

**BOARD OF EDUCATION
OF THE
TOWNSHIP OF WATERFORD
SCHOOL DISTRICT
WATERFORD, NEW JERSEY**



Waterford Township
School District

Lighting the path to success, one child at a time.

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2023**

TOWNSHIP OF WATEFORD SCHOOL DISTRICT
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INTRODUCTORY SECTION



Waterford Township
School District

Michael A. Nolan, Ed.D.
Superintendent

Daniel J. Fox, CPA
Assistant Superintendent for Business

February 5, 2024

Honorable President and
Members of the Waterford Township Board of Education
1106 Old White Horse Pike
Waterford, New Jersey 08089

Dear Mr. DeNafo and Board Members:

The annual comprehensive financial report of the Waterford Township School District for the fiscal year ended June 30, 2023, is hereby submitted. Responsibility for both accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. The annual comprehensive financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart, and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the 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 U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and the State of New Jersey Circular Letter 04-04-OMB, "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, is included in the single audit section of this report.

- 1) REPORTING ENTITY AND ITS SERVICES: The Waterford Township School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Waterford 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 PreK through 12. These include regular, as well as special education for handicapped children. The District completed the 2022-2023 school year with an average enrollment of 891.8

elementary students. The following details the changes in the elementary student enrollment of the district over the last 10 years.

Average Daily Enrollment – Elementary Students

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2022-2023	936.13	1.83%
2021-2022	919.34	6.28%
2020-2021	865.02	(3.00%)
2019-2020	891.8	(2.6%)
2018-2019	915.83	3.6%
2017-2018	806.21	(0.36%)
2016-2017	803.11	(3.42%)
2015-2016	831.57.	(5.29%)
2014-2015	878.02	(3.06%)
2013-2014	905.76	(0.56%)
		(3.35%)

- 2) ECONOMIC CONDITION AND OUTLOOK: The Waterford Township is building approximately 95 homes. The district is expecting an increase in student enrollment due to this project.

- 3) MAJOR INITIATIVES: The district has been awarded a significant grant to provide preschool education to 3- and 4-year-old students. This grant has resulted in a significant increase in enrollment starting in 2018-2019 and will result in a grade level realignment.

- 4) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but no 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) that 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 the federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

- 5) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year end are either cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2023.

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

- 7) FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the governmental fund revenues for the fiscal year ended June 30, 2023 and the amount and percentage of increases in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	Percent of <u>Total</u>	Increase (Decrease) <u>From 2022</u>
Local Sources	\$15,464,512.24	42.33%	\$468,579.13
State Sources	18,859,559.02	51.62	334,469.91
Federal Sources	2,211,146.78	6.05	948,115.31
	<hr/> \$36,535,217.80	<hr/> 100.0%	<hr/> \$1,751,164.11

The overall increase in Local Sources is due to Tax Levy and Interest on Investments and the increase in State sources is attributed to Teachers Pension and Annuity Fund.

The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2023:

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2019</u>
Current Expense:			
Instructional	\$20,744,511.40	58.98%	\$519,816.22
Undistributed Expenditures	15,272,820.45	40.31	1,449,146.4
Capital Outlay	905,560.52	0.67	675,605.58
Charter Schools	14,221.00	.04	127.00
	<u>\$36,937,113.37</u>	<u>100.00%</u>	<u>\$2,644,695.20</u>

- 8) DEBT ADMINISTRATION: The district has no outstanding bonds at this time.

- 9) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to 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.

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

- 11) OTHER INFORMATION:
 - A) Independent Audit – State statues required an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman & Company LLP, CPA's, was selected by the Board. In addition to meeting the requirements set forth in state statues, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related OMB Circular A-133 and state Circular Letter 04-04-OMB. The auditor's report on the general purpose 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.

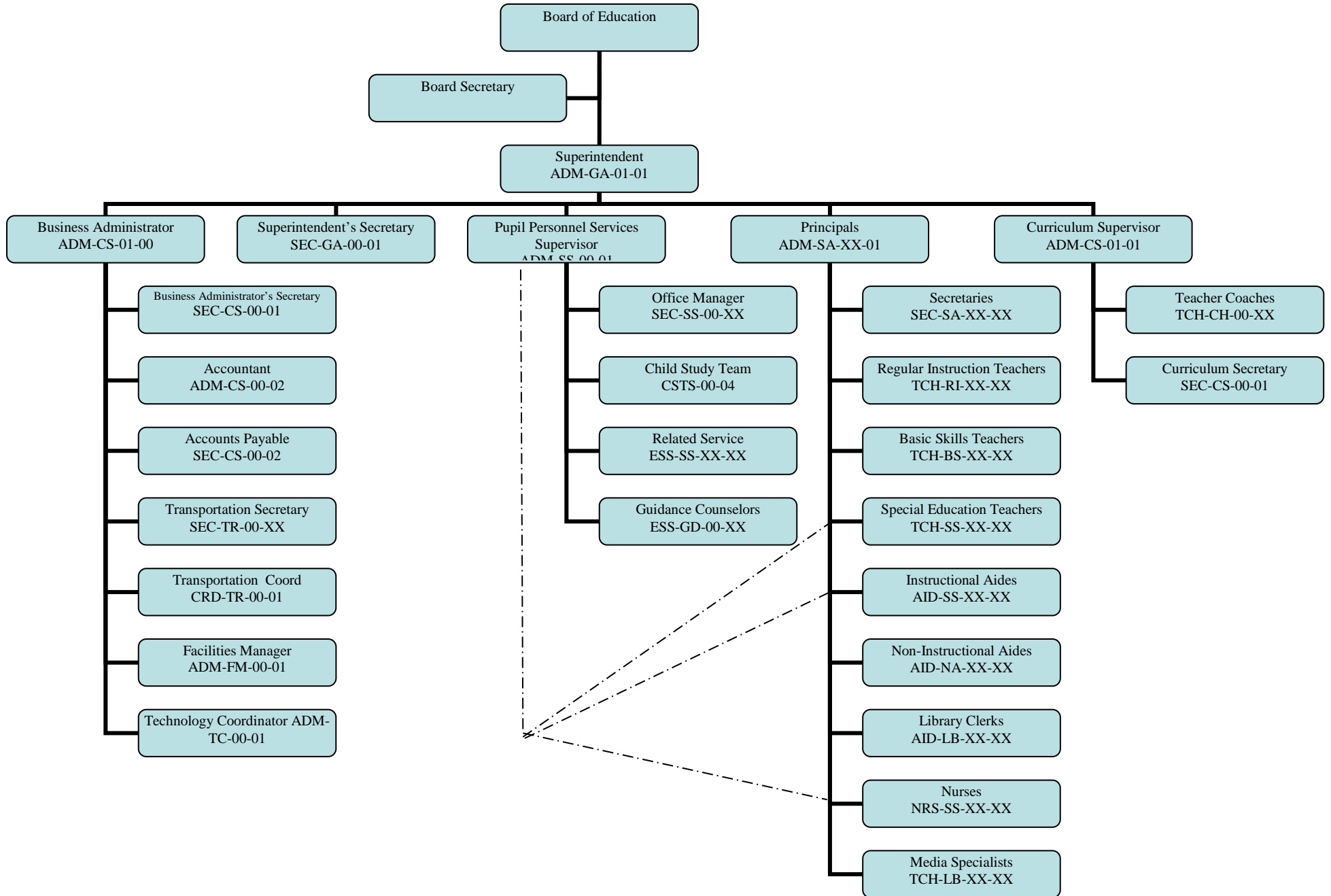
12) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Waterford Township Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Daniel J. Fox". The signature is fluid and cursive, with the first name "Daniel" being the most prominent part.

Daniel J. Fox, CPA

Board Secretary/Business Administrator



**ROSTER OF OFFICIALS
JUNE 30, 2023**

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Matthew DeNafo, President	2023
Barbara Libak Fanz, Vice President	2023
Benjamin Du Vuyst	2024
Jason Galante	2025
Daniel Hoover	2025
Roseanna Hunter	2024
Thomas Leach	2025
Michael McClintock	2023
Ehren O'Donnell	2024

OTHER OFFICIALS

Dr. Michael A. Nolan, Superintendent

Daniel J. Fox, CPA, School Business Administrator/Board Secretary

TOWNSHIP OF WATERFORD SCHOOL DISTRICT

CONSULTANTS AND ADVISORS

Audit Firm

Bowman & Company LLP
601 White Horse Road
Voorhees, NJ 08043-2493

Attorney

Howard Long, Esq.
1250 Chews Landing Road
Laurel Springs, NJ 08021

Official Depository

Republic Bank
200 Rt. 73
Berlin, New Jersey 08091

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Waterford School District
County of Camden
Waterford, New Jersey 08089

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; 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. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Waterford School District's basic financial statements. The combining statements and related major fund supporting statements and schedules, are presented for purposes of additional analysis, as required by the Office of School Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, are also presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and related major fund supporting statements and schedules, and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

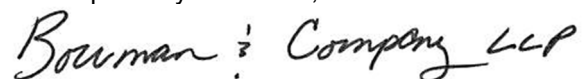
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

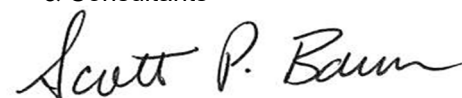
Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2024 on our consideration of the Township of Waterford 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 Township of Waterford School District'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 Township of Waterford School District's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Scott P. Barron
Certified Public Accountant
Public School Accountant No. CS 02459

REQUIRED SUPPLEMENTARY INFORMATION
PART I

**WATERFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(UNAUDITED)**

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

Overview of the Financial Statements

The financial section of this annual report consists of two parts: Part I, management's discussion and analysis (this section), the basic financial statements with the accompanying note disclosures; and Part II, budgetary comparison schedules, notes to the required supplementary information and other supplementary information. The basic financial statements include two kinds of statements that present different views of the School District:

The first two statements, Exhibit A-1 and A-2, are government-wide financial statements that provide both long-term and short-term information about the School District's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the School District's operations in more detail than the government-wide statements.

The governmental fund statements tell how general government services were financed in the short-term as well as what remains for future spending.

Proprietary fund statements offer short-term and long-term financial information about those types of activities that operate like a business.

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 another section, Part II, that contains required supplementary information that further explains and supports the information in the financial statements including; budget schedules, reconciliations and individual fund statements.

Statement of Net Position and Statement of Activities

The Statement of Net Position and the Statement of Activities include all assets and liabilities of the School District using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

The two government-wide statements report the School District's net position and how they have changed. Net position – the difference between the School District's assets and deferred outflows of resources and liabilities and deferred inflows of resources. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District's facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District reports governmental and business - type activities. Governmental activities are the activities where most of the School District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation and special schools.

**WATERFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(UNAUDITED)**

Fund Financial Statements

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

Governmental Funds

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

Proprietary Funds

Enterprise funds, which are a proprietary fund type used to report an activity for which a fee is charged to an external user for goods or services, are used to report the same functions presented as business-type activities in the district-wide financial statements. The District uses enterprise funds to account for its food service program.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements.

The School District as a Whole

The Statement of Net Position provides a snapshot of the School district as a whole.

The table on the following page provides a summary of the School District's net position for the year ending June 30, 2023.

**WATERFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(UNAUDITED)**

**Table 1
Net Position**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Assets		
Cash and Cash Equivalents	\$ 3,943,745	\$ 1,950,909
Receivables, net	1,062,999	864,325
Inventory (Note 5)	28,529	27,014
Restricted Assets:		
Restricted Cash and Cash Equivalents		3,164,090
Capital Reserve Account - Cash	1,620,785	1,422,847
Maintenance Reserve Account - Cash	352,573	200,060
Capital Assets, net (Note 6)	11,754,446	11,543,412
 Total Assets	 18,763,077	 19,172,656
Deferred Outflow of Resources - Related to Pensions (Note 8)	1,349,341	1,083,943
Liabilities		
Accounts Payable	705,090	1,258,629
Accrued Interest Payable	405	1,862
Unearned Revenue	62,098	39,193
Noncurrent Liabilities (Note 7):		
Due within One Year	184,212	211,745
Due beyond One Year	3,762,263	2,601,328
 Total Liabilities	 4,714,069	 4,112,758
Deferred Inflow of Resources - Related to Pensions (Note 8)	561,326	1,576,698
Net Position		
Net Investments in Capital Assets	11,493,902.74	11,482,534
Restricted for:		
Capital Projects	1,130,500	3,003,175
Excess Surplus	1,176,143	
Maintenance	552,573	756,020
Student Activities	2,547	2,678
Unemployment Compensation	27,091	26,360
Other Purposes	103,033	978,179
Unrestricted (Deficit)	351,233	(1,681,803)
 Total Net Position	 \$ 14,837,023	 \$ 14,567,143

The largest portion of the Township of Waterford School Districts' net position (77%) reflects Net Investment in Capital Assets. The Waterford Township School District will use these assets to replace building systems that have passed their useful life.

The net position of the district-wide activities increased by \$269,879.76. The increase is attributable to GASB 68 Pension adjustments.

**WATERFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(UNAUDITED)**

Table 2 provides an illustration of the impact of the School District's Net Position for the implementation of GASB 68. For more information refer to Note 8 in the report for details.

Table 2

Statement of Net Position - Effect of Pension Related Items

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Deferred Outflows Related to Pensions	\$ 1,349,341	\$ 1,083,943
Less: Net Pension Liability	(3,224,226)	(2,246,585)
Less: Deferred Inflows Related to Pensions	(561,326)	(1,576,698)
	<u>\$ (2,436,211)</u>	<u>\$ (2,739,340)</u>

Table 3

Changes in Net Position

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 282,169	\$ 82,924
Operating Grants and Contributions	6,010,482	6,953,034
Capital Grants and Contributions	426,700	38,750
General Revenues:		
Property Taxes	14,628,565	14,447,965
Federal and State Aid	12,877,378	12,641,570
Tuition		
Restricted Investment Earnings	731	61
Unrestricted Miscellaneous Revenues	747,847	1,296,462
Total Revenues	<u>34,973,872</u>	<u>35,460,765</u>
Program Expenses:		
Governmental Activities:		
Instruction	10,281,663	9,967,995
Support Services	23,926,008	23,584,214
Total Expenses, Governmental Activities	<u>34,207,670</u>	<u>33,552,210</u>
Business-Type Activities:		
Food Service	496,322	571,302
Total Expenses, Business-Type Activities	<u>496,322</u>	<u>571,302</u>
Total Expenses	<u>34,703,992</u>	<u>34,123,512</u>
Change in Net Position	<u>269,880</u>	<u>1,337,253</u>
Net Position, July 1	<u>14,567,143</u>	<u>13,229,890</u>
Ending Net Position	<u>\$ 14,837,023</u>	<u>\$ 14,567,143</u>

**WATERFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(UNAUDITED)**

Governmental Activities

State and Federal Aid and the Local Tax Levy comprise 96% of the total revenues for government activities for the fiscal year 2023.

Instruction costs comprises 30.06% of the District's governmental expenses, while support service and other expenses, including tuition costs, comprise approximately 69.94% of the Government Expense.

The Statement of Activities shows the costs of the Governmental Activities' program services and the charges for services and grants offsetting those services. Table 4 shows the total cost of services and the net cost of services for fiscal year 2023. That is, it identifies the cost of these services supported by general revenues.

Table 4

	Total Cost of services	Net Cost of services
Instruction	\$ 10,281,663	\$ 8,346,312
Support services:		
Tuition	10,558,699	10,535,903
Student and Instruction Related Service	3,417,499	2,988,034
School Administrative Services	2,365,703	1,445,089
Plant Operation and Maintenance	1,717,634	1,717,634
Pupil Transportation	2,615,259	2,475,122
Unallocated Benefits	1,489,144	724,308
Reimbursed TPAF and Social Security	1,747,849	(299,864)
Transfer to Charter School	14,221	14,221
	\$ 34,207,670	\$ 27,946,758
Total Government Activities	\$ 34,207,670	\$ 27,946,758

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

Tuition expenses include the cost to the School District to send pupils living within the District to private schools and schools and students in grades 7-12 to Hammonton Middle/High Schools.

Student and instruction related services include the activities designed to assess and improve the well being of students and to supplement the teaching process.

School Administrative and Business and Other Support Services include expenses associated with establishing and administering policy for the School District and include board of education services and executive administrative services.

Plant operation and maintenance of plant activities involve keeping the school grounds, buildings and equipment in an effective working condition.

**WATERFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(UNAUDITED)**

Governmental Activities (Cont'd)

Pupil transportation includes activities involved with the conveyance of students to and from school activities.

Unallocated benefits includes the cost of benefits for the School District staff for social security, retirement contributions, workers' compensation, health, dental, prescription and other employee benefits.

Reimbursed TPAF and Social Security costs are the amounts for the on-behalf payments made by the State of New Jersey for staff members included in the Teacher's Pension and Annuity Fund.

Amortization of Debt Issuance Costs relates to the amortization expense of the issuance costs associated with the taxable refunding bonds issued to fund the Early Retirement Incentive Program liability.

Unallocated depreciation is used to report the depreciation expense on capital assets whose use cannot be specifically identified to one particular function.

The dependence upon property taxes, federal and state aid is apparent. The local community, federal government and state, are the primary support for the Waterford Township School District.

Governmental Activities Revenues increase primarily due to the implementation of GASB 75. The Governmental Expenditures also increased due to an increase in unallocated benefits and TPAF & Social Security expenses.

The School District's Funds

The School District's major funds are accounted for using the modified accrual basis of accounting. All government funds had total revenues of \$36,535,217.80. (Exhibit B-2), and total expenditures of \$36,931,113.37 (Exhibit B-2). The net change in fund balance was a decrease of \$63,948.57.

General Fund Budgeting Highlights

The School District's budget is prepared in accordance with New Jersey Law. Most of the funds are appropriated in the General Fund.

During the course of the 2023 fiscal year, the School District modified its General Fund budget as allowed by New Jersey School law. The net change in the total budget modification primarily resulted from the rollover of the prior year's encumbrances.

For the General Fund, the final budget basis revenue estimate was \$27,507,982.00, with actual revenues in the amount of \$32,401,717.58, resulting in a positive variance of \$4,893,735.58. The positive variance occurred mainly because of the TPAF On-behalf and Social Security payments by the State of New Jersey.

The General Fund final budget basis expenditure appropriation estimate was \$30,653,114.38 compared with the original estimate of \$30,266,707. Actual General Fund basis expenditures were \$33,051,495.33

**WATERFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(UNAUDITED)**

Capital Assets

At the end of the fiscal year, the School District had \$11,754,445.90, invested in land, land improvements, buildings and improvements and equipment combined for governmental activities and business-type activities.

Table 5 shows a summary of the School District's fiscal 2023 balances at June 30, 2023:

**Table 5
Capital Assets (Net of Depreciation)**

Government Activities:	
Land	\$ 365,290
Land Improvements	457,123
Building and Improvements	10,218,598
Equipment	402,536
Totals	\$ 11,443,547
 Business-Type Activities:	
Equipment	\$ 310,899

Overall capital assets increased \$211,033.97 from fiscal year 2022 to fiscal year 2023. This decrease was primarily as a result of a depreciation.

Debt Administration

At the end of the current fiscal year, the Township of Waterford School District had no outstanding bonds.

The outstanding balance for all long-term liabilities at June 30, 2023 is \$3,946,475.18 (Note 7).

Economic Factors and Next Year's Budget

For the 2023-24 school year, the School District was able to stay within the State of New Jersey's cap on the increase in taxes levied of 2%. The district continues to look for opportunities for cost containment including shared services. One of the most important factors affecting the budget is enrollment. The district has enacted new procedures to minimize the number of ineligible students.

Contacting the School District's Financial Management

The School District's financial report is designed to provide citizen groups, taxpayers, parents, students, other local officials and investors and creditors with a general overview of the School District's finances and to show its accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact the Waterford Township School Business Administrator/Board Secretary at 1106 Old White Horse Pike, Waterford, New Jersey 08089.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOWNSHIP OF WATERFORD SCHOOL DISTRICT

Statement of Net Position

June 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 3,897,803.44	\$ 45,941.49	\$ 3,943,744.93
Receivables	1,025,251.75	37,746.87	1,062,998.62
Inventory (Note 5)		28,529.10	28,529.10
Restricted Assets:			
Capital Reserve Account - Cash	1,620,784.90		1,620,784.90
Maintenance Reserve Account - Cash	352,573.30		352,573.30
Capital Assets, net (Note 6)	<u>11,443,547.34</u>	<u>310,898.56</u>	<u>11,754,445.90</u>
Total Assets	<u>18,339,960.73</u>	<u>423,116.02</u>	<u>18,763,076.75</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	<u>1,349,341.00</u>		<u>1,349,341.00</u>
LIABILITIES:			
Accounts Payable:			
Related to Pensions	272,684.00		272,684.00
Other	425,620.52	6,785.13	432,405.65
Accrued Interest Payable	405.41		405.41
Unearned Revenue	57,416.53	4,681.80	62,098.33
Noncurrent Liabilities (Note 7):			
Due within One Year	184,212.47		184,212.47
Due beyond One Year	<u>3,762,262.71</u>		<u>3,762,262.71</u>
Total Liabilities	<u>4,702,601.64</u>	<u>11,466.93</u>	<u>4,714,068.57</u>
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	<u>561,326.00</u>		<u>561,326.00</u>
NET POSITION:			
Net Investments in Capital Assets	11,183,004.18	310,898.56	11,493,902.74
Restricted for:			
Capital Projects	1,130,499.90		1,130,499.90
Excess Surplus	1,176,142.53		1,176,142.53
Maintenance	552,573.30		552,573.30
Student Activities	2,547.42		2,547.42
Unemployment Compensation	27,091.13		27,091.13
Other Purposes	103,032.57		103,032.57
Unrestricted (Deficit)	<u>250,483.06</u>	<u>100,750.53</u>	<u>351,233.59</u>
Total Net Position	<u>\$ 14,425,374.09</u>	<u>\$ 411,649.09</u>	<u>\$ 14,837,023.18</u>

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

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

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities:							
Instruction:							
Regular	\$ 7,159,581.81	\$ 62,344.80	\$ 1,873,005.64		\$ (5,224,231.37)		\$ (5,224,231.37)
Special Education	2,394,970.69				(2,394,970.69)		(2,394,970.69)
Other Special Instruction	723,731.72				(723,731.72)		(723,731.72)
School Sponsored Cocurricular Activities	1,538.91				(1,538.91)		(1,538.91)
Summer School	1,839.50				(1,839.50)		(1,839.50)
Support Services:							
Tuition	10,558,698.71	22,796.17			(10,535,902.54)		(10,535,902.54)
Student and Instruction Related Services	3,417,499.35	909.81	428,555.28		(2,988,034.26)		(2,988,034.26)
School Administrative Services	2,365,702.98		493,914.19	\$ 426,700.00	(1,445,088.79)		(1,445,088.79)
Plant Operations and Maintenance	1,717,633.82				(1,717,633.82)		(1,717,633.82)
Pupil Transportation	2,615,258.66		140,136.95		(2,475,121.71)		(2,475,121.71)
Unallocated Benefits	1,489,143.78		764,835.95		(724,307.83)		(724,307.83)
TPAF and Social Security	1,747,849.41		2,047,713.42		299,864.01		299,864.01
Transfer to Charter School	14,221.00				(14,221.00)		(14,221.00)
Total Governmental Activities	34,207,670.34	86,050.78	5,748,161.43	426,700.00	(27,946,758.13)		(27,946,758.13)
Business-Type Activities:							
Food Service	496,322.09	196,118.07	262,320.27			\$ (37,883.75)	(37,883.75)
Total Business-Type Activities	496,322.09	196,118.07	262,320.27			(37,883.75)	(37,883.75)
Total Government	\$ 34,703,992.43	\$ 282,168.85	\$ 6,010,481.70	\$ 426,700.00	(27,946,758.13)	(37,883.75)	(27,984,641.88)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					14,628,565.00		14,628,565.00
Federal and State Aid not Restricted					12,877,378.22		12,877,378.22
Miscellaneous Income					747,847.25		747,847.25
Restricted Investment Earnings					731.29		731.29
Total General Revenues					28,254,521.76		28,254,521.76
Change in Net Position					307,763.63	(37,883.75)	269,879.88
Net Position -- July 1					14,117,610.46	449,532.84	14,567,143.30
Net Position -- June 30					\$ 14,425,374.09	\$ 411,649.09	\$ 14,837,023.18

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

FUND FINANCIAL STATEMENTS

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 3,896,593.44				\$ 3,896,593.44
Capital Reserve Account - Cash	1,620,784.90				1,620,784.90
Maintenance Reserve Account - Cash	352,573.30				352,573.30
Receivables:					
Interfunds Receivable:					
Special Revenue Fund	245,501.93				245,501.93
Internal Service Fund	15,000.00				15,000.00
Receivables from Other Governments:					
State of New Jersey	585,850.19				585,850.19
Federal Government		\$ 419,087.45			419,087.45
Miscellaneous Other Receivables		6,524.11			6,524.11
Total Assets	\$ 6,716,303.76	\$ 425,611.56	\$ -	\$ -	\$ 7,141,915.32
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 194,429.62	\$ 17,113.11			\$ 211,542.73
General Fund		245,501.93			245,501.93
Payroll Deductions and Withholdings Payable	157,023.86				157,023.86
Unemployment Compensation Payable	57,053.93				57,053.93
Unearned Revenue		57,416.53			57,416.53
Total Liabilities	408,507.41	320,031.57			728,538.98

(Continued)

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Fund Balances:					
Restricted:					
Capital Reserve Account	\$ 1,130,499.90				\$ 1,130,499.90
Maintenance Reserve Account	552,573.30				552,573.30
Excess Surplus	1,176,142.53				1,176,142.53
Special Revenue Fund		\$ 103,032.57			103,032.57
Student Activities		2,547.42			2,547.42
Unemployment Compensation	27,091.13				27,091.13
Assigned:					
Other Purposes	62,903.90				62,903.90
Designated for Subsequent Year's Expenditures	1,727,443.00				1,727,443.00
Excess Capital Reserve Designated for Subsequent Year's Expenditures	760,000.00				760,000.00
Unassigned:					
General Fund	871,142.59				871,142.59
Total Fund Balances	<u>6,307,796.35</u>	<u>105,579.99</u>			<u>6,413,376.34</u>
Total Liabilities and Fund Balances	<u>\$ 6,716,303.76</u>	<u>\$ 425,611.56</u>	<u>\$ -</u>	<u>\$ -</u>	
Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:					
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$24,160,557.78, and the accumulated depreciation is \$12,717,010.44.					11,443,547.34
Accrued interest payable is not due and payable in the current period and therefore is not reported as liabilities in the funds.					(405.41)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.					(722,249.18)
Net Pension Liability					(3,224,226.00)
Accounts Payable related to the April 1, 2023 Required PERS pension contribution that is not to be liquidated with current financial resources.					(272,684.00)
Deferred Outflows of Resources - Related to Pensions					1,349,341.00
Deferred Inflows of Resources - Related to Pensions					(561,326.00)
Net position of governmental activities					<u>\$ 14,425,374.09</u>

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

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Source - Tax Levy	\$ 14,628,565.00				\$ 14,628,565.00
Tuition Charges	62,344.80				62,344.80
Miscellaneous	747,847.25	\$ 25,023.66			772,870.91
Other Restricted Miscellaneous Revenues	731.29				731.29
State Sources	16,881,929.00	1,977,630.02			18,859,559.02
Federal Sources	85,742.64	2,125,404.14			2,211,146.78
Total Revenues	32,407,159.98	4,128,057.82			36,535,217.80
EXPENDITURES:					
Current:					
Regular Instruction	5,068,050.73	2,018,477.31			7,086,528.04
Special Education Instruction	2,394,970.69				2,394,970.69
Other Special Instruction	723,731.72				723,731.72
School Sponsored Cocurricular Activities	1,538.91				1,538.91
Summer School	1,839.50				1,839.50
Undistributed Expenditures:					
Tuition	10,535,902.54				10,535,902.54
Student and Instruction Related Services	2,995,420.46	429,465.09			3,424,885.55
School Administrative Services	1,890,997.42	493,914.19			2,384,911.61
Plant Operations and Maintenance	1,836,585.16				1,836,585.16
Pupil Transportation	2,475,121.71	140,136.95			2,615,258.66
Unallocated Benefits	156,050.10	764,835.95			920,886.05
Reimbursed TPAF Pension and Social Security	4,090,293.42				4,090,293.42
Capital Outlay	478,860.52	426,700.00			905,560.52
Transfer to Charter Schools	14,221.00				14,221.00
Total Expenditures	32,663,583.88	4,273,529.49			36,937,113.37

(Continued)

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Excess (Deficiency) of Revenues over Expenditures	\$ (256,423.90)	\$ (145,471.67)			\$ (401,895.57)
OTHER FINANCING SOURCES (USES):					
Operating Transfers In (Out):					
Transfer to Special Revenue Fund - Preschool Program - Inclusion	(135,980.00)	135,980.00			
Transfer from Capital Reserve to General Fund	360,000.00				360,000.00
Decrease in Capital Reserve	(360,000.00)				(360,000.00)
Transfer from Capital Projects to Capital Reserve - Unexpended Balance of Completed Projects	629,715.00		\$ (629,715.00)		
Transfer from Capital Projects - Unexpended Balance of Completed Projects	788,053.38		(788,053.38)		
Assets Acquired Under Financed Purchases (Non- Budgeted)	337,947.00				337,947.00
Total Other Financing Sources and Uses	1,619,735.38	135,980.00	(1,417,768.38)		337,947.00
Net Change in Fund Balances	1,363,311.48	(9,491.67)	(1,417,768.38)		(63,948.57)
Fund Balance -- July 1	4,944,484.87	115,071.66	1,417,768.38		6,477,324.91
Fund Balance -- June 30	\$ 6,307,796.35	\$ 105,579.99	\$ -	\$ -	\$ 6,413,376.34

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

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

Total Net Change in Fund Balances - Governmental Funds	\$	(63,948.57)
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period:</p>		
Depreciation Expense	\$	(679,408.07)
Capital Outlays		<u>905,560.52</u>
		226,152.45
<p>Repayment of financed purchases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
		138,281.63
<p>Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net position. Financed Purchases Proceeds</p>		
		(337,947.00)
<p>Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. This amount is the net effect of the difference in the treatment of interest on long-term debt.</p>		
		1,456.24
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).</p>		
		43,904.87
<p>Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.</p>		
		<u>299,864.01</u>
Change in Net Position of Governmental Activities	\$	<u><u>307,763.63</u></u>

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

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Combined Statements of Net Position
 Proprietary Funds
 June 30, 2023

	Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Fund
	<u>Food Service</u>	<u>Service Fund</u>
ASSETS:		
Current Assets:		
Cash and Cash Equivalents	\$ 45,941.49	\$ 1,210.00
Accounts Receivable:		
State	1,861.22	
Federal	35,885.65	
Other		13,790.00
Inventory	28,529.10	
Total Current Assets	112,217.46	15,000.00
Noncurrent Assets:		
Equipment	505,353.19	
Less Accumulated Depreciation	(194,454.63)	
Total Noncurrent Assets	310,898.56	
Total Assets	423,116.02	15,000.00
LIABILITIES:		
Current Liabilities:		
Interfund Payable:		
General Fund		15,000.00
Unearned Revenue	4,681.80	
Accounts Payable	6,785.13	
Total Current Liabilities	11,466.93	15,000.00
NET POSITION:		
Net Investment in Capital Assets	310,898.56	
Unrestricted	100,750.53	
Total Net Position	\$ 411,649.09	\$ -

The accompanying Notes to Financial Statements are an integral part of these statements.

