

Audubon Public School District

Audubon, New Jersey
County of Camden



A Tradition of Pride & Excellence

Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2024

Annual Comprehensive Financial Report

of the

Audubon Board of Education

Audubon, New Jersey

For the Fiscal Year Ended June 30, 2024

**Prepared by
Audubon Board of Education
Finance Department**

AUDUBON SCHOOL DISTRICT

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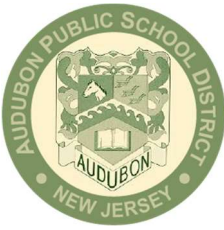
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Introductory Section



Audubon Public School District

A Tradition of Pride & Excellence

*Sandra Allen ext. 4102
Superintendent of Schools*

*Deborah Roncace, ext. 4104
School Business Administrator*

November 27, 2024

Honorable President and
Members of the Board of Education
Audubon Public School District
County of Camden
Audubon, NJ 08106

Dear Board Members:

The Annual Comprehensive Financial Report (ACFR) of the Audubon Public School District (hereinafter, the “District”) for the fiscal year ended June 30, 2024, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (“Board”). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Title 2 U.S. Code of Federal regulations, cost principles and audit requirements for federal awards (uniform guidance) and State of New Jersey Circular OMB 15-08. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, is included in the single audit section of this report

1. REPORTING ENTITY AND ITS SERVICES:

The Audubon Public School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by NCGA Statement No. 3. All funds and account groups of the district are included in this report. The Audubon Board of Education and all its schools constitute the District's reporting entity.

The Audubon Public School District is one of thirty-nine (39) identified school districts in Camden County. The District consists of three schools – Haviland Avenue Elementary (PreK-2), Mansion Avenue Elementary (3-6), and the Audubon Junior-Senior High School (7-12). The district provides a full range of educational services appropriate to grade levels K-12. These include regular, vocational and special education programs. The Audubon school district offers a pre-school inclusion program for handicap students and offers paid (tuition) seats for general students on a lottery basis. In 2011 the Audubon School District was approved to participate in the State's Inter-District Public School Choice Program. This program allows students from other districts in the surrounding area to attend Audubon High School. Student admission is based on availability of space, and the district received state aid for each student enrolled. Currently the district enrolls one hundred and two students in this program

On June 30, 2009 the Audubon Park Board of Education was dissolved, as the State of New Jersey took steps to eliminate all non-operating districts in the State. The Audubon Park students are now considered resident students of the district. The district maintains a send-receiving relationship with the Mount Ephraim school district for grades nine through twelve.

The district completed the 2023-2024 school year, with an average daily enrollment of 1,398 students.

Average Daily Pupil Enrollment

<u>SCHOOL YEAR</u>	<u>STUDENT ENROLLMENT</u>	<u>PERCENT CHANGE</u>
2014-2015	1,411	0.1%
2015-2016	1,545	9.5%
2016-2017	1,549	0.2%
2017-2018	1,528	(1.4%)
2018-2019	1,498	(2.0%)
2019-2020	1,471	(1.8%)
2020-2021	1,426	(3.1%)
2021-2022	1,405	(1.5%)
2022-2023	1,424	1.4%
2023-2024	1,398	(1.8%)

2. ECONOMIC CONDITION AND OUTLOOK:

Audubon Borough is a small community located ten miles east of Philadelphia in the eastern portion of Camden County, New Jersey. Audubon is 1.5 square miles in land area and its population was a little under 9,000 in the 2010 Census Report. Audubon is a stable community with little room for additional commercial or residential development; however, the commercial properties are experiencing a rebirth and development as several new businesses have revitalized existing properties. Homeowners represent the Districts' *Tradition of Pride and Excellence* as is reflected in their picturesque homes and welcoming neighborhoods.



3. MAJOR INITIATIVES

Educational Program

In partnership with our students, families, and community, the Audubon Public School District continues to educate a diverse student body by providing motivating and challenging learning experiences. These experiences meet or exceed the New Jersey Student Learning Standards (NJSLS) for individual learners while fostering 21st Century skills including but not limited to collaboration, communication, creativity, and critical thinking. The District prides itself in educating all students so that they are prepared to meet the challenges of college and career.

The District curricula are aligned to the NJSLS throughout the content areas. The Instructional Council and Curriculum Committees, through support of the administrative team, continue to revise and adjust the curricula in order to provide rigorous, relevant, and engaging instruction. The Junior-Senior High School is in the fifth year of assigning teacher leaders as academic coaches; their work for the 2024-25 school year has been focused on the use of data in instruction and differentiation. The District's instructional teams have multiple initiatives this year including a grammar pilot program, grant writing, and exploring new scheduling options. The District is now fully integrated into LinkIt, an assessment management, data analytics, and intervention support solution. The Director of Curriculum, Principals, and Supervisor of Special Education work to support the ongoing refinements and alignments to the Audubon Public School District curricula as the NJSLS are updated.

