

SCHOOL DISTRICT

OF

WHITE TOWNSHIP

**White Township School District
Board of Education
Belvidere, Warren County
New Jersey**

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

Annual Comprehensive

Financial Report

of the

White Township School District

Board of Education

Bevidere, New Jersey

For the Fiscal Year Ending June 30, 2023

Prepared by

White Township School District

Board of Education

Finance Department

OUTLINE OF ACFR

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Introductory Section



White Township Consolidated School
565 County Route 519
Belvidere, NJ 07823
Phone: 908-475-4773
FAX: 908-475-3627
<http://www.whitetwpsd.org>

William Thompson
Chief School Administrator

Andrew Italiano
Business Administrator

November 2023

Honorable President and
Members of the Board of Education
White Township School District
County of Warren, New Jersey

Dear Board Members and Constituents of White Township:

The annual comprehensive financial report of the White Township School District for the fiscal year ended June 30, 2023, is hereby submitted. Responsibility for both the accuracy of the data and the 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 Roster of 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 Single Audit Act of 1984 and the U.S. Office of Management and Budget Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*, and NJ OMB's Circular 15-08 OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

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

The District provides a full range of educational services appropriate to grade levels Pre-K through 8, and has a sending/receiving relationship with the Belvidere School District and Warren County Technical School for its 9th through 12th grade students. These include regular as well as special education for special needs students. The district completed the 2022-23 fiscal year with an average enrollment of 269 students in our Pre-Kindergarten through 8th Grade program.

2) **ECONOMIC CONDITION AND OUTLOOK:** The White Township area has experienced a decrease in development over the past several years. There has not been any subdivision development. In housing, growth is relatively flat, consisting of one-family residences. There is the possibility of some industrial development in the Township which could generate some increase in the tax base. This condition isn't expected to affect enrollment levels significantly, which suggests that White Township enrollment may continue to level off as it has over the past five years.

MAJOR INITIATIVES: White Township School continues its focus on the school level objectives. Our administration and teachers continue revisions to the curricula to assure that they are aligned with the New Jersey Student Learning Standards. Student needs were serviced in the areas of Special Education and speech. Our Preschool program continues to serve PSD students and tuition paying general education students.

The district continued the identification and service of exceptional students. At risk students were identified by classroom teachers and plans are developed through our Intervention and Referral Services Team. Students eligible for Response to Intervention (RTI) were served in reading, writing, and mathematics. Gifted students are identified through a comprehensive formal process and served in various content areas. Our technology plans have been modified to ensure that all resources were in place to properly administer the NJ Student Learning Assessments.

4) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining internal controls 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). Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management; but not absolute assurance that these objectives are met.

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as a reservation of fund balance at June 30, 2018.

6) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB), and in 2017-2018 were inclusive of the new GASB requirements. 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".

7) FINANCIAL INFORMATION: A summary of financial information is presented in the section Management's Disclosure and Analysis for The Fiscal Year Ended June 30, 2023.

8) DEBT ADMINISTRATION: At June 30, 2023, the District had no outstanding debt issues.

9) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements". The district has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the

Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

10) RISK MANAGEMENT: The Board carried various forms of insurance, including but not limited to general liability, hazard and theft insurance on property and contents, environmental impairment coverage, worker’s compensation and fidelity bonds.

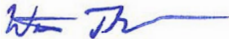
11) OTHER INFORMATION:

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

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

13) SERVICE EFFORTS AND ACCOMPLISHMENTS: This year the district completed several maintenance projects including a partial roof replacement, tree maintenance, and the installation of additional security cameras around the school building. The District continues to provide the appropriate replacement and updating of its facility to provide for a safe, secure and efficient building.

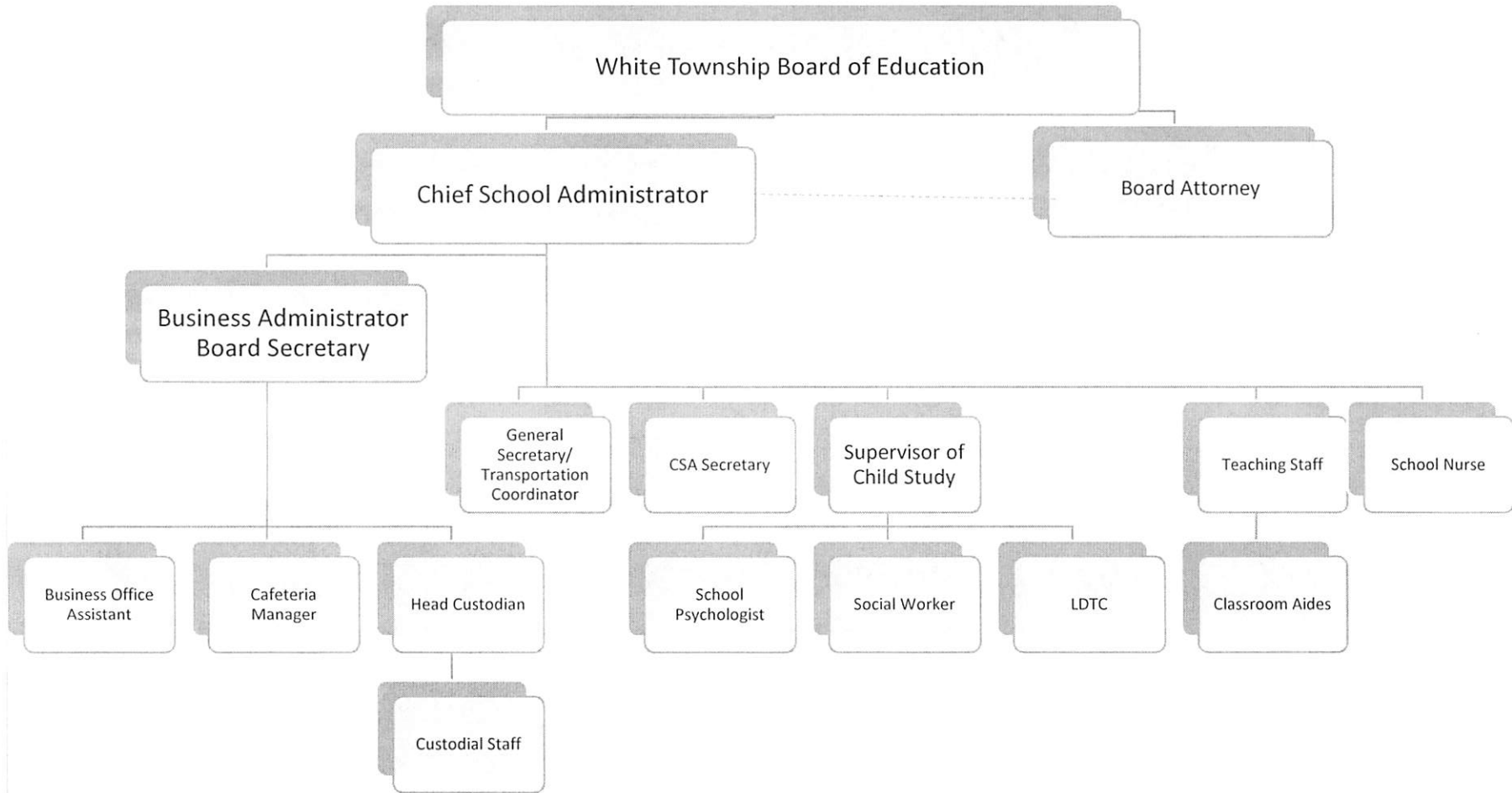
Respectfully submitted,



William Thompson, Chief School Administrator



Andrew Italiano, Business Administrator



WHITE TOWNSHIP SCHOOL DISTRICT

BOARD OF EDUCATION

ROSTER OF OFFICIALS

June 30, 2023

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Frank Panetta, President	2023
Michelle Nusser-Meany, Vice-President	2024
Robyn Gardella	2024
Timothy Havlusch	2025
Catherine Lensi	2025
Kevin Murray	2023
Natalie Pinkerton	2024
Elizabeth Vesper	2025
George Jonkoski	2023

Other Officials

William Thompson, *Chief School Administrator*

Aandrew Italiano, *Board Secretary/Business Administrator*

John Comegno, Esquire, *Solicitor*

WHITE TOWNSHIP SCHOOL DISTRICT

BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

AUDIT FIRM

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

ATTORNEY

John Comegno, Esquire
Comegno Law Group, P.C.
521 Pleasant Valley Ave.
Moorestown, NJ 08057

OFFICIAL DEPOSITORIES

First Hope Bank
P.O.Box 296
Hope, NJ 07844

Financial Section

Independent Auditor's Report



ARDITO & COMPANY LLC

1110 Harrison Street, Suite C
Frenchtown, New Jersey 08825-1192
908-996-4711 Fax: 908-996-4688
e-mail: anthony@arditoandcompany.com

Anthony Ardito, CPA, RMA, CMFO, PSA

Independent Auditor's Report

The Honorable President and
Members of the Board of Education
White Township School District
565 CR 519
County of Warren
Belvidere, New Jersey 07823

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the White Township School District Board of Education, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

-Continued-

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

-Continued-

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* the District's internal control over financial reporting and compliance.

Ardito & Company LLC

ARDITO & COMPANY LLC

Frenchtown, New Jersey

November 15, 2023

Anthony Ardito

Anthony Ardito

Certified Public Accountant

Licensed Public School Accountant No. 2369

ARDITO & COMPANY LLC

Frenchtown, New Jersey

November 15, 2023

Required Supplementary Information - Part I

Management's Discussion and Analysis

WHITE TOWNSHIP SCHOOL DISTRICT

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

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

Financial Highlights

Key financial highlights for 2023 are as follows:

- ◆ In total, Net Position increased \$309,889 which represents a 6.4% increase from 2022.
- ◆ General revenues accounted for \$7,956,247 in revenue or 78.5% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$2,175,796 or 21.5% of total revenues of \$10,132,043.
- ◆ Total assets of governmental activities increased by \$63,791, as cash and cash equivalents increased by \$244,075, receivables decreased by \$50,913, and capital assets decreased by \$180,149.
- ◆ The School District had \$9,822,154 in expenses; only \$2,175,796 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$7,956,247 were available to provide for these programs.
- ◆ Among major funds, the General Fund had \$10,400,097 in revenues and \$10,062,699 in expenditures. The General Fund's surplus balance increased \$337,398 over 2022, which compares favorably to the budgeted decrease of \$896,853.

Using this Generally Accepted Accounting Principals Report (GAAP)

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

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

WHITE TOWNSHIP SCHOOL DISTRICT

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

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

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

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

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

- Governmental activities--All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-type Activity--This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

Reporting the School District’s Most Significant Funds

Fund Financial Statements

The analysis of the School District’s major funds begins on Exhibit B-1. Fund financial reports provide detailed information about the School District’s major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District’s most significant funds. The School District’s major governmental funds are the General Fund, Special Revenue Fund, and Capital Projects Fund.

WHITE TOWNSHIP SCHOOL DISTRICT

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

Governmental Funds

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

The School District as a Whole

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

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

**Table 1
Net Position**

	<u>2023</u>	<u>2022</u>
Assets		
Current and Other Assets	\$ 3,790,107	\$ 3,546,167
Capital Assets	<u>2,535,544</u>	<u>2,715,693</u>
Total Assets	<u>6,325,651</u>	<u>6,261,860</u>
Deferred Outflows of Resources	<u>93,913</u>	<u>59,623</u>
Liabilities		
Long-Term Liabilities	679,025	561,503
Other Liabilities	<u>451,928</u>	<u>583,268</u>
Total Liabilities	<u>1,130,953</u>	<u>1,144,771</u>
Deferred Inflows of Resources	<u>112,821</u>	<u>310,811</u>
Net Position		
Invested in Capital Assets, Net of Debt	2,535,544	2,715,693
Restricted	2,864,572	2,543,164
Unrestricted	<u>(224,326)</u>	<u>(392,956)</u>
Total Net Position	<u>\$ 5,175,790</u>	<u>\$ 4,865,901</u>

WHITE TOWNSHIP SCHOOL DISTRICT

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

Total assets of governmental activities increased by \$63,791, as cash and cash equivalents increased by \$244,075, receivables decreased by \$50,913, and capital assets decreased by \$180,149.

The cash increase was mainly due to overachievement of budgeted operations. The capital assets decrease was due to depreciation expense. Receivables decreased due to collection of federal covid grants not reimbursed until the current year.

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

Table 2
Changes in Net Position

	<u>2023</u>	<u>2022</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 162,865	\$ 107,484
Operating Grants and Contributions	2,012,931	2,713,103
General Revenues:		
Property Taxes	7,861,935	7,707,779
Federal & State Aid on Capital Asset Projects		
Investment Earnings	70,506	9,983
Other	<u>23,806</u>	<u>447</u>
Total Revenues	<u>10,132,043</u>	<u>10,538,796</u>
Program Expenses		
Instruction	4,141,791	4,446,304
Support Services:		
Tuition	2,312,020	2,506,936
Pupils and Instructional Staff	1,210,414	1,304,849
General Administration, School Administration, Business	631,017	638,906
Operations and Maintenance of Facilities	628,012	719,275
Pupil Transportation	702,417	530,766
Business-Type Activities	99,770	107,592
Interest and Fiscal Charges	<u>96,713</u>	<u>92,536</u>
Total Expenses	<u>9,822,154</u>	<u>10,347,164</u>
Increase in Net Position	<u>\$ 309,889</u>	<u>\$ 191,632</u>

WHITE TOWNSHIP SCHOOL DISTRICT

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

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 77.6% percent of revenues for governmental activities for the White Township School District for the fiscal year 2023.

Instruction comprises 42.2% of district expenses. Support services expenses make up 55.8% of the expenses.

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

Table 3

	<u>Total Cost of Services 2023</u>	<u>Net Cost of Services 2023</u>	<u>Total Cost of Services 2022</u>	<u>Net Cost of Services 2022</u>
Instruction	\$ 4,141,791	\$ 3,176,188	4,446,304	\$3,187,660
Support Services:				
Tuition	2,312,020	1,939,334	2,506,936	1,968,226
Pupils and Instructional Staff	1,210,414	820,706	1,304,849	848,590
General Admin., School Admin., Business	631,017	529,300	638,906	501,613
Operation and Maintenance of Facilities	628,012	526,779	719,275	564,712
Pupil Transportation	702,417	589,191	530,766	416,711
Business-Type Activities	99,770	(31,853)	107,592	(53,471)
Interest and Fiscal Charges	96,713	96,713	92,536	92,536
Total Expenses	<u>\$ 9,822,154</u>	<u>\$ 7,646,358</u>	<u>\$ 10,347,164</u>	<u>\$ 7,526,577</u>

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

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

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

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

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

WHITE TOWNSHIP SCHOOL DISTRICT

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

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

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

The dependence upon tax revenues is apparent. Over 76.7% of instruction activities are supported through taxes and other general revenues; for all activities general revenue support is 80.3%. The community, as a whole, is the primary support for the White Township School District.