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Combined Statements of Revenues, Expenditures and Changes in Fund Net Position
 Proprietary Funds
 For the Fiscal Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Fund
	<u>Food Service</u>	
OPERATING REVENUES:		
Local Sources:		
Daily Sales - Reimbursable Programs:		
School Breakfast Program	\$ 13,496.82	
School Lunch Program	124,280.21	
Daily Sales Non-Reimbursable Programs	54,905.07	
Special Functions	3,435.97	
Services Provided to Other Boards of Education		\$ 22,796.17
 Total Operating Revenue	196,118.07	22,796.17
 OPERATING EXPENSES:		
Salaries	155,604.91	
Employee Benefits	29,791.59	
Purchased Professional and Technical Services	42,448.80	
Other Purchased Services (400 and 500 Series)	8,070.80	
Tuition		22,796.17
Cost of Goods Sold -- Non-Reimbursable	25,166.33	
Cost of Goods Sold -- Reimbursable	150,459.09	
Supplies and Materials	16,803.42	
Depreciation	17,281.49	
Other Objects	50,695.66	
 Total Operating Expenses	496,322.09	22,796.17
 Operating Income (Loss)	(300,204.02)	
 NONOPERATING REVENUES (EXPENSES):		
State Sources:		
State School Lunch Program	5,299.55	
State School Breakfast Program	702.60	
Breakfast After the Bell	2,922.90	
Federal Sources:		
National School Lunch Program - Seamless Summer Option	132,798.13	
School Breakfast Program - Seamless Summer Option	47,698.80	
Food Distribution Program	39,737.29	
COVID Supply Chain Assistance	33,161.00	
 Total Nonoperating Revenues (Expenses)	262,320.27	
 Change in Net Position	(37,883.75)	
 Net Position - July 1	449,532.84	
 Net Position - June 30	\$ 411,649.09	\$ -

The accompanying Notes to Financial Statements are an integral part of these statements.

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Combined Statements of Cash Flows
 Proprietary Funds
 For the Fiscal Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Fund
	<u>Food Service</u>	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Customers	\$ 279,090.88	\$ 49,124.72
Payments to Employees	(155,604.91)	
Payments for Employee Benefits	(29,791.59)	
Payments to Suppliers	(455,772.96)	(77,213.88)
	(362,078.58)	(28,089.16)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
State Sources	7,615.50	
Federal Sources	239,357.32	
	246,972.82	
Net Cash Provided by (used for) Non-Capital Financing Activities	246,972.82	
Net Increase (Decrease) in Cash and Cash Equivalents	(117,268.76)	(28,089.16)
Cash and Cash Equivalents, July 1	163,210.25	29,299.16
Cash and Cash Equivalents, June 30	\$ 45,941.49	\$ 1,210.00
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)		
by Operating Activities:		
Operating Income (Loss)	\$ (300,204.02)	
Adjustments to Reconcile Operating Income (Loss)		
to Cash Provided (Used) by Operating Activities:		
Depreciation	17,281.49	
Food Distribution Program	39,737.29	
Change in Assets and Liabilities:		
(Increase) / Decrease in Accounts Receivable	86,942.93	\$ 26,328.55
(Increase) / Decrease in Inventory	(1,514.81)	
Increase / (Decrease) in Unearned Revenue	(3,970.12)	
Increase / (Decrease) in Accounts Payable	(200,351.34)	(54,417.71)
	(61,874.56)	(28,089.16)
Total Adjustments	(61,874.56)	(28,089.16)
Net Cash Provided (Used) in Operating Activities	\$ (362,078.58)	\$ (28,089.16)

The accompanying Notes to Financial Statements are an integral part of these statements.

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2023

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Township of Waterford School District (the "School District") have been prepared to conform with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant of these policies.

Description of the Financial Reporting Entity

The School District is a Type II district located in the County of Camden, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. Students in grades K through 6 are educated at the School District's three schools. Students in grades 7 through 12 attend, on a tuition basis, Hammonton Middle/High Schools. The School District has an approximate enrollment at June 30, 2023 of 938.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board *Codification of Governmental Accounting and Financial Reporting Standards*, is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The financial statements include all funds of the School District over which the Board exercises operating control.

Government-wide and Fund Financial Statements

The School District's basic financial statements consist of government-wide statements, and fund financial statements which provide a more detailed level of financial information.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the School District to not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes and other items not properly included among program revenues are reported instead as general revenues.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Government-wide and Fund Financial Statements (Cont'd)**

In regards to the fund financial statements, the School District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements report detailed information about the School District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a single column. Internal service funds are aggregated and presented in a single column on the face of the proprietary fund statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Property taxes are recognized as revenues in the year for which they are levied. The Camden County Board of Taxation is responsible for the assessment of properties, and the respective municipal tax collector is responsible for the collection of property taxes. Assessments are certified and property taxes are levied on January 1. Property tax payments are due February 1, May 1, August 1 and November 1. Unpaid property taxes are considered delinquent the following January 1 and are then subject to municipal lien. In accordance with New Jersey State Statute, the School District is entitled to receive moneys under an established payment schedule, and any unpaid amount is considered as an accounts receivable. The governing body of each municipality is required to pay over to the School District, within forty (40) days after the beginning of the school year, twenty percent (20%) of the moneys from school tax due. Thereafter, but prior to the last day of the school year, the municipality must pay the balance of moneys from school tax due for school purposes in such amounts as requested, with certain limitations, from time to time by the School District, within thirty days after each request.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are deemed both available and measurable. Available means when revenues are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal year. Measurable means that the amount of revenue can be determined. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, tuition, reimbursable-type grants, and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the School District.

The School District reports the following major governmental funds:

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

As required by the New Jersey State Department of Education, the School District includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America, as they pertain to governmental entities, state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

The School District reports the following major governmental funds (cont'd):

General Fund (Cont'd) - Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, ad valorem tax revenues, and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to, or remodeling of buildings, and the purchase of built-in equipment.

Special Revenue Fund - The special revenue fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Capital Projects Fund - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes, serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, or from the general fund by way of transfers from capital outlay or the capital reserve account.

Debt Service Fund - The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

Proprietary funds are used to account for the School District's ongoing organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for internal service funds include salaries, benefits, administrative expenses, and claims paid. All items not meeting this definition are reported as nonoperating revenues and expenses.

The School District reports the following major proprietary funds:

Enterprise Funds

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

Internal Service Funds

Internal service funds are used to account for the financing of goods and services provided by one department to another on a cost reimbursement basis. The School District maintains an internal service fund for tuition.

As a rule, the effect of internal/interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Budgets / Budgetary Control**

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

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only, and the special revenue fund. N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

The budget, as detailed on exhibit C-1 and exhibit C-2 includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting, as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule, to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances - governmental funds. Note that the School District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows the modified accrual basis of accounting, with the exception of the aforementioned revenue recognition policy for the one or more June state aid payments.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to assign a portion of the applicable appropriation, is utilized for budgetary control purposes. Encumbrances are a component of fund balance at fiscal year-end as they do not constitute expenditures or liabilities, but rather commitments related to unperformed contracts for goods and services. Open encumbrances in the governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, are reflected on the balance sheet as unearned revenues at fiscal year-end.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Encumbrances (Cont'd)**

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

Cash, Cash Equivalents and Investments

Cash and cash equivalents, for all funds, 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. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. 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 in which they may invest. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, 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 amount of their deposits to the governmental units.

Inventories

Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out method.

The cost of inventories in the governmental fund financial statements is recorded as expenditures when purchased rather than when consumed.

Inventories recorded on the government-wide financial statements and in the proprietary fund types are recorded as expenses when consumed rather than when purchased.

Tuition Receivable

Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

Lease Receivable

Lease receivables recorded on the government-wide financial statement, in the governmental funds, and in the proprietary fund types represents a contract that conveys control of the right to use the School District's (lessor) nonfinancial asset. At the commencement of the lease term, the lessor recognizes a lease receivable and a deferred inflow of resources. The lease receivable is measured at the present value of lease payments expected to be received during the lease term. The School District was not a lessor during the fiscal year ended June 30, 2023.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Prepaid Expenses**

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2023. The School District had no prepaid expenses for the fiscal year ended June 30, 2023.

In the governmental fund financial statements, however, payments for prepaid items are fully recognized as expenditures in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required (*non-allocation method*). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

Short-Term Interfund Receivables / Payables

Short-term interfund receivables / payables (internal balances) represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund within the School District, and that are due within one year. Such balances are eliminated in the statement of net position to minimize the grossing up of internal balances, thus leaving a net amount due between the governmental and business-type activities that are eliminated in the total government column.

Capital Assets

Capital assets represent the cumulative amount of capital assets used by the School District. Purchased capital assets are recorded as expenditures in the governmental fund financial statements and are capitalized at cost on the government-wide statement of net position and proprietary fund statement of net position. Intangible right to use assets (lease and subscription assets) are recorded as expenditures in the governmental fund financial statements. Lease assets are measured on the government-wide statement of net position and proprietary fund statement of net position at the amount of the initial measurement of the related lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Subscription assets are recorded as expenditures in the governmental fund financial statements. Subscription assets are measured on the government-wide statement of net position and proprietary fund statement of net position at the amount of the initial measurement of the related subscription liability, plus any payments associated with the arrangement made to the vendor at the commencement of the subscription term and capitalizable initial implementation costs. In the case of gifts or contributions, such capital assets are recorded at acquisition value at the time received.

The School District's capitalization threshold is \$2,000.00. Other costs incurred for repairs and maintenance are expensed as incurred. All reported capital assets, except land and construction in progress, are depreciated using the straight-line method over the useful life of the assets. Lease and subscription assets are amortized in a systematic and rational manner over the shorter of the lease and subscription term or the useful life of the underlying assets. The useful lives of the School District's capital assets are as follows:

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	20 Years
Buildings and Improvements	5-50 Years
Equipment	5-20 Years

The School District does not possess any infrastructure assets.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Deferred Outflows of Resources and Deferred Inflows of Resources**

The statement of net position and the balance sheet for governmental funds reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources, reported after total assets, represents a reduction of net position that applies to a future period(s) and will be recognized as an outflow of resources (expense) at that time. Deferred inflows of resources, reported after total liabilities, represents an acquisition of net position that applies to a future period(s) and will be recognized as an inflow of resources (revenue) at that time.

Transactions are classified as deferred outflows of resources and deferred inflows of resources only when specifically prescribed by the Governmental Accounting Standards Board (GASB) standards. The School District is required to report the following as deferred outflows of resources and deferred inflows of resources: defined benefit pension plans.

Tuition Payable

Tuition charges for the fiscal years ended June 30, 2023 and 2022 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measurable and the School District is eligible to realize the revenue.

Accrued Salaries and Wages

Certain School District employees who provide services to the School District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2023, the amounts earned by these employees were disbursed to the employees' own individual credit union accounts.

Compensated Absences

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

The School District uses the vesting method to calculate the compensated absences amount. The entire compensated absence liability, including the employer's share of applicable taxes, is reported on the government-wide financial statements. The portion related to employees in the proprietary funds is recorded at the fund level. The current portion is the amount estimated to be used in the following fiscal year. Expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of employee resignations and retirements. Compensated absences not recorded at the fund level represent a reconciling item between the fund level and government-wide presentations.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner, and in full from current financial resources, are reported as obligations of the funds.

However, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the governmental fund financial statements when due.

Net Position

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

Net Investment in Capital Assets - This component represents capital assets, net of accumulated depreciation or amortization of intangible capital assets, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

Restricted - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Unrestricted - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

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

Fund Balance

The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

Restricted - The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Fund Balance (Cont'd)**

Committed - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

Assigned - The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position and standard operating procedures, approved by the Board of Education.

Unassigned - The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the School District to spend restricted fund balances first. Moreover, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures / expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources / uses in governmental funds and after non-operating revenues / expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures / expenses to the funds that initially paid for them are not presented on the financial statements.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Impact of Recently Issued Accounting Principles****Recently Issued Accounting Pronouncements**

The GASB has issued the following Statement that will become effective for the School District for fiscal years ending after June 30, 2024:

Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Statement will become effective for the School District in the fiscal year ending June 30, 2025. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the School District.

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds, salary withholdings, and student activity funds, or funds that may pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of June 30, 2023, the School District's bank balances of \$1,789,342.42 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 1,769,623.81
Uninsured and Uncollateralized	<u>19,718.61</u>
Total	<u>\$ 1,789,342.42</u>

New Jersey Cash Management Fund - During the fiscal year, the School District participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At June 30, 2023, the School District's deposits with the New Jersey Cash Management Fund were \$5,701,848.23.

Note 3: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District by inclusion of \$84,228.00 in the fiscal year 1996-1997 annual capital outlay budget for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Note 3: CAPITAL RESERVE ACCOUNT (CONT'D)

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan ("LRFP"). Upon submission of the LRFP to the Department, a school district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A: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		\$ 1,585,406.84
Increased by:		
Interest Earnings	\$ 35,378.06	
Deposits:		
Transfer from Capital Projects	<u>629,715.00</u>	
		<u>665,093.06</u>
		2,250,499.90
Decreased by:		
Withdrawals:		
Budgeted Withdrawal	360,000.00	
FY2024 Budgeted Excess for Subsequent- Years Expenditures	<u>760,000.00</u>	
Total Withdrawals		<u>1,120,000.00</u>
Ending Balance, June 30, 2023		<u><u>\$ 1,130,499.90</u></u>

The June 30, 2023 LRFP balance of local support costs of uncompleted projects at June 30, 2023 is \$1,855,124.00. The withdrawals from the capital reserve were for use in a Department of Education approved facilities projects, consistent with the School District's LRFP.

Note 4: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2023 consisted of accounts (fees for services) and intergovernmental awards / grants. All receivables are considered collectible in full due to the stable condition of federal and state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey.

Note 4: ACCOUNTS RECEIVABLE (CONT'D)

Accounts receivable as of fiscal year end for the School District's individual major funds, in the aggregate, are as follows:

<u>Description</u>	<u>Governmental Funds</u>		<u>Proprietary</u>	<u>Total</u>	<u>Proprietary Funds</u>		<u>Total</u>
	<u>General</u>	<u>Special</u>	<u>Fund</u>		<u>Food</u>	<u>Total</u>	
	<u>Fund</u>	<u>Revenue</u>	<u>Internal</u>	<u>Governmental</u>	<u>Service</u>	<u>Business-</u>	
		<u>Fund</u>	<u>Service</u>	<u>Activities</u>	<u>Fund</u>	<u>Type Activities</u>	
			<u>Fund</u>				
Federal Awards					\$ 35,885.65	\$ 35,885.65	\$ 35,885.65
State Awards	\$ 585,850.19	\$ 419,087.45		\$ 1,004,937.64	1,861.22	1,861.22	1,006,798.86
Other Awards		6,524.11	\$ 13,790.00	20,314.11			20,314.11
Total	\$ 585,850.19	\$ 425,611.56	\$ 13,790.00	\$ 1,025,251.75	\$ 37,746.87	\$ 37,746.87	\$ 1,062,998.62

Note 5: INVENTORY

Inventory recorded at June 30, 2023 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

Food	\$ 21,905.14
Supplies	6,623.96
	<u>\$ 28,529.10</u>

Note 6: CAPITAL ASSETS

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

	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
	<u>July 1, 2022</u>			<u>June 30, 2023</u>
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 365,290.00			\$ 365,290.00
Total Capital Assets, not being Depreciated	365,290.00			365,290.00
Capital Assets, being Depreciated:				
Land Improvements	1,042,339.82	\$ 76,250.00		1,118,589.82
Buildings and Improvements	20,390,343.49	808,294.91		21,198,638.40
Equipment	1,457,023.94	21,015.62		1,478,039.56
Total Capital Assets, being Depreciated	22,889,707.25	905,560.53		23,795,267.78
Total Capital Assets, Cost	23,254,997.25	905,560.53		24,160,557.78
Less Accumulated Depreciation for:				
Land Improvements	(636,445.58)	(25,021.04)		(661,466.62)
Buildings and Improvements	(10,421,853.23)	(558,187.43)		(10,980,040.66)
Equipment	(979,303.56)	(96,199.60)		(1,075,503.16)
Total Accumulated Depreciation	(12,037,602.37)	(679,408.07)		(12,717,010.44)
Total Capital Assets, being Depreciated, net	10,852,104.88	226,152.46		11,078,257.34
Governmental Activities Capital Assets, net	\$ 11,217,394.88	\$ 226,152.46	\$ -	\$ 11,443,547.34

Note 6: CAPITAL ASSETS (CONT'D)

Capital asset activity for the fiscal year ended June 30, 2023 is as follows (Cont'd):

	<u>Balance</u> <u>July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2023</u>
Business-Type Activities:				
Capital Assets, being Depreciated:				
Equipment	\$ 503,190.19	\$ 2,163.00		\$ 505,353.19
Total Capital Assets, being Depreciated	503,190.19	2,163.00		505,353.19
Less Accumulated Depreciation for:				
Equipment	(177,173.14)	(17,281.49)		(194,454.63)
Total Accumulated Depreciation	(177,173.14)	(17,281.49)		(194,454.63)
Business-Type Activities Capital Assets, Net	<u>\$ 326,017.05</u>	<u>\$ (15,118.49)</u>	<u>\$ -</u>	<u>\$ 310,898.56</u>

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

Governmental Activities:		
Regular Instruction		\$ 73,543.77
Support Services		13,093.60
Other Administrative Services		606.40
Plant Operations and Maintenance		20,786.53
Unallocated		<u>571,377.77</u>
Total Depreciation Expense - Governmental Activities		<u>\$ 679,408.07</u>
Business-Type Activities:		
Food Service		<u>\$ 17,281.49</u>

Note 7: LONG-TERM LIABILITIES

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

	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Due within</u> <u>One Year</u>
Governmental Activities:					
Other Liabilities:					
Financed Purchases	\$ 60,877.79	\$ 337,947.00	\$ (138,281.63)	\$ 260,543.16	\$ 85,265.10
Compensated Absences	505,610.89	73,166.08	(117,070.95)	461,706.02	98,947.37
Net Pension Liability	2,246,585.00	2,622,910.00	(1,645,269.00)	3,224,226.00	
Total Other Liabilities	2,813,073.68	3,034,023.08	(1,900,621.58)	3,946,475.18	184,212.47
Governmental Activities Long-Term Liabilities	<u>\$ 2,813,073.68</u>	<u>\$ 3,034,023.08</u>	<u>\$ (1,900,621.58)</u>	<u>\$ 3,946,475.18</u>	<u>\$ 184,212.47</u>

Note 7: LONG-TERM LIABILITIES (CONT'D)

Financed Purchases - The School District's payments on financed purchases are budgeted and paid from the general fund on an annual basis.

On July 5, 2020 the School District entered into a 3 year financed purchase agreement for instructional supplies totaling \$72,165.35. On May 1, 2021 the School District entered into a 3 year financed purchase agreement for software totaling \$55,241.50. In addition, On December 31, 2021 the School District entered into a lease purchase agreement for a modular classroom located at the Atco Elementary School totaling \$337,947.00.

The following is a schedule of the remaining future minimum payments under the financed purchases, and the present value of the net minimum payments at June 30, 2023:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 85,265.10	\$ 6,980.82	\$ 92,245.92
2025	68,545.03	4,306.49	72,851.52
2026	70,622.83	2,228.69	72,851.52
2027	36,110.20	315.56	36,425.76
Total	<u>\$ 260,543.16</u>	<u>\$ 13,831.56</u>	<u>\$ 274,374.72</u>

Financed purchases are depreciated in a manner consistent with the School District's depreciation policy for owned assets.

Compensated Absences - Compensated absences will be paid from the fund from which the employees' salaries are paid. Refer to note 13 for a description of the School District's policy.

Net Pension Liability - For details on the net pension liability, refer to Note 8. The School District's annual required contribution to the Public Employees' Retirement System is budgeted and paid from the general fund on an annual basis.

Note 8: PENSION PLANS

A substantial number of the School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), which are administered by the New Jersey Division of Pensions and Benefits (the "Division"). In addition, several School District employees participate in the Defined Contribution Retirement Program, which is a defined contribution pension plan. The DCRP is administered by Empower (formerly Prudential Financial).

Each of the aforementioned plans have a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements, required supplementary information, and detailed information about the PERS and TPAF plans' fiduciary net position that can be obtained by writing to or at the following website:

State of New Jersey, Department of the Treasury
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<https://www.state.nj.us/treasury/pensions/financial-reports.shtml>

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans****Plan Descriptions**

Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund is a cost-sharing multiple-employer defined benefit pension plan, with a special funding situation, which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The State of New Jersey ("State") is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF's designated purpose is to provide retirement benefits, death, disability and medical benefits to certain qualified members. Membership in the TPAF is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, who have titles that are unclassified, professional and certified. The TPAF Board of Trustees is primarily responsible for the administration of the Plan.

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan that was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS' designated purpose is to provide retirement, death, disability, and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the School District, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS' Board of Trustees is primarily responsible for the administration of the PERS.

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of P.L. 2007, c. 92 and P.L. 2007, c. 103, and expanded under the provisions of P.L. 2008, c. 89 and P.L. 2010, c. 1. The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

Vesting and Benefit Provisions

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

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)****Teachers' Pension and Annuity Fund (Cont'd) -**

The following represents the membership tiers for TPAF:

Tier Definition

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 before age 65 with 30 years or more of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service.

The membership tiers for PERS are the same as previously noted for TPAF.

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

Defined Contribution Retirement Program - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and nonforfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and nonforfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Note 8: PENSION PLANS (CONT'D)**General Information About the Pension Plans (Cont'd)****Contributions**

Teachers' Pension and Annuity Fund - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2022. The State's contribution is based on an actuarially determined amount, which includes the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2022, the State's pension contribution was more than the actuarial determined amount.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, *Accounting and Financial Reporting for Pensions*.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2023 was 33.05% of the School District's covered payroll, of which 0.00% of payroll was required from the School District and 100.00% of payroll was required from the State of New Jersey. The School District was not required to contribute to the pension plan during the fiscal year ended June 30, 2023 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2022, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2023 was \$2,800,103.00 and was paid by April 1, 2023. School District employee contributions to the Plan during the fiscal year ended June 30, 2023 were \$647,620.27.

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2022. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and an amortization of the unfunded accrued liability.

Special Funding Situation Component - Under N.J.S.A. 43:15A, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. One of such legislations, which legally obligate the State, is Chapter 133, P.L. 2001. This legislation increased the accrual rate from 1/60 to 1/55. In addition, it lowered the age required for a veteran benefit equal to 1/55 of highest 12-month compensation for each year of service from 60 to 55. Chapter 133, P.L. 2001 also established the Benefit Enhancement Fund (BEF) to fund the additional annual employer normal contribution due to the State's increased benefits. If the assets in the BEF are insufficient to cover the normal contribution for the increased benefits for a valuation period, the State will pay such amount for both the State and local employers. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a *special funding situation* as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the local participating employers related to this legislation.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2023 was 17.26% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Note 8: PENSION PLANS (CONT'D)**General Information About the Pension Plans (Cont'd)****Contributions (Cont'd)**

Public Employees' Retirement System (Cont'd) - Based on the most recent PERS measurement date of June 30, 2022, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2023 was \$269,419.00 and was paid by April 1, 2023. School District employee contributions to the Plan during the fiscal year ended June 30, 2023 were \$124,450.22.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the School District, under Chapter 133, P.L. 2001, for the fiscal year ended June 30, 2023 was 17.26% of the School District's covered payroll.

Based on the most recent PERS measurement date of June 30, 2022, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2023 was \$6,784.00.

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with P.L. 2007, C. 92, and P.L. 2007, C. 103, Plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District contributes 3% of the employees' base salary, for each pay period.

For the fiscal year ended June 30, 2023, employee contributions totaled \$74,916.42, and the School District recognized pension expense, which equaled the required contributions, of \$38,643.99. There were no forfeitures during the fiscal year.

Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**Teachers' Pension and Annuity Fund**

Pension Liability - At June 30, 2023, the School District was not required to report a liability for its proportionate share of the net pension liability for TPAF because of the 100% special funding situation by the State of New Jersey.

The State's proportionate share of net pension liability, however, attributable to the School District is as follows:

Proportionate Share of Net Pension Liability	\$	-
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Employer		34,518,755.00
		<u>34,518,755.00</u>
	\$	<u>34,518,755.00</u>

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Teachers' Pension and Annuity Fund**

Pension Liability (Cont'd) - 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. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. For the June 30, 2022 measurement date, the School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At the June 30, 2022 measurement date, the School District proportion was 0.00% due to the 100% special funding situation with the State of New Jersey; however, the State's proportionate share of the TPAF net pension liability associated with the School District was .0669040518%, which was an increase of .0015350965% from its proportion measured as of June 30, 2021.

Pension (Benefit) Expense - For the fiscal year ended June 30, 2023, the State's proportionate share of the pension (benefit) expense, associated with the School District, calculated by the Plan as of June 30, 2022 measurement date, was \$928,996.00. This on-behalf expense has been recognized by the School District in the government-wide financial statements.

Public Employees' Retirement System

Pension Liability - At June 30, 2023, there is no net pension liability associated with the special funding situation under Chapter 133, P.L. 2001, as there was no accumulated difference between the annual additional normal cost and the actual State contribution through the valuation date. The School District reported a liability of \$3,224,226.00 for its proportionate share of the net pension liability for PERS. 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. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2022 measurement date, the School District's proportion was .0213646899%, which was an increase of .0024005602% from its proportion measured as of June 30, 2021.