All certificated staff continue to be involved in the teacher and principal evaluation programs as prescribed via Achieve New Jersey. The District is now using the 2022 Danielson model for teachers; an upgrade from the 2007 version. The District administration, faculty, and staff continue to be supported through the District's exemplary professional development program which includes in- and out-of-district training, peer-to-peer or collegial turnkey training, and in-house training facilitated by professionals on a variety of topics. Job-embedded sustained professional learning opportunities will continue to be supported and developed in a collaborative fashion wherein all stakeholders have a voice.

4. INTERNAL ACCOUNTING CONTROLS:

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



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

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

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.

6. ACCOUNTING SYSTEM AND REPORTS:

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

7. RISK MANAGEMENT:

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

8. OTHER INFORMATION:

- a) Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Inverso and Stewart, RMA/CPAs, was selected by the Board's audit committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Title 2 U.S. Code of Federal Regulations, cost principles, and audit requirements for federal awards (uniform guidance) and State of New Jersey Circular OMB 15-08. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.



9. ACKNOWLEDGMENTS:

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

Respectfully submitted,

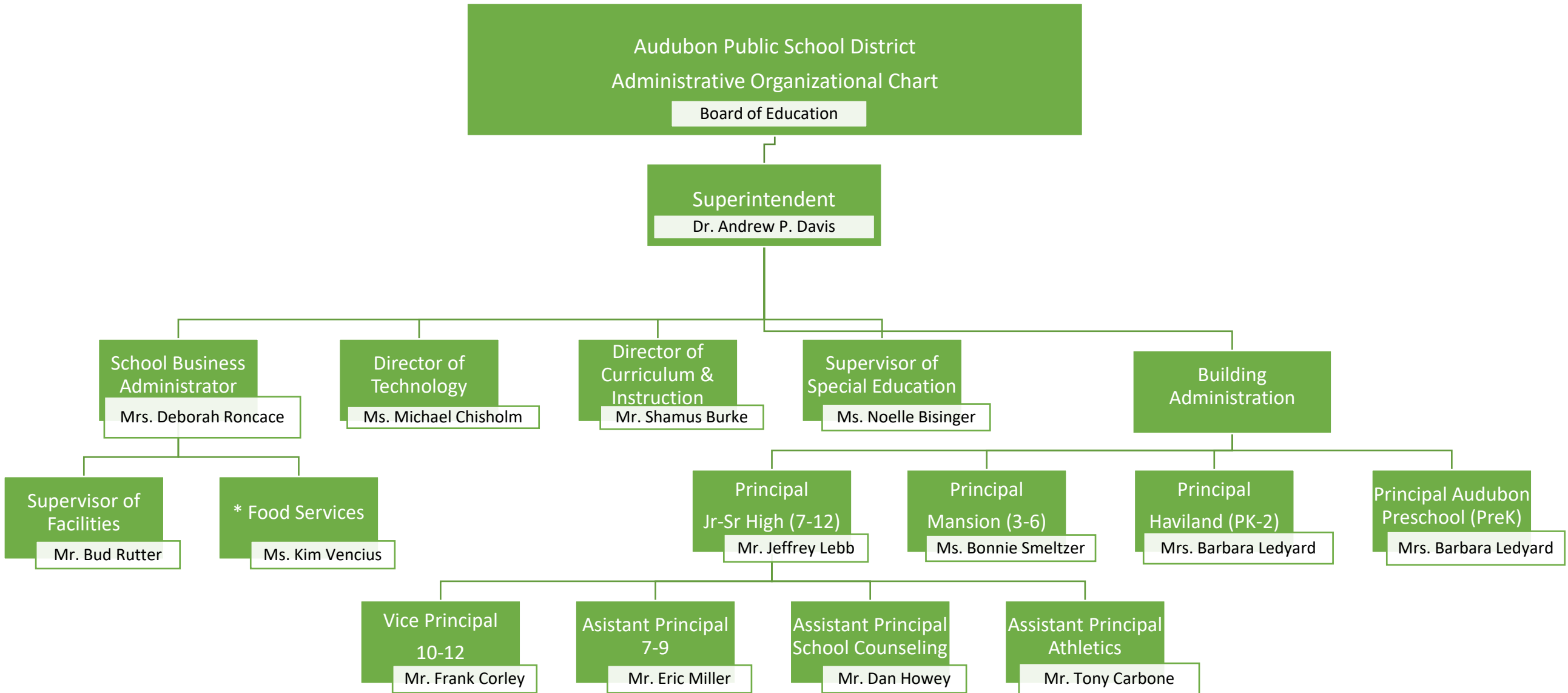


Sandra Allen
Superintendent



Deborah J. Roncace
Business Administrator





AUDUBON SCHOOL DISTRICT

Roster of Officials

June 30, 2024

Members of the Board of Education:

Term Expires

Ammie Davis, President	2025
Allison Cox, Vice President	2024
James Blumenstein	2024
Mark H. Gatti	2026
Sara Kuhlen	2024
Alison Lipsky	2026
Andrea Robinson	2024
Stephen Wilson	2025
William Wilson	2026
Johnathan Maxson	2024

Andrew P. Davis, Ed.D., Superintendent
Deborah J. Roncace, CPA, Business Administrator/Board Secretary
Frank Cavallo, Esq., Solicitor

AUDUBON SCHOOL DISTRICT
Consultants and Advisors

Audit Firm

Inverso & Stewart, LLC
651 Route 73 North, Suite 402
Marlton, NJ 08053

Attorney

Frank Cavallo, Esq.
Parker McCay, P.A.
9000 Midlantic Drive, Suite 300
Mount Laurel, NJ 08054

Architect

Garrison Architects
713 Creek Road
Bellmawr, NJ 08031

Official Depository

1st Colonial Community Bank
1040 Haddon Avenue
Collingswood, NJ 08108

Financial Section

INVERSO & STEWART, LLC

Certified Public Accountants

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-Member of-
American Institute of CPAs
New Jersey Society of CPAs

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Audubon School District (the "District"), in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2024, 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 my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the District, as of June 30, 2024, 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

I conducted my audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the District, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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* and in accordance with accounting principles and practices prescribed by the Office of School Finance, Department of Education, State of New Jersey will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from 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, I:

- 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 my 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.

I am 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 I 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 the schedules related to accounting and reporting for pensions and other post-employment benefits, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Office of School Finance, Department of Education, State of New Jersey and are not a required part of the basic financial statements. The accompanying schedules of 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, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 my opinion, the accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

In connection with my audit of the basic financial statements, my 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, I am required to describe it in my report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated November 27, 2024, on my consideration of the District's internal control over financial reporting and my 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 my 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* in considering the District's internal control over financial reporting and compliance.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant No. CS001095

Marlton, New Jersey
November 27, 2024

Required Supplementary Information - Part I

Management's Discussion and Analysis

**Audubon School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024**

As management of the Board of Education of the Borough of Audubon, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets of the School District exceeded its liabilities at the close of the most recent fiscal year by \$12,427,013 (*net position*).
- Governmental activities have an unrestricted net position deficit of \$5,105,786. The accounting treatment in the governmental funds for compensated absences payable, net pension liability, accrued interest payable, the June state aid payments, and state statutes that prohibit a school district from maintaining more than 2% of its adopted budget as unrestricted fund balance are primarily responsible for this deficit balance.
- The total net position of the School District increased by \$974,590 or an 8.51% increase from the prior fiscal year-end balance. The majority of the increase was due to capital outlay.
- Fund balance of the School District's governmental funds decreased by \$16,350,377 resulting in an ending fund balance of \$5,751,157. This is primarily due to the results of operation in the capital projects fund.
- Business-type activities have an unrestricted net position of \$383,627, which may be used to meet the School District's ongoing obligations of the enterprise-related activities.
- The School District's long-term obligations decreased by \$1,910,770 which is mainly due to the reduction in serial bond debt.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components: 1) District-wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

District-wide Financial Statements

The *district-wide financial statements* are designed to provide the reader with a broad overview of the financial activities in a manner similar to a private-sector business. The district-wide financial statements include the statement of net position and the statement of activities.

The *statement of net position* presents information about all of the School District's assets and liabilities. The difference between the assets and liabilities is reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the net position of the School District changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement even though the resulting cash flows may be recorded in a future period.

Both of the district-wide financial statements distinguish functions of the School District that are supported from taxes and intergovernmental revenues (*governmental activities*) and other functions that are intended to recover all or most of their costs from user fees and charges (*business-type activities*). Governmental activities consolidate governmental funds including the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund. Business-type activities consolidate the Food Service Fund, the Community Education Program Fund and the After School Program Fund.