The School District's Funds

Information about the School District's major funds starts on exhibit B-1. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other sources of \$10,828,729 and expenditures of \$10,486,869. The General Fund's surplus balance increased \$337,398 over 2022, which compares favorably to the budgeted decrease of \$896,853.

General Fund Budgeting Highlights

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

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

For the General Fund, budget basis revenue and other financing sources, excluding on-behalf payments, was \$8,955,620, \$295,984 over original budgeted estimates of \$8,659,636. This difference was due primarily to increases in extraordinary aid and stabilization aid.

General fund revenues exceeded expenditures by \$312,864. This surplus compares to a budgeted deficit of \$896,853, which was due to the budgeted use of surplus, maintenance reserves and tuition reserves needed to balance the 2023 budget.

The budgeted deficit was reduced due to cost savings in the areas of instruction, administration and support costs, construction, and benefits in the amount of \$915,675.

Overall general fund balance (budget basis) was \$3,297,080, and amounts ear-marked and reserved for future purposes were \$2,868,270, creating a surplus in unreserved fund balance of \$428,810. Management believes unreserved fund balance at statutory levels will provide adequate working capital for the district.

WHITE TOWNSHIP SCHOOL DISTRICT

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

Capital Assets

At the end of the fiscal year 2023, the School District had \$2,535,544 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2023 balances compared to 2022.

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

	<u>2023</u>	<u>2022</u>
Land	\$ 49,010	\$ 49,010
Land Improvements	-	-
Buildings and Improvements	2,238,250	2,442,279
Machinery and Equipment	<u>248,284</u>	<u>224,404</u>
Totals	<u>\$ 2,535,544</u>	<u>\$ 2,715,693</u>

Overall capital assets decreased \$180,149 from fiscal year 2022 to fiscal year 2023. The decrease in capital assets was due to depreciation expense for the year.

Capital improvements of \$41,767 were purchased during fiscal year 2023.

Debt Administration

At June 30, 2023, the School District had \$172,012 as outstanding long term debt. Of this amount, \$172,012 is for compensated absences.

At June 30, 2023, the School District's overall legal debt margin was \$18,268,089 and the unvoted debt margin was the same.

WHITE TOWNSHIP SCHOOL DISTRICT

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

For the Future

The White Township School District is in very good financial condition presently. A major concern is the continued reliance on local property taxes. The White Township School District is primarily a residential community, with very few ratables, thus the burden is focused on homeowners to bear the tax burden. However, future finances are not without challenges as the community continues to grow and state funding is decreased.

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

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact the School Business Administrator/Board Secretary at White Township School District, 565 CR 519, Belvidere, NJ 07823.

Basic Financial Statements

DISTRICT-WIDE FINANCIAL STATEMENTS

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

WHITE TOWNSHIP SCHOOL DISTRICT

Exhibit A-1

STATEMENT OF NET POSITION

June 30, 2023

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
ASSETS			
Cash and Cash Equivalents	\$ 3,031,533	\$ 61,813	\$ 3,093,346
Receivables from Other Governments	642,317	1,962	644,279
Interfund Receivables		51,131	51,131
Inventory		1,351	1,351
Capital Assets, Net (Note 6):	2,535,544		2,535,544
Total Assets	6,209,394	116,257	6,325,651
DEFERRED OUTFLOWS OF RESOURCES			
Pension Deferred Outflows	93,913	-	93,913
LIABILITIES			
Accounts Payable	39,877	13,520	53,397
Unearned Revenue	347,067	333	347,400
Interfund Payables	51,131		51,131
Net Pension Liability (Note 8)	517,025		517,025
Noncurrent Liabilities (Note 7):			
Due Within One Year			
Due Beyond One Year	162,000		162,000
Total Liabilities	1,117,100	13,853	1,130,953
DEFERRED INFLOWS OF RESOURCES			
Pension Deferred Inflows	112,821	-	112,821
Net Position			
Invested in Capital Assets, Net of Related Debt	2,535,544		2,535,544
Restricted for:			
Other Purposes	2,864,572		2,864,572
Unrestricted	(326,730)	102,404	(224,326)
Total Net Position	\$ 5,073,386	\$ 102,404	\$ 5,175,790

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

WHITE TOWNSHIP SCHOOL DISTRICT

Exhibit A-2

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Functions/Programs	PROGRAM REVENUES			NET(EXPENSE) REVENUE AND CHANGES IN NET POSITION			
	EXPENSES	CHARGES FOR	OPERATING	CAPITAL	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
		SERVICES	GRANTS AND CONTRIBUTIONS	GRANTS AND CONTRIBUTIONS			
Governmental Activities:							
Instruction:							
Regular	\$ 3,359,918	\$ 67,429	\$ 772,140		\$ (2,520,349)		\$ (2,520,349)
Special Education	615,764		99,258		(516,506)		(516,506)
Other Special Instruction	166,109		26,776		(139,333)		(139,333)
Support Services:							
Tuition	2,312,020		372,686		(1,939,334)		(1,939,334)
Student & Instruction Related Services	1,210,414	37,105	352,603		(820,706)		(820,706)
School Administrative Services	65,831		10,612		(55,219)		(55,219)
General and Business Admin. Services	565,186		91,105		(474,081)		(474,081)
Plant Operations and Maintenance	628,012		101,233		(526,779)		(526,779)
Pupil Transportation	702,417		113,226		(589,191)		(589,191)
Interest and Depreciation Charges	96,713		-		(96,713)		(96,713)
Total Governmental Activities	9,722,384	104,534	1,939,639		(7,678,211)		(7,678,211)
Business-Type Activities:							
Food Service	99,770	58,331	73,292			\$ 31,853	31,853
Total Business-Type Activities	99,770	58,331	73,292			31,853	31,853
Total Primary Government	\$ 9,822,154	\$ 162,865	\$ 2,012,931		\$ (7,678,211)	\$ 31,853	\$ (7,646,358)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					\$ 7,861,935		\$ 7,861,935
Investment Earnings					70,506		70,506
Miscellaneous Income					22,239	\$ 1,567	23,806
Transfers						-	
Total General Revenues, Special Items, Extraordinary Items and Transfers					7,954,680	1,567	7,956,247
Change in Net Position					276,469	33,420	309,889
Net Position—Beginning					4,796,917	68,984	4,865,901
Prior Period Adjustments							
Net Position—Beginning (Restated)					4,796,917	68,984	4,865,901
Net Position—Ending					\$ 5,073,386	\$ 102,404	\$ 5,175,790

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

FUND FINANCIAL STATEMENTS

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

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS			
Cash and Cash Equivalents	\$ 3,017,529	\$ 14,004	\$ 3,031,533
Interfund Receivables	209,845	4,946	214,791
Receivables from Other Governments	89,865	552,452	642,317
TOTAL ASSETS	\$ 3,317,239	\$ 571,402	\$ 3,888,641
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ -	\$ 7,555	\$ 7,555
Interfund Payables	56,077	209,845	265,922
Payroll Deductions and Withholdings Payable	32,322		32,322
Unearned Revenues	7,069	339,998	347,067
Total Liabilities	95,468	557,398	652,866
Fund Balances:			
<u>Restricted for:</u>			
Excess Surplus	226,706	-	226,706
Excess Surplus-Designated For Subsequent Years	212,052	-	212,052
Capital Reserve	1,442,124	-	1,442,124
Emergency Reserve	68,793	-	68,793
Maintenance Reserve	260,872	-	260,872
Tuition Reserve	352,000	-	352,000
Student Activities		14,004	14,004
<u>Assigned to:</u>			
Year-End Encumbrances	17,702	-	17,702
General Fund-Designated for Subsequent Year's Expend.	288,021	-	288,021
<u>Unassigned:</u>			
General Fund	353,501	-	353,501
Total Fund Balances	3,221,771	14,004	3,235,775
TOTAL LIABILITIES AND FUND BALANCE	\$ 3,317,239	\$ 571,402	\$ 3,888,641

Amounts reported for *governmental activities* in the statement of Net Position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$7,549,575 and the accumulated depreciation is \$5,014,031	\$ 2,535,544
Deferred Outflows related to pension contributions subsequent to the Net Pension Liability measurement date and other deferred items are not current financial resources and therefore are not reported in the fund statements. (See Note 8)	93,913
Deferred Inflows related to pension actuarial gains from experience and differences in actual return and assumed returns and other deferred items are not reported as liabilities in the fund statements. (See Note 8)	(112,821)
Long-term liabilities, including Net Pension Liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 8)	(517,025)
Long-term liabilities, including Compensated Absences, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7)	(162,000)
Net Position of governmental activities	\$ 5,073,386

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

WHITE TOWNSHIP SCHOOL DISTRICT

Exhibit B-2

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

	General Fund	Special Revenue Fund	Total Governmental Funds
REVENUES			
Local sources:			
Local Tax Levy	\$ 7,861,935		\$ 7,861,935
Tuition	67,429		67,429
Miscellaneous	89,245	\$ 40,605	129,850
Total - Local Sources	8,018,609	40,605	8,059,214
State Sources	2,381,488	-	2,381,488
Federal Sources		388,027	388,027
Total Revenues	10,400,097	428,632	10,828,729
EXPENDITURES			
Current:			
Regular Instruction	2,081,538	205,148	2,286,686
Special Education Instruction	450,699		450,699
Other Special Instruction	121,581		121,581
Support services and undistributed costs:			
Tuition	2,312,020		2,312,020
Student and Instruction Related Services	728,454	157,490	885,944
School Administrative Services	48,184		48,184
Other Administrative Services	394,665		394,665
Plant Operations and Maintenance	457,151		457,151
Pupil Transportation	702,417		702,417
Unallocated Benefits	2,633,217		2,633,217
Transfer to Charter School	83,660		83,660
Capital Outlay	49,113	61,532	110,645
Total Expenditures	10,062,699	424,170	10,486,869
Excess (Deficiency) of Revenues Over Expenditures	337,398	4,462	341,860
Net Change in Fund Balances	337,398	4,462	341,860
Fund Balance—July 1	2,884,373	9,542	2,893,915
Prior Period Adjustment	-	-	-
Fund Balance—July 1 (Restated)	2,884,373	9,542	2,893,915
Fund Balance—June 30	\$ 3,221,771	\$ 14,004	\$ 3,235,775

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

WHITE TOWNSHIP SCHOOL DISTRICT

Exhibit B-3

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

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 341,860

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

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

Depreciation Expense	\$ (221,916)	
Net Book Value of Disposals	-	
Capital Outlays	<u>41,767</u>	(180,149)

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

This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period. 109,752

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

5,006

Change in Net Position of Governmental Activities **\$ 276,469**

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

WHITE TOWNSHIP SCHOOL DISTRICT

Exhibit B-4

STATEMENT OF PROPRIETARY NET POSITION
 PROPRIETARY FUNDS

June 30, 2023

		<u>Business-Type Activities-</u> <u>Enterprise Funds</u>	
		<u>Food</u>	
		<u>Service</u>	<u>Totals</u>
ASSETS			
Current assets:			
Cash and Cash Equivalents		\$ 61,813	\$ 61,813
Federal and State Accounts Receivable		1,962	1,962
Interfund Receivables		51,131	51,131
Inventories		1,351	1,351
Total Current Assets		<u>116,257</u>	<u>116,257</u>
Noncurrent Assets:			
Furniture, Machinery and Equipment		50,113	50,113
Less Accumulated Depreciation		(50,113)	(50,113)
Total Noncurrent Assets		<u>(50,113)</u>	<u>(50,113)</u>
Total Assets		<u>116,257</u>	<u>116,257</u>
LIABILITIES			
Current liabilities:			
Accounts Payable		13,520	13,520
Deferred Revenue		333	333
Total Current Liabilities		<u>13,853</u>	<u>13,853</u>
Total Liabilities		<u>13,853</u>	<u>13,853</u>
Net Position			
Invested in Capital Assets Net of Related Debt		102,404	102,404
Unrestricted		<u>102,404</u>	<u>102,404</u>
Total Net Position		<u>\$ 102,404</u>	<u>\$ 102,404</u>

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

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

	Business-type Activities-	
	Enterprise Fund	
	Food	Total
	Service	Enterprise
Operating Revenues:		
Charges for Services:		
Daily Sales - Reimbursable Programs	\$ 45,830	\$ 45,830
Daily Sales - Non-Reimb.Programs	12,501	12,501
Miscellaneous	1,567	1,567
Total Operating Revenues	59,898	59,898
Operating Expenses:		
Cost of Sales - Reimbursable Programs	36,796	36,796
Cost of Sales - Non-reimbursable Programs	7,013	7,013
Salaries	21,049	21,049
Employee Benefits	6,799	6,799
Other Purchased Professional Services	26,431	26,431
Miscellaneous	1,682	1,682
Total Operating Expenses	99,770	99,770
Operating Income (Loss)	(39,872)	(39,872)
Nonoperating Revenues (Expenses):		
State Sources:		
State School Lunch Program	2,024	2,024
Federal Sources:		
National School Lunch Program	39,736	39,736
Supply Chain Assistance	23,321	23,321
Food Distribution Program	8,211	8,211
Total Nonoperating Revenues (Expenses)	73,292	73,292
Income (Loss) Before Contributions and Transfers	33,420	33,420
Transfers In (Out)		
Change in Net Position	33,420	33,420
Total Net Position—Beginning	68,984	68,984
Total Net Position—Ending	\$ 102,404	\$ 102,404

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

WHITE TOWNSHIP SCHOOL DISTRICT

Exhibit B-6

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For the Year Ended June 30, 2023

	Business-Type Activities- Enterprise Funds	
	Food Service	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 58,331	\$ 58,331
Payments to Employees and Benefits	(27,848)	(27,848)
Payments to Suppliers	(48,843)	(48,843)
Net Cash Provided by (used for) Operating Activities	(18,360)	(18,360)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	2,497	2,497
Federal Sources	85,589	85,589
Operating Subsidy Transfers from Other Funds	(50,504)	(50,504)
Net Cash Provided by (used for) Non-Capital Financing Activities	37,582	37,582
Net Increase (Decrease) in Cash and Cash Equivalents	19,222	19,222
Balances—Beginning of Year	42,591	42,591
Balances—End of Year	\$ 61,813	\$ 61,813
Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:		
Operating Income (Loss)	\$ (39,872)	\$ (39,872)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:		
Depreciation Expense		
Federal Commodities	8,211	8,211
(Increase) Decrease in Receivables		-
(Increase) Decrease in Inventories	(275)	(275)
Increase (Decrease) in Payables	13,576	13,576
Total Adjustments	21,512	21,512
Net Cash Provided by (used for) Operating Activities	\$ (18,360)	\$ (18,360)

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

Notes to Financial Statements

WHITE TOWNSHIP SCHOOL DISTRICT

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

A. Reporting Entity:

The White Township School District is a Type II district located in the County of Warren, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of five members elected to three-year terms. The purpose of the district is to educate students in grades K-8. The White Township School District had an approximate enrollment at June 30, 2023, of 269 students.