Pension (Benefit) Expense - For the fiscal year ended June 30, 2023, the School District recognized pension (benefit) expense of (\$30,445.00), in the government-wide financial statements. This pension expense was based on the pension plan's June 30, 2022 measurement date.

For the fiscal year ended June 30, 2023, the State's proportionate share of the pension (benefit) expense, associated with the School District, under Chapter 133, P.L. 2001, calculated by the Plan as of June 30, 2022 measurement date, was \$6,784.00. This on-behalf expense has been recognized by the School District in the government-wide financial statements.

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System (Cont'd)**

Deferred Outflows and Inflows of Resources - At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 23,271.00	\$ 20,522.00
Changes of Assumptions	9,990.00	482,794.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	133,448.00	-
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	909,948.00	58,010.00
Contributions Subsequent to the Measurement Date	<u>272,684.00</u>	<u>-</u>
	<u>\$ 1,349,341.00</u>	<u>\$ 561,326.00</u>

Deferred outflows of resources in the amount of \$272,684.00 will be included as a reduction of the net pension liability in the subsequent fiscal year, June 30, 2024. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30,</u>	
2024	\$ (19,239.00)
2025	171,855.00
2026	110,697.00
2027	248,722.00
2028	<u>3,296.00</u>
	<u>\$ 515,331.00</u>

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System (Cont'd)**

Deferred Outflows and Inflows of Resources (Cont'd) – The other deferred outflows of resources and deferred inflows of resources related to pensions will be amortized over the following number of years:

	Deferred Outflows of Resources	Deferred Inflows of Resources		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience			Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:			Year of Pension Plan Deferral:		
June 30, 2017	5.48	-	June 30, 2018	5.00	-
June 30, 2018	-	5.63	June 30, 2019	5.00	-
June 30, 2019	5.21	-	June 30, 2020	5.00	-
June 30, 2020	5.16	-	June 30, 2021	5.00	-
June 30, 2021	-	5.13	June 30, 2022	5.00	-
June 30, 2022	-	5.04			
Changes of Assumptions			Changes in Proportion		
Year of Pension Plan Deferral:			Year of Pension Plan Deferral:		
June 30, 2017	-	5.48	June 30, 2017	5.48	5.48
June 30, 2018	-	5.63	June 30, 2018	5.63	5.63
June 30, 2019	-	5.21	June 30, 2019	5.21	5.21
June 30, 2020	-	5.16	June 30, 2020	5.16	5.16
June 30, 2021	5.13	-	June 30, 2021	5.13	5.13
June 30, 2022	-	5.04	June 30, 2022	5.04	5.04

Actuarial Assumptions

The net pension liabilities were measured as of June 30, 2022 and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation as of July 1, 2021. The total pension liabilities were calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>TPAF</u>	<u>PERS</u>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases:	2.75% - 5.65%	2.75% - 6.55%
	Based on Years of Service	Based on Years of Service
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2018 - June 30, 2021	July 1, 2018 - June 30, 2021

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

For TPAF, 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.

For PERS, pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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

Best estimates of arithmetic rates of return for each major asset class included in TPAF's and PERS' target asset allocation as of the June 30, 2022 measurement date are summarized in the following table:

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

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)****Discount Rate -**

Teachers' Pension and Annuity Fund - 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 would 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 projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to projected benefit payments in determining the total pension liability.

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

Sensitivity of Proportionate Share of Net Pension Liability to Changes in the Discount Rate

Teachers' Pension and Annuity Fund (TPAF) - As previously mentioned TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2022, the Plan's measurement date, attributable to the School District is \$0.00. The following, however, presents the net pension liability of the State as of June 30, 2022 (Plan's measurement date), attributable to the School District, calculated using the discount rate of 7.00% as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Employer	<u>40,473,974.00</u>	<u>34,518,755.00</u>	<u>29,502,231.00</u>
	<u>\$ 40,473,974.00</u>	<u>\$ 34,518,755.00</u>	<u>\$ 29,502,231.00</u>

Note 8: PENSION PLANS (CONT'D)**Sensitivity of Proportionate Share of Net Pension Liability to Changes in the Discount Rate (Cont'd)**

Public Employees' Retirement System (PERS) - The following presents the School District's proportionate share of the net pension liability at June 30, 2022, the Plan's measurement date, calculated using a discount rate of 7.00%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	<u>\$ 4,142,186.00</u>	<u>\$ 3,224,226.00</u>	<u>\$ 2,443,005.00</u>

Pension Plan Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions, and pension expense, information about the respective fiduciary net position of the TPAF and PERS and additions to/deductions from TPAF and PERS' respective fiduciary net position have been determined on the same basis as they are reported by TPAF and PERS. Accordingly, 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.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN****General Information about the OPEB Plan**

Plan Description and Benefits Provided - The State Health Benefit Local Education Retired Employees Plan (the "OPEB Plan") is a multiple-employer defined benefit OPEB plan, with a special funding situation, that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75 - *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*. The OPEB Plan is administered by the State of New Jersey Division of Pensions and Benefits (the "Division") and is part of the New Jersey State Health Benefits Program (SHBP). The Division issues a publicly available financial report that includes financial statements and required supplementary information which can be obtained by writing to or at the following website:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<https://www.nj.gov/treasury/pensions/financial-reports.shtml>

The OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****General Information about the OPEB Plan (Cont'd)**

Contributions - The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey (the "State") in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Employees Covered by Benefit Terms - At June 30, 2022, the OPEB Plan's measurement date, the entire State Health Benefit Local Education Retired Employees OPEB Plan consisted of the following members.

Active Plan Members	213,148
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	151,669
Inactive Plan Members Entitled to but Not Yet Receiving Benefit Payments	<u>-</u>
	<u><u>364,817</u></u>

Total Non-Employer OPEB Liability

The State of New Jersey, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to the OPEB Plan for qualified retired TPAF, PERS, PFRS and ABP pension participants. The School District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the statement of net position.

The State's proportionate share of the net OPEB liability associated with the School District as of June 30, 2023 was \$39,448,652.00. Since the OPEB liability associated with the School District is 100% attributable to the State, the OPEB liability will be referred to as the total non-employer OPEB liability.

The total non-employer OPEB liability was measured as of June 30, 2022, and was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. For the June 30, 2022 measurement date, the State's proportionate share of the non-employer OPEB liability associated with the School District was .0778902409%, which was an increase of .0002558988% from its proportion measured as of June 30, 2021.

Actuarial Assumptions and Other Inputs - The actuarial assumptions and other inputs vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2021, which was rolled forward to June 30, 2022, used the following actuarial assumptions, applied to all periods in the measurement:

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Total Non-Employer OPEB Liability (Cont'd)****Actuarial Assumptions and Other Inputs (Cont'd) -****Salary Increases -**

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

* based on service years

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

Experience Studies - The actuarial assumptions used in the June 30, 2021 valuation, which was rolled forward to June 30, 2022, were based on the results of actuarial experience studies for the periods July 1, 2018 to June 30, 2021 for TPAF, PERS, and PFRS.

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

Discount Rate - The discount rate for June 30, 2022 measurement date 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.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Changes in the Total Non-Employer OPEB Liability**

The below table summarizes the State's proportionate share of the change in the total non-employer OPEB liability associated with the School District:

Balance at June 30, 2022		\$ 46,586,545.00
Changes for the Year:		
Service Cost	\$ 1,907,159.00	
Interest Cost	1,045,433.00	
Changes in Benefit Terms	-	
Difference between Expected and Actual Experience	1,494,282.00	
Changes in Assumptions	(10,582,455.00)	
Member Contributions	33,220.00	
Gross Benefit Payments	<u>(1,035,532.00)</u>	
Net Changes		<u>(7,137,893.00)</u>
Balance at June 30, 2023		<u>\$ 39,448,652.00</u>

Differences between expected and actual experience reflect an increase in liability for the measurement period from June 30, 2021 to June 30, 2022 due to changes in the census and premium and claims experience.

Changes in assumptions reflect a decrease in the liability for the measurement period from June 30, 2021 to June 30, 2022 is due to the combined effect of the discount rate change; and changes in the trend, and experience study.

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2022, associated with the School District, using a discount rate of 3.54%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used is as follows:

	1% Decrease <u>(2.54%)</u>	Current Discount Rate <u>(3.54%)</u>	1% Increase <u>(4.54%)</u>
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the Employer	<u>\$ 46,367,741.00</u>	<u>\$ 39,448,652.00</u>	<u>\$ 33,903,348.00</u>

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Healthcare Cost Trend Rates - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2022, associated with the School District, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used is as follows:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the Employer	<u>\$ 32,606,722.00</u>	<u>\$ 39,448,652.00</u>	<u>\$ 48,435,942.00</u>

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)

STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Total Non-Employer OPEB Liability

OPEB Expense - For the fiscal year ended June 30, 2023, the School District recognized \$495,817.00 in OPEB expense and revenue, in the government-wide financial statements, for the State's proportionate share of the OPEB Plan's OPEB expense, associated with the School District. This expense and revenue was based on the OPEB Plan's June 30, 2022 measurement date.

Deferred Outflows and Inflows of Resources - In accordance with GASBS No. 75, the School District's proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources by the School District; however, at June 30, 2023, the State's proportionate share of the total non-employer OPEB liability's deferred outflows of resources and deferred inflows of resources, associated with School District, from the following sources are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between Expected and Actual Experience	\$ 7,043,149.00	\$ 12,044,130.00
Changes of Assumptions	6,827,563.00	13,426,166.00
Changes in Proportion	<u>148,640.00</u>	<u>2,864,763.00</u>
	<u>\$ 14,019,352.00</u>	<u>\$ 28,335,059.00</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the State's proportionate share of the total non-employer OPEB liability, associated with the School District, will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending June 30,</u>	
2024	\$ (2,457,700.00)
2025	(2,457,700.00)
2026	(2,457,700.00)
2027	(2,177,870.00)
2028	(1,424,628.00)
Thereafter	<u>(3,340,109.00)</u>
	<u>\$ (14,315,707.00)</u>

Note 10: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2023, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance were \$2,708,443.00, \$37,577.00, \$721,373.00, and \$1,347.00, respectively.

Note 11: RISK MANAGEMENT

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

New Jersey Unemployment Compensation Insurance - The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the School District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The School District is billed quarterly for amounts due to the State.

The following is a summary of the activity of the School District's unemployment claims for the current and previous two fiscal years:

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>School</u> <u>District</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Interest</u> <u>Income</u>	<u>Claims</u> <u>Incurred</u>	<u>Ending Balance</u>	
					<u>Claims</u> <u>Payable</u>	<u>Restricted</u> <u>Fund</u> <u>Balance</u>
2023		\$ 30,971.53	\$ 731.29	\$ 13,487.29	\$ 57,053.93	\$ 27,091.13
2022		28,510.96	61.07		39,569.69	26,359.84
2021		11,058.73	32.42		11,058.73	26,298.77

Joint Insurance Fund - The School District is a member of the New Jersey School Insurance Group. The Fund provides its members with the following coverage:

- Workers' Compensation including Employer's Liability
- Property (Including Crime and Auto Physical Damage)
- Boiler and Machinery
- School Board Legal Liability
- Comprehensive General Liability
- Automobile Liability
- Pollution/Environmental Legal Liability

The following coverages are provided to the Fund's member local units by their membership in the Municipal Excess Liability Joint Insurance Fund (MEL):

- Excess Workers' Compensation
- Excess General Liability
- Non-Owned Aircraft Liability
- Excess Auto Liability
- Fidelity and Performance (Blanket)
- Excess Property including Boiler and Machinery
- Crime including Excess Public Employee and Public Official Coverage

Note 11: RISK MANAGEMENT (CONT'D)

Joint Insurance Fund (Cont'd) - Annual contributions to the Fund are determined by the Fund's Board of Trustees. The School District is jointly and personally liable for the claims insured by the Fund and its members during the period of its membership, including liability for supplemental assessments, if necessary. The Fund's Board of Trustees may authorize refunds to its members in any fund year for which contributions exceed the amount necessary to fund all obligations for that year.

The Fund publishes its own financial report for the fiscal year ended June 30, 2023 which can be obtained from:

New Jersey Schools Insurance Group
450 Veterans Drive
Burlington, New Jersey 08016

Note 12: DEFERRED COMPENSATION

The School District offers its employees a choice of four deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457. The plans permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. The plan administrators are as follows:

Washington National
Kemper Investments
Lincoln Investment Planning, Inc.
Travelers

Note 13: COMPENSATED ABSENCES

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

School District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated sick leave. Unused vacation time may not be accumulated for more than one year.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2023, the liability for compensated absences reported on the government-wide statement of net position was \$461,706.02.

Note 14: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfunds - The composition of interfund balances as of June 30, 2023 is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 260,501.93	
Special Revenue		\$ 245,501.93
Internal Service		15,000.00
	<hr/>	<hr/>
Totals	<u>\$ 260,501.93</u>	<u>\$ 260,501.93</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2024, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

Transfers -

	<u>Transfer In:</u>	
	<u>General Fund</u>	<u>Special Rev Fund</u>
<u>Transfer Out:</u>		
General Fund		\$ 135,980.00
Capital Projects Fund	\$ 1,417,768.38	
	<hr/>	<hr/>
Total Transfers	<u>\$ 1,417,768.38</u>	<u>\$ 135,980.00</u>

The transfer between the general fund and the capital projects fund was as a result of unexpended funds after the completion of a capital project that was due back to the general fund. The transfer between the general fund and the special revenue fund represented the budgeted transfer for preschool education aid.

Note 15: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the School District expects such amount, if any, to be immaterial.

Note 16: CONCENTRATIONS

The School District depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the School District is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

Note 17: FUND BALANCES**RESTRICTED**

As stated in note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

General Fund

For Capital Reserve Account - As of June 30, 2023, the balance in the capital reserve account is \$1,130,499.90. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

For Maintenance Reserve Account - As of June 30, 2023, the balance in the maintenance reserve account is \$552,573.30. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

For Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation. New Jersey school districts are required to restrict general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2023 is \$1,176,142.53.

For Unemployment Compensation - Pursuant to N.J.S.A. 43:21-7.3(g), the School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method" (see note 12). As a result, there exists at June 30, 2023 a restricted fund balance from employer contributions in the amount of \$27,091.13 for future unemployment claims.

Special Revenue Fund

Special Revenue - The \$103,032.57 Special Revenue Fund Balance at June 30, 2023 represents unexpended State and Local grant funds.

For Student Activities - In accordance with N.J.A.C. 6A:23A-16.12(c), each school district shall ensure through adoption of a formal board policy that all financial and bookkeeping controls are adequate to ensure appropriate fiscal accountability and sound business practices for funds collected for student activities. As such, borrowing from student activity funds is prohibited. The balance of these funds as of June 30, 2023 is \$2,547.42.

ASSIGNED

As stated in note 1, the assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. Specific assignments of the School District's fund balance are summarized as follows:

General Fund

Other Purposes - As of June 30, 2023, the School District had \$62,903.90 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

For Subsequent Year's Expenditures - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2024 \$1,727,443.00 of general fund balance at June 30, 2023.

Note 17: FUND BALANCES**ASSIGNED (CONT'D)**

Excess Capital Reserve Designated for Subsequent Year's Expenditures - The School District general fund received a transfer of excess capital reserve funds in the amount of \$760,000.00 from a cancelled project in the capital projects fund. This excess has been appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2024.

UNASSIGNED

As stated in note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

General Fund - As of June 30, 2023, \$871,142.59 of general fund balance was unassigned.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 14,628,565.00		\$ 14,628,565.00	\$ 14,628,565.00	
Tuition	43,510.00		43,510.00	62,344.80	\$ 18,834.80
Interest - Maintenance Reserve	250.00		250.00	16,553.39	16,303.39
Interest - Capital Reserve Account	500.00		500.00	35,378.06	34,878.06
Transportation Fees from Other LEAs	15,000.00		15,000.00	1,556.80	(13,443.20)
Other Restricted Revenues				731.29	731.29
Unrestricted Miscellaneous Revenues	350,000.00		350,000.00	694,359.00	344,359.00
Total - Local Sources	15,037,825.00		15,037,825.00	15,439,488.34	401,663.34
State Sources:					
Extraordinary Aid	200,000.00		200,000.00	485,932.00	285,932.00
Categorical Special Education Aid	1,058,579.00		1,058,579.00	1,058,579.00	
Equalization Aid	9,969,582.00		9,969,582.00	9,969,582.00	
Categorical Security Aid	200,265.00		200,265.00	200,265.00	
Categorical Transportation Aid	632,435.00		632,435.00	632,435.00	
School Choice Aid	357,072.00		357,072.00	357,072.00	
Additional Non-Public Transportation Aid				17,784.00	17,784.00
Department of Children & Family Services - Unknown District of Residence				21,390.06	21,390.06
Department of Children & Family Services - Education				43,154.12	43,154.12
On-Behalf Contributions -					
T.P.A.F. Post-Retirement Medical				721,373.00	721,373.00
Teacher's Pension and Annuity Fund				2,708,443.00	2,708,443.00
T.P.A.F. Long-Term Disability Insurance				1,347.00	1,347.00
T.P.A.F. Non-contributory Insurance				37,577.00	37,577.00
Reimbursed TPAF Social Security Contributions				621,553.42	621,553.42
Total - State Sources	12,417,933.00		12,417,933.00	16,876,486.60	4,458,553.60
Federal Sources:					
SEMI Medicaid	52,224.00		52,224.00	85,742.64	33,518.64
Total - Federal Sources	52,224.00		52,224.00	85,742.64	33,518.64
Total Revenues	27,507,982.00		27,507,982.00	32,401,717.58	4,893,735.58

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
EXPENDITURES:					
GENERAL CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarten	\$ 444,823.00	\$ 23,328.00	\$ 468,151.00	\$ 466,346.83	\$ 1,804.17
Grades 1 - 5	2,592,271.00	(184,433.00)	2,407,838.00	2,360,184.08	47,653.92
Grades 6 - 8	537,237.00	(11,838.00)	525,399.00	522,848.51	2,550.49
Regular Programs - Home Instruction:					
Salaries of Teachers	1,750.00	3,950.00	5,700.00	5,062.50	637.50
Purchased Professional - Educational Services	3,500.00	6,550.00	10,050.00	10,050.00	
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	385,185.00	(57,204.00)	327,981.00	263,722.16	64,258.84
Purchased Professional - Educational Services	44,070.00	(13,139.00)	30,931.00	22,529.70	8,401.30
Purchased Technical Services	8,000.00	12,000.00	20,000.00	18,932.60	1,067.40
Other Purchased Services (400-500 series)	21,000.00	(269.00)	20,731.00	20,258.41	472.59
General Supplies	242,089.00	1,488.00	243,577.00	160,772.19	82,804.81
Textbooks	1,000.00		1,000.00		1,000.00
Other Objects	14,850.00	(1,440.00)	13,410.00	4,908.45	8,501.55
Total Regular Programs	<u>4,295,775.00</u>	<u>(221,007.00)</u>	<u>4,074,768.00</u>	<u>3,855,615.43</u>	<u>219,152.57</u>
Special Education:					
Learning and/or Language Disabilities					
Salaries of Teachers	261,443.00	16,347.00	277,790.00	256,831.53	20,958.47
Other Salaries for Instruction	61,826.00	(6,142.00)	55,684.00	3,060.60	52,623.40
General Supplies	1,050.00	1,550.00	2,600.00	1,876.66	723.34
Total - Learning and/ or Language Disabilities	<u>324,319.00</u>	<u>11,755.00</u>	<u>336,074.00</u>	<u>261,768.79</u>	<u>74,305.21</u>
Behavioral Disabilities:					
Salaries of Teachers	184,739.00	(184,739.00)			
Other Salaries for Instruction	600.00	(600.00)			
General Supplies	2,808.00	(2,808.00)			
Total - Behavioral Disabilities	<u>188,147.00</u>	<u>(188,147.00)</u>			

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Special Education:					
Multiple Disabilities					
Salaries of Teachers		\$ 100,277.00	\$ 100,277.00	\$ 96,912.52	\$ 3,364.48
Other Salaries for Instruction		600.00	600.00		600.00
General Supplies		212.00	212.00		212.00
Total - Multiple Disabilities		101,089.00	101,089.00	96,912.52	4,176.48
Resource Room/Center:					
Salaries of Teachers	\$ 1,086,362.00	229,705.00	1,316,067.00	1,280,042.42	36,024.58
Other Salaries for Instruction	53,490.00	(44,465.00)	9,025.00	3,348.14	5,676.86
General Supplies	22,300.00	(167.00)	22,133.00	20,607.09	1,525.91
Total - Resource Room/Center	1,162,152.00	185,073.00	1,347,225.00	1,303,997.65	43,227.35
Preschool Disabilities - Full-Time:					
Salaries Of Teachers	61,315.00	2,567.00	63,882.00	62,343.47	1,538.53
Other Salaries for Instruction	19,170.00	(18,870.00)	300.00		300.00
General Supplies	2,500.00	(700.00)	1,800.00	1,131.25	668.75
Total Preschool Disabilities - Full-Time	82,985.00	(17,003.00)	65,982.00	63,474.72	2,507.28
Home Instruction					
Salaries Of Teachers	4,000.00	2,413.00	6,413.00	6,413.00	
Purchased Professional Educational Services	15,000.00	(8,481.00)	6,519.00	6,519.00	
Total Home Instruction	19,000.00	(6,068.00)	12,932.00	12,932.00	
Total - Special Education Instruction	1,776,603.00	86,699.00	1,863,302.00	1,739,085.68	124,216.32
Basic Skills/Remedial:					
Salaries of Teachers	810,096.00	(93,557.00)	716,539.00	713,328.79	3,210.21
Purchased Technical Services	15,600.00		15,600.00	8,970.00	6,630.00
General Supplies	6,800.00	(1,502.00)	5,298.00	1,432.93	3,865.07
Total - Basic Skills/Remedial	832,496.00	(95,059.00)	737,437.00	723,731.72	13,705.28

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
School Sponsored Cocurricular Activities - Instruction					
Salaries	\$ 18,000.00	\$ (7,000.00)	\$ 11,000.00	\$ 18.00	\$ 10,982.00
Total - School Sponsored Cocurricular Activities - Instruction	<u>18,000.00</u>	<u>(7,000.00)</u>	<u>11,000.00</u>	<u>18.00</u>	<u>10,982.00</u>
Summer School:					
Instruction:					
Salaries of Teachers	23,625.00	1,500.00	25,125.00	1,070.64	24,054.36
Other Salaries for Instruction	<u>11,125.00</u>		<u>11,125.00</u>		<u>11,125.00</u>
Total - Instruction	<u>34,750.00</u>	<u>1,500.00</u>	<u>36,250.00</u>	<u>1,070.64</u>	<u>35,179.36</u>
Support Services:					
Salaries	10,425.00		10,425.00	675.00	9,750.00
Purchased Prof. & Tech Services	5,850.00	(5,000.00)	850.00		850.00
Other Purchased Services	31,588.00	(31,588.00)			
Supplies and Materials	<u>500.00</u>	<u>(300.00)</u>	<u>200.00</u>	<u>93.86</u>	<u>106.14</u>
Total - Support Services	<u>48,363.00</u>	<u>(36,888.00)</u>	<u>11,475.00</u>	<u>768.86</u>	<u>10,706.14</u>
Total - Summer School	<u>83,113.00</u>	<u>(35,388.00)</u>	<u>47,725.00</u>	<u>1,839.50</u>	<u>45,885.50</u>
Total - Instruction	<u>7,005,987.00</u>	<u>(271,755.00)</u>	<u>6,734,232.00</u>	<u>6,320,290.33</u>	<u>413,941.67</u>
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs within the State - Regular	7,698,997.00	25,000.00	7,723,997.00	7,723,231.12	765.88
Tuition to Other LEAs within the State - Special	996,120.00	(19,900.00)	976,220.00	976,179.47	40.53
Tuition to County Voc. School District - Regular	117,029.00		117,029.00	117,029.00	
Tuition to CSSD & Regional Day Schools	162,770.00	76,333.00	239,103.00	185,372.21	53,730.79
Tuition to Private Schools for the Handicapped-State	<u>1,961,280.00</u>	<u>(276,686.00)</u>	<u>1,684,594.00</u>	<u>1,534,090.74</u>	<u>150,503.26</u>
Total - Instruction	<u>10,936,196.00</u>	<u>(195,253.00)</u>	<u>10,740,943.00</u>	<u>10,535,902.54</u>	<u>205,040.46</u>

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Attendance and Social Work Services:					
Salaries	\$ 92,871.00		\$ 92,871.00	\$ 91,545.08	\$ 1,325.92
Purchased Professional and Technical Services	23,000.00		23,000.00	22,236.60	763.40
Other Purchased Services	500.00	(100.00)	400.00		400.00
Travel - All Other	500.00		500.00	70.76	429.24
Supplies and Materials		100.00	100.00	49.74	50.26
Total - Attendance and Social Work Services	<u>116,871.00</u>		<u>116,871.00</u>	<u>113,902.18</u>	<u>2,968.82</u>
Health Services:					
Salaries	165,038.00	\$ 3,950.00	168,988.00	167,578.74	1,409.26
Purchased Professional and Technical Services	17,850.00	(1,500.00)	16,350.00	11,549.25	4,800.75
Other Purchased Services	250.00		250.00		250.00
Supplies and Materials	2,600.00	1,800.00	4,400.00	3,244.68	1,155.32
Total - Health Services	<u>185,738.00</u>	<u>4,250.00</u>	<u>189,988.00</u>	<u>182,372.67</u>	<u>7,615.33</u>
Other Support Services-Speech, OT, PT & Related Services:					
Salaries	220,506.00	(22,531.00)	197,975.00	197,880.20	94.80
Purchased Professional Educational Services	168,830.00	(20,600.00)	148,230.00	139,747.50	8,482.50
Supplies and Materials	1,500.00		1,500.00	1,239.81	260.19
Other Objects	400.00	600.00	1,000.00	558.00	442.00
Total - Other Support Services-Students-Related Services	<u>391,236.00</u>	<u>(42,531.00)</u>	<u>348,705.00</u>	<u>339,425.51</u>	<u>9,279.49</u>
Other Support Services - Students - Extra Services:					
Salaries	336,544.00	123,857.00	460,401.00	433,302.66	27,098.34
Purchased Professional Educational Services	83,000.00	48,500.00	131,500.00	95,733.96	35,766.04
Supplies and Materials	2,000.00	(880.00)	1,120.00	441.00	679.00
Total Other Support Services - Students - Extra Services	<u>421,544.00</u>	<u>171,477.00</u>	<u>593,021.00</u>	<u>529,477.62</u>	<u>63,543.38</u>

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Guidance:					
Salaries Other Professional Staff	\$ 147,475.00	\$ 3,000.00	\$ 150,475.00	\$ 146,388.50	\$ 4,086.50
Salaries Secretary & Clerical Assistant	2,500.00	(2,000.00)	500.00	316.32	183.68
Other Purchased Professional and Technical Services	3,000.00		3,000.00	1,465.09	1,534.91
Other Purchased Services	50.00		50.00		50.00
Supplies and Materials	3,800.00		3,800.00	2,047.73	1,752.27
Total Other Support Services - Guidance	156,825.00	1,000.00	157,825.00	150,217.64	7,607.36
Child Study Team:					
Salaries of Other Professional Staff	326,215.00	1,195.00	327,410.00	321,433.17	5,976.83
Salaries of Secretarial and Clerical Assistants	46,673.00		46,673.00	46,672.80	0.20
Other Purchased Professional and Technical Services	30,000.00	(5,950.00)	24,050.00	16,305.11	7,744.89
Other Purchased Services (400-500 series)	6,920.00	(2,000.00)	4,920.00	3,658.15	1,261.85
Supplies and Materials	4,830.00	(450.00)	4,380.00	3,483.30	896.70
Other Objects	1,000.00	50.00	1,050.00	1,040.00	10.00
Total Other Support Services - Child Study Team	415,638.00	(7,155.00)	408,483.00	392,592.53	15,890.47
Improvement Instructional Services:					
Salaries of Supervisors of Instruction	107,040.00		107,040.00	107,039.52	0.48
Salaries of Other Professional Staff	74,328.00	7,525.00	81,853.00	12,362.36	69,490.64
Salaries of Secretarial and Clerical Assistants	74,805.00	5,310.00	80,115.00	69,868.17	10,246.83
Salaries of Facilitators, Math, and Literacy Coaches	82,625.00	(40,000.00)	42,625.00		42,625.00
Purchased Professional Educational Services	31,900.00		31,900.00	19,730.00	12,170.00
Other Purchased Services	18,900.00		18,900.00		18,900.00
Supplies and Materials	6,100.00	300.00	6,400.00	4,988.26	1,411.74
Other Objects	4,165.00	350.00	4,515.00	2,945.00	1,570.00
Total Improvement Instructional Services	399,863.00	(26,515.00)	373,348.00	216,933.31	156,414.69