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with finance-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. All of the funds of the School District are divided into two categories: *governmental funds and proprietary funds*.

Governmental funds account for essentially the same information reported in the governmental activities of the district-wide financial statements. However, unlike the district-wide financial statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financing requirements in the near term.

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The School District maintains four individual governmental funds. The major funds are the General Fund, the Special Revenue Fund, the Capital Projects Fund, and the Debt Service Fund. They are presented separately in the fund financial statements.

The School District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and the Debt Service Fund. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with budgetary requirements.

Proprietary funds are used to present the same functions as the business-type activities presented in the district-wide financial statements. The School District maintains one type of proprietary fund - the Enterprise Fund. The fund financial statements of the enterprise fund provides the same information as the district-wide financial statements, only in more detail.

The School District's three enterprise funds (Food Service Fund, Community Education Program Fund and After School Program Fund) are listed individually and are considered to be major funds.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains other supplementary information and schedules required by the New Jersey Audit Program, issued by the New Jersey Department of Education.

District-wide Financial Analysis

The assets of the School District are classified as current assets and capital assets. Cash, investments, receivables, inventories and prepaid expenses are current assets. These assets are available to provide resources for the near-term operations of the School District. The majority of the current assets are the results of the tax levy and state aid collection process.

Capital assets are used in the operations of the School District. These assets are land, buildings, improvements and equipment. Capital assets are discussed in greater detail in the section titled, Capital Assets and Debt Administration, elsewhere in this analysis.

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2025. Long-term liabilities such as long-term debt obligations and compensated absences payable will be liquidated from resources that will become available after fiscal year 2025.

The assets of the primary government activities exceeded liabilities by \$12,010,164 with an unrestricted deficit balance of \$5,105,786. The net position of the primary government does not include internal balances.

A net investment of \$11,520,251 in land, improvements, buildings, equipment, and vehicles provide services to the School District's public school students. Net position of \$5,595,699 has been restricted as follows:

Restricted for Future Capital Projects	\$ 3,560,345
Restricted for Maintenance Reserve	601,458
Restricted for Excess Surplus	175,030
Restricted for Debt Service	161,996
Restricted for Unemployment Compensation	330,664
Restricted for Student Activities	486,981
Restricted for Scholarships	<u>279,225</u>
Total	<u>\$ 5,595,699</u>

As mentioned earlier, the balance of the unrestricted net position is primarily due to the accounting treatment for compensated absences payable, net pension liability, the last two state aid payments, and state statutes that prohibit a school district from maintaining more than 2% of its adopted budget as unrestricted fund balance.

Audubon School District
Comparative Summary of Net Position
As of June 30, 2024 and 2023

	Governmental Activities		Business-Type Activities		District-Wide	
	2024	2023	2024	2023	2024	2023
ASSETS						
Current assets	\$ 6,173,673	\$ 22,458,199	\$ 441,314	\$ 535,002	\$ 6,614,987	\$ 22,993,201
Capital assets	38,716,365	23,638,819	33,222	36,772	38,749,587	23,675,591
Total assets	44,890,038	46,097,018	474,536	571,774	45,364,574	46,668,792
Deferred Outflows of Resources	607,408	864,393			607,408	864,393
LIABILITIES						
Current liabilities	2,620,185	2,794,797	57,687	65,960	2,677,872	2,860,757
Noncurrent liabilities	30,279,135	32,115,023			30,279,135	32,115,023
Total liabilities	32,899,320	34,909,820	57,687	65,960	32,957,007	34,975,780
Deferred Inflows of Resources	587,962	1,104,982			587,962	1,104,982
Net Position	\$ 12,010,164	\$ 10,946,609	\$ 416,849	\$ 505,814	\$ 12,427,013	\$ 11,452,423
Net Position Consists of:						
Net investment in Capital Assets	\$ 11,520,251	\$ (5,232,170)	\$ 33,222	\$ 36,772	\$ 11,553,473	\$ (5,195,398)
Restricted Assets	5,595,699	21,723,346			5,595,699	21,723,346
Unrestricted Assets	(5,105,786)	(5,544,567)	383,627	469,042	(4,722,159)	(5,075,525)
Net Position	\$ 12,010,164	\$ 10,946,609	\$ 416,849	\$ 505,814	\$ 12,427,013	\$ 11,452,423

Governmental Activities

Governmental activities increased the net position of the School District by \$1,063,555 during the current fiscal year. Key elements of the increase in net position for governmental activities are as follows:

- Repayment of long-term debt in the amount of \$1,600,000.
- Capital outlays exceeded depreciation by \$15,153,768.