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

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

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

WHITE TOWNSHIP SCHOOL DISTRICT

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation, Basis of Accounting:

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

Basis of Presentation

District-wide Statements: The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees and charged to external parties. The statement of net position presents the financial condition of the governmental and business-type activity of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the School District.

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

GOVERNMENTAL FUNDS

The District reports the following governmental funds:

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

WHITE TOWNSHIP SCHOOL DISTRICT

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

GOVERNMENTAL FUNDS (Continued)

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

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

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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

PROPRIETARY FUNDS

The District reports the following proprietary fund:

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

WHITE TOWNSHIP SCHOOL DISTRICT

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Additionally, the District reports the following fund type:

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

Basis of Accounting

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

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

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

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

WHITE TOWNSHIP SCHOOL DISTRICT

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Budgets/Budgetary Control:

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

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

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

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

D. Encumbrance Accounting:

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

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

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

WHITE TOWNSHIP SCHOOL DISTRICT

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. **Assets, Liabilities and Equity:**

Cash and Cash Equivalents:

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

Interfund Transactions:

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues.

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

Inventories:

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

Allowance for Uncollectible Accounts:

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

Capital Assets:

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

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

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

WHITE TOWNSHIP SCHOOL DISTRICT

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

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

Compensated Absences:

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

District instructional employees are granted sick leave in amounts under the District's contractual policies. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after initial service and become eligible after fifteen years of service and payment is based upon retirement in the state pension system.

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

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

Deferred Revenue:

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

Accrued Liabilities and Long-Term Obligations:

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

WHITE TOWNSHIP SCHOOL DISTRICT

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

Net Position:

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

Fund Balance Reserves:

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

Revenues—Exchange and Nonexchange Transactions

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

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

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

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

WHITE TOWNSHIP SCHOOL DISTRICT

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

Operating Revenues and Expenses:

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

Allocation of Indirect Expenses:

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

Extraordinary and Special Items:

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

Management Estimates:

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

NOTE 2: CASH AND CASH EQUIVALENTS

Deposits:

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

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

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

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

WHITE TOWNSHIP SCHOOL DISTRICT

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

NOTE 2: CASH AND CASH EQUIVALENTS (Continued)

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

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

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

	<u>Cash and Cash Equivalents (A-1)</u>	<u>Total</u>
Checking	\$3,093,346	\$3,093,346
	<u>\$3,093,346</u>	<u>\$3,093,346</u>

The carrying amount of the Board's cash and cash equivalents at June 30, 2023, was \$3,093,346 and the bank balance was \$3,630,545. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes. Of these bank balances, \$250,000 was covered by federal depository insurances and \$3,380,545 was covered by collateral pool.

NOTE 3: RECEIVABLES

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

	<u>Governmental Fund Financial Statements</u>	<u>Government-Wide Financial Statements</u>
State Aid	\$89,865	\$89,954
Federal Aid	552,452	554,325
Gross Receivable-Governm.	642,317	644,279
Less: Allow. for Uncollectibles	-	-
Total Receivables, Net	<u>\$642,317</u>	<u>\$644,279</u>

NOTE 4: INVENTORY

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

Food	\$ 665
Supplies	686
Total	<u>\$ 1,351</u>

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

WHITE TOWNSHIP SCHOOL DISTRICT

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

NOTE 5: COMPENSATED ABSENCES

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

District instructional employees are granted sick leave in amounts under the District's contractual policies. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after initial service and become eligible after fifteen years of service and payment is based upon retirement in the state pension system.

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

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

NOTE 6: CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
<i>Capital Assets Not Being Depreciated:</i>				
Land	\$ 49,010			\$ 49,010
Construction in Progress				
Total Capital Assets Not Being Depreciated	49,010			49,010
<i>Capital Assets Being Depreciated:</i>				
Land Improvements	83,550			83,550
Buildings and Building Improvements	6,817,907			6,817,907
Machinery and Equipment	557,341	41,767		599,108
Total at Historical Cost	7,458,798	41,767	-	7,500,565
Less Accumulated Depreciation for:				
Land Improvements	(83,550)			(83,550)
Building and Improvements	(4,375,628)	\$ (204,029)		(4,579,657)
Equipment	(332,937)	(17,887)		(350,824)
Total Accumulated Depreciation	(4,792,115)	(221,916)	-	(5,014,031)
Total Capital Assets Being Depreciated, net of Accumulated Depreciation	2,666,683	(180,149)	-	2,486,534
Government Activity Capital Assets, Net	\$ 2,715,693	(\$180,149)	-	\$ 2,535,544

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

WHITE TOWNSHIP SCHOOL DISTRICT

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

NOTE 6: CAPITAL ASSETS - (Continued)

Depreciation expense was charged to functions as follows:

Regular Instruction	\$ 108,781
Support/Administration	19,014
Maintenance	2,513
Unallocated	91,608
Total	<u>\$ 221,916</u>

NOTE 7: LONG-TERM OBLIGATIONS

As of June 30, 2023, the district has no bonds issued and no bonds authorized but not issued.

A. Long-Term Obligation Activity:

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

	Balance <u>7/1/2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>6/30/2023</u>	Amounts Due Within <u>One Year</u>
Governmental Activities:					
Other Liabilities:					
Compensated Absences Payable	\$167,006		\$5,006	\$172,012	
Total	<u>\$167,006</u>		<u>\$5,006</u>	<u>\$172,012</u>	

Compensated absences payments have been liquidated in the General Fund.

NOTE 8: PENSION PLANS

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

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

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

WHITE TOWNSHIP SCHOOL DISTRICT

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

NOTE 8: PENSION PLANS (Continued)

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

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, the district (employer) is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the district (employer) does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the district. However, the state's portion of the net pension liability that was associated with the district was \$11,452,064 as measured on June 30, 2022 and \$12,317,590 measured on June 30, 2021.

For the year ended June 30, 2023, the District recognized pension expense of \$308,207 and revenue of \$308,207 for support provided by the State. The measurement period for the pension expense and revenue reported in the district's financial statements (A-2) at June 30, 2023 is based upon changes in the collective net pension liability with a measurement period of June 30, 2021 through June 30, 2022. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon the changes in the collective net pension liability between July 1, 2021 and June 30, 2022.

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

	<u>6/30/2022</u>	<u>6/30/2023</u>
Collective deferred outflows of resources	\$6,356,228,800	\$4,996,491,160
Collective deferred inflows of resources	\$27,175,330,929	\$19,532,696,776
Collective net pension liability (Nonemployer-State of New Jersey)	\$48,075,188,642	\$51,594,415,806
State's portion of the net pension liability that was associated with the district	\$12,317,590	\$11,452,064
State's portion of the net pension liability that was associated with the district as a percentage of the collective net pension liability	0.025622%	0.022196%

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

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

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

WHITE TOWNSHIP SCHOOL DISTRICT

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

NOTE 8: PENSION PLANS (Continued)

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.12%
Non-US devel.markets equity	13.50%	8.38%
Emerging markets equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yeild	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash equivalents	4.00%	1.75%
US Treasuries	4.00%	1.75%
Risk mitigation	3.00%	4.91%

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

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

WHITE TOWNSHIP SCHOOL DISTRICT

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

NOTE 8: PENSION PLANS (Continued)

	<u>1% Decrease</u>	<u>Current</u> <u>Discount Rate</u>	<u>1% Increase</u>
	<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>
State's Collective Net Pension Liability	\$ 60,591,896,759	\$ 51,676,587,303	\$ 44,166,559,329

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>. The plan fiduciary net position as of June 30, 2022 was \$24,640,530,532.

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

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

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

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

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

WHITE TOWNSHIP SCHOOL DISTRICT

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

NOTE 8: PENSION PLANS (Continued)

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

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

At June 30, 2023, the District reported a liability of \$517,025 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The total pension liability for the June 30, 2021 valuation was determined by an experience study for the period July 1, 2018 to June 30, 2021. The District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2022 and 2021. At June 30, 2022, the District's proportion was 0.00343% which was an increase of 0.0001% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized pension expense/(benefit) of (\$62,346). At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Differences between expected and actual experience	\$ 3,732	\$ 3,291
Changes of assumptions	1,602	77,419
Net difference between projected and actual earnings on pension plan investments	21,399	-
Changes in proportion and differences between District contributions and proportionate share of contributions	23,977	32,111
District contributions subsequent to the measurement date	43,203	
Total	<u>\$ 93,913</u>	<u>\$ 112,821</u>

\$43,203 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2023, the plan measurement date is June 30, 2022) will be recognized as a reduction of the net pension liability measured as of June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Year Ended June 30:</u>
2023	(\$51,033)
2024	(26,000)
2025	(12,680)
2026	27,662
2027	(61)
Total	<u>(\$62,111)</u>

WHITE TOWNSHIP SCHOOL DISTRICT

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

NOTE 8: PENSION PLANS (Continued)

	<u>6/30/2022</u>	<u>6/30/2023</u>
Collective deferred outflows of resources	\$1,164,738,169	\$1,660,772,008
Collective deferred inflows of resources	8,339,123,762	3,236,303,935
Collective net pension liability (Non State - Local Group)	\$11,846,496,875	\$15,091,376,611
District's portion of net pension liability	\$394,497	\$517,025
District's proportion %	0.00333007%	0.00342596%

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

Inflation:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75%-6.55% based on years of service
Investment Rate of Return:	7.00%

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.12%
Non-US devel.markets equity	13.50%	8.38%
Emerging markets equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yeild	4.00%	4.95%

WHITE TOWNSHIP SCHOOL DISTRICT

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

NOTE 8: PENSION PLANS (Continued)

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

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

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>
District's proportionate share of the net pension liability	\$ 664,226	\$517,025	\$ 391,751

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

Service cost	\$41,496
Interest on total Pension liability	166,428
Benefit Changes	483
Member contributions	(34,605)
Administrative expens	743
Expected investment return net of investment expenses	(111,096)
Pension expense related to specific liabilities of individual employers	(596)
Recognition (amortization) of deferred inflows/outflows:	
Differences between expected and actual experience	1,970
Changes in assumptions	(124,406)
Difference between projected and actual investment earnings on pension plan investments	<u>(2,763)</u>
Total pension expense	<u>(\$62,346)</u>

WHITE TOWNSHIP SCHOOL DISTRICT

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

NOTE 8: PENSION PLANS (Continued)

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

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

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

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

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

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

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

□ New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65. □ The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members. □ The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. □ Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PES members will take place in July of each subsequent fiscal year.

WHITE TOWNSHIP SCHOOL DISTRICT

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

NOTE 8: PENSION PLANS (Continued)

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

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

Three-Year Trend Information for PERS

Year <u>Funding</u>	Annual Pension <u>Cost (APC)</u>	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
6/30/2023	\$43,203	100 %	-0-
6/30/2022	\$38,999	100	-0-
6/30/2021	\$54,745	100	-0-

Three-Year Trend Information for TPAF (Paid on-behalf of the District)

Year <u>Funding</u>	Annual Pension <u>Cost (APC)</u>	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
6/30/2023	\$966,993	100 %	-0-
6/30/2022	\$926,827	100	-0-
6/30/2021	\$759,184	100	-0-

During the fiscal year ended June 30, 2023, the State of New Jersey did contribute \$1,220,960 to the TPAF for post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$198,983 during the year ended June 30, 2023, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. The PERS amounts have been included in the fund-based statements as pension expense and the TPAF on-behalf amounts have been included in fund-based statements as revenues and expenditures. The PERS and TPAF amounts have been modified and included in the District-wide financial statements in accordance with GASB Statement No. 68.

NOTE 9: POST-RETIREMENT BENEFITS

Plan description and benefits provided

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

WHITE TOWNSHIP SCHOOL DISTRICT

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

NOTE 9: POST-RETIREMENT BENEFITS-(Continued)

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

State Health Benefit State Retired Employees Plan:

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

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

Total Nonemployer OPEB Liability

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

WHITE TOWNSHIP SCHOOL DISTRICT

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

NOTE 9: POST-RETIREMENT BENEFITS-(Continued)

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

Actuarial assumptions and other imputes. The June 30, 2023 GASB 75 reporting is based on a measurement date of June 30, 2022. The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions used in the June 30, 2021 valuation were based on the results of actuarial experience studies for the periods July 1, 2018 - June 30, 2021 for TPAF, PERS and PFRS. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Total Nonemployer OPEB Liability:	\$	50,646,462,966		
		<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases		2.75% to 4.25%	2.75% to 6.55%	3.25% to 16.25%
		Based on service years		

(a) Health Care Trend Assumptions

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

(b) Discount Rate

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

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

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

	<u>Total OPEB</u>
	<u>Liability</u>
The State's Total OPEB Liability Balance at 6/30/2021	\$60,007,650,970
<u>Changes for the year:</u>	
Service Cost	2,770,618,025
Interest on the Total OPEB Liability	1,342,187,139
Change in Benefit Terms	-

WHITE TOWNSHIP SCHOOL DISTRICT

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

NOTE 9: POST-RETIREMENT BENEFITS-(Continued)

Differences Between Expected and Actual Experience	1,399,200,736
Changes of Assumptions	(13,586,368,097)
Gross Benefit Payments	(1,329,476,059)
Contributions from Members	<u>42,650,252</u>
Net changes	<u>(9,361,188,004)</u>
The State's Total OPEB Liability Balance at 6/30/2022	<u>\$50,646,462,966</u>

The State's total OPEB liability attributable to the District: \$15,213,444

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

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

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

	June 30, 2022		
	At 1% Decrease <u>2.54%</u>	At Discount Rate <u>3.54%</u>	At 1% Increase <u>4.54%</u>
Total OPEB Liability (School Retirees)	\$59,529,589,697	\$50,646,462,966	\$43,527,080,995

	June 30, 2021		
	At 1% Decrease <u>1.16%</u>	At Discount Rate <u>2.16%</u>	At 1% Increase <u>3.16%</u>
Total OPEB Liability (School Retirees)	\$71,879,745,555	\$60,007,650,970	\$50,659,089,138

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

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

WHITE TOWNSHIP SCHOOL DISTRICT

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

NOTE 9: POST-RETIREMENT BENEFITS-(Continued)

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

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

For the year ended June 30, 2022, the board of education recognized OPEB expense and related revenue of \$82,877 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

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

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

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

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

NOTE 10: DEFERRED COMPENSATION

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

Equitable
Oppenheimer
T Rowe Price
Franklin Trust

WHITE TOWNSHIP SCHOOL DISTRICT

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

NOTE 11: RISK MANAGEMENT

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

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

NOTE 12: CONTINGENT LIABILITIES

GRANT PROGRAMS

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

LITIGATION

There are no material threatened litigations, claims or assessments, including unasserted claims and assessments known to the Board.