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Educational Media Services/School Library:					
Salaries	\$ 102,152.00	\$ 18,501.00	\$ 120,653.00	\$ 75,346.83	\$ 45,306.17
Salaries - Other	74,252.00	10.00	74,262.00	71,436.40	2,825.60
Salaries of Technology Coordinators	108,461.00	1.00	108,462.00	108,461.04	0.96
Purchased Professional and Technical Services	169,680.00	(7,146.00)	162,534.00	161,515.07	1,018.93
Other Purchased Services	1,000.00	300.00	1,300.00	300.00	1,000.00
Supplies and Materials	68,933.00	(9,288.00)	59,645.00	47,982.34	11,662.66
Total Educational Media Services/School Library	524,478.00	2,378.00	526,856.00	465,041.68	61,814.32
Instructional Staff Training Services:					
Salaries of Other Professional Staff	15,950.00	3,750.00	19,700.00	3,072.24	16,627.76
Salaries of Secretarial and Clerical Assistants	23,205.00	1,741.00	24,946.00	24,945.85	0.15
Other Salaries	25,950.00	(750.00)	25,200.00	6,900.07	18,299.93
Purchased Professional - Educational Services	68,800.00	(26,350.00)	42,450.00	21,768.00	20,682.00
Travel - All Other	21,450.00	1,995.00	23,445.00	5,603.00	17,842.00
Supplies and Materials	1,650.00	(100.00)	1,550.00		1,550.00
Other Objects	100.00		100.00		100.00
Total Instructional Staff Training Services	157,105.00	(19,714.00)	137,391.00	62,289.16	75,101.84
Support Services General Administration:					
Salaries	223,438.00	(2,651.00)	220,787.00	197,381.49	23,405.51
Unused Vacation Payment to Terminated/Retired Staff		18,565.00	18,565.00	18,562.97	2.03
Legal Services	60,500.00	(10,991.00)	49,509.00	39,170.42	10,338.58
Audit Fees	29,000.00	5,375.00	34,375.00	34,375.00	
Architectural / Engineering Services	15,000.00	(1,395.00)	13,605.00	13,600.00	5.00
Other Purchased Professional Services	15,175.00	854.00	16,029.00	16,029.00	
Purchased Technical Services	2,000.00	1,250.00	3,250.00	3,119.50	130.50
Communications/Telephone	36,400.00	21,042.00	57,442.00	57,403.84	38.16
Travel - All Other	2,000.00	(1,750.00)	250.00	250.00	
BOE Other Purchased Services	900.00	1,300.00	2,200.00	2,200.00	
Miscellaneous Purchased Services	35,550.00	4,222.00	39,772.00	39,201.00	571.00
General Supplies	2,500.00	5,445.00	7,945.00	7,824.24	120.76

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Support Services General Administration (Cont'd):					
BOE In-house Training and Meeting Supplies	\$ 2,500.00	\$ (625.00)	\$ 1,875.00	\$ 1,842.12	\$ 32.88
Miscellaneous Expenditures	1,000.00	3,922.00	4,922.00	4,907.18	14.82
BOE Membership Dues and Fees	12,725.00	(695.00)	12,030.00	12,026.35	3.65
Total Support Services General Administration	438,688.00	43,868.00	482,556.00	447,893.11	34,662.89
Support Services School Administration:					
Salaries of Principals/Assistant Principals	280,519.00	(12,126.00)	268,393.00	266,003.06	2,389.94
Salaries of Other Professional Staff	12,600.00	46,001.00	58,601.00	56,118.37	2,482.63
Salaries of Secretarial and Clerical Assistants	179,172.00	16,872.00	196,044.00	164,392.01	31,651.99
Purchased Professional and Technical Services	200.00		200.00		200.00
Other Purchased Services	14,200.00	504.00	14,704.00	13,515.75	1,188.25
Travel - Other	2,400.00	(744.00)	1,656.00	1,199.50	456.50
Supplies and Materials	7,265.00	(250.00)	7,015.00	5,216.38	1,798.62
Other Objects	4,630.00	(300.00)	4,330.00	3,107.06	1,222.94
Total Support Services School Administration	500,986.00	49,957.00	550,943.00	509,552.13	41,390.87
Central Services:					
Salaries	381,762.00	9,320.00	391,082.00	373,601.96	17,480.04
Purchased Technical Services	54,250.00	39,640.00	93,890.00	49,880.56	44,009.44
Miscellaneous Purchased Services (400-500 series)	26,225.00	(1,050.00)	25,175.00	23,179.92	1,995.08
Supplies and Materials	4,025.00	4,500.00	8,525.00	4,542.01	3,982.99
Interest on Lease Purchase	24,463.00	(16,100.00)	8,363.00	8,280.50	82.50
Miscellaneous Expenditures	2,100.00	4,200.00	6,300.00	6,292.12	7.88
Total Central Services	492,825.00	40,510.00	533,335.00	465,777.07	67,557.93
Required Maintenance for School Facilities:					
Salaries	73,368.00	5,504.00	78,872.00	78,871.44	0.56
Cleaning, Repair & Maintenance Services	334,666.00	4,000.00	338,666.00	238,361.37	100,304.63
General Supplies	15,912.00	(15,000.00)	912.00		912.00
Total - Required Maintenance for School Facilities	423,946.00	(5,496.00)	418,450.00	317,232.81	101,217.19

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Custodial Services:					
Salaries	\$ 407,822.00	\$ (25,541.00)	\$ 382,281.00	\$ 377,789.24	\$ 4,491.76
Salaries of Non-Instructional Aids	95,091.00	32,102.00	127,193.00	124,126.01	3,066.99
Purchased Professional & Technical Services	28,640.00	(23,290.00)	5,350.00	5,348.37	1.63
Cleaning, Repair & Maintenance Services	70,988.00	(1,879.00)	69,109.00	64,913.71	4,195.29
Rental of Land and Buildings Other Than Lease	7,883.00	1,940.00	9,823.00	9,653.90	169.10
Other Purchased Property Services	21,846.00		21,846.00	18,197.24	3,648.76
Insurance	67,500.00	1,587.98	69,087.98	68,544.58	543.40
Miscellaneous Purchased Services	3,182.00	761.02	3,943.02	3,943.02	
General Supplies	80,355.00	13,210.00	93,565.00	91,314.99	2,250.01
Energy (Natural Gas)	68,848.00	26,100.00	94,948.00	93,000.33	1,947.67
Energy (Electricity)	295,344.00	27,935.00	323,279.00	323,207.10	71.90
Energy (Gasoline)	2,904.00		2,904.00	330.00	2,574.00
Other Objects	1,590.00	(1,180.00)	410.00	410.00	
Total Other Operations and Maintenance of Plant	<u>1,151,993.00</u>	<u>51,746.00</u>	<u>1,203,739.00</u>	<u>1,180,778.49</u>	<u>22,960.51</u>
Care and Upkeep of Grounds:					
Cleaning, Repair, and Maintenance Services	44,552.00	(27,935.00)	16,617.00	7,975.00	8,642.00
General Supplies	2,225.00	(1,000.00)	1,225.00		1,225.00
Total Care and Upkeep of Grounds	<u>46,777.00</u>	<u>(28,935.00)</u>	<u>17,842.00</u>	<u>7,975.00</u>	<u>9,867.00</u>
Security:					
Purchased Professional and Technical Services	137,250.00	(20,000.00)	117,250.00	109,890.00	7,360.00
Cleaning, Repair, and Maintenance Services	15,912.00	(15,825.00)	87.00		87.00
General Supplies	12,182.00	7500	19,682.00	16,348.18	3,333.82
Total Security	<u>165,344.00</u>	<u>(28,325.00)</u>	<u>137,019.00</u>	<u>126,238.18</u>	<u>10,780.82</u>

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2023

Table with 6 columns: Description, Original Budget, Budget Modifications, Final Budget, Actual, Positive (Negative) Final to Actual. Rows include EXPENDITURES (CONT'D), GENERAL CURRENT EXPENSE (CONT'D), Undistributed Expenditures (Cont'd), Student Transportation Services, and Allocated Benefits.

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Allocated Benefits (Cont'd):					
Special Programs - Instruction - Employee Benefits:					
Social Security Contributions	\$ 12,503.00	\$ (6,741.61)	\$ 5,761.39	\$ 5,761.39	
Other Retirement Contributions - Regular	2,180.00	(656.59)	1,523.41	1,523.41	
Health Benefits	643,481.00	(27,231.91)	616,249.09	614,075.53	\$ 2,173.56
Other Employee Benefits		34,529.00	34,529.00	34,524.68	4.32
Unused Sick Payment to Terminated/Retired Staff	15,000.00	(15,000.00)			
Total Special Programs - Instruction	673,164.00	(15,101.11)	658,062.89	655,885.01	2,177.88
Other Instructional Programs - Instruction - Employee Benefits:					
Social Security Contributions	6,197.00	(4,676.09)	1,520.91	1,520.91	
Total Other Instructional Programs - Instruction - Employee Benefits	6,197.00	(4,676.09)	1,520.91	1,520.91	
Attendance and Social Work Services - Employee Benefits:					
Social Security Contributions	1,462.00	945.61	2,407.61	2,407.61	
Health Benefits	11,091.00	(9,834.45)	1,256.55	1,244.94	11.61
Other Employee Benefits		5,341.00	5,341.00	5,335.44	5.56
Total Attendance and Social Work Services - Employee Benefits	12,553.00	(3,547.84)	9,005.16	8,987.99	17.17
Health Services - Employee Benefits:					
Social Security Contributions	574.00	18.19	592.19	592.19	
Health Benefits	85,879.00	1,250.93	87,129.93	86,954.93	175.00
Total Health Services - Employee Benefits	86,453.00	1,269.12	87,722.12	87,547.12	175.00
Other Support Services - Students - Related Services - Employee Benefits:					
Social Security Contributions	2,806.00	260.00	3,066.00	3,064.32	1.68
Other Retirement Contributions - Regular	2,600.00	(214.09)	2,385.91	2,057.00	328.91
Health Benefits	32,330.00	(359.16)	31,970.84	31,969.90	0.94
Total Other Support Services - Students - Related Services - Employee Benefits	37,736.00	(313.25)	37,422.75	37,091.22	331.53

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Allocated Benefits (Cont'd):					
Other Support Services - Students - Extraordinary Services -					
Employee Benefits:					
Social Security Contributions	\$ 20,477.00	\$ 15,654.11	\$ 36,131.11	\$ 36,131.11	
Other Retirement Contributions - PERS	3,800.00	8,706.83	12,506.83	12,506.83	
Other Retirement Contributions - Regular	6,240.00	5,201.74	11,441.74	11,404.46	\$ 37.28
Health Benefits	46,684.00	(21,767.47)	24,916.53	24,905.81	10.72
Other Employee Benefits		40,365.00	40,365.00	40,362.51	2.49
Unused Sick Payment to Terminated/Retired Staff		259.55	259.55	259.55	
	<u>77,201.00</u>	<u>48,419.76</u>	<u>125,620.76</u>	<u>125,570.27</u>	<u>50.49</u>
Total Other Support Services - Students - Extraordinary Services - Employee Benefits					
Other Support Services - Guidance - Employee Benefits:					
Social Security Contributions	206.00	48.04	254.04	254.04	
Health Benefits	40,588.00	(149.50)	40,438.50	40,438.50	
	<u>40,794.00</u>	<u>(101.46)</u>	<u>40,692.54</u>	<u>40,692.54</u>	
Total Other Support Services - Guidance - Employee Benefits					
Other Support Services - Child Study Teams - Employee Benefits:					
Group Insurance	2,000.00		2,000.00	1,716.00	284.00
Social Security Contributions	4,657.00	(81.10)	4,575.90	4,575.90	
Other Retirement Contributions - PERS	7,020.00	683.62	7,703.62	7,703.62	
Health Benefits	64,865.00	(6,299.87)	58,565.13	58,565.13	
Other Employee Benefits		5,675.00	5,675.00	5,083.56	591.44
	<u>78,542.00</u>	<u>(22.35)</u>	<u>78,519.65</u>	<u>77,644.21</u>	<u>875.44</u>
Total Other Support Services - Child Study Teams - Employee Benefits					
Improvement of Instruction Services - Employee Benefits:					
Group Insurance	2,000.00		2,000.00	1,647.40	352.60
Social Security Contributions	10,024.00	(3,124.18)	6,899.82	6,899.82	
Other Retirement Contributions - PERS	17,375.00	3,212.38	20,587.38	20,587.38	
Health Benefits	31,820.00	(8,232.98)	23,587.02	23,587.02	
Tuition Reimbursement	4,000.00	(4,000.00)			
Other Employee Benefits		4,250.00	4,250.00	4,249.99	0.01
	<u>65,219.00</u>	<u>(7,894.78)</u>	<u>57,324.22</u>	<u>56,971.61</u>	<u>352.61</u>
Total Improvement of Instruction Services - Employee Benefits					

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Educational Media Services - School Library - Employee Benefits:					
Social Security Contributions	\$ 17,723.00	\$ 1,899.71	\$ 19,622.71	\$ 19,622.71	
Other Retirement Contributions - PERS	36,353.00	3,695.98	40,048.98	40,048.98	
Other Retirement Contributions - Regular	1,248.00	(1,248.00)			
Health Benefits	30,910.00	(11,002.77)	19,907.23	19,907.23	
Other Employee Benefits		10,130.00	10,130.00	10,126.61	\$ 3.39
Unused Sick Payment to Terminated/Retired Staff		9,945.60	9,945.60	9,945.60	
Total Educational Media Services - School Library - Employee Benefits	86,234.00	13,420.52	99,654.52	99,651.13	3.39
Instructional Staff Training Services - Employee Benefits:					
Social Security Contributions	6,339.00	(3,625.70)	2,713.30	2,713.30	
Health Benefits	7,920.00	(1,586.88)	6,333.12	6,298.77	34.35
Total Instructional Staff Training Services - Employee Benefits	14,259.00	(5,212.58)	9,046.42	9,012.07	34.35
Support Services - General Administration - Employee Benefits:					
Group Insurance	1,500.00		1,500.00	1,077.66	422.34
Social Security Contributions	1,109.00	5,470.99	6,579.99	5,475.08	1,104.91
Health Benefits	14,905.00	35,638.47	50,543.47	50,543.47	
Other Employee Benefits		4,610.00	4,610.00	4,606.50	3.50
Unused Sick Payment to Terminated/Retired Staff		12,615.00	12,615.00	12,614.32	0.68
Total Support Services - General Administration - Employee Benefits	17,514.00	58,334.46	75,848.46	74,317.03	1,531.43
Support Services - School Administration - Employee Benefits:					
Group Insurance	4,650.00	(1,390.00)	3,260.00	2,141.56	1,118.44
Social Security Contributions	11,514.00	5,264.00	16,778.00	15,128.03	1,649.97
Other Retirement Contributions - PERS	32,077.00	5,107.91	37,184.91	37,184.91	
Other Retirement Contributions - Regular	894.00	(590.00)	304.00	114.76	189.24
Health Benefits	138,513.00	(15,353.15)	123,159.85	123,159.85	
Other Employee Benefits		14,766.00	14,766.00	14,765.36	0.64
Total Support Services - School Administration - Employee Benefits	187,648.00	7,804.76	195,452.76	192,494.47	2,958.29
Support Services - Central Services - Employee Benefits:					
Group Insurance	1,750.00		1,750.00		1,750.00
Social Security Contributions	8,588.00	16,254.00	24,842.00	16,893.61	7,948.39
Other Retirement Contributions - PERS	28,135.00	4,322.31	32,457.31	32,457.31	
Other Retirement Contributions - Regular	3,800.00	(3,281.26)	518.74	518.74	
Health Benefits	150,096.00	(6,682.81)	143,413.19	143,413.19	
Other Employee Benefits		7,720.00	7,720.00	7,680.76	39.24
Total Support Services - Central Services - Employee Benefits	192,369.00	18,332.24	210,701.24	200,963.61	9,737.63

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2023

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Allocated Benefits (Cont'd):					
Required Maintenance for School Facilities - Employee Benefits:					
Social Security Contributions	\$ 4,911.00	\$ 1,794.00	\$ 6,705.00	\$ 6,305.45	\$ 399.55
Health Benefits	7,091.00	678.48	7,769.48	7,740.62	28.86
Total Operation and Maintenance of Plant Service - Employee Benefits	<u>12,002.00</u>	<u>2,472.48</u>	<u>14,474.48</u>	<u>14,046.07</u>	<u>428.41</u>
Custodial Services - Employee Benefits					
Social Security Contributions	37,694.00	1,112.50	38,806.50	38,806.50	
Other Retirement Contributions - PERS	68,250.00	4498.01	72,748.01	72,748.01	
Other Retirement Contributions - Regular	1,040.00	2,735.00	3,775.00	3,711.20	63.80
Health Benefits	99,700.00	(38,126.77)	61,573.23	61,573.23	
Other Employee Benefits	<u>13,476.00</u>	<u>13,476.00</u>	<u>13,476.00</u>	<u>13,475.67</u>	<u>0.33</u>
Total Operation and Maintenance of Plant Service - Employee Benefits	<u>206,684.00</u>	<u>(16,305.26)</u>	<u>190,378.74</u>	<u>190,314.61</u>	<u>64.13</u>
Student Transportation Services - Employee Benefits:					
Social Security Contributions	5,475.00	2,990.00	8,465.00	7,833.56	631.44
Other Retirement Contributions - PERS	13,900.00	2,883.93	16,783.93	16,783.93	
Health Benefits	40,526.00	(6,380.69)	34,145.31	27,279.02	6,866.29
Other Employee Benefits	<u>5,675.00</u>	<u>5,675.00</u>	<u>5,675.00</u>	<u>5,660.94</u>	<u>14.06</u>
Unused Sick Payment to Terminated/Retired Staff	<u>5,261.15</u>	<u>5,261.15</u>	<u>5,261.15</u>	<u>5,261.15</u>	
Total Student Transportation Services - Employee Benefits	<u>59,901.00</u>	<u>10,429.39</u>	<u>70,330.39</u>	<u>62,818.60</u>	<u>7,511.79</u>
Total Allocated Benefits	<u>3,180,188.00</u>	<u>(60,591.33)</u>	<u>3,119,596.67</u>	<u>3,083,392.75</u>	<u>36,203.92</u>
Unallocated Benefits - Employee Benefits:					
Social Security		2,567.82	2,567.82	2,567.82	
Unemployment	5,000.00	(4,300.00)	700.00	283.45	416.55
Workmen's Compensation	115,000.00	6,208.00	121,208.00	121,207.18	0.82
Other Employee Benefits	6,240.00	22,431.00	28,671.00	28,660.65	10.35
Unused Sick Payment to Terminated/Retired Staff	<u>151.89</u>	<u>151.89</u>	<u>151.89</u>	<u>151.89</u>	<u>151.89</u>
Total Unallocated Benefits - Employee Benefits	<u>126,240.00</u>	<u>27,058.71</u>	<u>153,298.71</u>	<u>152,719.10</u>	<u>579.61</u>
On-behalf Contributions-					
T.P.A.F. Post-Retirement Medical				721,373.00	(721,373.00)
Teacher's Pension and Annuity Fund				2,708,443.00	(2,708,443.00)
T.P.A.F. Long-Term Disability Insurance				1,347.00	(1,347.00)
T.P.A.F. Non-contributory Insurance				37,577.00	(37,577.00)
Reimbursed TPAF Social Security Contributions	<u>621,553.42</u>			<u>621,553.42</u>	<u>(621,553.42)</u>
Total TPAF Contributions				<u>4,090,293.42</u>	<u>(4,090,293.42)</u>

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Total Undistributed Expenses	\$ 22,308,966.00	\$ 567,474.38	\$ 22,876,440.38	\$ 25,782,310.01	\$ (2,905,869.63)
Total Expenditures - Current Expense	<u>29,314,953.00</u>	<u>295,719.38</u>	<u>29,610,672.38</u>	<u>32,102,600.34</u>	<u>(2,491,927.96)</u>
CAPITAL OUTLAY:					
Equipment:					
Kindergarten		6,275.00	6,275.00	6,269.62	5.38
Grades 1-5	52,000.00	(6,275.00)	45,725.00	14,745.99	30,979.01
Support Services - Related & Extraordinary	5,900.00	(5,900.00)			
Regular Maintenance of School Facilities	<u>40,000.00</u>	<u>15,000.00</u>	<u>55,000.00</u>		<u>55,000.00</u>
Total - Equipment	<u>97,900.00</u>	<u>9,100.00</u>	<u>107,000.00</u>	<u>21,015.61</u>	<u>85,984.39</u>
Facilities Acquisition and Construction Services:					
Construction Services	360,000.00		360,000.00	119,897.91	240,102.09
Financed Purchase Agreements - Principal	139,572.00		139,572.00	64,571.02	75,000.98
Assessment for Debt Service on SDA Funding	<u>3,331.00</u>		<u>3,331.00</u>	<u>3,331.00</u>	
Total Facilities Acquisition and Construction Services	<u>502,903.00</u>		<u>502,903.00</u>	<u>187,799.93</u>	<u>315,103.07</u>
Assets Acquired Under Financed Purchases (Non-Budgeted):					
Modular Classroom				<u>337,947.00</u>	<u>(337,947.00)</u>
Total Assets Acquired Under Financed Purchases (Non-Budgeted)				<u>337,947.00</u>	<u>(337,947.00)</u>
Total Capital Outlay	<u>600,803.00</u>	<u>9,100.00</u>	<u>609,903.00</u>	<u>546,762.54</u>	<u>63,140.46</u>
Transfer of Funds to Charter Schools	<u>14,221.00</u>		<u>14,221.00</u>	<u>14,221.00</u>	
Total Expenditures	<u>29,929,977.00</u>	<u>304,819.38</u>	<u>30,234,796.38</u>	<u>32,663,583.88</u>	<u>(2,428,787.50)</u>
Calculation of Deficiency of Revenues Under Expenditures:					
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,421,995.00)</u>	<u>(304,819.38)</u>	<u>(2,726,814.38)</u>	<u>(261,866.30)</u>	<u>2,464,948.08</u>

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
Other Financing Sources (Uses):					
Transfer to Special Revenue Fund - Preschool Program - Inclusion	\$ (135,980.00)	\$ (81,588.00)	\$ (217,568.00)	\$ (135,980.00)	\$ 81,588.00
Transfer to Maintenance Reserve	(200,000.00)		(200,000.00)	(200,000.00)	
Transfer from Capital Reserve	360,000.00		360,000.00	360,000.00	
Decrease in Capital Reserve				(360,000.00)	(360,000.00)
Assets Acquired Under Financed Purchases (Non-Budgeted)				337,947.00	337,947.00
Increase in Capital Reserve				35,378.06	35,378.06
Increase in Maintenance Reserve				216,553.39	216,553.39
Transfer from Maintenance Reserve		420,000.00	420,000.00	420,000.00	
Decrease in Maintenance Reserve				(420,000.00)	(420,000.00)
Interest Transfer to Capital Reserve	(500.00)		(500.00)	(35,378.06)	(34,878.06)
Interest Transfer to Maintenance Reserve	(250.00)		(250.00)	(16,553.39)	(16,303.39)
Transfer from Capital Projects to Capital Reserve				629,715.00	629,715.00
Transfer from Capital Projects to General Fund				788,053.38	788,053.38
Total - Other Financing Sources (Uses)	<u>23,270.00</u>	<u>338,412.00</u>	<u>361,682.00</u>	<u>1,619,735.38</u>	<u>1,258,053.38</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(2,398,725.00)</u>	<u>33,592.62</u>	<u>(2,365,132.38)</u>	<u>1,357,869.08</u>	<u>3,723,001.46</u>
Fund Balances, July 1	<u>6,147,345.87</u>		<u>6,147,345.87</u>	<u>6,147,345.87</u>	
Fund Balances, June 30	<u>\$ 3,748,620.87</u>	<u>\$ 33,592.62</u>	<u>\$ 3,782,213.49</u>	<u>\$ 7,505,214.95</u>	<u>\$ 3,723,001.46</u>
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 1,130,499.90	
Maintenance Reserve				552,573.30	
For Excess Surplus				2,373,561.13	
Unemployment Compensation				27,091.13	
Assigned Fund Balance:					
Year-End Encumbrances				62,903.90	
Designated for Subsequent Year's Expenditures				1,727,443.00	
Excess Capital Reserve Designated for Subsequent Year's Expenditures				760,000.00	
Unassigned Fund Balance				<u>871,142.59</u>	
				7,505,214.95	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP Basis				<u>(1,197,418.60)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 6,307,796.35</u>	

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES:					
Local Sources:					
Revenue from Local Sources	\$ 28,488.03	\$ 1,341.74	\$ 29,829.77	\$ 24,420.08	\$ (5,409.69)
Total - Local Sources	<u>28,488.03</u>	<u>1,341.74</u>	<u>29,829.77</u>	<u>24,420.08</u>	<u>(5,409.69)</u>
State Sources:					
SDA Emergent Capital Grant	37,783.00		37,783.00	37,783.00	
Preschool Expansion Aid	2,231,908.32	(40,000.00)	2,191,908.32	2,007,678.76	(184,229.56)
Total - State Sources	<u>2,269,691.32</u>	<u>(40,000.00)</u>	<u>2,229,691.32</u>	<u>2,045,461.76</u>	<u>(184,229.56)</u>
Federal Sources:					
Title I Grants to Local Educational Agencies	235,850.90	198,904.68	434,755.58	221,979.87	(212,775.71)
Title I SIA, Part A	10,000.00		10,000.00	10,000.00	
Supporting Effective Instruction State Grants (Title II, Part A)	47,917.77		47,917.77	41,425.91	(6,491.86)
Student Support & Academic Enrichment (Title IV)	15,444.00		15,444.00	15,444.00	
Special Education Grants to States (IDEA) - Basic	241,058.00		241,058.00	241,058.00	
Special Education Grants to States (IDEA) - Preschool	17,399.00		17,399.00	17,399.00	
American Rescue Plan (IDEA):					
Basic	8,559.00		8,559.00	8,559.00	
Preschool	383.31		383.31	383.31	
Emergency Connectivity Fund (ECF)	48,173.75		48,173.75	48,173.75	
Additional or Compensatory Special Education & Related Services for Students with Disabilities Grant (ACSERS)	145,500.00		145,500.00	141,772.07	(3,727.93)
CRRSA ACT - ESSER II	33,796.91	194,001.00	227,797.91	33,796.91	(194,001.00)
CRRSA ACT - Learning Acceleration	34,448.00		34,448.00	32,792.88	(1,655.12)
American Rescue Plan:					
Elementary and Secondary Schools (ESSER)	1,126,512.64	442,087.50	1,568,600.14	630,554.87	(938,045.27)
Evidence Based Summer Learning and Enrichment	38,887.19		38,887.19	31,473.19	(7,414.00)
NJSS Mental Health	43,026.80		43,026.80	42,626.35	(400.45)
Accelerated Learning Coach	127,654.00		127,654.00	118,709.29	(8,944.71)
Evidence Based Beyond School Day	40,000.00		40,000.00	13,439.05	(26,560.95)
Total - Federal Sources	<u>2,214,611.27</u>	<u>834,993.18</u>	<u>3,049,604.45</u>	<u>1,649,587.45</u>	<u>(1,400,017.00)</u>
Total Revenues	<u>4,512,790.62</u>	<u>796,334.92</u>	<u>5,309,125.54</u>	<u>3,719,469.29</u>	<u>(1,589,656.25)</u>