Business-type Activities

Business-type activities decreased the School District's net position by \$88,965. Key elements of the decrease in net position for business-type activities are as follows:

- The Food Service Fund operated at a loss of \$99,756 for this fiscal year. The net position balance at June 30, 2024 for the food service fund was \$46,887.
- The Community Education Program Fund operated at a loss of \$7,258 for this fiscal year. The net position balance at June 30, 2024 for the community education program fund was \$96,327.
- The After School Fund operated at a gain of \$18,049 for this fiscal year. The net position balance at June 30, 2024 for the After School Fund was \$273,635.

Audubon School District
Comparative Schedule of Changes in Net position
As of and for the Fiscal Year Ended June 30, 2024 and 2023

	Governmental Activities		Business-Type Activities		District-Wide	
	2024	2023	2024	2023	2024	2023
Revenues:						
Charges for services	\$ 2,290,213	\$ 2,014,139	\$ 509,843	\$ 499,379	\$ 2,800,056	\$ 2,513,518
Operating grants and contributions	12,487,379	11,352,023	269,942	325,851	12,757,321	11,677,874
Property taxes	15,112,455	14,685,423			15,112,455	14,685,423
State aid - unrestricted	10,953,937	10,019,481			10,953,937	10,019,481
Other revenues	232,731	186,808	9,542	31,275	242,273	218,083
Total Revenues	<u>41,076,715</u>	<u>38,257,874</u>	<u>789,327</u>	<u>856,505</u>	<u>41,866,042</u>	<u>39,114,379</u>
Expenses:						
Governmental Activities:						
Instruction	13,829,813	13,316,551			13,829,813	13,316,551
Tuition	987,293	810,580			987,293	810,580
Related services	4,240,569	4,093,843			4,240,569	4,093,843
Administrative services	1,824,477	1,823,271			1,824,477	1,823,271
Operations and Maintenance	3,726,303	2,062,095			3,726,303	2,062,095
Transportation	946,051	715,719			946,051	715,719
Employee benefits	13,027,603	11,809,318			13,027,603	11,809,318
Interest on debt	794,367	839,189			794,367	839,189
Other	636,684	639,719			636,684	639,719
Business-Type Activities:						
Food Service			705,543	657,177	705,543	657,177
Community Education			39,393	18,069	39,393	18,069
After School Program			133,356	111,886	133,356	111,886
Total Expenses	<u>40,013,160</u>	<u>36,110,285</u>	<u>878,292</u>	<u>787,132</u>	<u>40,891,452</u>	<u>36,897,417</u>
Increase (Decrease) in Net Position before transfers	1,063,555	2,147,589	(88,965)	69,373	974,590	2,216,962
Transfers	-	-	-	-	-	-
Change in Net Position	1,063,555	2,147,589	(88,965)	69,373	974,590	2,216,962
Net Position, July 1	10,946,609	8,799,020	505,814	436,441	11,452,423	9,235,461
Net Position, June 30	<u>\$ 12,010,164</u>	<u>\$ 10,946,609</u>	<u>\$ 416,849</u>	<u>\$ 505,814</u>	<u>\$ 12,427,013</u>	<u>\$ 11,452,423</u>

Financial Analysis of the Governmental Funds

As noted earlier, the School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the School District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$5,751,157, a decrease of \$16,350,377 in comparison with the prior year. Results of operations in the capital projects fund are the primary reason for the decrease.

The unreserved fund balance for the School District at the end of the fiscal year represents the deficit unreserved fund balance for the General Fund of \$313,331 and a deficit unreserved fund balance for the Special Revenue Fund of \$69,096. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed as follows, 1) appropriated as a revenue source in the subsequent year's budget \$525,000, 2) reserved for capital projects of \$3,211,640, 3) reserved for capital improvements \$348,705, 4) reserved for maintenance expenditures \$601,458, 5) reserved for year-end encumbrances \$12,885, 6) reserved for unemployment compensation \$330,664, 7) reserved for debt service of \$161,996, 8) reserved for student activities \$486,981 and 9) reserved for scholarships \$279,225, 9) reserved for future budget appropriation \$175,030.

The general fund is the chief operating fund of the School District. The deficit balance in the unreserved fund balance is due primarily to the accounting treatment of the June state aid payments as discussed in the notes to the basic financial statements, and state statutes that prohibit a New Jersey school district from maintaining more than 2% of its adopted budget as unrestricted fund balance.

Revenue in the special revenue fund is generally recognized at the time that the outlays are identified; therefore no fund balances are normally generated in the special revenue fund.