NOTE 13: FUND BALANCE APPROPRIATED

General Fund (Exhibit B-1)- Of the \$3,221,771 General Fund fund balance at June 30, 2023, \$17,702 is reserved for encumbrances; \$260,872 is reserved as maintenance reserve in accordance with P.L. 2007 c.62; \$352,000 is reserved for tuition adjustment in accordance with N.J.A.C. 6A:23-3.1(f)(8); \$1,442,124 is reserved for Capital Reserve; \$68,793 is reserved for Emergency Reserve; \$438,758 is reserved as excess surplus in accordance with N.J.S.A.18A:7F-7 (\$212,052 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2024); \$288,021 is designated for subsequent year's expenditures; and \$353,501 is unreserved and undesignated.

NOTE 14: CALCULATION OF EXCESS SURPLUS

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2023 is \$226,706.

NOTE 15: INTERFUND RECEIVABLES AND PAYABLES

The general fund owes the food service fund \$51,131 for federal and state lunch subsidies received but not yet paid over to the food service fund.

NOTE 16: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the White Township School District Board of Education by inclusion of \$1. on October 10, 2000, 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.

WHITE TOWNSHIP SCHOOL DISTRICT

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

NOTE 16: CAPITAL RESERVE ACCOUNT - (Continued)

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23-2.13(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Beginning Balance, July 1, 2022	\$ 1,448,321
Interest Earned	27,611
Budgeted Withdrawal	<u>(33,808)</u>
Ending Balance, June 30, 2023	<u>\$ 1,442,124</u>

NOTE 17: MAINTENANCE RESERVE ACCOUNT

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

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

Beginning balance July 1, 2022	\$ 255,911
Interest Earned	4,961
Ending balance June 30, 2023	<u>\$ 260,872</u>

NOTE 18: TUITION RESERVE ACCOUNT

A tuition reserve account was established by the School District Board of Education in fiscal year 2022 and 2023, for the accumulation of funds for use in fiscal year 2024 and 2025, respectively, in accordance with NJAC 6A:23A17.1(f). The tuition reserve account is maintained in the general fund and enables the district to reserve fund balance for an anticipated large tuition adjustment for the current contract year. A maximum reserve for the current year is restricted to ten percent of the formal sending/receiving contract amount. Upon certification of rates in the second year following the contract year, full appropriation of the applicable year's reserve must be liquidated and any remaining balance related to that year must be reserved and budgeted for tax relief.

The district has established a tuition reserve for future tuition adjustments, pursuant to N.J.A.C. 6A:23-3.1(f), in an amount not exceeding 10% of the formal receiving/sending contract. \$150,000 has been reserved for the 2021-2022 tuition adjustment due in fiscal year 2023-2024, and \$202,000 has been reserved for the 2022-2023 tuition adjustment due in fiscal year 2024-2025. The tuition reserve due for fiscal year 2021-2022 in the amount of \$150,000 has been anticipated as budgeted revenue for the year ending June 30, 2024.

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

Beginning balance July 1, 2022	\$ 300,000
Anticipated as Budgeted Revenue in fiscal year 2023	(150,000)
Deposits: Board Resolution June 26, 2023	<u>202,000</u>
Ending balance June 30, 2023	<u>\$ 352,000</u>

WHITE TOWNSHIP SCHOOL DISTRICT

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

NOTE 19: EMERGENCY RESERVE ACCOUNT

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

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

Beginning balance July 1, 2022	\$ 67,485
Interest Earned	<u>1,308</u>
Ending balance June 30, 2023	<u>\$ 68,793</u>

NOTE 20: TUITION ADJUSTMENTS

A comparison of tentative tuition charges and actual certified tuition charges was made by the receiving district (Belvidere High School) for fiscal year 2020-2021 and certified by the state department. The resulting 2020-2021 tuition adjustment of \$100,787 in accordance with N.J.A.C 6a:23-3.1(f)3, was due from Belvidere High School in fiscal year 2022-2023. White Township School District received the adjustment one year early on July 15, 2022.

NOTE 21: TAX ABATEMENTS

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

WHITE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Exhibit C-1

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 7,861,935		\$ 7,861,935	\$ 7,861,935	
Tuition	35,000		35,000	67,429	\$ 32,429
Miscellaneous	4,500		4,500	89,245	84,745
Total - Local Sources	7,901,435		7,901,435	8,018,609	117,174
State Sources:					
Equalization Aid	123,963		123,963	123,963	
Transportation Aid	249,609		249,609	249,609	
Special Education Aid	335,067		335,067	335,067	
Security Aid	49,562		49,562	49,562	
Supplemental Stabilization Aid			-	89,369	89,369
Other State Aid			-	89,441	89,441
TPAF Pension (On-Behalf - Non-Budgeted)				966,763	966,763
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				253,967	253,967
TPAF LTDI (On-Behalf - Non-Budgeted)				230	230
TPAF Social Security (Reimbursed - Non-Budgeted)				198,983	198,983
Total State Sources	758,201		758,201	2,356,954	1,598,753
TOTAL REVENUES	8,659,636		8,659,636	10,375,563	1,715,927
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	137,568	1,196	138,764	138,764	
Grades 1-5 - Salaries of Teachers	898,542	130,129	1,028,671	1,028,671	
Grades 6-8 - Salaries of Teachers	870,276	(130,129)	740,147	737,326	2,821
Salary - Substitutes	30,000	31,300	61,300	61,300	

WHITE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Exhibit C-1

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Regular Programs - Home Instruction:					
Salaries of Teachers	1,000		1,000		1,000
Purchased Professional-Educational Services	1,000		1,000		1,000
Regular Programs - Undistributed Instruction					
Other Purchased Services (400-500 series)	72,000	(8,956)	63,044	54,369	8,675
General Supplies	62,275	(928)	61,347	59,630	1,717
Textbooks		2,242	2,242	1,478	764
TOTAL REGULAR PROGRAMS - INSTRUCTION	2,072,661	24,854	2,097,515	2,081,538	15,977
SPECIAL EDUCATION - INSTRUCTION					
Multiple Disabilities:					
Salaries of Teachers		67,908	67,908	67,908	
General Supplies		980	980	957	23
Total Multiple Disabilities		68,888	68,888	68,865	23
Resource Room/Resource Center:					
Salaries of Teachers	317,164	(29,749)	287,415	287,415	
General Supplies	7,500	(957)	6,543	5,843	700
Total Resource Room/Resource Center	324,664	(30,706)	293,958	293,258	700
Preschool Disabilities - Part Time:					
Salaries of Teachers	55,253		55,253	55,047	206
Other Salaries for Instruction	30,732	2,797	33,529	33,529	
Total Preschool Disabilities - Part Time	85,985	2,797	88,782	88,576	206
TOTAL SPECIAL EDUCATION - INSTRUCTION	410,649	40,979	451,628	450,699	929

WHITE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Exhibit C-1

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	75,359	14,562	89,921	89,921	
General Supplies	8,500		8,500	1,196	7,304
Total Basic Skills/Remedial - Instruction	83,859	14,562	98,421	91,117	7,304
School Sponsored Co/Extra Curricular Activities-Instruction:					
Salaries	4,181	22,890	27,071	27,071	
General Supplies	2,000	1,393	3,393	3,393	
Total School Sponsored Co/Extra Curricular Activities-Instruc.	6,181	24,283	30,464	30,464	
TOTAL INSTRUCTION	2,573,350	104,678	2,678,028	2,653,818	24,210
UNDISTRIBUTED EXPENDITURES					
Instruction:					
Tuition to Other LEAs Within the State-Regular	1,950,142	(28,406)	1,921,736	1,919,413	2,323
Tuition to Other LEAs Within the State-Special	159,771	17,656	177,427	177,427	
Tuition to County Voc. School Dist.-Regular		1,326	1,326	1,061	265
Tuition to Priv. Sch. For Disabled within State	307,600	(89,256)	218,344	214,119	4,225
Total Instruction	2,417,513	(98,680)	2,318,833	2,312,020	6,813
Attendance and Social Work Services:					
Supplies and Materials	11,500	1,492	12,992	12,992	
Total Attendance and Social Work Services	11,500	1,492	12,992	12,992	
Health Services:					
Salaries	63,406		63,406	58,946	4,460
Purchased Professional and Technical Services	3,000		3,000	2,750	250
Supplies and Materials	3,500	3,760	7,260	7,260	
Total Health Services	69,906	3,760	73,666	68,956	4,710

WHITE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Other Supp. Services Students-Extra. Services:					
Salaries	105,135	73,081	178,216	178,216	
Purchased Professional-Educational Services	262,100	(63,000)	199,100	102,984	96,116
Total Other Supp. Services Students-Extra. Services	367,235	10,081	377,316	281,200	96,116
Other Supp. Services Students-Special:					
Salaries of Other Professional Staff	94,480		94,480		94,480
Purchased Professional-Educational Services	271,972	7,395	279,367	279,367	
Supplies and Materials	6,000	(2,073)	3,927	3,806	121
Total Other Supp. Services Students-Special	372,452	5,322	377,774	283,173	94,601
Improvement of Instr Svcs:					
Other Purchased Services (400-500 series)	1,000		1,000		1,000
Total Improvement of Instr Svcs	1,000		1,000		1,000
Educational Media Services/School Library:					
Salaries	73,133	447	73,580	73,580	
Supplies and Materials	2,000		2,000	1,940	60
Total Educational Media Services/School Library	75,133	447	75,580	75,520	60
Instructional Staff Training Services:					
Other Objects	8,000		8,000	6,613	1,387
Total Instructional Staff Training Services	8,000		8,000	6,613	1,387
Supp. Services - General Administration:					
Salaries	211,421	2,399	213,820	213,820	
Legal Services	10,000	(198)	9,802	4,511	5,291
Audit Fees	14,500	198	14,698	14,698	
Architectual/Engineering Services	500	1,500	2,000	2,000	
Other Purchased Professional Services	7,000		7,000	68	6,932
Communications/Telephone	17,000	6,699	23,699	23,699	
Other Purchased Services (400-500 series)	33,050	(5,040)	28,010	25,398	2,612
General Supplies	500	(220)	280	45	235
Miscellaneous Expenditures	2,500	(730)	1,770		1,770
BOE Membership Dues & Fees	8,000	(779)	7,221	6,068	1,153
Total Supp. Services - General Administration	304,471	3,829	308,300	290,307	17,993

WHITE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Support Services - School Administration:					
Salaries of Secretarial and Clerical Assistants	42,000	4,000	46,000	46,000	
General Supplies	500	1,684	2,184	2,184	
Total Support Services - School Administration	42,500	5,684	48,184	48,184	
Central Services:					
Salaries	17,121	133	17,254	17,254	
Purchased Professional Services	95,000		95,000	87,104	7,896
Total Central Services	112,121	133	112,254	104,358	7,896
Required Maintenance for School Facilities:					
Salaries	51,161		51,161	49,701	1,460
Cleaning, Repair and Maintenance Services	115,000	619	115,619	107,558	8,061
General Supplies	10,000	2,443	12,443	11,322	1,121
Total Required Maintenance for School Facilities	176,161	3,062	179,223	168,581	10,642
Other Operations and Maintenance of Plant:					
Salaries	126,072	5,172	131,244	131,244	
Cleaning, Repair and Maintenance Services	12,500		12,500	7,076	5,714
Insurance	47,000		47,000	44,339	2,661
General Supplies	7,200	436	7,636	7,636	
Energy (Natural Gas)	35,000	5,766	40,766	40,766	
Energy (Electricity)	69,000	(10,200)	58,800	57,509	1,291
Total Other Operations and Maintenance of Plant	296,772	1,174	297,946	288,570	9,376

WHITE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Exhibit C-1

Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Student Transportation Services					
Contracted Services - Aid in Lieu of Payments-Nonpublic Sch.	4,000	2,132	6,132	5,110	1,022
Contracted Services - Aid in Lieu of Payments-Charter Sch.	3,000	66	3,066	3,066	
Contracted Services - Aid in Lieu of Payments-Choice Sch.	4,000	(154)	3,846	3,066	
Contracted Services (Between Home and School)-Vendors	301,228	83,129	384,357	384,357	
Contracted Services (Other Than Bet.Home and School)-Vendors	50,675		50,675	2,167	48,508
Contracted Services (Special Education Students)-Vendors	240,000	61,901	301,901	301,901	
Misc. Purchased Services - Transportation	3,500		3,500	2,750	750
Total Student Transportation Services	606,403	147,074	753,477	702,417	50,280
UNALLOCATED BENEFITS					
Regular Programs-Instruction:					
Social Security Contributions	46,000	4,071	50,071	50,071	
Other Retirement Contributions - PERS	51,000		51,000	43,203	7,797
Unemployment Compensation	12,000	2,301	14,301	14,301	
Workman's Compensation	38,405		38,405	30,468	7,937
Health Benefits	1,343,802	(202,841)	1,140,961	1,040,347	100,614
Tuition Reimbursement	22,000	(4,600)	17,400	10,129	7,271
Other Employee Benefits	20,000	4,755	24,755	24,755	
Total Regular Programs-Instruction	1,533,207	(196,314)	1,336,893	1,213,274	123,619
TOTAL UNALLOCATED BENEFITS	1,533,207	(196,314)	1,336,893	1,213,274	123,619
ON-BEHALF CONTRIBUTIONS					
On-behalf TPAF pension Contrib. (non-budgeted)				966,763	(966,763)
On-behalf TPAF PRM Contrib. (non-budgeted)				253,967	(253,967)
TPAF LTDI (On-Behalf - Non-Budgeted)				230	(230)
Reimbursed TPAF Social Security Contrib. (non-budgeted)				198,983	(198,983)
TOTAL ON-BEHALF CONTRIBUTIONS				1,419,943	(1,419,943)
TOTAL PERSONAL SERVICES-EMPLOYEE BENEFITS	1,533,207	(196,314)	1,336,893	2,633,217	(1,296,324)

WHITE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
TOTAL UNDISTRIBUTED EXPENDITURES	6,394,374	(112,936)	6,281,438	7,276,108	(995,450)
TOTAL GENERAL CURRENT EXPENSE	8,967,724	(8,258)	8,959,466	9,929,926	(970,460)
Transfer of Funds to Charter Schools	83,660		83,660	83,660	
CAPITAL OUTLAY					
EQUIPMENT					
Regular Programs - Instruction:					
Undistributed Expenditures - Non Instruct. Svcs		10,200	10,200	10,200	
TOTAL EQUIPMENT		10,200	10,200	10,200	
FACILITIES ACQUISITIONS AND CONSTRUCT. SVCS:					
Architectural Fees	33,400	408	33,808	33,808	
Construction Services	466,600	(408)	466,192		466,192
Assessment for Debt Service on SDA Funding	5,105		5,105	5,105	
TOTAL FACILITIES ACQUISITIONS AND CONST. SVCS	505,105		505,105	38,913	
TOTAL CAPITAL OUTLAY	505,105	10,200	515,305	49,113	
TOTAL EXPENDITURES	9,556,489	1,942	9,558,431	10,062,699	(970,460)
Excess (Deficiency of Revenues Over(Under) Expenditures	(896,853)	(1,942)	(898,795)	312,864	1,211,659
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(896,853)	(1,942)	(898,795)	312,864	1,211,659
Fund Balance, July 1	2,984,216		2,984,216	2,984,216	
Fund Balance, June 30	\$ 2,087,363	(1,942)	\$ 2,085,421	\$ 3,297,080	\$ 1,211,659