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES:					
Instruction:					
Salaries	\$ 1,523,305.48	\$ (231,573.73)	\$ 1,291,731.75	\$ 1,183,383.45	\$ 108,348.30
Other Salaries for Instruction	376,396.00	155,282.03	531,678.03	358,529.58	173,148.45
Purchased Educational and Technical Services	37,266.00	3,375.00	40,641.00	4,675.00	35,966.00
Purchased Education Services - Contracted Pre-K	23,000.00		23,000.00	6,631.70	16,368.30
Other Purchased Services	367,328.00	244,000.00	611,328.00	370,113.41	241,214.59
General Supplies	98,514.34	41,378.89	139,893.23	129,784.75	10,108.48
Other Objects	15,192.00		15,192.00	3,376.00	11,816.00
Total Instruction	2,441,001.82	212,462.19	2,653,464.01	2,056,493.89	596,970.12
Support Services:					
Salaries	12,534.60	0.07	12,534.67	11,020.00	1,514.67
Salaries of Supervisors of Instruction	18,890.00		18,890.00	18,889.44	0.56
Salaries of Program Directors	61,472.00		61,472.00	61,471.68	0.32
Salaries of Other Professional Staff	276,080.64	(131,696.45)	144,384.19	133,732.38	10,651.81
Salaries of Secretarial and Clerical Assistants	47,270.00	800.00	48,070.00	43,161.67	4,908.33
Other Salaries	17,186.80	2,500.00	19,686.80	18,907.29	779.51
Salaries Community Parent Involvement Specialist	30,346.00		30,346.00	30,345.80	0.20
Salaries of Master Teacher	129,903.00		129,903.00	127,650.88	2,252.12
Personal Services-Employee Benefits	979,008.87	48,953.32	1,027,962.19	698,177.52	329,784.67
Purchased Professional and Technical Services	124,719.00	64,695.43	189,414.43	147,456.04	41,958.39
Other Purchased Professional Education Services	15,000.00	122,519.00	137,519.00	52,657.20	84,861.80
Other Purchased Professional Services		4,875.00	4,875.00		4,875.00
Other Purchased Services	200.00		200.00	200.00	
Contracted Services - Transportation (Between Home/School)	71,183.50	69,158.50	140,342.00	108,729.89	31,612.11
Contracted Services - Transportation (Field Trips)	2,835.00		2,835.00	2,418.00	417.00
Contract Services (Other Than Between Home & School) -Vendors	2,500.00		2,500.00	2,500.00	
Contract Services (Sp Ed Students) - ESCs & CTSA's	20,500.00	6,000.00	26,500.00	26,489.06	10.94
Travel	7,719.79	(2,500.00)	5,219.79	2,850.00	2,369.79
Supplies and Materials	55,959.28	(3,331.14)	52,628.14	40,205.57	12,422.57
Student Activities	1,000.00	100.00	1,100.00	1,040.16	59.84
Other Objects	312,268.32	(24,901.00)	287,367.32	233,791.17	53,576.15
Total Support Services	2,186,576.80	157,172.73	2,343,749.53	1,761,693.75	582,055.78

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES:					
Facilities Acquisition and Construction Services:					
Instructional Equipment					
Construction Services	\$ 21,192.00	\$ 426,700.00	\$ 447,892.00	\$ 37,392.00	410,500.00
Total Facilities Acquisition and Construction Services	<u>21,192.00</u>	<u>426,700.00</u>	<u>447,892.00</u>	<u>37,392.00</u>	<u>410,500.00</u>
Total Expenditures	<u>4,648,770.62</u>	<u>796,334.92</u>	<u>5,445,105.54</u>	<u>3,855,579.64</u>	<u>\$ 1,589,525.90</u>
Other Financing Sources (Uses):					
Transfer in from General Fund	135,980.00		135,980.00	135,980.00	
Total Other Financing Sources (Uses)	<u>135,980.00</u>		<u>135,980.00</u>	<u>135,980.00</u>	
Total Outflows	<u>4,512,790.62</u>	<u>796,334.92</u>	<u>5,309,125.54</u>	<u>3,719,599.64</u>	<u>1,589,525.90</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures				(130.35)	130.35
Fund Balance, July 1				<u>2,677.77</u>	
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,547.42</u>	<u>\$ -</u>
Recapitulation:					
Restricted:					
Student Activities				<u>\$ 2,547.42</u>	

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Note to RSI
 For the Fiscal Year Ended June 30, 2023

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 32,401,717.58	\$ 3,719,469.29
Difference between the local grant award amounts and the amounts realized as revenue on a budgetary basis		603.58
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		416,608.11
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	1,202,861.00	186,802.00
The Restricted State Aids recorded in the Special Revenue Fund are realized utilizing the budgetary basis which dictates that revenue must equal expenditures and differs from GAAP which recognizes the revenue once the eligibility criteria are met as specified in Note 1 and GASB 33.		5,825.24
State aid payment recognized as revenue for budgetary purposes, not recognized for GAAP statements until the subsequent year	<u>(1,197,418.60)</u>	<u>(201,250.40)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 32,407,159.98</u>	<u>\$ 4,128,057.82</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 32,663,583.88	\$ 3,719,599.64
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		417,949.85
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes. Net transfers to the General Fund.		<u>135,980.00</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 32,663,583.88</u>	<u>\$ 4,273,529.49</u>

**REQUIRED SUPPLEMENTARY INFORMATION
PART III**

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Required Supplementary Information - Part III
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 Public Employees' Retirement System (PERS)
 Last Ten Plan Years

	Measurement Date Ending June 30,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
School District's Proportion of the Net Pension Liability	0.0213646899%	0.0189641297%	0.0174783195%	0.0138046931%	0.0139461364%
School District's Proportionate Share of the Net Pension Liability	\$ 3,224,226.00	\$ 2,246,585.00	\$ 2,850,257.00	\$ 2,487,396.00	\$ 2,745,925.00
School District's Covered Payroll (Plan Measurement Period)	\$ 1,677,384.00	\$ 1,459,352.00	\$ 1,349,868.00	\$ 1,045,392.00	\$ 989,876.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	192.22%	153.94%	211.15%	237.94%	277.40%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.91%	70.33%	58.32%	56.27%	53.60%
	Measurement Date Ending June 30,				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.0159498148%	0.0172366571%	0.0173849565%	0.0157231038%	0.0158926670%
School District's Proportionate Share of the Net Pension Liability	\$ 3,712,862.00	\$ 5,105,003.00	\$ 3,902,574.00	\$ 2,943,795.00	\$ 3,037,404.00
School District's Covered Payroll (Plan Measurement Period)	\$ 1,143,512.00	\$ 1,274,524.00	\$ 1,292,032.00	\$ 1,171,152.00	\$ 1,181,768.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	324.69%	400.54%	302.05%	251.36%	257.02%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.10%	40.14%	47.93%	52.08%	48.72%

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Required Supplementary Information - Part III
 Schedule of the School District's Contributions
 Public Employees' Retirement System (PERS)
 Last Ten Fiscal Years

	Fiscal Year Ended June 30,				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually Required Contribution	\$ 272,684.00	\$ 269,419.00	\$ 222,092.00	\$ 191,204.00	\$ 134,281.00
Contributions in Relation to the Contractually Required Contribution	<u>(272,684.00)</u>	<u>(269,419.00)</u>	<u>(222,092.00)</u>	<u>(191,204.00)</u>	<u>(134,281.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll (Fiscal Year)	\$ 1,580,225.00	\$ 1,505,812.00	\$ 1,474,101.00	\$ 1,295,031.00	\$ 1,268,800.00
Contributions as a Percentage of School District's Covered Payroll	17.26%	17.89%	15.07%	14.76%	10.58%
	Fiscal Year Ended June 30,				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 138,719.00	\$ 147,758.00	\$ 153,128.00	\$ 149,464.00	\$ 129,619.00
Contributions in Relation to the Contractually Required Contribution	<u>(138,719.00)</u>	<u>(147,758.00)</u>	<u>(153,128.00)</u>	<u>(149,464.00)</u>	<u>(129,619.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll (Fiscal Year)	\$ 966,279.00	\$ 919,737.00	\$ 862,618.00	\$ 1,173,612.00	\$ 1,093,263.00
Contributions as a Percentage of School District's Covered Payroll	14.36%	16.07%	17.75%	12.74%	11.86%

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Required Supplementary Information - Part III
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 Teachers' Pension and Annuity Fund (TPAF)
 Last Ten Plan Years

	Measurement Date Ending June 30,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the School District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the School District	<u>34,518,755.00</u>	<u>31,426,249.00</u>	<u>39,313,632.00</u>	<u>40,292,472.00</u>	<u>42,496,725.00</u>
	<u>\$ 34,518,755.00</u>	<u>\$ 31,426,249.00</u>	<u>\$ 39,313,632.00</u>	<u>\$ 40,292,472.00</u>	<u>\$ 42,496,725.00</u>
School District's Covered Payroll (Plan Measurement Period)	\$ 8,919,076.00	\$ 8,950,084.00	\$ 8,417,660.00	\$ 7,497,452.00	\$ 8,095,644.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	387.02%	351.13%	467.04%	537.42%	524.93%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	32.29%	35.52%	24.60%	26.95%	26.49%
	Measurement Date Ending June 30,				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the School District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the School District	<u>42,786,258.00</u>	<u>50,175,013.00</u>	<u>37,191,626.00</u>	<u>32,863,328.00</u>	<u>31,650,812.00</u>
	<u>\$ 42,786,258.00</u>	<u>\$ 50,175,013.00</u>	<u>\$ 37,191,626.00</u>	<u>\$ 32,863,328.00</u>	<u>\$ 31,650,812.00</u>
School District's Covered Payroll (Plan Measurement Period)	\$ 8,109,996.00	\$ 7,546,188.00	\$ 7,691,280.00	\$ 6,882,600.00	\$ 6,926,520.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	527.57%	664.91%	483.56%	477.48%	456.95%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	25.41%	22.33%	28.71%	33.64%	33.76%

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Required Supplementary Information - Part III
Schedule of the School District's Contributions
Teachers' Pension and Annuity Fund (TPAF)
Last Ten Fiscal Years

This schedule is not applicable.

The School District is not required to make any contributions towards TPAF.

There is a special funding situation where the State of New Jersey pays 100% of the required contributions.

BOROUGH OF BELLMAWR SCHOOL DISTRICT
Notes to Required Supplementary Information - Part III
For the Fiscal Year Ended June 30, 2023

Teachers' Pension and Annuity Fund (TPAF)

Changes in Benefit Terms:

The Division of Pensions and Benefits adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions. Previously, after termination of employment, but prior to retirement or death, interest was credited on member accumulated deductions at the valuation interest rate for the entire period. Effective July 1, 2018, interest is only credited at the valuation interest rate for the first two years of inactivity prior to retirement or death.

Changes in Assumptions:

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

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

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

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

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

Public Employees' Retirement System (PERS)

Changes in Benefit Terms:

The Division of Pensions and Benefits adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions. Previously, after termination of employment, but prior to retirement or death, interest was credited on member accumulated deductions at the valuation interest rate for the entire period. Effective July 1, 2018, interest is only credited at the valuation interest rate for the first two years of inactivity prior to retirement or death.

Changes in Assumptions:

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

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

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

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

For 2022, demographic assumptions were updated to reflect the most recent experience study for the period July 1, 2018 to June 30, 2021.

**REQUIRED SUPPLEMENTARY INFORMATION
PART IV**

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Required Supplementary Information - Part IV
 Schedule of Changes in the School District's Total OPEB Liability and Related Ratios
 Last Six Plan Years

	<u>Measurement Date Ending June 30,</u>		
	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total Non-Employer OPEB Liability - State's Proportionate Share of the Total OPEB Liability Associated with the School District			
Changes for the Year:			
Service Cost	\$ 1,907,159.00	\$ 2,206,022.00	\$ 1,104,879.00
Interest Cost	1,045,433.00	1,208,504.00	1,194,281.00
Changes in Benefit Terms		(49,586.00)	
Difference Between Expected and Actual Experience	1,494,282.00	(9,020,545.00)	8,550,171.00
Changes in Assumptions	(10,582,455.00)	45,961.00	9,702,697.00
Gross Benefit Payments	33,220.00	30,896.00	28,028.00
Member Contributions	(1,035,532.00)	(951,963.00)	(924,728.00)
Net Change in Total Non-Employer OPEB Liability	(7,137,893.00)	(6,530,711.00)	19,655,328.00
Total Non-Employer OPEB Liability - Beginning of Fiscal Year	46,586,545.00	53,117,256.00	33,461,928.00
Total Non-Employer OPEB Liability - End of Fiscal Year	<u>\$ 39,448,652.00</u>	<u>\$ 46,586,545.00</u>	<u>\$ 53,117,256.00</u>
School District's Covered Payroll (Plan Measurement Period)	<u>\$ 9,792,643.00</u>	<u>\$ 9,032,909.00</u>	<u>\$ 7,399,539.00</u>
State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District as a Percentage of Covered Payroll	402.84%	515.74%	717.85%

	<u>Measurement Date Ending June 30,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total Non-Employer OPEB Liability - State's Proportionate Share of the Total OPEB Liability Associated with the School District			
Changes for the Year:			
Service Cost	\$ 1,111,876.00	\$ 1,221,998.00	\$ 1,468,125.00
Interest Cost	1,534,385.00	1,658,525.00	1,437,916.00
Changes in Benefit Terms			
Difference Between Expected and Actual Experience	(7,716,474.00)	(3,968,995.00)	
Changes in Assumptions	498,920.00	(4,478,882.00)	(5,773,930.00)
Gross Benefit Payments	30,449.00	36,070.00	38,896.00
Member Contributions	(1,027,181.00)	(1,043,647.00)	(1,056,306.00)
Net Change in Total Non-Employer OPEB Liability	(5,568,025.00)	(6,574,931.00)	(3,885,299.00)
Total Non-Employer OPEB Liability - Beginning of Fiscal Year	39,029,953.00	45,604,884.00	49,490,183.00
Total Non-Employer OPEB Liability - End of Fiscal Year	<u>\$ 33,461,928.00</u>	<u>\$ 39,029,953.00</u>	<u>\$ 45,604,884.00</u>
School District's Covered Payroll (Plan Measurement Period)	<u>\$ 7,919,094.00</u>	<u>\$ 7,223,217.00</u>	<u>\$ 7,806,872.00</u>
State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District as a Percentage of Covered Payroll	422.55%	540.34%	584.16%

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

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Required Supplementary Information - Part IV
 Notes to Required Supplementary Information - Part IV
 For the Fiscal Year Ended June 30, 2023

Changes in Benefit Terms:

None.

Changes in Assumptions:

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

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

In addition to changes in the discount rate, other factors that affected the valuation of the net OPEB liability included update in trend and experience study.

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

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

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

	ESEA Consolidated				IDEA -- Part B		ARP IDEA		Emergency Connectivity Fund (ECF) Grant	Total Brought Forward	
	Total	Title I Grants to Local Educational Agencies	Title I SIA Part A	Supporting Effective Instruction State Grants (Title II, Part A)	Student Support & Academic Achievement Title (IV)	Special Education Grants to States		Individuals with Disabilities Education / American Rescue Plan			
						Basic	Preschool	Basic			Preschool
REVENUES:											
Federal Sources	\$ 1,649,587.45	\$ 221,979.87	\$ 10,000.00	\$ 41,425.91	\$ 15,444.00	\$ 241,058.00	\$ 17,399.00	\$ 8,559.00	\$ 383.31	\$ 48,173.75	\$ 1,045,164.61
State Sources	2,045,461.76										2,045,461.76
Local Sources	24,420.08										24,420.08
Total Revenues	3,719,469.29	221,979.87	10,000.00	41,425.91	15,444.00	241,058.00	17,399.00	8,559.00	383.31	48,173.75	3,115,046.45
EXPENDITURES:											
Instruction:											
Salaries	1,183,383.45	131,816.00					16,163.00				1,035,404.45
Other Salaries for Instruction	358,529.58	828.75									357,700.83
Purchased Educational and Technical Services	4,675.00	4,375.00									300.00
Purchased Education Services - Contracted Pre-K	6,631.70										6,631.70
Other Purchased Services	370,113.41					241,058.00					129,055.41
General Supplies	129,784.75	3,463.90		2,454.38					47.45	48,173.75	75,645.27
Other Objects	3,376.00										3,376.00
Total Instruction	2,056,493.89	140,483.65		2,454.38		241,058.00	16,163.00		47.45	48,173.75	1,608,113.66
Support Services:											
Salaries- Support	11,020.00	11,020.00									
Salaries of Supervisors of Instruction	18,889.44										18,889.44
Salaries of Program Directors	61,471.68										61,471.68
Salaries of Other Professional Staff	133,732.38	1,836.00		5,513.76							126,382.62
Salaries of Secretarial and Clerical Assistants	43,161.67			2,418.91							40,742.76
Other Salaries	18,907.29										18,907.29
Salaries of Community Parent Involvement Specialists	30,345.80										30,345.80
Salaries of Master Teachers	127,650.88										127,650.88
Personal Services-Employee Benefits	698,177.52	68,640.22		606.86			1,236.00				627,694.44
Professional Technical Services	147,456.04			26,145.00	15,444.00			8,559.00			97,308.04
Other Purchased Professional - Education Services	52,657.20		10,000.00								42,657.20
Contract Services - Transportation (Between Home and School)	108,729.89										108,729.89
Contract Services - Transportation (Field Trips)	2,418.00										2,418.00
Contract Services (Other Than Between Home and School) - Vendors	2,500.00										2,500.00
Contract Services (Sp Ed Students) - ESCs & CTSA	26,489.06										26,489.06
Travel	2,850.00			2,500.00							350.00
Other Purchased Services	200.00										200.00
Supplies and Materials	40,205.57			187.00					335.86		39,682.71
Student Activities	1,040.16										1,040.16
Other Objects	233,791.17			1,600.00							232,191.17
Total Support Services	1,761,693.75	81,496.22	10,000.00	38,971.53	15,444.00		1236	8,559.00	335.86		1,605,651.14
Facilities Acquisition and Construction Services:											
Construction Services	37,392.00										37,392.00
Total Facilities Acquisition and Construction Services	37,392.00										37,392.00
Total Expenditures	3,855,579.64	221,979.87	10,000.00	41,425.91	15,444.00	241,058.00	17,399.00	8,559.00	383.31	48,173.75	3,251,156.80
Other Financing Sources (Uses)											
Transfer in from General Fund	135,980.00										135,980.00
Total Other Financing Sources (Uses)	135,980.00										135,980.00
Total Outflows	3,719,599.64	221,979.87	10,000.00	41,425.91	15,444.00	241,058.00	17,399.00	8,559.00	383.31	48,173.75	3,115,176.80
Excess (Deficiency) of Revenues Over (Under) Expenditures	(130.35)										(130.35)
Fund Balance, July 1	2,677.77										2,677.77
Fund Balance, June 30	\$ 2,547.42	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,547.42

(Continued)

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

	Total Carried Forward	CRRSA ACT		American Rescue Plan ESSER					Additional or Compensatory Special Education & Related Services for Students With Disabilities (ACSERS) Grant	Total Brought Forward
		ESSER II Grant	Learning Acceleration Grant	ESSER Grant	Evidence-Based Comprehensive Beyond the School Day Activities Grant	Evidence-Based Summer Learning and Enrichment Grant	NJTSS Mental Health Grant	Accelerated Learning Coaching and Educator Support Grant		
REVENUES:										
Federal Sources	\$ 1,045,164.61	\$ 33,796.91	\$ 32,792.88	\$ 630,554.87	\$ 13,439.05	\$ 31,473.19	\$ 42,626.35	\$ 118,709.29	\$ 141,772.07	
State Sources	2,045,461.76									2,045,461.76
Local Sources	24,420.08									24,420.08
Total Revenues	3,115,046.45	33,796.91	32,792.88	630,554.87	13,439.05	31,473.19	42,626.35	118,709.29	141,772.07	2,069,881.84
EXPENDITURES:										
Instruction:										
Salaries	1,035,404.45		30,462.50	267,516.32		11,961.75				725,463.88
Other Salaries for Instruction	357,700.83			22,997.17		5,767.92				328,935.74
Purchased Educational and Technical Services	300.00									300.00
Purchased Education Services - Contracted Pre-K	6,631.70									6,631.70
Other Purchased Services	129,055.41				12,502.40				115,283.01	1,270.00
General Supplies	75,645.27			13,195.51		645.20				61,804.56
Other Objects	3,376.00									3,376.00
Total Instruction	1,608,113.66		30,462.50	303,709.00	12,502.40	18,374.87			115,283.01	1,127,781.88
Support Services:										
Salaries- Support										
Salaries of Supervisors of Instruction	18,889.44									18,889.44
Salaries of Program Directors	61,471.68									61,471.68
Salaries of Other Professional Staff	126,382.62	15,036.00				8,697.50				102,649.12
Salaries of Secretarial and Clerical Assistants	40,742.76									40,742.76
Other Salaries	18,907.29						7,786.80			11,120.49
Salaries of Community Parent Involvement Specialists	30,345.80									30,345.80
Salaries of Master Teachers	127,650.88							35,646.00		92,004.88
Personal Services-Employee Benefits	627,694.44	1,149.87	2,330.38	183,422.68		2,207.25	746.64	32,396.22		405,441.40
Professional Technical Services	97,308.04	17,611.04		4,875.00			31,122.00	43,700.00		
Other Purchased Professional - Education Services	42,657.20			13,747.20						28,910.00
Contract Services - Transportation (Between Home and School)	108,729.89			31,587.50						77,142.39
Contract Services - Transportation (Field Trips and School) - Vendors	2,500.00									2,500.00
Contract Services (Sp Ed Students) - ESCs & CTSA	26,489.06								26,489.06	
Travel	350.00									350.00
Other Purchased Services	200.00									200.00
Supplies and Materials	39,682.71			4,500.00						35,182.71
Student Activities	1,040.16									1,040.16
Other Objects	232,191.17			72,513.49	936.65	2,193.57	2,970.91	6,967.07		146,609.48
Total Support Services	1,605,651.14	33,796.91	2,330.38	310,645.87	936.65	13,098.32	42,626.35	118,709.29	26,489.06	1,057,018.31
Facilities Acquisition and Construction Services:										
Construction Services	37,392.00			16,200.00						21,192.00
Total Facilities Acquisition and Construction Services	37,392.00			16,200.00						21,192.00
Total Expenditures	3,251,156.80	33,796.91	32,792.88	630,554.87	13,439.05	31,473.19	42,626.35	118,709.29	141,772.07	2,205,992.19
Other Financing Sources (Uses)										
Transfer in from General Fund	135,980.00									135,980.00
Total Other Financing Sources (Uses)	135,980.00									135,980.00
Total Outflows	3,115,176.80	33,796.91	32,792.88	630,554.87	13,439.05	31,473.19	42,626.35	118,709.29	141,772.07	2,070,012.19
Excess (Deficiency) of Revenues Over (Under) Expenditures	(130.35)									(272,090.35)
Fund Balance, July 1	2,677.77									2,677.77
Fund Balance, June 30	\$ 2,547.42	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (269,412.58)

(Continued)

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

	Total Carried Forward	Preschool Expansion Grant	SDA Emergent Needs and Capital Maintenance in School Districts Grant	Waterford Twp Home and School Grants	Mark Schonwetter Holocaust Education Foundation Grant	Waterford Twp Police Department Grant	Alco Assembly of God NJPBSIS Grant	New Jersey Schools Insurance Group Safety Grant	Women's Club Grant	Student Activities
REVENUES:										
Federal Sources										
State Sources	\$ 2,045,461.76	\$ 2,007,678.76	\$ 37,783.00							
Local Sources	24,420.08			\$ 9,031.64	\$ 300.00	\$ 450.00	\$ 500.56	\$ 9,879.00	\$ 3,349.07	\$ 909.81
Total Revenues	2,069,881.84	2,007,678.76	37,783.00	9,031.64	300.00	450.00	500.56	9,879.00	3,349.07	909.81
EXPENDITURES:										
Instruction:										
Salaries	725,463.88	722,133.80		3,330.08						
Other Salaries for Instruction	328,935.74	328,935.74								
Purchased Educational and Technical Services	300.00				300.00					
Purchased Education Services - Contracted Pre-K	6,631.70	6,631.70								
Other Purchased Services	1,270.00			820.00		450.00				
General Supplies	61,804.56	58,455.49							3,349.07	
Other Objects	3,376.00	3,184.00		192.00						
Total Instruction	1,127,781.88	1,119,340.73		4,342.08	300.00	450.00			3,349.07	
Support Services:										
Salaries- Support										
Salaries of Supervisors of Instruction	18,889.44	18,889.44								
Salaries of Program Directors	61,471.68	61,471.68								
Salaries of Other Professional Staff	102,649.12	102,649.12								
Salaries of Secretarial and Clerical Assistants	40,742.76	40,742.76								
Other Salaries	11,120.49	11,120.49								
Salaries of Community Parent Involvement Specialists	30,345.80	30,345.80								
Salaries of Master Teachers	92,004.88	92,004.88								
Personal Services-Employee Benefits	405,441.40	405,251.37		190.03						
Professional Technical Services										
Other Purchased Professional - Education Services	28,910.00	28,910.00								
Contract Services - Transportation (Between Home and School)	77,142.39	77,142.39								
Contract Services - Transportation (Field Trips)	2,418.00	2,100.00		318.00						
Contract Services (Other Than Between Home and School) - Vendors	2,500.00			2,500.00						
Contract Services (Sp Ed Students) - ESCs & CTSA's										
Travel	350.00	350.00								
Other Purchased Services	200.00				200.00					
Supplies and Materials	35,182.71	6,730.62	16,591.00	1,481.53			500.56	9,879.00		
Student Activities	1,040.16									1,040.16
Other Objects	146,609.48	146,609.48								
Total Support Services	1,057,018.31	1,024,318.03	16,591.00	4,689.56			500.56	9,879.00		1,040.16
Facilities Acquisition and Construction Services:										
Construction Services	21,192.00		21,192.00							
Total Facilities Acquisition and Construction Services	21,192.00		21,192.00							
Total Expenditures	2,205,992.19	2,143,658.76	37,783.00	9,031.64	300.00	450.00	500.56	9,879.00	3,349.07	1,040.16
Other Financing Sources (Uses)										
Transfer in from General Fund	135,980.00	135,980.00								
Total Other Financing Sources (Uses)	135,980.00	135,980.00								
Total Outflows	2,070,012.19	2,007,678.76	37,783.00	9,031.64	300.00	450.00	500.56	9,879.00	3,349.07	1,040.16
Excess (Deficiency) of Revenues Over (Under) Expenditures	(130.35)									(130.35)
Fund Balance, July 1	2,677.77									2,677.77
Fund Balance, June 30	\$ 2,547.42	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,547.42

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
SPECIAL REVENUE FUND
 Statement of Preschool Expansion Aid
 Budgetary Basis
 For the Fiscal Year Ended June 30, 2023

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 772,895.00	\$ 722,133.80	\$ 50,761.20
Other Salaries for Instruction	354,683.00	328,935.74	25,747.26
Purchased Professional Educational Services	13,000.00	6,631.70	6,368.30
General Supplies	61,161.00	58,455.49	2,705.51
Other Objects	15,000.00	3,184.00	11,816.00
Total Instruction	<u>1,216,739.00</u>	<u>1,119,340.73</u>	<u>97,398.27</u>
Support Services:			
Salaries of Supervisors of Instruction	18,890.00	18,889.44	0.56
Salaries of Program Directors	61,472.00	61,471.68	0.32
Salaries of Other Professional Staff	104,636.00	102,649.12	1,986.88
Salaries of Secretarial and Clerical Assistants	40,770.00	40,742.76	27.24
Other Salaries	11,900.00	11,120.49	779.51
Salaries of Community Specialist	30,346.00	30,345.80	0.20
Salaries of Master Teachers	94,257.00	92,004.88	2,252.12
Personal Services - Employee Benefits	440,468.00	405,251.37	35,216.63
Other Purchased Professional Educational Services	33,500.00	28,910.00	4,590.00
Contract Services - Transportation (Between Home & School)	79,684.00	79,242.39	441.61
Travel	500.00	350.00	150.00
Supplies and Materials	17,000.00	6,730.62	10,269.38
Other Objects	177,726.32	146,609.48	31,116.84
Total Support Services	<u>1,111,149.32</u>	<u>1,024,318.03</u>	<u>86,831.29</u>
Total Expenditures	<u>\$ 2,327,888.32</u>	<u>\$ 2,143,658.76</u>	<u>\$ 184,229.56</u>

Calculation of Budget and Carryover

Total revised 2022-23 Preschool Education Aid Allocation	\$ 2,012,504.00
Total 2022-23 Preschool Education Expansion Aid Allocation	
Add: Actual ECPA/PEA Carryover (June 30, 2022)	294,373.10
Add: Positive Liquidation of Prior Year Encumbrances	
Add: Local Sources - Preschool Tuition	
Add: Budgeted Transfer from General Fund 2022-2023	<u>135,980.00</u>
Total Preschool Education Funds Available for 2022-23 Budget	2,442,857.10
Less: 2022-23 Budgeted Preschool Education Aid (Including Prior Year Budget Carryover)	<u>2,327,888.32</u>
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2023	114,968.78
Add: June 30, 2023 Unexpended Preschool Education Aid	<u>184,229.56</u>
2022-23 Carryover - Preschool Education Aid/Preschool	<u>\$ 299,198.34</u>
2022-23 Preschool Education Aid Carryover Budgeted for Preschool Programs 2023-24	<u>\$ 114,968.00</u>