General Fund Budgetary Highlights

At the end of the current fiscal year, unreserved fund balance (budgetary basis) of the general fund was \$648,280, while total fund balance (budgetary basis) was \$2,642,022. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance (budgetary basis) and total fund balance (budgetary basis) to total general fund expenditures. Actual (budgetary basis) expenditures of the General Fund including other financing uses amounted to \$34,058,662. Unreserved fund balance (budgetary basis) represents 1.90% of expenditures while total fund balance (budgetary basis) represents 7.76% of that same amount.

Capital Assets and Debt Administration

The School District's investment in capital assets for its governmental and business-type activities as of June 30, 2024, totaled \$38,749,587 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings, equipment, and right-to-use assets. The total increase in the School District's investment in capital assets for the current fiscal year was \$15,073,996.

Major capital asset events during the current fiscal year included the following:

- Construction in progress increased by \$15,770,938.
- Depreciation expense for the current fiscal year was \$629,628.

Capital Assets/Leases (net of accumulated depreciation/amortization) June 30, 2024 and 2023

	Governmental Activities		Business-Type Activities		District-Wide	
	2024	2023	2024	2023	2024	2023
Land	\$ 764,000	\$ 764,000	\$ -	\$ -	\$ 764,000	\$ 764,000
Const. in Progress	23,595,910	7,824,972			23,595,910	7,824,972
Site Improvements	176,663	222,292			176,663	222,292
Building and Building Improvements	13,863,514	14,412,498			13,863,514	14,412,498
Equipment	119,224	141,781	33,222	36,772	152,446	178,553
Leases	197,054	273,276			197,054	273,276
Total	<u>\$ 38,716,365</u>	<u>\$ 23,638,819</u>	<u>\$ 33,222</u>	<u>\$ 36,772</u>	<u>\$ 38,749,587</u>	<u>\$ 23,675,591</u>

Additional information on the School District's capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

Long-term debt – During the fiscal year ended June 30, 2024, the School District had total bonded debt outstanding of \$26,990,000 backed by the full faith and credit of the School District. Additionally, the School District has long-term obligations for leases in the amount of \$206,114, compensated absences of \$697,365, and a net pension liability of \$3,953,476.

General Obligation Bonds for the School District decreased by \$1,600,000, reflecting debt service payments made during the year.

State statutes limit the amount of general obligation debt that the District may issue. At the end of the current fiscal year, the legal debt limit was \$36,093,707 and the legal debt margin was \$9,103,707.

Additional information on the School District's long-term obligations can be found in the notes to the basic financial statements (Note 8) of this report.

Economic Factors and Next Year's Budgets and Rates

The following factors were considered and incorporated into the preparation of the School District's budget for the 2024-2025 fiscal year.

- The 2024-2025 general fund budget decreased by \$48,966 (0.18%) over the previous year's budget. The tax rate increased from \$2.072 in 2023 to \$2.148 in 2024.
- The Audubon School District has committed itself to strong financial controls. The Business office continually monitors spending requests in relation to the district budget and is committed to review its business practices in order to maximize revenues and generate a budget surplus each year.

Requests for Information

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Audubon School District Business Administrator, 350 Edgewood Avenue, Audubon, New Jersey, 08106, Telephone Number (856) 547-1716.

Basic Financial Statements

District-Wide Financial Statements

AUDUBON SCHOOL DISTRICT
Statement of Net Position
June 30, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and cash equivalents	\$ 3,090,769	\$ 374,759	\$ 3,465,528
Accounts Receivables, net	2,132,741	43,405	2,176,146
Inventory		23,150	23,150
Restricted assets:			
Cash and cash equivalents	950,163		950,163
Capital assets, net	38,519,311	33,222	38,552,533
Right-to-use lease assets, net	197,054		197,054
Total Assets	44,890,038	474,536	45,364,574
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows of resources from pensions	607,408	-	607,408
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	45,497,446	474,536	45,971,982
LIABILITIES:			
Accounts payable:			
Other	237,987	226	238,213
Related to pensions	336,955		336,955
Internal Balances	(43,320)	43,320	
Accrued Liabilities:			
Interest payable	292,894		292,894
Unearned revenue	227,849	14,141	241,990
Noncurrent liabilities:			
Due within one year	1,567,820		1,567,820
Due beyond one year	30,279,135		30,279,135
Total Liabilities	32,899,320	57,687	32,957,007
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows of resources from pensions	587,962	-	587,962
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	33,487,282	57,687	33,544,969
NET POSITION:			
Net investment in capital assets	11,520,251	33,222	11,553,473
Restricted for:			
Capital Projects	3,560,345		3,560,345
Maintenance	601,458		601,458
Excess Surplus	175,030		175,030
Unemployment Compensation	330,664		330,664
Debt Service	161,996		161,996
Student Activities	486,981		486,981
Scholarships	279,225		279,225
Unrestricted (Deficit)	(5,105,786)	383,627	(4,722,159)
Total Net Position	\$ 12,010,164	\$ 416,849	\$ 12,427,013