WHITE TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Exhibit C-1

Fiscal Year Ended June 30, 2023

	<u>Original</u> <u>Budget</u>	<u>Budget</u> <u>Transfers</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Recapitulation:					
Restricted for:					
Excess Surplus				\$ 226,706	
Excess Surplus - Designated for Subsequent Year's Expenditures				212,052	
Tuition Reserve - FY21-22 Due FY 23-24				150,000	
Tuition Reserve - FY22-23 Due FY 24-25				202,000	
Capital Reserve				1,442,124	
Emergency Reserve				68,793	
Maintenance Reserve				260,872	
Assigned to:					
Reserve for Encumbrances				17,702	
Designated for Subsequent Year's Expenditures				288,021	
Unassigned:					
Unrestricted Fund Balance				<u>428,810</u>	
Fund Balance per Governmental Funds(Budgetary Basis)				3,297,080	
Reconciliation to Governmental Funds Statement(GAAP Basis):					
Last State Aid Payment not recognized on GAAP basis				<u>(75,309)</u>	
Fund Balance per Governmental Funds(GAAP Basis B-2)				<u>\$ 3,221,771</u>	

WHITE TOWNSHIP SCHOOL DISTRICT

Exhibit C-2

**BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND**

For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Local Sources		\$ 40,605	\$ 40,605	\$ 40,605	-
Federal Sources	\$ 118,388	609,637	728,025	435,356	\$ (292,669)
Total Revenues	118,388	650,242	768,630	475,961	(292,669)
EXPENDITURES:					
Instruction					
Salaries for Instruction	25,000	(11,461)	13,539	13,539	
Other Salaries for Instruction		98,342	98,342	22,210	76,132
Other Purchased Services	75,000	18,121	93,121	93,121	
General Supplies	18,388	86,808	105,196	71,278	33,918
Other Objects		5,000	5,000	5,000	
Total Instruction	118,388	196,810	315,198	205,148	110,050
Support Services					
Salaries of Prof. Staff		88,448	88,448	73,240	15,208
Employee Benefits		54,075	54,075	7,166	46,909
Purchased Professional Ed. Services		100,325	100,325	97,585	2,740
Facilities & Buildings		158,433	158,433	48,794	109,639
Supplies and Materials		15,046	15,046	6,923	8,123
Student Activities		32,643	32,643	32,643	
Total Support Services		448,970	448,970	266,351	182,619
Total Expenditures	118,388	645,780	764,168	471,499	292,669
Total Outflows	\$ 118,388	\$ 645,780	\$ 764,168	\$ 471,499	292,669
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	4,462	4,462	4,462	-
Fund Balance Beginning				9,542	
Prior Period Adjustment				-	
Fund Balance Beginning (Restated)				9,542	
Fund Balance Ending				\$ 14,004	
Recapitulation:					
Restricted:					
Student Activities				\$ 14,004	
Total Fund Balance				\$ 14,004	

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE**

For the Fiscal Year Ended June 30, 2023

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

	General Fund	Special Revenue Fund
	<u> </u>	<u> </u>
Sources/Inflows of Resources		
Actual amounts (budgetary basis) "revenue"		
from the budgetary comparison schedule (Exhibits C-1 and C-2, respectively)	\$ 10,375,563	\$ 475,961
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year Encumbrances	N/A	-
Current Year Encumbrances	N/A	(47,329)
Adjustment for: Prior year Final State Aid Payment excluded in State Source Revenues that is considered a revenue for GAAP reporting purposes	99,843	
Adjustment for: Current Year Final State Aid Payment included in State Source Revenues that is not considered a revenue for GAAP reporting purposes	<u>(75,309)</u>	<u>-</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds. (Exhibit B-2)	<u>\$ 10,400,097</u>	<u>\$ 428,632</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules (Exhibits C-1 and C-2, respectively)	\$ 10,062,699	\$ 471,499
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Prior Year Encumbrances	N/A	-
Current Year Encumbrances	N/A	(47,329)
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.	N/A	N/A
Net transfers (outflows) to general fund	<u> </u>	<u> </u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (Exhibit B-2)	<u>\$ 10,062,699</u>	<u>\$ 424,170</u>

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

Exhibit L-3

Teachers' Pension and Annuity Fund (TPAF)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset) **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the District	\$ 11,452,064	\$ 12,317,590	\$ 17,721,373	\$ 16,060,576	\$ 16,455,276	\$ 17,568,040	\$ 20,779,883	\$ 15,532,865	\$ 12,905,821	\$ 11,341,395
Total	\$ 11,452,064	\$ 12,317,590	\$ 17,721,373	\$ 16,060,576	\$ 16,455,276	\$ 17,568,040	\$ 20,779,883	\$ 15,532,865	\$ 12,905,821	\$ 11,341,395
District's covered employee payroll	\$ 2,617,568	\$ 2,609,729	\$ 2,583,563	\$ 2,499,036	\$ 2,859,527	\$ 2,793,832	\$ 2,837,767	\$ 2,771,359	\$ 2,576,714	\$ 2,369,791
District's proportionate share of the of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	32.29%	35.50%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

Exhibit L-1

Public Employees' Retirement System (PERS)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.00343%	0.00333%	0.00326%	0.00331%	0.00367%	0.00400%	0.00402%	0.00387%	0.00469%	0.00413%
District's proportionate share of the net pension liability (asset)	\$ 517,025	\$ 394,497	\$ 531,580	\$ 596,791	\$ 723,107	\$ 930,691	\$ 1,192,072	\$ 868,956	\$ 878,512	\$ 789,383
District's covered employee payroll	\$ 292,797	\$ 247,580	\$ 242,379	\$ 238,512	\$ 224,319	\$ 252,675	\$ 268,419	\$ 448,152	\$ 269,443	\$ 319,743
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	176.58%	159.34%	219.32%	250.21%	322.36%	368.34%	444.11%	193.90%	326.05%	246.88%
Plan fiduciary net position as a percentage of the total pension liability (Local)	62.91%	70.33%	58.32%	56.27%	53.60%	58.18%	40.14%	47.92%	52.08%	48.72%

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

Exhibit L-2

Teachers' Pension and Annuity Fund (TPAF)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution **	\$ 966,993	\$ 926,827	\$ 759,184	\$ 601,143	\$ 525,468	\$ 390,654	\$ 293,680	\$ 211,490	\$ 132,865	\$ 102,153
Contributions in relation to the contractually required contribution **	(966,993)	(926,827)	(759,184)	(601,143)	(525,468)	(390,654)	(293,680)	(211,490)	(132,865)	(102,153)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
District's covered employee payroll	\$ 2,617,568	\$ 2,609,729	\$2,583,563	\$2,499,036	\$2,859,527	\$2,793,832	\$ 2,837,767	\$ 2,771,359	\$ 2,644,094	\$ 2,576,714
Contributions as a percentage of covered-employee payroll	36.94%	35.51%	29.39%	24.05%	18.38%	13.98%	10.35%	7.63%	5.02%	3.96%

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

Public Employees' Retirement System (PERS)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 43,203	\$ 38,999	\$ 54,745	\$ 50,892	\$ 54,545	\$ 49,866	\$ 38,682	\$ 31,121	\$ 49,984	\$ 58,996
Contributions in relation to the contractually required contribution	(43,203)	(38,999)	(54,745)	(50,892)	(54,545)	(49,866)	(38,682)	(31,121)	(49,984)	(58,996)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
District's covered employee payroll	\$ 292,797	\$ 247,580	\$ 242,379	\$ 238,512	\$ 252,675	\$ 448,152	\$ 252,544	\$ 269,443	\$ 319,743	\$ 255,868
Contributions as a percentage of covered-employee payroll	14.76%	15.75%	22.59%	21.34%	21.59%	11.13%	15.32%	11.55%	15.63%	23.06%

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

Exhibit M-1

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

The State of New Jersey's Total OPEB Liability	<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>
Service Cost	\$ 2,770,618,025	\$ 3,217,184,264	\$ 1,790,973,822	\$ 1,734,404,850	\$ 1,984,642,729	\$ 2,391,878,884	\$ 1,723,999,319			
Interest	1,342,187,139	1,556,661,679	1,503,341,357	1,827,787,206	1,970,236,232	1,699,441,736	1,823,643,792			
Change in Benefit Terms	-	(63,870,842)								
Differences Between Expected and Actual Experience	1,399,200,736	(11,385,071,658)	11,544,750,637	(7,323,140,818)	-500,206,574					
Benefit Payments	(13,586,368,097)	59,202,205	(1,180,515,618)	(1,280,958,373)	(1,232,987,247)	(1,242,412,566)	(1,223,298,019)			
Contributions from Members	(1,329,476,059)	-	35,781,384	37,971,171	42,614,005	45,748,749	46,273,747			
Changes of Assumptions or other inputs	42,650,252	(1,186,417,186)	12,386,549,981	\$ 622,184,027	\$ (5,291,448,855)	(7,086,599,129)	8,611,513,521			
Net change in total OPEB liability	(9,361,188,004)	(7,802,311,638)	26,080,881,563	(4,381,751,937)	(7,529,008,876)	(4,191,942,326)	10,982,132,360			
Total OPEB Liability - Beginning	\$ 60,007,650,970	\$ 67,809,962,608	\$ 41,729,081,045	\$ 46,110,832,982	\$ 53,639,841,858	\$ 57,831,784,184	\$ 46,849,651,824			
Total OPEB Liability - Ending	\$ 50,646,462,966	\$ 60,007,650,970	\$ 67,809,962,608	\$ 41,729,081,045	\$ 46,110,832,982	\$ 53,639,841,858	\$ 57,831,784,184			
The State of New Jersey's total OPEB liability **	\$ 50,646,462,966	\$ 60,007,650,970	\$ 67,809,962,608	\$ 41,729,081,045	\$ 46,110,832,982	\$ 53,639,841,858	\$ 57,831,784,184			
The State of New Jersey's OPEB liability attributable to the District **	\$ 15,213,444	\$ 17,219,771	\$ 20,351,347	\$ 13,005,977	\$ 14,513,821	\$ 17,343,129	\$ 18,808,671			
The District's proportionate share of the total OPEB liability	Zero	Zero	Zero	Zero	Zero	Zero	Zero			
District's covered employee payroll	\$ 2,910,365	\$ 2,857,309	\$ 2,825,942	\$ 2,737,548	\$ 3,083,846	\$ 3,046,507	\$ 3,285,919			
Total District's OPEB liability as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
District's contribution	None	None	None	None	None	None	None			
State's covered employee payroll ***	\$ 14,753,355,408	\$ 14,425,669,769	\$ 14,267,738,657	\$ 13,929,083,479	\$ 13,640,275,833	\$ 13,493,400,208	\$ 13,493,400,208			
Total State's OPEB liability as a percentage of its covered-employee payroll	343.29%	415.98%	475.27%	299.58%	338.05%	397.53%	428.59%			

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

*** Covered payroll for the Measurement Period ending June 30, 2021 and June 30, 2022 is based on the payroll on the June 30, 2019 and June 30, 2021 census data, respectively

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

WHITE SCHOOL DISTRICT

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

For the Fiscal Year Ended June 30, 2023

Teachers' Pension and Annuity Fund (TPAF)

Pension Schedules

Changes of benefit terms. The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

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

OPEB Schedules

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

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

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

Public Employees' Retirement System (PERS)

Pension Schedules

Changes of benefit terms. The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

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

OPEB Schedules

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

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

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

OTHER SUPPLEMENTARY INFORMATION

**SPECIAL REVENUE FUND
DETAIL STATEMENTS**

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

WHITE TOWNSHIP SCHOOL DISTRICT

Exhibit E-1

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

For the Fiscal Year Ended June 30, 2023

	Title I Part A	Title I I Part A	IDEA Basic	IDEA Pre-Sch.	ARP ESSER III	ARP Accel. Learn.	ARP Summer	ARP Mental	CRRSA II Mental	REAP	Local Grants	Student Activity	Totals
REVENUES													
Local Sources											\$ 3,500	\$ 37,105	\$ 40,605
Federal Sources	\$ 20,705	\$ 8,972	\$ 93,121	\$ 5,449	\$ 177,221	\$ 22,260	\$ 16,837	\$ 31,567	\$ 39,786	\$ 19,438			435,356
TOTAL REVENUES	20,705	8,972	93,121	5,449	177,221	22,260	16,837	31,567	39,786	19,438	3,500	37,105	475,961
EXPENDITURES:													
Instruction:													
Salaries for Instruction	13,539												13,539
Other Salaries for Instruction				5,449			16,761						22,210
Other Purchased Services			93,121										93,121
General Supplies					48,264		76			19,438	3,500		71,278
Other Objects									5,000				5,000
Total Instruction	13,539		93,121	5,449	48,264		16,837		5,000	19,438	3,500		205,148
Support Services:													
Salaries of Prof. Staff					73,240								73,240
Employee Benefits	7,166												7,166
Purchased Professional Ed. Services		8,972				22,260		31,567	34,786				97,585
Facilities & Buildings					48,794								48,794
Supplies and Materials					6,923								6,923
Student Activities												32,643	32,643
Total Support Services	7,166	8,972			128,957	22,260		31,567	34,786			32,643	266,351
TOTAL EXPENDITURES	20,705	8,972	93,121	5,449	177,221	22,260	16,837	31,567	39,786	19,438	3,500	32,643	471,499
Total Outflows	20,705	8,972	93,121	5,449	177,221	22,260	16,837	31,567	39,786	19,438	3,500	32,643	471,499
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-	4,462	4,462
Fund Balance Beginning	-	-	-	-	-	-	-	-	-	-	-	9,542	9,542
Prior Period Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-
Fund Balance Beginning (Restated)	-	-	-	-	-	-	-	-	-	-	-	9,542	9,542
Fund Balance Ending	-	-	-	-	-	-	-	-	-	-	-	\$ 14,004	\$ 14,004

**CAPITAL PROJECTS FUND
DETAIL STATEMENTS**

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

N/A

**PROPRIETARY FUND
DETAIL STATEMENTS**

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

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

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

**FIDUCIARY FUND
DETAIL STATEMENTS**

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

N/A

LONG-TERM DEBT SCHEDULES

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

N/A

White Township School District
Statistical Section

<u>Contents</u>	<u>Page</u>
Financial Trends (J-1 thru J-5) These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	82-87
Revenue Capacity (J-6 thru J-9) These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	88-91
Debt Capacity (J-10 thru J-13) These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	92-95
Demographic and Economic Information (J-14 and J-15) These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	96-98
Operating Information (J-16 thru J-20) These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	99-102

Sources:

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

**White Township School District
Net Position by Component,
Last Ten Fiscal Years**

Exhibit J-1

(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Invested in capital assets, net of related debt	\$ 2,692,112	\$ 3,042,681	\$ 2,845,574	\$ 3,188,639	\$ 3,518,448	\$ 3,305,428	\$ 3,151,171	\$ 2,933,432	\$ 2,715,693	\$ 2,535,544
Restricted	1,715,854	1,523,234	1,447,407	1,357,862	1,057,559	943,061	1,282,741	2,245,852	2,543,164	2,864,572
Unrestricted	(214,653)	(168,509)	(96,527)	(225,783)	(252,752)	(137,423)	(132,007)	(520,452)	(461,940)	(326,730)
Total governmental activities Net Position	<u>\$ 4,193,313</u>	<u>\$ 4,397,406</u>	<u>\$ 4,196,454</u>	<u>\$ 4,320,718</u>	<u>\$ 4,323,255</u>	<u>\$ 4,111,066</u>	<u>\$ 4,301,905</u>	<u>\$ 4,658,832</u>	<u>\$ 4,796,917</u>	<u>\$ 5,073,386</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ 23,586	\$ 20,661	\$ 22,178	\$ 20,574	\$ 14,045	\$ 7,516	\$ 985	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	33,593	33,566	18,866	14,793	14,851	13,736	14,285	\$ 15,437	\$ 68,984	\$ 102,404
Total business-type activities Net Position	<u>\$ 57,179</u>	<u>\$ 54,227</u>	<u>\$ 41,044</u>	<u>\$ 35,367</u>	<u>\$ 28,896</u>	<u>\$ 21,252</u>	<u>\$ 15,270</u>	<u>\$ 15,437</u>	<u>\$ 68,984</u>	<u>\$ 102,404</u>
District-wide										
Invested in capital assets, net of related debt	\$ 2,715,698	\$ 3,063,342	\$ 2,867,752	\$ 3,209,213	\$ 3,532,493	\$ 3,312,944	\$ 3,152,156	\$ 2,933,432	\$ 2,715,693	\$ 2,535,544
Restricted	1,715,854	1,523,234	1,447,407	1,357,862	1,057,559	943,061	1,282,741	2,245,852	2,543,164	2,864,572
Unrestricted	(181,060)	(134,943)	(77,661)	(210,990)	(237,901)	(123,687)	(117,722)	(505,015)	(392,956)	(224,326)
Total district Net Position	<u>\$ 4,250,492</u>	<u>\$ 4,451,633</u>	<u>\$ 4,237,498</u>	<u>\$ 4,356,085</u>	<u>\$ 4,352,151</u>	<u>\$ 4,132,318</u>	<u>\$ 4,317,175</u>	<u>\$ 4,674,269</u>	<u>\$ 4,865,901</u>	<u>\$ 5,175,790</u>

Source: ACFR Schedule A-1

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

Exhibit J-2

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities										
Instruction										
Regular	\$ 2,360,716	\$ 2,985,252	\$ 2,985,890	\$ 3,991,851	\$ 3,868,217	\$ 3,346,706	\$ 3,720,835	\$ 3,941,473	\$ 3,641,831	\$ 3,359,918
Special education	798,493	919,796	1,038,636	1,114,365	952,047	953,306	643,548	810,932	643,994	615,764
Other special instruction	207,134	222,649	167,205	191,897	192,071	174,399	157,714	120,000	160,479	166,109
Support Services:										
Tuition	2,548,138	3,108,677	2,984,365	3,029,157	3,003,481	2,891,893	2,700,800	2,632,214	2,506,936	2,312,020
Student & instruction related services	1,127,889	1,234,975	1,322,186	1,430,576	1,420,712	1,379,111	952,245	1,228,192	1,304,849	1,210,414
School administrative service	200,577	233,628	248,689	307,597	243,980	67,129	29,330	35,413	50,555	65,831
General and business admin.services	365,629	354,491	481,066	536,554	615,243	662,126	623,038	696,081	588,351	565,186
Plant operations and maintenance	498,616	464,085	591,630	741,748	846,356	749,317	790,048	893,293	719,275	628,012
Pupil transportation	512,010	547,657	545,391	565,651	588,391	605,003	535,349	493,037	530,766	702,417
Special schools	11,187	11,094								
Interest on long-term debt	62,280	49,330	119,231	101,134	91,290	87,817	92,536	92,536	92,536	96,713
Total governmental activities expenses	<u>8,692,669</u>	<u>10,131,634</u>	<u>10,484,289</u>	<u>12,010,530</u>	<u>11,821,788</u>	<u>10,916,807</u>	<u>10,245,443</u>	<u>10,943,171</u>	<u>10,239,572</u>	<u>9,722,384</u>
Business-type activities:										
Food service	82,584	85,271	87,826	71,807	55,672	67,592	48,274	69,854	107,592	99,770
Total business-type activities expense	<u>82,584</u>	<u>85,271</u>	<u>87,826</u>	<u>71,807</u>	<u>55,672</u>	<u>67,592</u>	<u>48,274</u>	<u>69,854</u>	<u>107,592</u>	<u>99,770</u>
Total district expenses	<u>\$ 8,775,253</u>	<u>\$ 10,216,905</u>	<u>\$ 10,572,115</u>	<u>\$ 12,082,337</u>	<u>\$ 11,877,460</u>	<u>\$ 10,984,399</u>	<u>\$ 10,293,717</u>	<u>\$ 11,013,025</u>	<u>\$ 10,347,164</u>	<u>\$ 9,822,154</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Business and other support services	\$ 23,737	\$ 11,250	\$ 26,300	\$ 15,897	\$ 21,840	\$ 39,800	\$ 72,429	\$ 38,953	\$ 98,630	\$ 104,534
Operating grants and contributions	185,742	151,704	3,484,612	4,750,905	4,429,810	3,615,218	3,053,795	3,767,620	2,560,894	1,939,639
Capital grants and contributions	155,400	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	<u>364,879</u>	<u>162,954</u>	<u>3,510,912</u>	<u>4,766,802</u>	<u>4,451,650</u>	<u>3,655,018</u>	<u>3,126,224</u>	<u>3,806,573</u>	<u>2,659,524</u>	<u>2,044,173</u>
Business-type activities:										
Charges for services										
Business and other support services	52,855	49,227	39,137	32,073	27,218	31,799	23,481	5,084	8,854	58,331
Operating grants and contributions	34,256	33,040	35,068	33,950	21,549	22,747	18,648	64,879	152,209	73,292
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	<u>87,111</u>	<u>82,267</u>	<u>74,205</u>	<u>66,023</u>	<u>48,767</u>	<u>54,546</u>	<u>42,129</u>	<u>69,963</u>	<u>161,063</u>	<u>131,623</u>
Total district program revenues	<u>\$ 451,990</u>	<u>\$ 245,221</u>	<u>\$ 3,585,117</u>	<u>\$ 4,832,825</u>	<u>\$ 4,500,417</u>	<u>\$ 3,709,564</u>	<u>\$ 3,168,353</u>	<u>\$ 3,876,536</u>	<u>\$ 2,820,587</u>	<u>\$ 2,175,796</u>
Net (Expense)/Revenue										
Governmental activities	\$ (8,327,790)	\$ (9,968,680)	\$ (6,973,377)	\$ (7,243,728)	\$ (7,370,138)	\$ (7,261,789)	\$ (7,119,219)	\$ (7,136,598)	\$ (7,580,048)	\$ (7,678,211)
Business-type activities	4,527	(3,004)	(13,621)	(5,784)	(6,905)	(13,046)	(6,145)	109	53,471	31,853
Total district-wide net expense	<u>\$ (8,323,263)</u>	<u>\$ (9,971,684)</u>	<u>\$ (6,986,998)</u>	<u>\$ (7,249,512)</u>	<u>\$ (7,377,043)</u>	<u>\$ (7,274,835)</u>	<u>\$ (7,125,364)</u>	<u>\$ (7,136,489)</u>	<u>\$ (7,526,577)</u>	<u>\$ (7,646,358)</u>

Continued

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

Exhibit J-2

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 6,609,124	\$ 6,741,306	\$ 6,876,132	\$ 7,013,654	\$ 7,013,654	\$ 7,013,654	\$ 7,265,322	\$ 7,483,281	\$ 7,707,779	\$ 7,861,935
Taxes levied for debt service	329,031	326,587	328,071	329,031	329,468	-	-	-	-	-
Investment earnings	4,216	3,639	7,608	16,346	27,659	40,936	26,438	9,110	9,983	70,506
Miscellaneous income	10,344	17,762	8,743	4,802	1,894	10	-	1,134	371	22,239
Federal and State Aid for Capital Assets Projects	2,326,046	3,102,630								
Transfers		(19,151)				(5,000)	-	-	-	-
Total governmental activities	<u>9,278,761</u>	<u>10,172,773</u>	<u>7,220,554</u>	<u>7,363,833</u>	<u>7,372,675</u>	<u>7,049,600</u>	<u>7,291,760</u>	<u>7,493,525</u>	<u>7,718,133</u>	<u>7,954,680</u>
Business-type activities:										
Investment earnings	44	52	438	107	434	402	163	58	76	1,567
Transfers	-	-	-	-	-	5,000	-	-	-	-
Total business-type activities	<u>44</u>	<u>52</u>	<u>438</u>	<u>107</u>	<u>434</u>	<u>5,402</u>	<u>163</u>	<u>58</u>	<u>76</u>	<u>1,567</u>
Total district-wide	<u>\$ 9,278,805</u>	<u>\$ 10,172,825</u>	<u>\$ 7,220,992</u>	<u>\$ 7,363,940</u>	<u>\$ 7,373,109</u>	<u>\$ 7,055,002</u>	<u>\$ 7,291,923</u>	<u>\$ 7,493,583</u>	<u>\$ 7,718,209</u>	<u>\$ 7,956,247</u>
Change in Net Position										
Governmental activities	\$ 950,971	\$ 204,093	\$ 247,177	\$ 120,105	\$ 2,537	\$ (212,189)	\$ 172,541	\$ 356,927	\$ 138,085	\$ 276,469
Business-type activities	4,571	(2,952)	(13,183)	(5,677)	(6,471)	(7,644)	(5,982)	167	53,547	33,420
Total district	<u>\$ 955,542</u>	<u>\$ 201,141</u>	<u>\$ 233,994</u>	<u>\$ 114,428</u>	<u>\$ (3,934)</u>	<u>\$ (219,833)</u>	<u>\$ 166,559</u>	<u>\$ 357,094</u>	<u>\$ 191,632</u>	<u>\$ 309,889</u>

Source: ACFR Schedule A-2

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

Exhibit J-3

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Reserved	\$ 2,196,908	\$ 2,233,369	\$ 2,219,849	\$ 2,081,097	\$ 1,755,168	\$ 1,708,852	\$ 1,960,814	\$ 2,262,252	\$ 2,535,564	\$ 2,868,270
Unreserved	166,159	166,620	198,734	166,857	150,228	177,648	181,187	359,774	348,809	353,501
Total general fund	<u>\$ 2,363,067</u>	<u>\$ 2,399,989</u>	<u>\$ 2,418,583</u>	<u>\$ 2,247,954</u>	<u>\$ 1,905,396</u>	<u>\$ 1,886,500</u>	<u>\$ 2,142,001</u>	<u>\$ 2,622,026</u>	<u>\$ 2,884,373</u>	<u>\$ 3,221,771</u>
All Other Governmental Funds										
Reserved							\$ 18,298	\$ 8,057	\$ 9,542	\$ 14,004
Unreserved, reported in:										
Special revenue fund										
Capital projects fund	\$ 246,950	\$ 53,249								
Debt service fund			-	-	-	-	-	-	-	-
Total all other governmental funds	<u>246,950</u>	<u>\$ 53,249</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,298</u>	<u>\$ 8,057</u>	<u>\$ 9,542</u>	<u>\$ 14,004</u>

Source: ACFR Schedule B-1

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

Exhibit J-4

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Revenues										
Tax levy	\$ 6,947,086	\$ 7,079,143	\$ 7,204,203	\$ 7,342,685	\$ 7,343,122	\$ 7,013,654	\$ 7,265,322	\$ 7,483,281	\$ 7,707,779	\$ 7,861,935
Interest on Investments	4,216	3,639	7,608	16,346	27,659	40,936	26,438	9,110	9,983	70,506
Miscellaneous	10,361	17,762	35,043	20,699	23,734	39,810	72,429	40,087	99,001	126,773
State sources	2,481,446	2,408,176	2,564,165	2,615,483	2,701,004	2,717,068	2,607,987	2,659,281	2,479,836	2,381,488
Federal sources	185,742	151,704	183,516	178,517	189,601	169,037	185,268	224,898	374,635	388,027
Total revenue	9,628,851	9,660,424	9,994,535	10,173,730	10,285,120	9,980,505	10,157,444	10,416,657	10,671,234	10,828,729
Expenditures										
Instruction										
Regular Instruction	1,609,987	1,706,640	2,165,784	2,441,110	1,967,097	1,879,068	2,264,694	2,153,532	2,326,320	2,286,686
Special education instruction	497,309	527,713	791,203	707,843	510,916	566,237	410,511	465,456	431,824	450,699
Other special instruction	132,593	123,259	127,372	121,893	103,075	103,588	100,604	68,877	107,608	121,581
Support Services:										
Tuition	2,431,662	3,008,260	2,984,365	3,029,157	3,003,481	2,891,893	2,700,800	2,632,214	2,506,936	2,312,020
Student & instruction related services	795,184	776,791	1,007,203	908,700	762,425	819,153	607,425	704,953	874,954	885,944
School administrative services	118,911	123,020	189,444	195,385	130,932	39,873	18,709	20,326	33,899	48,184
Other administrative services	318,827	316,050	347,448	321,804	311,156	374,270	378,414	380,520	375,499	394,665
Plant operations and maintenance	412,165	382,450	448,174	468,644	451,684	442,560	501,449	510,216	479,790	457,151
Pupil transportation	512,010	547,657	545,391	565,651	588,391	605,003	535,349	493,037	530,766	702,417
Unallocated employee benefits	1,420,533	1,556,675	875,049	949,820	2,130,078	2,158,184	2,153,237	2,424,423	2,646,144	2,633,217
Summer School			-	-	-	-	-	-	-	-
Charter School	11,187	11,094	42,096	72,952	111,486	109,467	162,164	88,214	81,662	83,660
Capital Outlay	641,525	344,343	129,861	184,500	179,557	5,105	68,587	5,105	12,000	110,645
Debt service:										
Principal	341,322	325,000	340,000	355,000	370,000	-	-	-	-	-
Interest and other charges	61,900	49,100	35,800	21,900	7,400	-	-	-	-	-
Total expenditures	9,305,115	9,798,052	10,029,190	10,344,359	10,627,678	9,994,401	9,901,943	9,946,873	10,407,402	10,486,869
Excess (Deficiency) of revenues over (under) expenditures	323,736	(137,628)	(34,655)	(170,629)	(342,558)	(13,896)	255,501	469,784	263,832	341,860
Other Financing Sources (uses)										
Bond Proceeds										
Transfers in			53,249	-	-	-	-	-	-	-
Transfers out		(19,151)	(53,249)	-	-	(5,000)	-	-	-	-
Total other financing sources (uses)	-	(19,151)	-	-	-	(5,000)	-	-	-	-
Net change in fund balances	\$ 323,736	\$ (156,779)	\$ (34,655)	\$ (170,629)	\$ (342,558)	\$ (18,896)	\$ 255,501	\$ 469,784	\$ 263,832	\$ 341,860
Debt service as a percentage of noncapital expenditures	4.7%	4.0%	3.8%	3.7%	3.6%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: ACFR Schedule B-2