CAPITAL PROJECTS FUND

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Summary Schedule of Project Expenditures
 For the Fiscal Year Ended June 30, 2023

<u>Project Title/Issue</u>	<u>Original Date</u>	<u>Apropiations</u>	<u>Expenditures to Date</u>		<u>Canceled</u>	<u>Unexpended Balance June 30, 2023</u>
			<u>Prior Years</u>	<u>Current Year</u>		
Waterford Elementary School - Drop Off Loop and Parking Drainage	7/1/2021	\$ 1,479,715.00	\$ 61,946.62		\$ (1,417,768.38)	
		<u>\$ 1,479,715.00</u>	<u>\$ 61,946.62</u>	<u>\$ -</u>	<u>\$ (1,417,768.38)</u>	<u>\$ -</u>

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance
 For the Fiscal Year Ended June 30, 2023

Revenues and Other Financing Sources

Local Sources:

Capital Outlay Transfer to Capital Projects Fund

Total Revenues

Expenditures and Other Financing Uses

Expenditures:

Architecture and Engineering Services

Legal Services

Purchased Professional and Technical Services

Construction Services

Total Expenditures

Other Financing Uses:

Unexpended Balance of Completed Projects:

Transfer from Capital Projects to Capital Reserve

\$ (629,715.00)

Transfer from Capital Projects to General Fund

(788,053.38)

Total Other Financing Uses

(1,417,768.38)

Total Expenditures and Other Financing Uses

(1,417,768.38)

Excess (Deficiency) of Revenues and Other Financing Sources

Over (Under) Expenditures and Other Financing Uses

(1,417,768.38)

Fund Balance, July 1

1,417,768.38

Fund Balance, June 30

\$ -

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Schedule of Revenues, Expenditures, Project Balance and Project Status
 Waterford Elementary School - Drop Off Loop and Parking Drainage
 From Inception and for the Fiscal Year Ended June 30, 2023

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
Revenues and Other Financing Sources				
Capital Outlay Transfer to Capital Projects Fund	\$ 1,479,715.00	\$ (1,417,768.38)	\$ 61,946.62	\$ 1,479,715.00
Total Revenues	<u>1,479,715.00</u>	<u>(1,417,768.38)</u>	<u>61,946.62</u>	<u>1,479,715.00</u>
Expenditures and Other Financing Uses				
Architecture and Engineering Services	61,946.62		61,946.62	113,825.00
Construction Services				<u>1,365,890.00</u>
Total Expenditures	<u>61,946.62</u>		<u>61,946.62</u>	<u>1,479,715.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,417,768.38</u>	<u>\$ (1,417,768.38)</u>	<u>\$ 0.00</u>	<u>\$ -</u>

Designated for Subsequent Years Expenditures \$ 0.00

Additional Project Information

DOE Project Number	N/A
SDA Project Number	N/A
Grant Date	N/A
Bond Authorization Date	NA
Bonds Authorized	NA
Bonds Issued	NA
Original Authorized Cost	\$ 1,479,715.00
Additional Authorized Cost	-
Revised Authorized Cost	-
Percentage Increase over Original Authorized Cost	-
Percentage Completion	100%
Original Target Completion Date	6/30/2023
Revised Target Completion Date	-

PROPRIETARY FUNDS

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Enterprise Funds
 Statement of Net Position
 June 30, 2023

		<u>Food Service</u>
ASSETS:		
Current Assets:		
Cash and Cash Equivalents	\$	45,941.49
Accounts Receivable:		
State		1,861.22
Federal		35,885.65
Inventory		28,529.10
		<hr/>
Total Current Assets		112,217.46
		<hr/>
Noncurrent Assets:		
Equipment		505,353.19
Less Accumulated Depreciation		(194,454.63)
		<hr/>
Total Noncurrent Assets		310,898.56
		<hr/>
Total Assets		423,116.02
		<hr/>
LIABILITIES:		
Current Liabilities:		
Unearned Revenue		4,681.80
Accounts Payable		6,785.13
		<hr/>
Total Current Liabilities		11,466.93
		<hr/>
NET POSITION:		
Net Investment in Capital Assets		310,898.56
Unrestricted		100,750.53
		<hr/>
Total Net Position	\$	<u><u>411,649.09</u></u>

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Enterprise Funds
Statement of Revenues, Expenditures and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2023

	<u>Food Service</u>
OPERATING REVENUES:	
Local Sources:	
Daily Sales - Reimbursable Programs:	
School Breakfast Program	\$ 13,496.82
School Lunch Program	124,280.21
Daily Sales Non-Reimbursable Programs	54,905.07
Special Functions	<u>3,435.97</u>
Total Operating Revenue	<u>196,118.07</u>
OPERATING EXPENSES:	
Salaries	155,604.91
Employee Benefits	29,791.59
Purchased Professional and Technical Services	42,448.80
Other Purchases Services (400 and 500 Series)	8,070.80
Cost of Goods Sold -- Non-Reimbursable	25,166.33
Cost of Goods Sold -- Reimbursable	150,459.09
Supplies and Materials	16,803.42
Depreciation	17,281.49
Other Objects	<u>50,695.66</u>
Total Operating Expenses	<u>496,322.09</u>
Operating Income (Loss)	<u>(300,204.02)</u>
NONOPERATING REVENUES (EXPENSES):	
State Sources:	
State School Lunch Program	5,299.55
State School Breakfast Program	702.60
Breakfast After the Bell	2,922.90
Federal Sources:	
National School Lunch Program	132,798.13
School Breakfast Program	47,698.80
Food Distribution Program	39,737.29
COVID Supply Chain Assistance	<u>33,161.00</u>
Total Nonoperating Revenues (Expenses)	<u>262,320.27</u>
Change in Net Position	(37,883.75)
Net Position - July 1	<u>449,532.84</u>
Net Position - June 30	<u><u>\$ 411,649.09</u></u>

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Enterprise Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2023

	<u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 279,090.88
Payments to Employees	(155,604.91)
Payments for Employee Benefits	(29,791.59)
Payments to Suppliers	<u>(455,772.96)</u>
Net Cash Provided by (used for) Operating Activities	<u>(362,078.58)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
State Sources	7,615.50
Federal Sources	<u>239,357.32</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>246,972.82</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchase of Capital Asset	<u>(2,163.00)</u>
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>(2,163.00)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(117,268.76)
Cash and Cash Equivalents, July 1	<u>163,210.25</u>
Cash and Cash Equivalents, June 30	<u>\$ 45,941.49</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)	
by Operating Activities:	
Operating Income (Loss)	<u>\$ (300,204.02)</u>
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities:	
Depreciation	17,281.49
Food Distribution Program	39,737.29
Change in Assets and Liabilities:	
(Increase) / Decrease in Accounts Receivable	86,942.93
(Increase) / Decrease in Inventory	(1,514.81)
Increase / (Decrease) in Unearned Revenue	(3,970.12)
Increase / (Decrease) in Accounts Payable	<u>(200,351.34)</u>
Total Adjustments	<u>(61,874.56)</u>
Net Cash Provided (Used) in Operating Activities	<u>\$ (362,078.58)</u>

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Internal Service Funds
Statement of Net Position
June 30, 2023

	Tuition
ASSETS:	
Current Assets:	
Cash and cash equivalents	\$ 1,210.00
Accounts Receivable:	
Other	13,790.00
Total Current Assets	15,000.00
 LIABILITIES:	
Current Liabilities:	
Interfund Accounts Payable - General Fund	15,000.00
Total Current Liabilities	15,000.00
 NET POSITION:	
Unrestricted	
Total Net Position	\$ -

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Internal Service Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2023

	Tuition
OPERATING REVENUES:	
Charges for Services:	
Services Provided to Other Boards of Education	\$ 22,796.17
Total Operating Revenues	22,796.17
OPERATING EXPENSES:	
Tuition	22,796.17
Total Operating Expenses	22,796.17
Change in Net Position	-
Net Position - July 1	-
Net Position - June 30	\$ -

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Internal Service Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2023

	Tuition
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers and Other Funds	\$ 49,124.72
Payments to Suppliers	<u>(77,213.88)</u>
Net Cash Provided by (used for) Operating Activities	<u>(28,089.16)</u>
Cash and Cash Equivalents, July 1	<u>29,299.16</u>
Cash and Cash Equivalents, June 30	<u>\$ 1,210.00</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	-
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
(Increase) decrease in accounts receivable, net	\$ 26,328.55
Increase (decrease) in accounts payable	<u>(54,417.71)</u>
Total adjustments	<u>(28,089.16)</u>
Net Cash Provided (Used) in Operating Activities	<u>\$ (28,089.16)</u>

STATISTICAL SECTION

Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance.

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

	Fiscal Year Ending June 30,									
	2023	2022	2021**	2020	2019	2018	2017	2016	2015*	2014
Governmental Activities										
Net Investment in Capital Assets	\$ 11,183,004.18	\$ 11,156,517.09	\$ 11,533,160.82	\$ 12,146,685.24	\$ 11,832,718.34	\$ 11,485,977.40	\$ 11,476,098.32	\$ 10,682,290.26	\$ 5,403,749.90	\$ 4,416,255.08
Restricted	2,991,886.85	4,766,412.23	2,984,096.32	1,515,114.33	1,161,754.77	3,203.11	80,841.21	441,563.88	2,666,278.48	6,451,681.49
Unrestricted (Deficit)	<u>250,483.06</u>	<u>(1,805,318.86)</u>	<u>(1,630,601.12)</u>	<u>(2,148,478.92)</u>	<u>(2,223,362.38)</u>	<u>(2,267,835.62)</u>	<u>(3,138,255.13)</u>	<u>(2,790,933.54)</u>	<u>(2,605,320.07)</u>	<u>(792,599.04)</u>
Total Governmental Activities Net Position	<u>\$ 14,425,374.09</u>	<u>\$ 14,117,610.46</u>	<u>\$ 12,886,656.02</u>	<u>\$ 11,513,320.65</u>	<u>\$ 10,771,110.73</u>	<u>\$ 9,221,344.89</u>	<u>\$ 8,418,684.40</u>	<u>\$ 8,332,920.60</u>	<u>\$ 5,464,708.31</u>	<u>\$ 10,075,337.53</u>
Business-type Activities										
Net Investment in Capital Assets	\$ 310,898.56	\$ 326,017.05	\$ 90,089.29	\$ 53,537.66	\$ 55,798.00	\$ 61,397.64	\$ 69,390.16	\$ 51,922.30	\$ 34,900.24	\$ 7,568.76
Unrestricted	<u>100,750.53</u>	<u>123,515.79</u>	<u>253,144.91</u>	<u>47,716.89</u>	<u>5,834.68</u>	<u>1,831.39</u>	<u>3,576.63</u>	<u>19,875.83</u>	<u>38,222.76</u>	<u>7,568.76</u>
Total Business-type Activities Net Position	<u>\$ 411,649.09</u>	<u>\$ 449,532.84</u>	<u>\$ 343,234.20</u>	<u>\$ 101,254.55</u>	<u>\$ 55,798.00</u>	<u>\$ 67,232.32</u>	<u>\$ 71,221.55</u>	<u>\$ 55,498.93</u>	<u>\$ 54,776.07</u>	<u>\$ 45,791.52</u>
District-wide										
Net Investment in Capital Assets	\$ 11,493,902.74	\$ 11,482,534.14	\$ 11,623,250.11	\$ 12,200,222.90	\$ 11,888,516.34	\$ 11,547,375.04	\$ 11,545,488.48	\$ 10,734,212.56	\$ 5,438,650.14	\$ 4,423,823.84
Restricted	2,991,886.85	4,766,412.23	2,984,096.32	1,515,114.33	1,161,754.77	3,203.11	80,841.21	441,563.88	2,666,278.48	6,451,681.49
Unrestricted (Deficit)	<u>351,233.59</u>	<u>(1,681,803.07)</u>	<u>(1,377,456.21)</u>	<u>(2,100,762.20)</u>	<u>(2,223,362.38)</u>	<u>(2,262,000.94)</u>	<u>(3,136,423.74)</u>	<u>(2,787,356.91)</u>	<u>(2,585,444.24)</u>	<u>(754,376.28)</u>
Total District-wide Net Position	<u>\$ 14,837,023.18</u>	<u>\$ 14,567,143.30</u>	<u>\$ 13,229,890.22</u>	<u>\$ 11,614,575.03</u>	<u>\$ 10,826,908.73</u>	<u>\$ 9,288,577.21</u>	<u>\$ 8,489,905.95</u>	<u>\$ 8,388,419.53</u>	<u>\$ 5,519,484.38</u>	<u>\$ 10,121,129.05</u>

*Amounts for the year 2015 include the implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*.

**Amounts for the year 2021 include the implementation of Governmental Accounting Standards Board Statement No.84, *Fiduciary Activities*.

Source: Annual Comprehensive Financial Report Exhibit A-1

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

	Fiscal Year Ending June 30,									
	2023	2022	2021**	2020	2019	2018	2017	2016	2015*	2014
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 7,159,581.81	\$ 6,920,779.25	\$ 7,725,466.34	\$ 5,820,485.09	\$ 5,321,119.60	\$ 4,518,242.89	\$ 5,092,967.69	\$ 4,507,234.93	\$ 4,350,722.94	\$ 4,623,216.76
Special Education	2,394,970.69	2,048,896.17	1,147,306.61	1,911,250.10	1,779,450.16	1,585,337.03	1,568,897.25	1,349,643.79	1,366,144.97	1,480,696.95
Other Special Education	723,731.72	930,206.24	85,550.51	1,086,613.76	1,208,256.42	1,104,622.78	796,188.04	797,910.90	688,488.91	640,757.60
School Sponsored Cocurricular Activities	1,538.91	7,421.26	7,502.52	2,742.29	5,249.16	2,832.45	1,702.50	650.00	718.75	356.25
Community Service Programs					255.90		185.25			
Before & After School Programs			2,300.00							
Summer School	1,839.50	60,692.38	35,045.32	29,117.95						
Support Services:										
Tuition	10,558,698.71	10,354,869.42	10,301,427.04	10,445,144.01	10,039,580.87	10,704,959.27	10,980,866.23	10,768,837.70	10,216,623.81	10,419,326.01
Student & Instruction Related Services	3,417,499.35	3,174,047.42	2,877,874.05	2,707,586.61	2,292,137.16	1,968,374.88	2,464,649.05	1,715,943.98	2,090,212.11	2,301,706.03
School Administrative Services	2,365,702.98	1,675,886.37	1,933,869.37	1,786,986.14	1,877,120.76	1,594,794.14	1,700,781.38	1,314,064.55	1,083,664.55	1,082,468.08
Plant Operations and Maintenance	1,717,633.82	1,862,240.17	2,376,452.05	2,469,698.04	3,036,144.31	2,808,224.09	2,453,480.89	1,987,506.02	1,439,863.21	1,579,484.58
Pupil Transportation	2,615,258.66	2,114,089.29	2,022,657.98	2,149,415.43	2,221,974.68	2,137,619.70	2,275,963.64	2,242,024.60	2,091,873.64	2,026,553.56
Special Schools					47,551.99	43,474.49	35,416.78	36,539.64	53,454.57	47,951.33
Unallocated Benefits	1,489,143.78	1,187,965.89	425,300.65	630,540.22	186,250.92	385,533.46	572,279.43	2,413,867.33	2,126,966.48	1,982,102.18
Reimbursed TPAF and Social Security	1,747,849.41	3,198,751.11	4,841,224.00	5,526,926.62	5,591,729.81	6,674,474.59	5,576,755.56	3,878,970.77	3,061,952.02	1,203,772.20
Transfer to Charter Schools	14,221.00	14,094.00	13,785.00	26,716.00	11,272.00	3,790.00	9,963.00	31,254.00	16,815.00	9,778.00
Amortization of Debt Issuance Costs										
Interest on Long-term Debt		2,270.71	3,008.15	2,803.88	14,167.10	27,066.63	33,083.90	3,182.52	51,506.36	13,953.17
Total Governmental Activities Expenses	34,207,670.34	33,552,209.68	33,798,769.59	34,596,026.14	33,632,260.84	33,559,346.40	33,563,180.59	31,047,630.73	28,639,007.32	27,412,122.70
Business-type Activities:										
Food Service	496,322.09	571,302.36	359,099.55	280,441.81	298,866.37	331,705.32	330,763.87	336,028.82	339,438.63	335,195.33
School Age Child Care							707.49	241,664.08	213,642.63	262,119.65
Adult Piano						182.30	473.61	592.10	226.09	538.27
Total Business-type Activities Expense	496,322.09	571,302.36	359,099.55	280,441.81	298,866.37	331,887.62	331,944.97	578,285.00	553,307.35	597,853.25
Total District Expenses	\$ 34,703,992.43	\$ 34,123,512.04	\$ 34,157,869.14	\$ 34,876,467.95	\$ 33,931,127.21	\$ 33,891,234.02	\$ 33,895,125.56	\$ 31,625,915.73	\$ 29,192,314.67	\$ 28,009,975.95
Program Revenues										
Governmental Activities:										
Operating Grants and Contributions	\$ 5,748,161.43	\$ 6,276,656.86	\$ 7,543,609.55	\$ 7,810,951.19	\$ 7,890,868.41	\$ 7,206,165.13	\$ 6,100,431.70	\$ 4,449,171.69	\$ 3,600,698.45	\$ 1,893,160.87
Charges for services	86,050.78	82,011.84	26,101.88	73,589.88	50,409.95	180,128.18	241,038.50			
Capital Grants and Contributions	426,700.00	38,750.00								
Total Governmental Activities Program Revenues	6,260,912.21	6,397,418.70	7,569,711.43	7,884,541.07	7,941,278.36	7,386,293.31	6,341,470.20	4,449,171.69	3,600,698.45	1,893,160.87
Business-type activities:										
Charges for services										
Food Service	196,118.07	911.85	2,468.28	102,616.26	144,620.32	164,436.47	156,138.63	159,620.77	165,905.82	177,117.63
School Age Child Care								241,664.08	190,094.48	183,097.39
Adult Piano					12.49	209.00	517.00	605.00	231.00	550.00
Operating Grants and Contributions	262,320.27	676,377.05	598,298.82	213,854.71	148,646.41	163,252.92	164,627.71	177,095.11	182,489.55	180,701.89
Total Business-type Activities Program Revenues	458,438.34	677,288.90	600,767.10	316,470.97	293,279.22	327,898.39	321,283.34	578,984.96	538,720.85	541,466.91
Total District Program Revenues	\$ 6,719,350.55	\$ 7,074,707.60	\$ 8,170,478.53	\$ 8,201,012.04	\$ 8,234,557.58	\$ 7,714,191.70	\$ 6,662,753.54	\$ 5,028,156.65	\$ 4,139,419.30	\$ 2,434,627.78
Net (Expense)/Revenue										
Governmental Activities	\$ (27,946,758.13)	\$ (27,154,790.98)	\$ (26,229,058.16)	\$ (26,711,485.07)	\$ (25,690,982.48)	\$ (26,173,053.09)	\$ (27,221,710.39)	\$ (26,598,459.04)	\$ (25,038,308.87)	\$ (25,518,961.83)
Business-type Activities	(37,883.75)	105,986.54	241,667.55	36,029.16	(5,587.15)	(3,989.23)	(10,661.63)	699.96	(14,586.50)	(56,386.34)
Total District-wide Net Expense	\$ (27,984,641.88)	\$ (27,048,804.44)	\$ (25,987,390.61)	\$ (26,675,455.91)	\$ (25,696,569.63)	\$ (26,177,042.32)	\$ (27,232,372.02)	\$ (26,597,759.08)	\$ (25,052,895.37)	\$ (25,575,348.17)

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

	Fiscal Year Ending June 30.									
	2023	2022	2021**	2020	2019	2018	2017	2016	2015*	2014
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 14,628,565.00	\$ 14,447,965.00	\$ 14,447,965.00	\$ 13,959,387.00	\$ 13,821,175.00	\$ 13,684,332.00	\$ 13,684,332.00	\$ 13,548,844.00	\$ 13,140,486.00	\$ 12,617,133.02
Taxes Levied for Debt Service				30,420.00	42,240.00	38,920.00	38,808.00	88,017.00	88,215.00	84,718.36
Unrestricted Federal & State Aid	12,877,378.22	12,641,569.70	12,624,694.09	12,793,391.64	12,950,058.37	12,952,798.13	12,989,861.48	12,828,143.52	12,784,890.85	12,692,103.77
Restricted Federal & State Aid						17,673.35	443,122.06	2,706,361.91	(2,791,699.42)	3,184,884.00
Tuition Received			11,328.23	13,801.37	21,249.21	80,215.09	85,721.57	104,939.88	148,450.78	250,130.51
Investment Earnings					9,228.78			6,550.08	4,378.00	12,548.22
Restricted Investment Earnings	731.29	61.07	32.42							
Miscellaneous Income	747,847.25	1,296,461.75	485,757.79	662,145.78	394,926.38	201,775.01	92,013.33	183,814.94	113,910.59	134,501.92
Transfers		(312.10)	(312.10)	(5,450.80)	1,870.58		(26,384.25)		(23,548.15)	(55,145.08)
Total Governmental Activities	28,254,521.76	28,385,745.42	27,569,465.43	27,453,694.99	27,240,748.32	26,975,713.58	27,307,474.19	29,466,671.33	23,465,083.65	28,920,874.72
Business-type Activities:										
Investment Earnings					(1,870.58)			22.90	22.90	66.79
Transfers		312.10	312.10	5,450.80			26,384.25		23,548.15	55,145.08
Total Business-type Activities		312.10	312.10	5,450.80	(1,870.58)		26,384.25	22.90	23,571.05	55,211.87
Total District-wide	\$ 28,254,521.76	\$ 28,386,057.52	\$ 27,569,777.53	\$ 27,459,145.79	\$ 27,238,877.74	\$ 26,975,713.58	\$ 27,333,858.44	\$ 29,466,694.23	\$ 23,488,654.70	\$ 28,976,086.59
Change in Net Position										
Governmental Activities	\$ 307,763.63	\$ 1,230,954.44	\$ 1,340,407.27	\$ 742,209.92	\$ 1,549,765.84	\$ 802,660.49	\$ 85,763.80	\$ 2,868,212.29	\$ (1,573,225.22)	\$ 3,401,912.89
Business-type Activities	(37,883.75)	106,298.64	241,979.65	41,479.96	(7,457.73)	(3,989.23)	15,722.62	722.86	8,984.55	(1,174.47)
Total District	\$ 269,879.88	\$ 1,337,253.08	\$ 1,582,386.92	\$ 783,689.88	\$ 1,542,308.11	\$ 798,671.26	\$ 101,486.42	\$ 2,868,935.15	\$ (1,564,240.67)	\$ 3,400,738.42

*Amounts for the year 2015 include the implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*.

**Beginning in 2021 amounts included the implementation of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*.

Source: Annual Comprehensive Financial Report Exhibit A-2

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

	<u>Fiscal Year Ending June 30,</u>									
	<u>2023</u>	<u>2022</u>	<u>2021*</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Fund										
Restricted	\$ 2,886,306.86	\$ 3,233,572.19	\$ 2,676,812.76	\$ 1,340,010.63	\$ 991,094.45	\$ 344,486.09	\$ 77,528.55	\$ 433,344.25	\$ 502,438.87	\$ 2,134,798.86
Committed										
Assigned	2,550,346.90	1,532,938.23	1,303,430.62	1,226,942.58	1,650,685.82	1,639,167.12	1,042,914.55	1,400,614.32	1,160,245.55	61,310.18
Unassigned (Deficit)	<u>871,142.59</u>	<u>177,974.45</u>	<u>885,343.42</u>	<u>458,834.58</u>	<u>74,646.84</u>	<u>(73,152.33)</u>	<u>(146,874.30)</u>	<u>(420,924.63)</u>	<u>(121,009.17)</u>	<u>(102,291.90)</u>
Total General Fund	<u>\$ 6,307,796.35</u>	<u>\$ 4,944,484.87</u>	<u>\$ 4,865,586.80</u>	<u>\$ 3,025,787.79</u>	<u>\$ 2,716,427.11</u>	<u>\$ 1,910,500.88</u>	<u>\$ 973,568.80</u>	<u>\$ 1,413,033.94</u>	<u>\$ 1,541,675.25</u>	<u>\$ 2,093,817.14</u>
All Other Governmental Funds										
Restricted Reported in:										
Special Revenue Fund	\$ 103,032.57	\$ 112,393.89	\$ 304,270.58	\$ 168,890.97	\$ 170,147.30	\$ 2,950.89	\$ 3,312.52	\$ 6,539.49	\$ 17,698.42	\$ 5,017.24
Student Activities	2,547.42	2,677.77	3,012.98							
Capital Projects Fund		1,417,768.38						1,680.14	2,144,414.05	
Debt Service Fund				6,212.73	513.02	252.22	0.14		1,727.14	48.14
Committed Reported in:										
Capital Projects Fund										4,350,886.25
Unassigned (Deficit) Reported in:										
Capital Projects Fund										<u>(39,069.00)</u>
Total All Other Governmental Funds	<u>\$ 105,579.99</u>	<u>\$ 1,532,840.04</u>	<u>\$ 307,283.56</u>	<u>\$ 175,103.70</u>	<u>\$ 170,660.32</u>	<u>\$ 3,203.11</u>	<u>\$ 3,312.66</u>	<u>\$ 8,219.63</u>	<u>\$ 2,163,839.61</u>	<u>\$ 4,316,882.63</u>

*Amounts for the year 2021 include the implementation of Governmental Accounting Standards Board Statement No.84, *Fiduciary Activities*.

