	701,093.40	(776,500.16)	-	-	-	-	776,500.16	
Reimbursed TPAF Social Security Contributions	22-495-034-5095-003	751,903	7/1/2021	6/30/2022	(36,913.62)	-	36,913.62	-	-	-	-	-	-	
On-Behalf Teachers' Pension and Annuity Fund	23-495-034-5094-002	3,698,941	7/1/2022	6/30/2023	-	-	3,698,941.00	(3,698,941.00)	-	-	-	-	3,698,941.00	
On-Behalf Teachers' Pension and Annuity Fund - Post Retirement Medical	23-495-034-5094-001	971,703	7/1/2022	6/30/2023	-	-	971,703.00	(971,703.00)	-	-	-	-	971,703.00	
On-Behalf Teachers' Pension & Annuity Fund - Non-contributory Insurance	23-495-034-5094-004	1,569	7/1/2022	6/30/2023	-	-	1,569.00	(1,569.00)	-	-	-	-	1,569.00	
Total General Fund					(373,771.62)	-	12,689,295.02	(12,713,364.16)			(397,840.76)	-	(535,711.00)	12,713,364.16
State Department of Agriculture:														
Enterprise Fund:														
Child Nutrition Cluster:														
National School Lunch Program (State Share)	22-100-010-3350-023	9,887	7/1/2021	6/30/2022	(783.41)	-	783.41	(4,605.79)	-	-	(378.91)	-	4,605.79	
National School Lunch Program (State Share)	23-100-010-3350-023	4,606	7/1/2022	6/30/2023	-	-	222.60	(255.30)	-	-	(32.70)	-	255.30	
National School Breakfast Program (State Share)	23-100-010-3350-023	255	7/1/2022	6/30/2023	(783.41)	-	5,232.89	(4,861.09)	-	-	(411.61)	-	4,861.09	
Total Child Nutrition Cluster					(783.41)	-	5,232.89	(4,861.09)			(411.61)	-	4,861.09	
Total Enterprise Fund					(783.41)	-	5,232.89	(4,861.09)			(411.61)	-	4,861.09	
Total State Financial Assistance					\$ (374,555.03)	-	12,694,527.91	(12,718,225.25)			(398,252.37)	-	(535,711.00)	12,718,225.25
Less: On-Behalf Teachers' Pension and Annuity Fund (3,698,941.00)														
Less: On-Behalf Teachers' Pension and Annuity Fund-Post Retirement (971,703.00)														
Less: On-Behalf Teachers' Pension and Annuity Fund-Noncontributory Insurance (1,569.00)														
Total for State Financial Assistance-Major Program Determination (8,046,012.25)														

**TOWNSHIP OF UPPER SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2023**

NOTE 1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Township of Upper School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the 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 basis of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200-*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. 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 BASIC FINANCIAL STATEMENTS

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

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

**TOWNSHIP OF UPPER SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2023**

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$218,248.39 for the general fund and \$102,932.00. See the Notes to the Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	General Fund	Food Service Fund	Total
State Assistance:			
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of State Financial Assistance	\$ 8,041,151.16	4,861.09	8,046,012.25
Difference – budget to "GAAP"			
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	638,643.00		638,643.00
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(535,711.00)		(535,711.00)
On behalf payments recognized for GAAP purposes but not included on the Schedule of Expenditures of State Financial Assistance	4,672,213.00		4,672,213.00
Total State revenue as reported on the statement of revenues, expenditures and changes in fund balances	\$ 12,816,296.16	4,861.09	12,821,157.25

**TOWNSHIP OF UPPER SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND 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	\$ 36,723.28	1,713,594.35	261,275.06	2,011,592.69
Difference - budget to "GAAP" Grant accounting budgetary basis differs from "GAAP" in that encumbrances are recognized as expenditures, and the related revenue is recognized.		218,248.39		218,248.39
Total Federal revenue as reported on the statement of revenue, expenditures, and changes in fund balance	<u>\$ 36,723.28</u>	<u>1,931,842.74</u>	<u>261,275.06</u>	<u>2,229,841.08</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 amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2023. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2023.

NOTE 6. ADJUSTMENTS

Both favorable and unfavorable differences incurred as a result of final grant payments being rounded by the grantor and are included in the schedule(s) of financial assistance in a column entitled "Adjustments."

**TOWNSHIP OF UPPER 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?	<u> </u>	yes <u> X </u>	no
• Significant deficiency(ies) identified?	<u> </u>	yes <u> X </u>	none reported
Noncompliance material to financial statements noted?	<u> </u>	yes <u> X </u>	no

Federal Awards

Internal Control over major programs:			
• Material weakness(es) identified?	<u> </u>	yes <u> X </u>	no
• Significant deficiency(ies) identified?	<u> </u>	yes <u> X </u>	none reported
Type of auditor's report issued on compliance for major programs	<u>Unmodified</u>		
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	<u> </u>	yes <u> X </u>	no

Identification of major programs:

<u>AL Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
Education Stabilization Fund - Elementary and		
Secondary School Emergency Relief Fund:		
84.425D	S425D210027	CRRSA - Mental
84.425U	S425U210027	ARP ESSER
84.425U	S425U210027	ARP ESSER Instruction
84.425U	S425U210027	ARP ESSER Summer
84.425U	S425U210027	ARP ESSER Emergency

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

\$ 750,000

Auditee qualified as low-risk auditee?	<u> X </u>	yes	<u> </u>	no
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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 04-04

_____ yes X no

Identification of major programs:

<u>GMS Number(s)</u>	<u>Name of State Program</u>
	State Aid Public Cluster:
_____	_____
23-495-034-5121-089	Special Education Categorical Aid
_____	_____
23-495-034-5121-078	Equalization Aid
_____	_____
23-495-034-5121-084	Security Aid
_____	_____
23-495-034-5121-068	School Choice Aid
_____	_____
23-495-034-5121-494	Stablization Aid
_____	_____
23-495-034-5120-044	Extraordinary Aid
_____	_____

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

\$ 750,000

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

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

Part 2 – Schedule of Financial Statement Findings

NONE

Part 3 – Federal Awards and State Financial Assistance Findings and Questioned Costs

NONE

STATUS OF PRIOR YEAR FINDINGS

NONE

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