WHITE TOWNSHIP SCHOOL DISTRICT

GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED

Exhibit J-5

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Refund</u> <u>Prior Year</u> <u>Expenditures</u>	<u>A/P</u> <u>Canceled</u>	<u>Tuition</u>	<u>Miscellaneous</u>	<u>Total</u>
2014	\$ 4,216	\$ 1,501	\$ 6,938	\$ 8,931	\$ 1,922	\$ 23,508
2015	3,639	16,757		11,250	1,005	32,651
2016	7,608	8,709		26,300	34	42,651
2017	16,346	4,471		15,897	331	37,045
2018	27,659			21,840	1,894	51,393
2019	40,936			39,800	10	80,746
2020	26,438			72,429	-	98,867
2021	9,110			25,740	1,134	35,984
2022	9,983			66,602		76,585
2023	70,506			67,429	18,739	156,674

SOURCE: District Records

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

Exhibit J-6

<u>Fiscal Year Ended June 30,</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm Reg.</u>	<u>Ofarm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Total Assessed Value</u>	<u>Less: Tax-Exempt Property</u>	<u>Public Utilities a</u>	<u>Net Valuation Taxable</u>	<u>Total Direct School Tax Rate b</u>	<u>Estimated Actual (County Equalized Value)</u>
2014	\$14,998,027	\$414,805,300	\$41,490,600	\$3,370,971	\$46,955,300	\$49,826,300	\$4,927,600	\$635,526,157	\$57,167,793	\$1,984,266	\$578,358,364	\$1.237	\$564,465,088
2015	13,266,027	407,779,900	41,591,600	3,385,471	48,384,700	49,826,300	4,927,600	628,175,638	57,064,693	1,949,347	571,110,945	1.276	533,677,297
2016	13,341,627	402,774,500	42,083,900	3,295,981	48,136,000	49,826,300	4,927,600	621,707,801	57,321,893	-	564,385,908	1.308	516,692,444
2017	12,739,027	400,945,200	41,943,200	3,310,071	47,555,000	49,826,300	4,927,600	619,363,191	58,116,793	-	561,246,398	1.309	569,662,143
2018	12,429,127	401,101,900	40,939,600	3,289,171	48,455,200	49,826,300	4,927,600	619,720,591	58,751,693	-	560,968,898	1.256	560,061,782
2019	11,829,827	399,049,000	41,009,200	3,181,671	48,091,900	50,220,500	4,927,600	617,823,491	59,513,793	-	560,968,898	1.302	546,528,267
2020	11,891,527	400,575,500	39,747,400	3,078,671	48,139,800	50,220,500	4,958,300	618,415,591	59,803,893	-	558,611,698	1.343	565,035,728
2021	11,460,027	399,173,500	39,545,600	3,177,971	48,343,400	50,357,900	4,958,300	617,071,391	60,054,693	-	557,016,698	1.389	571,643,672
2022	11,170,627	398,272,200	40,249,400	3,176,081	46,857,700	50,240,800	4,958,300	615,630,301	60,705,193	-	554,925,108	1.416	570,951,539
2023	11,139,827	398,931,700	40,038,500	3,196,091	46,816,000	50,240,800	4,958,300	616,266,811	60,945,593	-	555,321,218	1.416	582,189,087

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

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

Exhibit J-7

(rate per \$100 of assessed value)

Fiscal Year Ended June 30,	White Township Board of Education						Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	White Township	Library	Warren County	
2014	\$1.142	\$0.057	\$1.199	\$0.117	\$0.050	\$0.568	\$1.934
2015	\$1.180	\$0.057	\$1.237	\$0.118	\$0.051	\$0.671	\$2.077
2016	\$1.218	\$0.058	\$1.276	\$0.118	\$0.049	\$0.650	\$2.093
2017	\$1.249	\$0.059	\$1.308	\$0.093	\$0.049	\$0.730	\$2.180
2018	\$1.250	\$0.059	\$1.309	\$0.020	\$0.049	\$0.761	\$2.139
2019	\$1.256	\$0.000	\$1.256	\$0.041	\$0.049	\$0.715	\$2.061
2020	\$1.302	\$0.000	\$1.302	\$0.119		\$0.724	\$2.145
2021	\$1.343	\$0.000	\$1.343	\$0.118		\$0.720	\$2.181
2022	\$1.389	\$0.000	\$1.389	\$0.179		\$0.719	\$2.287
2023	\$1.416	\$0.000	\$1.416	\$0.178		\$0.713	\$2.307

Source: District Records and Municipal Tax Collector

Note:

NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

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

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

**White Township School District
Principal Property Tax Payers,
Current Year and Nine Years Ago**

Exhibit J-8

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
DSM, Inc	\$ 45,158,200	1	8.13%	\$ 113,730,700	1	19.66%
HCRI NY-NJ Properties LLC	7,984,500	2	1.44%			
Country View Village	5,206,500	3	0.94%	5,206,500	3	0.90%
Windtryst Limited	4,598,600	4	0.83%	4,598,600	4	0.80%
Tilcon	3,587,800	6	0.65%			
Individual Taxpayer #1	3,355,300	9	0.60%	1,200,000	10	0.21%
Hike Enterprises, LLC	3,350,000	5	0.60%	6,994,800	2	1.21%
BASF Corp	2,861,800	8	0.52%	2,836,600	6	0.49%
Individual Taxpayer #2	2,308,800	7	0.42%	3,339,100	5	0.58%
PC6REO LLC	2,306,300	10	0.42%			
United Telephone				1,564,824	7	0.27%
Desapio Properties				1,158,900	8	0.20%
White 46 Associates, LLC				1,316,900	9	0.23%
Total	<u>\$ 80,717,800</u>		<u>14.54%</u>	<u>\$ 141,946,924</u>		<u>24.54%</u>

Source: District ACFR & Municipal Tax Assessor

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

Exhibit J-9

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	\$6,938,155	\$6,938,155	100.00%	-
2015	\$7,067,893	\$7,067,893	100.00%	-
2016	\$7,204,203	\$7,204,203	100.00%	-
2017	\$7,342,685	\$7,342,685	100.00%	-
2018	\$7,343,122	\$7,343,122	100.00%	-
2019	\$7,013,654	\$7,013,654	100.00%	-
2020	\$7,265,322	\$7,265,322	100.00%	-
2021	\$7,483,281	\$7,483,281	100.00%	-
2022	\$7,707,779	\$7,707,779	100.00%	-
2023	\$7,861,935	\$7,861,935	100.00%	-

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

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

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

Exhibit J-10

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2014	\$1,574,254	-0-	-0-	-0-	-0-	\$1,574,254	0.68%	\$331	
2015	\$1,222,932	-0-	-0-	-0-	-0-	\$1,222,932	0.53%	\$258	
2016	\$856,610	-0-	-0-	-0-	-0-	\$856,610	0.37%	\$181	
2017	\$475,288	-0-	-0-	-0-	-0-	\$475,288	0.20%	\$100	
2018	\$78,966	-0-	-0-	-0-	-0-	\$78,966	0.03%	\$17	
2019	\$0	-0-	-0-	-0-	-0-	\$0	0.00%	\$0	
2020	\$0	-0-	-0-	-0-	-0-	\$0	0.00%	\$0	
2021	\$0	-0-	-0-	-0-	-0-	\$0	0.00%	\$0	
2022	\$0	-0-	-0-	-0-	-0-	\$0	0.00%	\$0	
2023	\$0	-0-	-0-	-0-	-0-	\$0	0.00%	\$0	

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

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

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

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

Exhibit J-11

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
2014	\$1,574,254	-0-	\$1,574,254	0.24%	\$331
2015	\$1,222,932	-0-	\$1,222,932	0.19%	\$258
2016	\$856,610	-0-	\$856,610	0.15%	\$181
2017	\$475,288	-0-	\$475,288	0.08%	\$100
2018	\$78,966	-0-	\$78,966	0.01%	\$17
2019	\$0	-0-	\$0	0.00%	\$0
2020	\$0	-0-	\$0	0.00%	\$0
2021	\$0	-0-	\$0	0.00%	\$0
2022	\$0	-0-	\$0	0.00%	\$0
2023	\$0	-0-	\$0	0.00%	\$0

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

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

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

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

Exhibit J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Township of White	-	100.000%	-
Other debt			
Warren County	\$ 830,000	4.799%	<u>\$ 39,833</u>
Subtotal, overlapping debt			39,833
White Township School District Direct Debt			<u>None</u>
Total direct and overlapping debt			<u><u>\$ 39,833</u></u>

Sources: Township Finance Officer, Warren County Finance Office and Utility Authorities

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

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

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

Exhibit J-13

Legal Debt Margin Calculation for Fiscal Year 2023

Equalized valuation basis

2020	570,012,994
2021	578,830,821
2022	677,965,106
[A]	<u>\$ 1,826,808,921</u>

Average equalized valuation of taxable property [A/3] \$ 608,936,307

Debt limit (3 % of average equalization value) [B] 18,268,089

Net school debt [C] None

Legal debt margin [B-C] \$ 18,268,089

Fiscal Year

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Debt limit	\$23,061,811	\$21,579,199	\$16,265,167	\$16,453,403	\$16,733,227	\$16,649,743	\$16,778,712	\$17,018,228	\$17,190,303	\$ 18,268,089
Total net debt applicable to limit	<u>1,390,000</u>	<u>1,065,000</u>	<u>725,000</u>	<u>475,288</u>	<u>78,966</u>	-	-	-	-	-
Legal debt margin	<u>\$21,671,811</u>	<u>\$20,514,199</u>	<u>\$15,540,167</u>	<u>\$15,978,115</u>	<u>\$16,654,261</u>	<u>\$16,649,743</u>	<u>\$16,778,712</u>	<u>\$17,018,228</u>	<u>\$17,190,303</u>	<u>\$18,268,089</u>
Total net debt applicable to the limit as a percentage of debt limit	6.93%	6.03%	4.94%	4.46%	2.89%	0.47%	0.00%	0.00%	0.00%	0.00%

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

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

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

Exhibit J-14

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income (thousands of dollars) ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2014	4,771	\$ 231,161,040	\$48,887 R	6.1%
2015	4,768	\$ 231,063,750	\$50,741 R	5.5%
2016	4,750	\$ 230,723,235	\$51,503 R	5.1%
2017	4,714	\$ 241,275,480	\$53,149 R	4.8%
2018	4,692	\$ 244,252,138	\$54,973 R	4.1%
2019	4,681	\$ 250,899,797	\$56,956 R	3.4%
2020	4,663	\$ 261,006,048	\$60,525 R	7.7%
2021	4,659	\$ 269,541,786	\$63,041 R	5.3%
2022	4,630	\$ 280,230,750	\$63,041 *	3.8%
2023	4,681	\$ 295,094,921	\$63,041 *	*

Source:

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

^b Personal Income provided by US Dept of Commerce

^c Per Capita provided by US Dept of Commerce

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

R =Revised

P =Projected

* Current data unavailable

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

Exhibit J-15

N/A

Employer	2023			2014		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
		1	0.00%			0.00%
		2	0.00%			0.00%
		3	0.00%			0.00%
		4	0.00%			0.00%
		5	0.00%			0.00%
		6	0.00%			0.00%
		7	0.00%			0.00%
		8	0.00%			0.00%
		9	0.00%			0.00%
		10	0.00%			0.00%
	<hr/>		<hr/>	<hr/>		<hr/>
	-		0.00%	-		0.00%

Source:

No reliable information is available at the local or county level.

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

Exhibit J-16

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Instruction										
Regular	25	25	25	25	25	26	30	30	30	30
Special education	10	10	10	9	9	8	5	5	5	5
Other special education										
Other Instruction	5	4	4	5	2	2	3	3	3	3
Support Services:										
Student & instruction related services	6	6	6	6	6	6	2	2	2	5
General Administration						1	2	2	2	2
School administrative services	2	2	2	2	2	1	1	1	1	1
Central Services	2	2	2	2	1	1	1	1	1	1
Plant operations and maintenance	3	3	3	3	3	3	3	3	3	3
Food Service	2	2	1	1	1	1	1	1	1	1
Total	56	55	54	53	53	49	48	48	48	51

Source: District Personnel Records

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

Exhibit J-17

Fiscal Year	Enrollment^d	Operating Expenditures^a	Cost Per Pupil	Percentage Change	Teaching Staff^b	Pupil/Teacher Ratio 1:	Average Daily Enrollment (ADE)^c	Average Daily Attendance (ADA)^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2014	319	\$ 8,587,660	\$ 26,921	8.42%	40	8.0	343.3	333.1	2.39%	97.0%
2015	286	9,231,313	32,277	19.90%	40	7.2	319.6	307.5	-6.90%	96.2%
2016	286	9,653,390	33,753	4.57%	39	7.3	286.3	274.3	-10.42%	95.8%
2017	270	9,967,459	36,917	9.37%	39	6.9	270.0	257.8	-5.69%	95.5%
2018	262	10,250,278	39,123	5.98%	36	7.3	262.0	252.8	-2.96%	96.5%
2019	276	9,994,401	36,212	-7.44%	36	7.7	276.0	266.6	5.34%	96.6%
2020	263	9,901,943	37,650	3.97%	35	7.5	263.0	263.0	-4.71%	100.0%
2021	243	9,946,873	40,934	8.72%	35	6.9	243.0	235.0	-7.60%	96.7%
2022	255	10,407,402	40,813	-0.29%	35	7.3	255.0	245.0	4.94%	96.1%
2023	269	10,486,869	38,985	-4.48%	35	7.7	269.0	260.0	5.49%	96.7%

Sources: District records, ASSA and Schedule J-4

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-2
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).
- d Enrollment for FY2009 forward includes student counts for tuition students.