Source: District Records

WATERFORD TOWNSHIP SCHOOL DISTRICT
 Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years (modified accrual basis of accounting)
 Unaudited

	2023*	2022*	2021*	2020	2019	2018	2017	2016	2015	2014
Revenues										
Local Sources	\$ 14,628,565.00	\$ 14,447,965.00	\$ 14,447,965.00	\$ 13,989,807.00	\$ 13,863,415.00	\$ 13,723,252.00	\$ 13,723,140.00	\$ 13,636,861.00	\$ 13,228,701.00	\$ 12,701,851.38
Tuition Charges	62,344.80	34,356.87	11,328.23	13,801.37	21,249.21	80,215.09	85,721.57	104,939.88	148,450.78	250,130.51
Miscellaneous	772,870.91	513,550.17	505,690.06	682,204.26	443,676.02	228,802.46	119,789.20	219,882.39	139,993.20	164,598.50
Other Restricted Miscellaneous Revenue	731.29	61.07	32.42							
State Sources	18,859,559.02	18,525,089.11	17,600,488.35	16,840,252.22	17,120,120.56	15,046,679.56	15,197,954.66	17,087,190.68	14,365,635.60	17,054,737.20
Federal Sources	2,211,146.78	1,263,031.47	797,040.25	582,244.13	510,592.36	537,989.60	533,588.23	595,719.07	623,077.67	697,863.08
Total Revenue	36,535,217.80	34,784,053.69	33,362,544.31	32,108,308.98	31,959,053.15	29,616,938.71	29,660,193.66	31,644,593.02	28,505,858.25	30,869,180.67
Expenditures										
Instruction										
Regular Instruction	7,086,528.04	6,869,735.11	7,647,515.15	5,618,403.99	5,297,509.40	4,551,714.31	5,092,620.86	4,296,274.31	4,158,807.69	4,401,514.78
Special Education Instruction	2,394,970.69	2,048,896.17	1,147,306.61	1,911,250.10	1,779,450.16	1,585,337.03	1,568,897.25	1,349,643.79	1,366,144.97	1,480,696.95
Other Special Instruction	723,731.72	930,206.24	85,550.51	1,086,613.76	1,208,256.42	1,104,622.78	796,188.04	797,910.00	688,488.91	640,757.60
School Sponsored Cocurricular Activities	1,538.91	7,421.26	7,502.52	2,742.29	5,249.16	2,832.45	1,702.50	650.00	718.75	356.25
Before & After School Programs			2,300.00							
Community Service Programs					255.90		185.25			
Summer School	1,839.50	60,692.38	35,045.32	29,117.95						
Support Services:										
Tuition	10,535,902.54	10,307,744.02	10,275,588.39	10,371,554.13	9,989,170.92	10,524,831.09	10,798,005.33	10,768,837.70	10,216,623.81	10,419,326.01
Student & Instruction Related Services	3,424,885.55	3,126,824.91	2,870,279.45	3,249,966.75	2,901,126.54	2,548,577.62	2,949,132.78	2,199,893.82	2,127,113.34	2,266,757.38
School Administrative Services	2,384,911.61	2,055,327.59	1,996,562.24	1,888,238.99	1,948,736.59	1,540,720.30	1,738,071.47	1,297,993.10	1,133,424.93	1,067,661.02
Plant Operations and Maintenance	1,836,585.16	1,839,645.84	1,745,588.91	2,073,416.90	2,408,928.67	2,151,242.52	2,011,748.03	1,826,182.65	1,335,270.87	1,260,001.65
Pupil Transportation	2,615,258.66	2,114,089.29	2,022,657.98	2,149,415.43	2,221,974.68	2,137,619.70	2,275,963.64	2,242,024.60	2,091,873.64	2,026,553.56
Unallocated Employee Benefits	920,886.05	628,201.31	421,697.57	626,692.12	264,996.49	264,783.77	197,727.73	2,252,384.42	2,119,057.48	1,978,426.06
Reimbursed TPAF Pension/Social Security	4,090,293.42	4,059,585.11	3,090,118.00	2,365,138.62	2,421,036.81	2,109,534.59	1,806,801.56	1,607,720.77	1,293,596.02	1,203,772.20
Special Schools					47,551.99	43,474.49	35,416.78	36,539.64	53,454.57	47,951.33
Transfer to Charter Schools	14,221.00	14,094.00	13,785.00	26,716.00	11,272.00	3,790.00	9,963.00	31,254.00	16,815.00	9,778.00
Capital Outlay	905,560.52	229,954.94	189,090.64	365,066.80	440,045.36	158,155.79	828,384.14	5,133,480.61	3,993,236.03	2,226,825.05
Debt Service:										
Principal - Early Retirement Bonds				24,178.69	40,000.00	35,000.00	35,000.00	80,000.00	75,000.00	70,000.00
Interest on Early Retirement Bonds				541.60	1,979.20	3,667.92	5,488.00	8,064.00	11,536.00	14,737.13
Total Expenditures	36,937,113.37	34,292,418.17	31,550,588.29	31,789,054.12	30,987,540.29	28,765,904.36	30,151,296.36	33,928,854.31	30,681,162.01	29,115,114.97
Excess (Deficiency) of Revenues Over (Under) Expenditures	(401,895.57)	491,635.52	1,811,956.02	319,254.86	971,512.86	851,034.35	(491,102.70)	(2,284,261.29)	(2,175,303.76)	1,754,065.70
Other Financing Sources (Uses)										
Cancellation of Prior Year Revenue									(3,184,884.00)	
FEMA Disaster Grant							4,142.48			
Capital Leases (Non-budgeted)	337,947.00		127,406.85			85,788.18	54,928.12		2,678,551.00	68,016.20
Operating Transfers In	360,000.00	2,033,235.12	910,015.27	252,704.75	528,227.36					(55,145.08)
Transfers from Capital Outlay to Capital Projects Fund										1,400,892.00
Operating Transfers Out	(360,000.00)	(2,033,547.22)	(910,327.37)	(258,155.55)	(526,356.78)		(12,340.01)		(23,548.15)	
Total Other Financing Sources (Uses)	337,947.00	(312.10)	127,094.75	(5,450.80)	1,870.58	85,788.18	46,730.59		(529,881.15)	1,413,763.12
Net Change in Fund Balances	\$ (63,948.57)	\$ 491,323.42	\$ 1,939,050.77	\$ 313,804.06	\$ 973,383.44	\$ 936,822.53	\$ (444,372.11)	\$ (2,284,261.29)	\$ (2,705,184.91)	\$ 3,167,828.82
Debt Service as a Percentage of Noncapital Expenditures	-	-	-	0.1%	0.1%	0.1%	0.1%	0.3%	0.3%	0.3%

*Amounts include the implementation of Governmental Accounting Standards Board Statement No.84, *Fiduciary Activities*.

Source: District Records

WATERFORD TOWNSHIP SCHOOL DISTRICT
 General Fund - Other Local Revenue by Source
 Last Ten Fiscal Years (modified accrual basis of accounting)
 Unaudited

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Interest on Investments	\$ 179,920.95	\$ 7,510.57	\$ 4,561.34	\$ 34,023.95	\$ 69,837.86	\$ 23,382.15	\$ 5,244.44	\$ 6,549.99	\$ 4,270.45	\$ 11,637.73
Interest on Investments - Capital Reserve Account	35,378.06	2,133.85	565.54	11,047.55	9,228.78			0.09	107.55	910.49
Interest on Investments - Maintenance Reserve Account	16,553.39	960.18	59.73							
Refund of Prior Year Expenditures	12,189.70	94,623.38	153,260.55	19,249.09	20,038.98	57,191.61	13,495.11	83,556.54	28,219.39	63,197.33
E-Rate Reimbursement	35,693.15	40,552.68	29,176.27	25,149.60	25,149.60	71,190.31	27,781.92	15,822.00	1,908.28	2,721.34
Insurance Reimbursements					3,500.00					15,728.51
Cancellation of Stale Checks			177.46	1,598.48						
Donations from Private Sources			16.78	19.84					3,736.35	
Jury Duty Reimbursement				50.00						
Lifetouch Commission			550.00							
Prior Years Tuition Refunds	52,398.13	67,060.54		20,519.37						
Premium Proceeds on Grant Anticipation Note									2,179.00	
Miscellaneous Fines		10,364.38	100.00			1,321.39	63.22			
Sale of Assets	100.00	250.00			30,300.00	2,992.50	693.01	3,754.52		174.93
Use of Facilities	2,962.50			1,750.00	125.00			187.50	125.00	250.00
Miscellaneous Services Provided to Others			640.18			2,800.00	700.00		4,020.75	1,228.95
Transportation Fees	1,556.80		38,933.01	28,264.54	10,276.37	35,173.68	47,262.60	91,653.31	45,312.13	61,912.13
New Jersey Clean Energy Rebate						8,085.00				
Recycling Revenues				690.00						
Other Miscellaneous Income	320.56									
IRS Refund	137,191.82									
Misc Indirect Costs	6,967.07									
Revenue from Preschool Education Grant-										
Indirect Costs Reimbursement	153,696.25	259,875.04	257,716.93	223,709.69	235,698.57					
Revenue from Cafeteria -										
Indirect Costs Reimbursement	34,304.13									
Revenue from ARP Grant-										
Indirect Costs Reimbursement	78,614.62									
	<u>\$ 747,847.13</u>	<u>\$ 483,330.62</u>	<u>\$ 485,757.79</u>	<u>\$ 366,072.11</u>	<u>\$ 404,155.16</u>	<u>\$ 202,136.64</u>	<u>\$ 95,240.30</u>	<u>\$ 201,523.95</u>	<u>\$ 105,607.41</u>	<u>\$ 142,032.90</u>

Source: District Records.

Revenue Capacity Information

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

WATERFORD TOWNSHIP SCHOOL DISTRICT
 Assessed Value and Actual Value of Taxable Property
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ended June 30.	Vacant Land	Residential	Farm Reg./Qual.	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (1)	Net Valuation Taxable	Tax-Exempt Property	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate (2)
2023	\$ 13,564,100.00	\$ 630,215,800.00	\$ 13,839,900.00	\$ 46,153,800.00	\$ 1,295,400.00	\$ 3,580,900.00	\$ 708,649,900.00	\$ 72.00	\$ 708,649,972.00	\$ 122,399,100.00	\$ 983,587,820.00	\$ 2.041
2022	13,853,900.00	629,135,600.00	14,319,600.00	45,656,700.00	1,295,400.00	3,580,900.00	707,842,100.00	82.00	707,842,182.00	121,267,100.00	863,945,122.00	2.042
2021	14,058,700.00	629,207,400.00	13,531,000.00	45,944,900.00	1,295,400.00	3,601,400.00	707,638,800.00	200.00	707,639,000.00	120,232,100.00	807,694,412.00	1.979
2020	14,162,700.00	627,559,500.00	14,293,200.00	45,957,900.00	1,295,400.00	3,601,400.00	706,870,100.00	200.00	706,870,300.00	119,789,300.00	782,570,628.00	1.960
2019	15,045,300.00	627,396,300.00	13,827,800.00	46,054,600.00	1,549,700.00	3,601,400.00	707,475,100.00	200.00	707,475,300.00	118,323,800.00	771,126,609.00	1.943
2018	14,843,100.00	626,041,400.00	13,602,000.00	46,720,900.00	1,345,900.00	3,601,400.00	706,154,700.00	200.00	706,154,900.00	115,837,000.00	763,031,236.00	1.947
2017	15,636,000.00	623,757,700.00	12,979,400.00	47,670,900.00	1,345,900.00	3,601,400.00	704,991,300.00	200.00	704,991,500.00	115,773,900.00	748,790,703.00	1.935
2016	15,380,400.00	619,688,900.00	17,079,100.00	48,594,700.00	1,739,900.00	2,443,800.00	704,926,800.00	200.00	704,927,000.00	114,783,400.00	752,071,484.00	1.863
2015 (3)	15,463,300.00	617,512,800.00	22,273,800.00	49,139,200.00	1,739,900.00	2,143,800.00	708,272,800.00	1,684,995.00	709,957,795.00	113,103,400.00	738,781,327.00	2.677
2014	10,532,600.00	415,318,600.00	14,685,700.00	29,326,400.00	1,146,000.00	2,394,900.00	473,404,200.00	1,003,315.00	474,407,515.00	54,566,900.00	771,675,144.00	2.660

(1) Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

(2) Tax Rates are per \$100.00 of Assessed Valuation

(3) Revaluation

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate (1)	General Obligation Debt Service (2)	Total Direct School Tax Rate	Township of Waterford	County of Camden	
2023	\$ 2.064		\$ 2.064	\$ 1.230	\$ 0.939	\$ 4.234
2022	2.041		2.041	1.141	0.899	4.080
2021	2.042		2.042	1.138	0.906	4.085
2020	1.975	0.004	1.979	1.138	0.862	3.979
2019	1.954	0.006	1.960	1.137	0.868	3.964
2018	1.938	0.006	1.943	1.100	0.892	3.935
2017	1.941	0.006	1.947	1.051	0.883	3.881
2016	1.922	0.012	1.935	0.997	0.861	3.793
2015 (3)	1.851	0.012	1.863	1.379	1.355	4.597
2014	2.660	0.018	2.677	1.356	1.353	5.386

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

(2) Rates for debt service are based on each year's requirements.

(3) Revaluation

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as the prebudget year net budget increased by the cost of living or 2,5 percent, whichever is greater, plus any growth adjustments.

Source: Municipal Tax Collector

WATERFORD TOWNSHIP SCHOOL DISTRICT

Principal Property Tax Payers
Current Year and Ten Years Ago
Unaudited

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
National Amusement	\$ 2,948,500.00	1	0.42%	\$ 1,950,900.00	2	0.41%
Atco Equities LLC (Rite Aid Corp)	2,090,500.00	2	0.29%	913,500.00	6	0.19%
Broadway Square Reality	2,000,000.00	3	0.28%	3,000,000.00	1	0.64%
Onxy Properties LLC	1,992,600.00	4	0.28%			N/A
Atco Dragway Enterprises LLC	1,869,300.00	5	0.26%	949,300.00	5	0.20%
UFP Eastern Div% UFP Berlin LLC	1,304,200.00	6	0.18%	723,900.00	9	0.15%
Campbell Foundry Co.	1,170,200.00	7	0.17%	806,900.00	9	0.17%
Atco Development Association LLC	1,026,300.00	8	0.14%			N/A
SAI Hospital NJ Inc	877,400.00	9	0.12%			N/A
UFP Real Estate LLC	790,200.00	10	0.11%	723,900.00	10	0.15%
Pliner Leon Inc			N/A	1,274,400.00	3	0.27%
Meisenzahl Partners, LLC			N/A	1,195,100.00	4	0.25%
Hayes Mill Associates			N/A	896,100.00	7	0.19%
Susquehanna Bank			N/A	869,000.00	8	0.18%
Total	\$ 16,069,200.00		2.27%	\$ 13,303,000.00		2.83%

Source: Municipal Tax Assessor

WATERFORD TOWNSHIP SCHOOL DISTRICT
 Property Tax Levies and Collections
 Last Ten Fiscal Years
 Unaudited

Fiscal Year <u>Ended June 30,</u>	School Taxes Levied for the <u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (1)</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2023	\$ 14,628,565.00	\$ 14,628,565.00	100.00%	-
2022	14,447,965.00	14,447,965.00	100.00%	-
2021	14,447,965.00	14,447,965.00	100.00%	-
2020	13,989,807.00	13,989,807.00	100.00%	-
2019	13,723,252.00	13,723,252.00	100.00%	-
2018	13,723,140.00	13,723,140.00	100.00%	-
2017	13,636,861.00	13,636,861.00	100.00%	-
2016	13,228,701.00	13,228,701.00	100.00%	-
2015	12,873,105.85	12,873,105.85	100.00%	-
2014	12,701,851.38	12,701,851.38	100.00%	-

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

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

Debt Capacity Information

Debt capacity information is intended to assist users in understanding and assessing the School District's debt burden and its ability to issue additional debt. Please refer to the following exhibits for a historical view of the School District's outstanding debt and its debt capacity.

WATERFORD TOWNSHIP SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income (2)	Per Capita (3)
	General Obligation Bonds (1)	Financed Purchases	Grant Anticipation Notes	Capital Leases				
2023		\$ 260,543.16			\$ 260,543.16	Unavailable	Unavailable	
2022		60,877.79			60,877.79	Unavailable	\$ 5.85	
2021		102,287.81			102,287.81	0.016%	9.84	
2020		22,330.35			22,330.35	0.004%	2.10	
2019	\$ 30,000.00	614,867.22	\$ 1,250,000.00		1,894,867.22	0.318%	177.36	
2018	70,000.00	121,325.41	1,250,000.00		1,441,325.41	0.249%	134.62	
2017	105,000.00	1,714,531.96	1,250,000.00		3,069,531.96	0.549%	284.90	
2016	140,000.00	2,200,308.05	2,750,000.00		5,090,308.05	0.958%	473.34	
2015	220,000.00	2,732,598.68	1,500,000.00		4,452,598.68	0.861%	414.08	
2014	295,000.00	68,016.20			363,016.20	0.072%	33.83	

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

Sources:

- (1) District Records. Includes Early Retirement Incentive Plan (ERIP) refunding
- (2) Personal income has been estimated based upon the municipal population and per capita
- (3) Per Capita personal income by municipality-estimated based upon 2010 census published

WATERFORD TOWNSHIP SCHOOL DISTRICT
 Ratios of Net General Bonded Debt Outstanding
 Last Ten Fiscal Years
 Unaudited

General Bonded Debt Outstanding

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>General</u> <u>Obligation</u> <u>Bonds</u>	<u>Deductions</u>	<u>Net General</u> <u>Bonded Debt</u> <u>Outstanding</u>	<u>Percentage of</u> <u>Actual Taxable</u> <u>Value of Property</u>	<u>Per Capita (2)</u>
2023					
2022					
2021					
2020					
2019	\$ 30,000.00		\$ 30,000.00	0.00%	\$ 2.81
2018	70,000.00		70,000.00	0.01%	6.54
2017	105,000.00		105,000.00	0.01%	9.75
2016	140,000.00		140,000.00	0.02%	13.02
2015	220,000.00		220,000.00	0.03%	20.46
2014	295,000.00		295,000.00	0.06%	27.49
2013	365,000.00		365,000.00	0.08%	34.01

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

- (1) See Exhibit No. J-6 for property tax data.
- (2) Population data can be found in Exhibit No. J-14.

Source: District Records.

WATERFORD TOWNSHIP SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2022
Unaudited

Township of Waterford:

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Waterford Township</u>
Municipal Debt: (1)				
Waterford Township School District				
Waterford Township Water and Sewer Utility	\$ 3,808,183.47	\$ 3,808,183.47		
Waterford Township	<u>12,403,775.00</u>	<u>157,828.05</u>	<u>\$ 12,245,946.95</u>	<u>\$ 12,245,946.95</u>
	<u>16,211,958.47</u>	<u>3,966,011.52</u>	<u>12,245,946.95</u>	<u>12,245,946.95</u>
Overlapping Debt Apportioned to the Municipality:				
County of Camden: (2)				
General:				
Bonds	64,387,267.00	22,237,615.00 (3)	42,149,652.00	865,496.06 (5)
Notes	42,980,000.00		42,980,000.00	
Loan Agreement	347,760,000.00		347,760,000.00	7,140,863.43 (5)
Bonds Issued by Other Public Bodies Guaranteed by the County	<u>223,550,595.00</u>	<u>223,550,595.00 (4)</u>		
	<u>678,677,862.00</u>	<u>245,788,210.00</u>	<u>432,889,652.00</u>	<u>8,006,359.48</u>
	<u>\$ 694,889,820.47</u>	<u>\$ 249,754,221.52</u>	<u>\$ 445,135,598.95</u>	<u>\$ 20,252,306.43</u>

Sources:

- (1) 2022 Annual Debt Statement
 - (2) County's 2022 Audit Report
 - (3) Includes Reserve for Payment of Bonds, Other Accounts Receivable and General Obligation Pension Refunding Bonds.
 - (4) Deductible in accordance with N.J.S. 40:37A-80.
 - (5) Such debt is allocated as a proportion of the Township's share of the total 2022 Equalized Value, which is 2.01%.
- The source for this computation was the 2021 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

WATERFORD TOWNSHIP SCHOOL DISTRICT
 Legal Debt Margin Information
 Last Ten Fiscal Years
 Unaudited

Legal Debt Margin Calculation for Fiscal Year 2023

	Equalized valuation basis	
	2022	\$ 981,614,339.00
	2021	862,658,540.00
	2020	<u>805,458,181.00</u>
	[A]	<u>\$ 2,649,731,060.00</u>
	Average equalized valuation of taxable property	
	[A/3]	\$ 883,243,686.67
	Debt limit (2.5% of average equalization value)	[B] \$ 22,081,092.17
	Total Net Debt Applicable to Limit	[C] <u>-</u>
	Legal Debt Margin	[B-C] <u>\$ 22,081,092.17</u>

	Fiscal Year									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Debt limit	\$ 22,081,092.17	\$ 20,419,798.23	\$ 19,637,054.25	\$ 19,266,577.51	\$ 18,980,526.48	\$ 18,864,839.73	\$ 18,882,022.15	\$ 19,038,091.79	\$ 19,495,661.87	\$ 20,397,726.56
Total net debt applicable to limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,280,000.00</u>	<u>1,320,000.00</u>	<u>1,605,000.00</u>	<u>2,890,000.00</u>	<u>1,720,000.00</u>	<u>295,000.00</u>
Legal debt margin	<u>\$ 22,081,092.17</u>	<u>\$ 20,419,798.23</u>	<u>\$ 19,637,054.25</u>	<u>\$ 19,266,577.51</u>	<u>\$ 21,680,649.08</u>	<u>\$ 22,534,390.98</u>	<u>\$ 18,939,642.68</u>	<u>\$ 16,603,862.83</u>	<u>\$ 14,415,393.34</u>	<u>\$ 12,747,382.99</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	6.74%	7.00%	8.50%	15.18%	8.82%	1.45%

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

Demographic and Economic Information

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within which the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

WATERFORD TOWNSHIP SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2023	Unavailable	Unavailable	Unavailable	Unavailable
2022	10,402	Unavailable	Unavailable	4.2%
2021	10,400	\$ 641,076,800.00	\$ 61,642.00	6.7%
2020	10,657	626,951,310.00	58,830.00	10.3%
2019	10,684	595,953,520.00	55,780.00	4.1%
2018	10,707	579,280,821.00	54,103.00	4.7%
2017	10,774	558,933,572.00	51,878.00	5.4%
2016	10,754	531,161,568.00	49,392.00	5.8%
2015	10,753	517,047,252.00	48,084.00	6.9%
2014	10,732	503,180,552.00	46,886.00	8.7%

Source:

- (1) Population information provided by the NJ Dept of Labor and Workforce Development (July 1)
- (2) Personal income has been estimated based upon the municipal population and per capita personal income presented
- (3) Per Capita personal income by municipality-estimated based upon the 2010 Census published by the US Bureau of Economic Analysis.
- (4) Unemployment data provided by the NJ Dept of Labor and Workforce Development

WATERFORD TOWNSHIP SCHOOL DISTRICT
Principal Employers
Current Year and Ten Years Ago
Unaudited

<u>Employer</u>	<u>2023</u>			<u>2014</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>
Archway Programs (and Subsidiaries)	450	1	9.52%	200	1	3.78%
Fountains	200	2	4.23%			
Woodlands At Hayes Mill	100	3	2.12%			
Landvista Aquascapes	68	4	1.44%			
Heat & Control Inc.	50	5	1.06%			
Atco Dragway	50	6	1.06%			
Raio Contracting	50	7	1.06%			
Louden Sheet Metal	30	8	0.63%			
Wawa	25	9	0.53%			
Virtua Primary Care	25	10	0.53%			
B&B Custom Drywall, Inc				200	2	3.78%
Gateway Communities Inc.				200	3	3.78%
Sunrise Senior Living, Inc				58	4	1.10%
Atco Foods Inc.				50	5	0.95%
Defalco & Bisconti, Inc.				40	6	0.76%
WB Adams Trucking				30	7	0.57%
Morgan's Bus Service Inc				31	8	0.59%
Mack Korp Associates LLC				27	9	0.51%
O T Transportation, Inc.				26	10	0.49%
	<u>1,048</u>		<u>22.18%</u>	<u>862</u>		<u>16.31%</u>

Operating Information

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

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

<u>Function/Program</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019 (1)</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Certified:										
Instruction										
Regular	50.8	58.0	53.0	55.0	46.0	61.8	60.0	60.5	52.6	61.0
Special education	23.0	23.0	16.0	17.0	14.0	42.72	38.0	33.4	56.5	27.0
Basic Skills	11.0	17.0	13.0	14.0	16.0					
Enrichments	10.4									
Support Services:										
Student & instruction related services	14.6	17.0	17.5	17.7	15.1	31.5	35.1	46.9	27.7	33.0
General administrative services	1.0	0.5	0.5	0.5	0.5	1.0	2.0	2.0	2.0	2.0
School administrative services	4.0	2.5	2.5	2.5	2.5	6.5	6.5	5.3	5.3	5.3
Business administrative services	1.0	1.0	1.0	1.0	1.0	5.0	5.0	5.0	5.0	5.0
Plant operations and maintenance						6.0	6.0	6.0	6.0	6.0
Pupil transportation						2.0	2.0	2.0	2.0	2.0
Total Certified	115.9	119.0	103.5	107.7	95.0	156.6	154.6	161.1	157.1	141.3
Non- Certified:										
Instruction										
Regular	28.00	47.00	35.00	21.72	10.1					
Special education		5.00		5.00	6.4					
Basic Skills				3.68	0.3					
Support Services:										
Student & instruction related services	41.67	18.45	21.00	28.80	18.8					
General administrative services	1.00	0.50	0.50	0.50	0.5					
School administrative services	5.00	4.50	5.50	4.50	4.1					
Business administrative services	4.60	4.60	3.70	4.20	4.0					
Plant operations and maintenance	9.60	10.55	12.63	9.47	10.1					
Non-Instructional Aides	5.91	6.58	1.74	4.74	3.8					
Pupil transportation	2.00	2.00	2.00	2.00	2.0					
Child Care								10.0	10.0	
Total Non Certified	97.78	99.18	82.07	84.61	60.08			10.0	9.97	
Total	213.63	218.18	185.57	192.3	155.1	156.6	154.6	171.1	167.1	141.3

(1) In 2019 the School District began reporting full-time equivalent employees as certified and non-certified.

Source: District Personnel Records

WATERFORD TOWNSHIP SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years
 Unaudited

<u>Fiscal</u>	<u>Elementary Enrollment</u>	<u>Secondary Enrollment (1)</u>	<u>Operating Expenditures (2)</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff (3)</u>	<u>Pupil/Teacher Ratio Elementary</u>	<u>Average Daily Enrollment (ADE) (4)</u>	<u>Average Daily Attendance (ADA) (4)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2023	938	650	\$ 36,031,552.85	\$ 22,689.89	8.67%	83.2	9.80	936.1	866.4	1.83%	92.55%
2022	913	626	34,000,516.61	\$ 22,092.60	5.81%	82.0	9.00	919.3	841.5	6.28%	91.54%
2021	857	645	31,361,497.65	20,879.83	2.61%	82.0	10.45	865.0	813.0	-3.01%	93.99%
2020	878	665	31,399,267.03	20,349.49	-0.41%	76.0	10.71	891.8	865.5	-2.62%	97.05%
2019	814	679	30,505,515.73	20,432.36	9.42%	73.4	11.50	915.8	867.6	13.59%	94.74%
2018	844	686	28,569,080.65	18,672.60	-1.48%	78.0	10.40	806.2	760.8	0.39%	94.36%
2017	811	734	29,282,424.22	18,953.03	6.56%	73.0	10.86	803.1	759.4	-3.42%	94.56%
2016	834	780	28,707,309.70	17,786.44	8.85%	76.8	11.12	831.6	792.9	-5.29%	95.35%
2015	854	774	26,601,389.98	16,339.92	4.06%	74.0	12.14	878.0	836.0	0.99%	95.22%
2014	898	809	26,803,552.79	15,702.14	7.10%	83.0	11.01	869.4	830.7	-4.56%	95.55%

Sources: District records and ASSA

Note: Enrollment based on annual October district count.

- (1) Secondary students are sent on a tuition basis.
- (2) Operating expenditures equal total expenditures less debt service and capital outlay
- (3) Teaching staff includes only full-time equivalents of certificated staff.
- (4) Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS). and includes elementary students only, secondary students are sent on a tuition basis.

WATERFORD TOWNSHIP SCHOOL DISTRICT
 School Building Information
 Last Ten Fiscal Years
 Unaudited

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>District Building</u>										
<u>Elementary</u>										
Atco (1965)										
Square Feet	27,360	25,600	25,600	25,600	25,600	25,600	25,600	25,600	25,600	25,600
Capacity (students)	235	185	185	185	185	150	150	150	150	150
Enrollment	205	191	191	204	204	208	204	220	204	179
Thomas Richards (1979)										
Square Feet	31,793	30,033	30,033	30,033	30,033	30,033	30,033	30,033	30,033	30,033
Capacity (students)	302	252	252	221	221	193	193	193	193	193
Enrollment	267	234	234	234	234	269	231	231	255	213
Waterford (1985)										
Square Feet	71,418	71,418	71,418	71,418	71,418	71,418	71,418	71,418	71,418	71,418
Capacity (students)	423	423	423	423	423	444	444	444	444	444
Enrollment	465	371	371	439	439	330	19	328	364	452
<u>Other</u>										
Office Building (1985)										
Square Feet	6,541	6,541	6,541	6,541	6,541	6,541	6,541	6,541	6,541	6,541

* Kindergarten students were counted as .5 because they are half day.