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

AUDUBON SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 9,326,635	\$ 2,290,213	\$ 952,397	\$ -	\$ (6,084,025)	\$ -	\$ (6,084,025)
Special Education	3,049,623		383,597		(2,666,026)		(2,666,026)
Other instruction	1,453,555				(1,453,555)		(1,453,555)
Support Services:							
Tuition	987,293				(987,293)		(987,293)
Student & instruction related services	4,240,569		768,096		(3,472,473)		(3,472,473)
General administrative services	565,781				(565,781)		(565,781)
School administrative services	805,085				(805,085)		(805,085)
Central administrative services	453,611				(453,611)		(453,611)
Plant operations and maintenance	3,726,303		1,506,750		(2,219,553)		(2,219,553)
Pupil transportation	946,051				(946,051)		(946,051)
Unallocated employee benefits	13,027,603		8,876,539		(4,151,064)		(4,151,064)
Transfer of funds to Charter Schools	34,846				(34,846)		(34,846)
Interest on long-term debt	794,367				(794,367)		(794,367)
Unallocated depreciation and amortization	601,838				(601,838)		(601,838)
Total Governmental Activities	<u>40,013,160</u>	<u>2,290,213</u>	<u>12,487,379</u>	<u>-</u>	<u>(25,235,568)</u>	<u>-</u>	<u>(25,235,568)</u>
Business-Type Activities:							
Food service	705,543	327,377	269,942	-	-	(108,224)	(108,224)
Community education program	39,393	31,061		-	-	(8,332)	(8,332)
After school program	133,356	151,405		-	-	18,049	18,049
Total Business-Type Activities	<u>878,292</u>	<u>509,843</u>	<u>269,942</u>	<u>-</u>	<u>-</u>	<u>(98,507)</u>	<u>(98,507)</u>
Total Primary Government	<u>\$ 40,891,452</u>	<u>\$ 2,800,056</u>	<u>\$ 12,757,321</u>	<u>\$ -</u>	<u>(25,235,568)</u>	<u>(98,507)</u>	<u>(25,334,075)</u>
General Revenues:							
Taxes:							
Property taxes, levied for general purposes					13,411,255		13,411,255
Taxes levied for debt service					1,701,200		1,701,200
Federal and State aid unrestricted					10,953,937		10,953,937
Investment and Interest earnings - restricted					86,971	1,074	88,045
Miscellaneous					145,760	8,468	154,228
Total general revenues, special items, extraordinary items and transfers					<u>26,299,123</u>	<u>9,542</u>	<u>26,308,665</u>
Change in Net Position					1,063,555	(88,965)	974,590
Net Position - July 1					<u>10,946,609</u>	<u>505,814</u>	<u>11,452,423</u>
Net Position - June 30					<u>\$ 12,010,164</u>	<u>\$ 416,849</u>	<u>\$ 12,427,013</u>

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

Fund Financial Statements

AUDUBON SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Assets:					
Cash and Cash Equivalents	\$ 1,355,220	\$ 811,870	\$ 1,873,842	\$ -	\$ 4,040,932
Interfund Accounts Receivable					
General Fund			9,109		9,109
Special Revenue Fund	110,004		1,500,000		1,610,004
Capital Projects Fund				171,831	171,831
Debt Service Fund	9,835				9,835
Enterprise Fund	43,320				43,320
Intergovernmental Accounts Receivables:					
State	348,753	1,500,000	520		1,849,273
Federal		235,065			235,065
Other Accounts Receivable	48,403				48,403
Total Assets	<u>\$ 1,915,535</u>	<u>\$ 2,546,935</u>	<u>\$ 3,383,471</u>	<u>\$ 171,831</u>	<u>\$ 8,017,772</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfund Accounts Payable					
General Fund		110,004		9,835	119,839
Capital Projects Fund	9,109	1,500,000			1,509,109
Debt Service Fund			171,831		171,831
Accounts Payable:					
Payroll Deductions and Withholdings Payable	151,359				151,359
Unemployment Claims Payable	74,614				74,614
Other	42	11,972			12,014
Unearned Revenue		227,849			227,849
Total Liabilities	<u>235,124</u>	<u>1,849,825</u>	<u>171,831</u>	<u>9,835</u>	<u>2,266,615</u>
Fund Balances:					
Restricted:					
Capital Reserve	348,705				348,705
Maintenance Reserve	601,458				601,458
Excess Surplus	175,030				175,030
Unemployment Compensation	330,664				330,664
Capital Projects			1,224,261		1,224,261
Debt Service				73,078	73,078
Student Activities		486,981			486,981
Scholarships		279,225			279,225
Assigned to:					
Other Purposes	12,885		1,987,379		2,000,264
Designated for Subsequent Year's Expenditures	525,000			88,918	613,918
Unassigned	(313,331)	(69,096)			(382,427)
Total Fund Balances	<u>1,680,411</u>	<u>697,110</u>	<u>3,211,640</u>	<u>161,996</u>	<u>5,751,157</u>
Total Liabilities and Fund Balances	<u>\$ 1,915,535</u>	<u>\$ 2,546,935</u>	<u>\$ 3,383,471</u>	<u>\$ 171,831</u>	