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

Exhibit J-18

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<u>District Building</u>										
<u>Elementary</u>										
White (1931)										
Square Feet	59,341	59,341	59,341	59,341	59,341	59,341	59,341	59,341	59,341	59,341
Capacity (students)	620	620	620	620	620	620	620	620	620	620
Enrollment	349	319	286	270	262	276	263	243	255	269

Number of Schools at June 30, 2023

Source: District records, ASSA

Elementary = 1

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

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

Exhibit J-19

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

<u>School Facilities</u>	<u>Project #</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Total</u>
White Township Consolidated School	N/A	\$133,946	\$118,368	\$159,060	\$156,654	\$168,178	\$183,405	\$225,237	\$229,149	\$205,147	\$168,581	\$1,747,725
Total School Facilities		133,946	118,368	159,060	156,654	168,178	183,405	225,237	229,149	205,147	168,581	1,747,725
Other Facilities		NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
Grand Total		\$133,946	\$118,368	\$159,060	\$156,654	\$168,178	\$183,405	\$225,237	\$229,149	\$205,147	\$168,581	\$1,747,725

WHITE TOWNSHIP SCHOOL DISTRICT

INSURANCE SCHEDULE

JUNE 30, 2023

UNAUDITED

Exhibit J-20

<u>POLICY TYPE</u>	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
COMMERCIAL PACKAGE POLICY - NJ Schools Insurance Group (NJSIG)		
Property-Blanket Building and Contents	\$ 500,000,000	\$ 1,000
Accounts Receivable	250,000	1,000
Automobile Physical Damage	In Blanket Limit	1,000
Employee Dishonesty (Per Loss)	50,000	500
Forgery	50,000	500
Comprehensive General Liability: Occurrence Limit	11,000,000	
Comprehensive Automobile Liability	11,000,000	
Workers' Compensation	2,000,000	
School Board Liability	11,000,000	5,000
Environmental Impairment Liability		
PUBLIC EMPLOYEES' FAITHFUL PERFORMANCE		
BLANKET POSITION BOND - RLI Company		
School Board Secretary/School Business Administrator	200,000	

SOURCE: District Records

Single Audit Section



ARDITO & COMPANY LLC

1110 Harrison Street, Suite C
 Frenchtown, New Jersey 08825-1192
 908-996-4711 Fax: 908-996-4688
 e-mail: anthony@arditoandcompany.com

Anthony Ardito, CPA, RMA, CMFO, PSA

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

Independent Auditor's Report

Honorable President and
 Members of the Board of Education
 White Township School District
 565 CR 519
 County of Warren
 Belvidere, New Jersey 07823

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the White Township School District Board of Education in the County of Warren, 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 White Township School District Board of Education's basic financial statements, and have issued our report thereon dated November 15, 2023.

Internal Control Over Financial Reporting

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

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

-Continued-

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a material weakness.

Compliance and Other Matters

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

We noted certain matters that we reported to management of the Dunellen School District, in a separate letter dated November 15, 2023 entitled "Auditor's Management Report on Administrative Findings".

Purpose of this Report

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

Ardito & Company LLC

ARDITO & COMPANY LLC

Frenchtown, New Jersey

November 15, 2023

Anthony Ardito

Anthony Ardito

Certified Public Accountant

Licensed Public School Accountant No. 2369

ARDITO & COMPANY LLC

Frenchtown, New Jersey

November 15, 2023



ARDITO & COMPANY LLC

1110 Harrison Street, Suite C
 Frenchtown, New Jersey 08825-1192
 908-996-4711 Fax: 908-996-4688
 e-mail: anthony@arditoandcompany.com

Anthony Ardito, CPA, RMA, CMFO, PSA

Independent Auditor's Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by New Jersey OMB circular 15-08

Honorable President and
 Members of the Board of Education
 White Township School District
 565 CR 519
 County of Warren
 Belvidere, New Jersey 07823

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

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

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

Basis for Opinion on Each Major State Program

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

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

Responsibilities of Management for Compliance

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

-Continued-

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

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

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with New Jersey OMB Circular 15-08 and which are described in the accompanying schedule of findings and questioned costs as items 2023-002 and 2023-003. Our opinion on each major state program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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

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

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

Ardito & Company LLC

ARDITO & COMPANY LLC

Frenchtown, New Jersey

November 15, 2023

Anthony Ardito

Anthony Ardito

Certified Public Accountant

Licensed Public School Accountant No. 2369

ARDITO & COMPANY LLC

Frenchtown, New Jersey

November 15, 2023

WHITE TOWNSHIP SCHOOL DISTRICT

K-3

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

Schedule A

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing No.	FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance At June 30, 2022	Carryover/ Walkover/ Amount	Cash Received	Budget Expend.	Adjust.	Repayment of Prior Years' Balances	Balance at June 30, 2023			Cumulative Total Expenditures
					From	To							Accounts Receivable	Deferred Revenue	Due to Grantor	
U.S. Department of Education Passed- Through State Department of Education: Special Revenue Fund																
Title I	84.010	S010A220030	N/A	20,705	7/1/22	6/30/23			\$ 4,788	\$ (20,705)			\$ (15,917)			\$ 20,705
Title II Part A	84.367	S367B220029	N/A	8,972	7/1/22	6/30/23			-	(8,972)			(8,972)			8,972
Title IV	84.424A	S424B220027	N/A	10,000	7/1/22	6/30/23			10,000	-				\$ 10,000		
Rural Education Achievement Program	84.358A	S358B220030	S358A222755	21,696	7/1/22	6/30/23			-	(19,438)			(21,696)	2,258		19,438
I.D.E.A. Part B, Basic Regular	84.027A	H027A220100	FT225021	93,121	7/1/22	6/30/23			91,778	(93,121)			(1,343)			93,121
I.D.E.A. Part B, Preschool Special Education Cluster	84.173	H173A220114	FT225021	5,449	7/1/22	6/30/23			5,449	(5,449)			-			5,449
							-	-	97,227	(98,570)	-	-	(1,343)	-	-	98,570
American Rescue Plan-ESSER III	84.425U	S425U220027	ARP	353,296	3/13/20	9/30/24			10,370	(177,221)			(342,926)	176,075		177,221
American Rescue Plan-Accel. Learn. Coaching & Ed. Support	84.425U	S425U220027	ARP	50,000	3/13/20	9/30/24			-	(22,260)			(50,000)	27,740		22,260
American Rescue Plan-Evidence Based Summer Learning	84.425U	S425U220027	ARP	40,000	3/13/20	9/30/24			-	(16,837)			(40,000)	23,163		16,837
American Rescue Plan-Evidence Based Beyond the Sch. Day	84.425U	S425U220027	ARP	40,000	3/13/20	9/30/24			-	-			(40,000)	40,000		
American Rescue Plan-NJTSS Mental Health Support Staffing	84.425U	S425U220027	ARP	45,000	3/13/20	9/30/24			30,808	(31,567)			(14,192)	13,433		31,567
CRRSA II Mental Health	84.425D	S425D220027	CRRSA	45,000	3/13/20	9/30/23			22,380	(39,786)			(17,406)	-		45,000
Total Coronavirus Aid Relief, and Economic Security Act – Elementary and Secondary School Emergency Relief Funds							-	-	63,558	(287,671)	-	-	(504,524)	280,411	-	292,885
Total Special Revenue Fund							-	-	175,573	(435,356)	-	-	(552,452)	292,669	-	440,570
U.S. Department of Agriculture Passed- Through State Department of Agriculture: Enterprise Fund																
Child Nutrition Cluster																
National School Lunch Program (Food Distribution)	10.555	221NJ304N1099	N/A		7/1/21	6/30/22	\$ 277			(277)						277
National School Lunch Program (Food Distribution)	10.555	231NJ304N1199	N/A	8,267	7/1/22	6/30/23			8,267	(7,934)				333		7,934
National School Lunch Program	10.555	221NJ304N1099	N/A		7/1/21	6/30/22	(24,405)		24,405							
National School Lunch Program	10.555	231NJ304N1199	N/A	39,736	7/1/22	6/30/23			37,863	(39,736)			(1,873)			39,736
Supply Chain Assistance Funding	10.555	231NJ344N8903	N/A	23,321	7/1/22	6/30/23			23,321	(23,321)			-			23,321
Total Enterprise Fund							(24,128)	-	93,856	(71,268)	-	-	(1,873)	333	-	71,268
TOTAL FEDERAL FINANCIAL AWARDS							\$ (24,128)	-	\$ 269,429	\$ (506,624)	-	-	\$ (554,325)	\$ 293,002	-	\$ 511,838

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.
Note: This Schedule was not subject to an audit in accordance with OMB Uniform Guidance.

WHITE TOWNSHIP SCHOOL DISTRICT

K-4

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

Schedule B

STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE 6/30/2022	CARRY- OVER AMOUNT	CASH RECEIVED	BUDGET. EXPEND.	ADJUST.	REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE AT JUNE 30, 2023			MEMO		
										(ACCTS. RECEIV.)	DEFER. REVENUE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES	
State Department of Education															
General Fund:															
Equalization Aid	23-495-034-5123-078	7/1/22-6/30/23	\$ 123,963			\$ 123,963	\$ (123,963)							* \$ 12,312	\$ 123,963
Transportation Aid	23-495-034-5123-014	7/1/22-6/30/23	249,609			249,609	(249,609)							* 24,793	249,609
Special Education Aid	23-495-034-5123-089	7/1/22-6/30/23	335,067			335,067	(335,067)							* 33,281	335,067
Security Aid	23-495-034-5123-084	7/1/22-6/30/23	49,562			49,562	(49,562)							* 4,923	49,562
Stabilization Aid	23-100-034-5120-494	7/1/22-6/30/23	89,369			89,369	(89,369)							* 89,369	89,369
Extraordinary Aid	22-495-034-5123-044	7/1/21-6/30/22	100,984	\$ (100,984)		100,984	-							* 100,984	100,984
Extraordinary Aid	23-495-034-5123-044	7/1/22-6/30/23	87,569			-	(87,569)			\$ (87,569)				* 87,569	87,569
Non-Public Transportation Aid	23-495-034-5123-044	7/1/22-6/30/23	1,872			-	(1,872)			(1,872)				* 1,872	1,872
Non-Public Transportation Aid	22-495-034-5123-044	7/1/21-6/30/22	1,160	(1,160)		1,160	-							* 1,160	1,160
On Behalf TPAF Pension	23-495-034-5094-002	7/1/22-6/30/23	966,763			966,763	(966,763)							* 966,763	966,763
On Behalf TPAF Pension PRM	23-495-034-5094-001	7/1/22-6/30/23	253,967			253,967	(253,967)							* 253,967	253,967
On Behalf TPAF Pension LTDI	23-495-034-5094-004	7/1/22-6/30/23	230			230	(230)							* 230	230
Reimbursed TPAF Soc.Secur.Contrib.	23-495-034-5094-003	7/1/22-6/30/23	198,983			198,559	(198,983)			(424)				* 198,983	198,983
Total General Fund				(102,144)		2,369,233	(2,356,954)	-		(89,865)				* 75,309	2,459,098
State Department of Agriculture:															
Enterprise Fund:															
Nat.School Lunch Prog.(State Share)	22-100-010-3350-023	7/1/23-6/30/22		(561)		561								* 2,024	2,024
Nat.School Lunch Prog.(State Share)	23-100-010-3350-023	7/1/22-6/30/23	2,024			1,935	(2,024)			(89)				* 2,024	2,024
Total Enterprise Fund				(561)		2,496	(2,024)			(89)				* 2,024	2,024
Total State Financial Assistance				\$ (102,705)		- \$ 2,371,729	\$ (2,358,978)	-		- \$ (89,954)				* \$ 75,309	\$ 2,461,122
Less On-behalf TPAF Pension Amounts:															
On Behalf TPAF Pension	23-495-034-5094-002						966,763								
On Behalf TPAF Pension PRM	23-495-034-5094-001						253,967								
On Behalf TPAF Pension LTDI	23-495-034-5094-004						230								
Total State Expenditures Subject to Major Program Determination							\$ (1,138,018)								

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

NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2023

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

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

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$24,534 for the general fund and (\$47,329) for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2023

NOTE 3. (Continued)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 2,381,488	\$ 2,381,488
Special Revenue Fund	\$ 388,027	-	388,027
Food Service Fund	<u>71,268</u>	<u>2,024</u>	<u>73,292</u>
Total Financial Assistance	<u>\$ 459,295</u>	<u>\$ 2,383,512</u>	<u>\$ 2,842,807</u>

NOTE 4. RELATIONSHIP TO STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

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

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

Section I - Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

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

Noncompliance material to financial statements noted? ___ Yes x No

Federal Awards

Not Applicable

Internal control over major programs:

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

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

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

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

Identification of major programs:

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

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

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

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

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

State Financial Assistance Section

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

Auditee qualified as low-risk auditee? x yes no

Internal Control over major programs:

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

2) Were significant deficiencies identified that were not considered to be material weaknesses? yes x none

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

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular letter 15-08 as applicable? x yes no

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

23-495-034-5122-078

23-495-034-5122-089

23-495-034-5122-084

Equalization Aid (State Aid Cluster)

Special Education Aid (State Aid Cluster)

Security Aid (State Aid Cluster)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**Section II-Financial Statement Findings**

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

Financial Statement:**Finding 2023-001****Criteria or Specific Requirement:**

General ledger assets and liabilities should be reconciled to the underlying account detail.

Condition:

Balance sheet asset or liability general ledger accounts were not reconciled to the underlying account detail.

Context:

Reconciliation differences of \$213,198 were identified which comprise 5.5% of the district's June 30, 2023 assets.

Effect:

\$213,198 of cumulative differences were recorded as of June 30, 2023 to correct the financial statements.

Cause:

Lack of internal controls over the monitoring of the reconciliation of the general ledger assets and liabilities.

Recommendation:

The district should document and implement internal controls to monitor the preparation of asset and liability reconciliations to ensure accounts are reconciled to the underlying account detail on a monthly basis.

Views of management and planned corrective actions:

The School Business Administrator will document and implement internal controls sufficient to monitor the preparation of general ledger reconciliations, ensuring accounts are properly reconciled to the underlying account detail.

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

**Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs -
(Continued)**

Finding 2023-002 - (Continued)

Views of management and planned corrective actions:

The district understands the administrative expenditure statutory limitations and will comply with those limitations on an on going basis.

Finding 2023-003

Information on the State Program:

State Aid Cluster 23-495-034-5120-078, et.al.

Criteria or Specific Requirement:

The district did not maintain adequate surety bond insurance on the school treasurer as required by N.J.S.A. 18A:17-32

Condition:

No surety bond coverage was maintained from September 30, 2022 through June 30, 2023.

Context:

N.J.A.C. 6A:23A-16.4 requires a minimum coverage of \$177,783 based on the current year's school budgeted expenditures.

Effect:

Lack of surety bond coverage increases loss exposure risk to the district.

Cause:

The previous treasurer's bond was cancelled and a bond for the new treasurer was never established. The district applied for surety bond coverage in October 2022, but no bond was ever established.

Recommendation:

We recommend the district maintain adequate surety bond insurance on the school treasurer as required by N.J.S.A. 18A:17-32

Views of management and planned corrective actions:

The district understands the statutory insurance requirements and will comply on an on going basis.

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

STATUS OF PRIOR YEAR FINDINGS

N/A

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