Number of Schools at June 30, 2023
 Elementary = 3

Sources: ASSA, Square Footage from most recent Long Range Facilities Plan
 Capacity = FES from most recent Long Range Facilities Plan

WATERFORD TOWNSHIP SCHOOL DISTRICT
 Schedule of Required Maintenance
 Last Ten Fiscal Years
 Unaudited

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

* School Facilities	Project # (s)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Waterford Elementary	N/A	\$ 162,304.90	\$ 197,435.29	\$ 176,958.98	\$ 124,164.15	\$ 189,726.04	\$ 101,824.66	\$ 98,693.54	\$ 104,067.90	\$ 101,881.65	\$ 98,120.72
Thomas Richards Elementary	N/A	105,827.11	121,890.98	72,304.07	55,368.01	136,816.91	191,316.32	37,942.10	31,152.25	47,500.18	63,857.38
Atco Elementary	N/A	49,100.80	75,468.11	84,760.98	59,461.87	107,917.79	70,060.17	129,260.96	25,808.02	34,113.06	33,908.16
Total School Facilities		<u>317,232.81</u>	<u>394,794.38</u>	<u>334,024.03</u>	<u>238,994.03</u>	<u>434,460.74</u>	<u>363,201.15</u>	<u>265,896.60</u>	<u>161,028.17</u>	<u>183,494.89</u>	<u>195,886.26</u>
Other Facilities	N/A		3,801.00	12,453.80	89,772.02	80,233.60	2,480.92	1,939.00	10,375.32	4,979.59	2,131.54
Grand Total		<u>\$ 317,232.81</u>	<u>\$ 398,595.38</u>	<u>\$ 346,477.83</u>	<u>\$ 328,766.05</u>	<u>\$ 514,694.34</u>	<u>\$ 365,682.07</u>	<u>\$ 267,835.60</u>	<u>\$ 171,403.49</u>	<u>\$ 188,474.48</u>	<u>\$ 198,017.80</u>

* School Facilities as defined under EFCFA.
 (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District Records

WATERFORD TOWNSHIP SCHOOL DISTRICT

Insurance Schedule

June 30, 2023

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Property (1):		
Real and Personal	\$ 500,000,000.00	\$ 5,000.00
Extra Expense	50,000,000.00	5,000.00
Valuable Papers and Records	10,000,000.00	5,000.00
Demolition and Increased Costs of Construction	25,000,000.00	
Loss of Business Income/Tuition	1,000,000.00	
Limited Builders Risk	10,000,000.00	
Fire Department Service Charge	10,000.00	
Arson Reward	10,000.00	
Pollutant Cleanup and Removal	250,000.00	
Sublimits :		
Special Flood Hazard Area Flood Zones	25,000,000.00	500,000.00
Accounts Receivable	250,000.00	
All Flood Zones	75,000,000.00	10,000.00
Earthquake	50,000,000.00	
Terrorism	1,000,000.00	
Electronic Data Processing (1):		
Hardware/Software	800,000.00	1,000.00
Computer Virus	250,000.00	
Terrorism	Included in Property	
Equipment Breakdown (1):		
Combined Single Limit per Accident for Property Damage and Business Income	100,000,000.00	5,000.00
SubLimits:		
Property Damage	Included	
Off Premises Property Damage	100,000.00	
Business Income	Included	
Extra Expense	10,000,000.00	
Service Interruption	10,000,000.00	
Perishable Goods	500,000.00	
Data Restoration	100,000.00	
Contingent Business Income	100,000.00	
Demolition	1,000,000.00	
Ordinance or Law	1,000,000.00	
Expediting Expenses	500,000.00	
Hazardous Substances	500,000.00	
Newly Acquired Locations (120 day notice)	250,000.00	
Terrorism	Included	

(Continued)

WATERFORD TOWNSHIP SCHOOL DISTRICT

Insurance Schedule

June 30, 2023

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Crime (1):		
Public Employee Dishonesty with Faithful Performance	\$ 250,000.00	\$ 1,000.00
Theft, Disappearance and Destruction - Loss of Money & Securities on or Off Premises	25,000.00	500.00
Theft, Disappearance and Destruction - Money Orders & Conterfeit Paper Currency	25,000.00	500.00
Forgery or Alteration	25,000.00	500.00
Computer Fraud	25,000.00	500.00
Comprehensive General Liability (1):		
Bodily Injury and Property Damage	16,000,000.00	
Products and Completed Operations	16,000,000.00	
Sexual Abuse		
per occurrence	16,000,000.00	
annual NJSIG aggregate	17,000,000.00	
Personal Injury and Advertising Injury	16,000,000.00	
Employee Benefits Liability	16,000,000.00	1,000.00
Premises Medical Payments		
per accident	10,000.00	
limit per person	5,000.00	
Terrorism	1,000,000.00	
Automobile (1):		
Liability:		
Bodily Injury and Property Damage	16,000,000.00	
Uninsured/Underinsured Motorists - Private Passenger Auto	1,000,000.00	
Uninsured/Underinsured Motorists - All Other Vehicles		
Bodily Injury Per Person	15,000.00	
Bodily Injury Per Accident	30,000.00	
Property Damage Per Accident	5,000.00	
Personal Injury Protection (including pedestrians)	250,000.00	
Medical Payments:		
private passenger vehicles	10,000.00	
all other vehicles	5,000.00	
Terrorism	1,000,000.00	
Physical Damage (Scheduled vehicles only):		
Comprehensive		1,000.00
Collision		1,000.00
Hire Car Physical Damage (\$110,000.00 limit)		1,000.00
Replacement Costs	Not Covered	
Garage Keepers	Included	
Workers Compensation (1):		
Bodily Injury by Accident	2,000,000.00	
Bodily Injury by Disease (each employee)	2,000,000.00	
Bodily Injury by Disease (aggregate limit)	2,000,000.00	

(Continued)

WATERFORD TOWNSHIP SCHOOL DISTRICT

Insurance Schedule

June 30, 2023

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
School Leaders Errors & Omissions Liability (1):		
Coverage A	\$ 15,000,000.00	\$ 10,000.00
Coverage B:		
Each Claim	100,000.00	10,000.00
Each Policy Period	300,000.00	
Student Accident Coverage/ Per Accident (2):		
Class I	1,000,000.00	
Class II	25,000.00	
Surety Bond Coverage - Board Secretary (3)	250,000.00	

(1) - New Jersey Schools Insurance Group (NJSIG)

(2) - Zurich Insurance Company

(3) - Western Surety

SINGLE AUDIT SECTION

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

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Waterford School District
County of Camden
Waterford, New Jersey 08089

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement 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, and each major fund of the Township of Waterford School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated February 5, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Waterford 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Scott P. Barron
Certified Public Accountant
Public School Accountant No. CS 02459

Voorhees, New Jersey
February 5, 2024

Exhibit K-2

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND
STATE OF NEW JERSEY CIRCULAR 15-08-OMB**

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Waterford School District
County of Camden
Waterford, New Jersey 08089

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Township of Waterford School District's, in the County of Camden, State of New Jersey, compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2023. The 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 Township of Waterford School District, in the County of Camden, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2023.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; 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 State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB, 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 School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the School District's 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 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 auditing standards generally accepted in the United States of America; *Government Auditing Standards*; the Office of School Finance, Department of Education, State of New Jersey; Uniform Guidance; and State of New Jersey Circular 15-08-OMB, 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 judgement made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB, we:

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

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

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and 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 and 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 and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Scott P. Barron
Certified Public Accountant
Public School Accountant No. CS 02459

Voorhees, New Jersey
February 5, 2024

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards, Schedule A
 For the Fiscal Year Ended June 30, 2023

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Additional Award Identification	Federal FAIN Number	Pass-Through Entity Identifying Number	Program or Award Amount	Grant Period		Balance June 30, 2022
						From	To	
General Fund:								
U.S. Department of Health and Human Services:								
Passed-through State Department of Education:								
Medical Assistance Program (Medicaid)	93.778		2005NJ5MAP	N/A	\$ 85,742.64	7/1/2022	6/30/2023	
Total Medicaid Assistance Program (SEMI) Cluster								
Total General Fund								
Special Revenue Fund:								
U.S. Department of Education:								
Passed-through State Department of Education:								
E.S.E./E.S.S.A.:								
Title I Grants to Local Educational Agencies	84.010		S010A210030	NCLB026022	285,266.00	7/1/2021	9/30/2022	\$ (31,827.87)
Title I Grants to Local Educational Agencies	84.010		S010A220030	NCLB026023	232,860.00	7/1/2022	9/30/2023	
Title I Grants to Local Educational Agencies - Reallocated	84.010		S010A180030	NCLB026020	11,525.00	7/1/2020	9/30/2021	(0.31)
Title I Grants to Local Educational Agencies - SIA	84.010		S010A220030	NCLB026023	10,000.00	7/1/2022	9/30/2023	
Total Title I Grants to Local Educational Agencies								(31,828.18)
Supporting Effective Instruction State Grants (Title II)	84.367		S367A210029	NCLB026022	31,825.00	7/1/2021	9/30/2022	(1,902.73)
Supporting Effective Instruction State Grants (Title II)	84.367		S367A220029	NCLB026022	42,805.00	7/1/2022	9/30/2023	
Total Supporting Effective Instruction State Grants (Title II)								(1,902.73)
Student Support & Academic Enrichment Grant (Title IV)	84.424		S424A210031	NCLB026022	16,014.00	7/1/2021	9/30/2022	(16,014.00)
Student Support & Academic Enrichment Grant (Title IV)	84.424		S424A220031	NCLB026022	15,444.00	7/1/2022	9/30/2023	
Total Student Support & Academic Enrichment Grants (Title IV)								(16,014.00)
Special Education Cluster (IDEA)								
Special Education Grants to States (IDEA Basic)	84.027		H027A210030	FT-5560-22	226,731.00	7/1/2021	9/30/2022	(54,775.00)
Special Education Grants to States (IDEA Basic)	84.027		H027A210100	FT-5560-22	241,058.00	7/1/2022	9/30/2023	
Special Education Preschool Grants (IDEA Preschool)	84.173		H173A210114	PS-5560-22	17,399.00	7/1/2021	9/30/2022	
American Rescue - Plan IDEA Basic	84.027x		H027X210100	N/A	40,654.00	7/1/2021	9/30/2023	(32,095.00)
American Rescue - Plan IDEA Preschool	84.173x		H173X210114	N/A	3,461.00	7/1/2021	9/30/2023	(3,077.69)
Total Special Education Cluster (IDEA)								(89,947.69)
CRRSA Consolidated:								
CRRSA - ESSER II								
Learning Acceleration	84.425D	COVID-19, 84.425D	S425D210027	N/A	719,127.00	3/13/2020	9/30/2023	(252,465.03)
Mental Health	84.425D	COVID-19, 84.425D	S425D210027	N/A	46,150.00	3/13/2020	9/30/2023	(11,702.00)
Mental Health	84.425D	COVID-19, 84.425D	S425D210027	N/A	45,000.00	3/13/2020	9/30/2023	(45,000.00)
Total CRRSA Consolidated								(309,167.03)
American Rescue Plan:								
Elementary and Secondary Schools Relief (ESSER)								
Evidence Based Summer Learning	84.425U		S425U210027	N/A	1,616,191.00	3/13/2020	9/30/2024	(438,843.56)
NJTSS Mental Health Staffing Support	84.425U		S425U210027	N/A	40,000.00	3/13/2020	9/30/2024	(1,112.81)
Evidence Based Comprehensive Beyond the School Day Activities	84.425U		S425U210027	N/A	45,000.00	3/13/2020	9/30/2024	
Accelerated Learning Coach and Educator Support	84.425U		S425U210027	N/A	40,000.00	3/13/2020	9/30/2024	
Accelerated Learning Coach and Educator Support	84.425U		S425U210027	N/A	127,654.00	3/13/2020	9/30/2024	
Total American Rescue Plan								(439,956.37)
Additional Compensatory Special Education & Related Services for Students with Disabilities (ACSERS)								
	21.027		SLFRFDOE1SES	N/A	141,773.00	7/1/2022	6/30/2023	
Federal Communications Commission:								
Emergency Connectivity Fund (ECF) Program								
	32.009		ECF2290001766	N/A	48,173.75	7/1/2022	2/29/2024	
Total Special Revenue Fund								
Enterprise Fund:								
U.S. Department of Agriculture								
Passed-through State Department of Agriculture								
Child Nutrition Cluster:								
School Breakfast Program:								
School Breakfast Program - Seamless Summer Option	10.553		221NJ304N1099	N/A	192,569.39	7/1/2021	6/30/2022	(14,999.59)
School Breakfast Program	10.553		221NJ304N1099	N/A	47,698.80	7/1/2022	6/30/2023	
Total School Breakfast Program								(14,999.59)
National School Lunch Program:								
National School Lunch Program - Commodities (Noncash)	10.555		221NJ304N1099	N/A	39,737.29	7/1/2022	6/30/2023	
National School Lunch Program - Seamless Summer Option	10.555	COVID-19	211NJ304N1099	N/A	337,287.94	7/1/2021	6/30/2022	(23,971.38)
National School Lunch Program	10.555	COVID-19	221NJ304N1099	N/A	132,798.13	7/1/2022	6/30/2023	
COVID Supply Chain Assistance	10.555		221NJ304N1099	N/A	22,614.07	7/1/2022	6/30/2023	(22,614.07)
Total National School Lunch Program								(46,585.45)
Total Child Nutrition Cluster								
Total Enterprise Fund								
Total Federal Financial Assistance								
								\$ (950,401.04)

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

(a) See Note 6 to the Schedule of Expenditures of Federal Awards and State Financial Assistance

Carryover/ Walkover Amount	Cash Received	Budgetary Expenditures			Passed - Through to Subrecipients	Adjustments (a)	Repayment of Prior Years' Balances	Balance at June 30, 2023		
		Pass-Through Funds	Direct Funds	Total Budgetary Expenditures				(Accounts Receivable)	Unearned Revenue	Due to Grantor June 30, 2023
	\$ 85,742.64	\$ (85,742.64)		\$ (85,742.64)						
	85,742.64	(85,742.64)		(85,742.64)						
	85,742.64	(85,742.64)		(85,742.64)						
	34,925.00	(3,097.13)		(3,097.13)						
	103,528.00	(218,882.74)		(218,882.74)				\$ (115,354.74)		
		(10,000.00)		(10,000.00)		\$ 0.31		(10,000.00)		
	138,453.00	(231,979.87)		(231,979.87)		0.31		(125,354.74)		
	3,136.64	(1,233.91)		(1,233.91)						
	36,192.36	(40,192.00)		(40,192.00)				(3,999.64)		
	39,329.00	(41,425.91)		(41,425.91)				(3,999.64)		
	16,014.00									
	15,444.00	(15,444.00)		(15,444.00)						
	31,458.00	(15,444.00)		(15,444.00)						
	54,775.00									
	220,070.00	(241,058.00)		(241,058.00)				(20,988.00)		
	13,461.00	(17,399.00)		(17,399.00)				(3,938.00)		
	40,654.00	(8,559.00)		(8,559.00)						
	3,461.00	(383.31)		(383.31)						
	332,421.00	(267,399.31)		(267,399.31)				(24,926.00)		
	282,905.00	(33,796.91)		(33,796.91)				(3,356.94)		
	44,495.00	(32,792.88)		(32,792.88)		(0.12)				
	45,000.00									
	372,400.00	(66,589.79)		(66,589.79)		(0.12)		(3,356.94)		
	773,984.00	(630,554.87)		(630,554.87)				(295,414.43)		
	29,986.00	(31,473.19)		(31,473.19)				(2,600.00)		
	39,638.00	(42,626.35)		(42,626.35)				(2,988.35)		
	1,037.00	(13,439.05)		(13,439.05)				(12,402.05)		
	73,329.00	(118,709.29)		(118,709.29)				(45,380.29)		
	917,974.00	(836,802.75)		(836,802.75)				(358,785.12)		
	67,884.00	(141,772.07)		(141,772.07)				(73,888.07)		
		(48,173.75)		(48,173.75)				(48,173.75)		
	1,899,919.00	(1,649,587.45)		(1,649,587.45)		0.19		(638,484.26)		
	14,999.59									
	36,272.09	(47,698.80)		(47,698.80)				(11,426.71)		
	51,271.68	(47,698.80)		(47,698.80)				(11,426.71)		
	39,737.29	(39,737.29)		(39,737.29)						
	23,971.38									
	108,339.19	(132,798.13)		(132,798.13)				(24,458.94)		
	55,775.07	(33,161.00)		(33,161.00)						
	227,822.93	(205,696.42)		(205,696.42)				(24,458.94)		
	279,094.61	(253,395.22)		(253,395.22)				(35,885.65)		
	279,094.61	(253,395.22)		(253,395.22)				(35,885.65)		
\$ -	\$ 2,264,756.25	\$ (1,988,725.31)	\$ -	\$ (1,988,725.31)	\$ -	\$ 0.19	\$ -	\$ (674,369.91)	\$ -	\$ -

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance, Schedule B
 For the Fiscal Year Ended June 30, 2023

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Local Match	Grant Period		Balance June 30, 2022	
				From	To	Unearned Revenue/ (Accounts Receivable)	Due to Grantor
General Fund:							
New Jersey Department of Education:							
Current Expense:							
State Aid - Public:							
Equalization Aid	495-034-5120-078	\$ 9,969,582.00		7/1/2021	6/30/2022	\$ (988,516.88)	
Equalization Aid	495-034-5120-078	9,969,582.00		7/1/2022	6/30/2023		
Homeless Tuition Reimbursement	495-034-5120-078	5,323.00		7/1/2021	6/30/2022	(5,323.00)	
Categorical Special Education Aid	495-034-5120-089	981,906.00		7/1/2021	6/30/2022	(97,359.21)	
Categorical Special Education Aid	495-034-5120-089	1,058,579.00		7/1/2022	6/30/2023		
Categorical Security Aid	495-034-5120-084	200,265.00		7/1/2021	6/30/2022	(19,856.93)	
Categorical Security Aid	495-034-5120-084	200,265.00		7/1/2022	6/30/2023		
School Choice Aid	495-034-5120-068	347,139.00		7/1/2021	6/30/2022	(34,419.97)	
School Choice Aid	495-034-5120-068	357,072.00		7/1/2022	6/30/2023		
Total State Aid - Public						(1,145,475.99)	
Transportation Aid:							
Categorical Transportation Aid	495-034-5120-014	632,435.00		7/1/2021	6/30/2022	(62,708.01)	
Categorical Transportation Aid	495-034-5120-014	632,435.00		7/1/2022	6/30/2023		
Additional Nonpublic School Transportation Aid	495-034-5120-014	12,760.00		7/1/2021	6/30/2022	(12,760.00)	
Additional Nonpublic School Transportation Aid	495-034-5120-014	17,784.00		7/1/2022	6/30/2023		
Total Transportation Aid						(75,468.01)	
Extraordinary Aid							
Extraordinary Aid	495-034-5120-044	442,900.00		7/1/2021	6/30/2022	(442,900.00)	
Extraordinary Aid	495-034-5120-044	485,932.00		7/1/2022	6/30/2023		
Total Extraordinary Aid						(442,900.00)	
Payment for Institutionalized Children - Unknown District of Residence							
	495-034-5120-005	21,390.06		7-1-2022	6-30-2023		
Total Payment for Institutionalized Children							
Reimbursed T.P.A.F. Social Security Contributions							
Reimbursed T.P.A.F. Social Security Contributions	495-034-5094-003	612,529.11		7/1/2021	6/30/2022	(30,357.62)	
Reimbursed T.P.A.F. Social Security Contributions	495-034-5094-003	621,553.42		7/1/2022	6/30/2023		
Total Reimbursed T.P.A.F. Social Security Contributions						(30,357.62)	
On-behalf T.P.A.F. Pension Contributions:							
T.P.A.F. Post-Retirement Medical	495-034-5094-001	721,373.00		7/1/2022	6/30/2023		
T.P.A.F. Pension Contributions- Normal Cost	495-034-5094-002	2,708,443.00		7/1/2022	6/30/2023		
T.P.A.F. Non-contributory Insurance	495-034-5094-004	37,577.00		7/1/2022	6/30/2023		
T.P.A.F. Long-Term Disability Insurance	495-034-5094-004	1,347.00		7/1/2022	6/30/2023		
Total On-Behalf TPAF Pension Contributions							
New Jersey Department of Children & Families Services:							
Education Services	100-016-1600-029	43,154.12		7/1/2022	6/30/2023		
Total General Fund						(1,694,201.62)	
Special Revenue Fund:							
New Jersey Department of Education:							
Preschool Education Expansion Aid	495-034-5120-086	1,574,520.00		7/1/2020	6/30/2021	11,170.24	
Preschool Education Expansion Aid	495-034-5120-086	1,868,020.00		7/1/2021	6/30/2022	96,400.86	
Preschool Education Expansion Aid	495-034-5120-086	1,868,020.00		7/1/2022	6/30/2023		
Total Preschool Education Expansion Aid						107,571.10	
School Security Grant	22E00124	38,750.00		7/1/2021	8/31/2023	(38,750.00)	
SDA Emergent Needs and Capital Maintenance in School Districts	EG-0143-D01	37,783.00		7/1/2021	8/31/2023		
Total Special Revenue Fund						68,821.10	
Enterprise Fund:							
State Department of Agriculture:							
National School Lunch Program (State Share)	100-010-3350-023	9,248.95		7/1/2021	6/30/2022	(551.67)	
National School Lunch Program (State Share)	100-010-3350-023	5,299.55		7/1/2022	6/30/2023		
School Breakfast and Lunch State Aid	495-010-3350-002	702.60		7/1/2022	6/30/2023		
Breakfast After the Bell	495-020-3350-004	2,922.90		7/1/2022	6/30/2023		
Total Enterprise Fund						(551.67)	
Total State Financial Assistance						\$ (1,625,932.19)	\$ -
Less: State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:							
General Fund (Non-Cash Assistance):							
New Jersey Department of Treasury:							
On-Behalf T.P.A.F. Pension Contributions:							
T.P.A.F. Post-Retirement Medical	495-034-5094-001	721,373.00		7/1/2022	6/30/2023		
T.P.A.F. Pension Contributions- Normal Cost	495-034-5094-002	2,708,443.00		7/1/2022	6/30/2023		
T.P.A.F. Non-contributory Insurance	495-034-5094-004	37,577.00		7/1/2022	6/30/2023		
T.P.A.F. Long-Term Disability Insurance	495-034-5094-004	1,347.00		7/1/2022	6/30/2023		
Total General Fund (Non-Cash Assistance)							
Total State Financial Assistance subject to Major Program Determination for State Single Audit							

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

(a) See Note 6 to the Schedule of Expenditures of Federal Awards and State Financial Assistance

Carryover/ (Walkover) Amount	Cash Received	Total Budgetary Expenditures	Passed- Through Subrecipients	Adjustments (a)	Repayment of Prior Years' Balances	Balance at June 30, 2023			Memo	
						Accounts Receivable	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2023	Cumulative Total Expenditures
	\$ 988,516.88									\$ (9,969,582.00)
	8,992,513.05	\$ (9,969,582.00)				\$ (977,068.95)			\$ (977,068.95)	(9,969,582.00)
	5,323.00									(5,323.00)
	97,359.21									(981,906.00)
	954,832.96	(1,058,579.00)				(103,746.04)			(103,746.04)	(1,058,579.00)
	19,856.93									(200,265.00)
	180,638.03	(200,265.00)				(19,626.97)			(19,626.97)	(200,265.00)
	34,419.97									(347,139.00)
	322,077.16	(357,072.00)				(34,994.84)			(34,994.84)	(357,072.00)
	11,595,537.19	(11,585,498.00)				(1,135,436.80)			(1,135,436.80)	(23,089,713.00)
	62,708.01									(632,435.00)
	570,453.20	(632,435.00)				(61,981.80)			(61,981.80)	(632,435.00)
	12,760.00									(12,760.00)
		(17,784.00)				(17,784.00)				(17,784.00)
	645,921.21	(650,219.00)				(79,765.80)			(61,981.80)	(1,295,414.00)
	442,900.00									(442,900.00)
		(485,932.00)				(485,932.00)				(485,932.00)
	442,900.00	(485,932.00)				(485,932.00)				(928,832.00)
		(21,390.06)				(21,390.06)				(21,390.06)
		(21,390.06)				(21,390.06)				(21,390.06)
	30,357.62									(612,529.11)
	560,809.29	(621,553.42)				(60,744.13)				(621,553.42)
	591,166.91	(621,553.42)				(60,744.13)				(1,234,082.53)
	721,373.00	(721,373.00)								(721,373.00)
	2,708,443.00	(2,708,443.00)								(2,708,443.00)
	37,577.00	(37,577.00)								(37,577.00)
	1,347.00	(1,347.00)								(1,347.00)
	3,468,740.00	(3,468,740.00)								(3,468,740.00)
	43,154.12	(43,154.12)								(43,154.12)
	16,787,419.43	(16,876,486.60)				(1,761,878.73)			(1,197,418.60)	(30,059,935.65)
	186,802.00	(11,170.24)								(1,641,028.91)
	1,811,253.60	(283,202.86)				(201,250.40)	299,198.34		(201,250.40)	(1,740,066.79)
	1,998,055.60	(1,713,305.66)				(201,250.40)	299,198.34		(201,250.40)	(1,713,305.66)
	38,750.00	(2,007,678.76)				(201,250.40)	299,198.34		(201,250.40)	(5,094,401.36)
	37,783.00									(38,750.00)
	2,074,588.60	(37,783.00)								(37,783.00)
		(2,045,461.76)				(201,250.40)	299,198.34		(201,250.40)	(5,170,934.36)
	551.67									(9,248.95)
	4,310.83	(5,299.55)				(988.72)				(5,299.55)
	515.40	(702.60)				(187.20)				(702.60)
	2,237.60	(2,922.90)				(685.30)				(2,922.90)
	7,615.50	(8,925.05)				(1,861.22)				(18,174.00)
\$ -	\$ 18,869,623.53	\$ (18,930,873.41)	\$ -	\$ -	\$ -	\$ (1,964,990.35)	\$ 299,198.34	\$ -	\$ (1,398,669.00)	\$ (35,249,044.01)

\$ 721,373.00
2,708,443.00
37,577.00
1,347.00
3,468,740.00
\$ (15,462,133.41)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2023

Note 1: BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (“the schedules”) include federal and state award activity of the Township of Waterford School District (hereafter referred to as the “School District”). The School District is defined in note 1 to the School District’s basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules. Because these schedules present only a selected portion of the operations of the School District, it is not intended to and does not present the financial position and changes in operations of the School District.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedules are presented using the budgetary basis of accounting, with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting. These bases of accounting are described in note 1 to the School District’s basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. The expenditures reflected in the schedules are presented at the federal and state participation level; thus, any matching portion is not included.

Note 3: INDIRECT COST RATE

The School District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

Note 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$5,442.40 for the general fund and \$407,984.95 for the special revenue fund. See exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

The revenues reported on a GAAP basis from the basic financial statements with a reconciliation to the reported amounts on the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 85,742.64	\$ 16,881,929.00	\$ 16,967,671.64
Special Revenue	2,125,404.14	1,977,630.02	4,103,034.16
Food Service	253,395.22	8,925.05	262,320.27
	<u>2,464,542.00</u>	<u>18,868,484.07</u>	<u>21,333,026.07</u>
GAAP Basis Revenues			
GAAP Adjustments:			
State Aid Payments		9,006.00	9,006.00
Encumbrances	(475,816.69)	59,208.58	(416,608.11)
Preschool Education Aid Carryover		(5,825.24)	(5,825.24)
	<u>(475,816.69)</u>	<u>62,389.34</u>	<u>(413,427.35)</u>
Total Awards and Financial Assistance Expended	<u>\$ 1,988,725.31</u>	<u>\$ 18,930,873.41</u>	<u>\$ 20,919,598.72</u>

Note 5: 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 6: ADJUSTMENTS

Amounts reported in the column entitled "adjustments" represent favorable differences incurred from rounding of federal expenditure reimbursements in fiscal year 2022-2023.

Note 7: REIMBURSED AND ON-BEHALF PAYMENTS

During the fiscal year ended June 30, 2023, the School District was the recipient of federal and state assistance that represented either a reimbursement to the School District or payments made on-behalf of the School District. Revenues and expenditures reported under the federal food distribution program represent the current year value received and the current year distribution, respectively, of American-grown United States Department of Agriculture foods utilized in the School District's food service program. 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 fiscal year. Lastly, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance related to TPAF members.

Note 8: MAJOR PROGRAMS

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

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified
Internal control over financial reporting:
Material weakness(es) identified? ___ yes X no
Significant deficiency(ies) identified? ___ yes X none reported
Noncompliance material to financial statements noted? ___ yes X no

Federal 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 for major programs Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)? ___ yes X no

Identification of major programs:

Table with 3 columns: Assistance Listing Number(s), FAIN Number(s), Name of Federal Program or Cluster. Rows include programs like (CRRSA- ESSER II) - Elementary & Secondary School Emergency Relief Fund, (CRRSA- ESSER II) - Learning Acceleration, ARP ESSER, (ARP ESSER) - Evidence Based Summer Learning and Enrichment, (ARP ESSER) - NJTSS Mental Health Support Staffing, (ARP ESSER) - Evidence Based Comprehensive Beyond the School Day, (ARP ESSER) - Accelerated Learning Coach and Educator Support.

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000.00

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

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section 1- Summary of Auditor's Results (Cont'd)

State Financial Assistance

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 for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with New Jersey Circular 15-08-OMB? ___ yes ___ X no

Identification of major programs:

GMIS Number(s)

Name of State Program

Table with 2 columns: GMIS Number(s) and Name of State Program. Rows include State Aid Public, Equalization Aid, Categorical Special Education Aid, Categorical Security Aid, and School Choice Aid.

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000.00

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

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section 2- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements related to financial statements for which *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, requires.

None.

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section 3- Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs, and significant instances of abuse related to the audit of major Federal programs, 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).

None.

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section 4- Schedule of State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs, and significant instances of abuse related to the audit of major State programs, as required by State of New Jersey Circular 15-08-OMB.

None.

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management

This section identifies the status of prior year findings related to the financial statements and federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB.

FINANCIAL STATEMENT FINDINGS

None.

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE PROGRAMS

None.