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 \$55,559,658 and the accumulated depreciation is \$17,040,347. 38,519,311

Leased assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$389,691 and the accumulated amortization is \$192,637. 197,054

Accounts payable related to the April 1, 2025 required PERS contribution that is not to be liquidated with current financial resources. (336,955)

Accrued interest is not due and payable in the current period and therefore is not reported as a liability in the funds. (292,894)

The District's proportionate share of net pension assets and liabilities as well as pension-related deferred outflows and deferred inflows of resources are recognized in the government-wide statements and include:

Deferred Outflows of Resources from Pensions	\$ 607,408	
Net Pension Liability	(3,953,476)	
Deferred Inflows of Resources from Pensions	(587,962)	(3,934,030)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds:

General Obligation Bonds	(26,990,000)	
Financed purchases payable	-	
Leases payable	(206,114)	
Compensated Absences Payable	(697,365)	(27,893,479)

Net position of governmental activities \$ 12,010,164

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

AUDUBON SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local property tax levy	\$ 13,411,255	\$ -	\$ -	\$ 1,701,200	\$ 15,112,455
Tuition charges	2,290,213				2,290,213
Capital reserve interest	4,305				4,305
Maintenance reserve interest	7,425				7,425
Other restricted miscellaneous revenues	2,163		73,078		75,241
Unrestricted misc. revenues	145,760				145,760
Federal sources	32,626	1,076,837			1,109,463
State sources	16,897,934	2,230,562		706,215	19,834,711
Local sources		552,918			552,918
Total Revenues	32,791,681	3,860,317	73,078	2,407,415	39,132,491
EXPENDITURES:					
Current expense:					
Regular instruction	8,380,145	952,397			9,332,542
Special education instruction	2,666,026	383,597			3,049,623
Other instruction	1,453,555				1,453,555
Support services and undistributed costs:					
Tuition	987,293				987,293
Student & instruction related services	3,274,032	966,537			4,240,569
General administrative services	559,726				559,726
School administrative services	805,085				805,085
Central administrative services	451,325				451,325
Plant operations and maintenance	2,168,377				2,168,377
Pupil transportation	946,051				946,051
Unallocated employee benefits	11,395,552	249,477			11,645,029
Capital outlay	113,909	1,506,750	15,770,938		17,391,597
Transfer of funds to Charter Schools	34,846				34,846
Debt service:					
Principal				1,600,000	1,600,000
Interest and other charges				817,250	817,250
Total Expenditures	33,235,922	4,058,758	15,770,938	2,417,250	55,482,868
Excess (deficiency) of revenues over (under) expenditures	(444,241)	(198,441)	(15,697,860)	(9,835)	(16,350,377)
Other Financing Sources (Uses):					
Transfers in		172,740	650,000	73,078	895,818
Transfers out	(822,740)		(73,078)		(895,818)
Total other financing sources (uses)	(822,740)	172,740	576,922	73,078	
Net Change in Fund Balance	(1,266,981)	(25,701)	(15,120,938)	63,243	(16,350,377)
Fund balance - July 1	2,947,392	722,811	18,332,578	98,753	22,101,534
Fund Balance - June 30	\$ 1,680,411	\$ 697,110	\$ 3,211,640	\$ 161,996	\$ 5,751,157

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

AUDUBON SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2024

Total net change in fund balances - governmental funds (from B-2) \$ (16,350,377)

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

Governmental Funds report capital outlays 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 current period.

Depreciation expense	\$ (629,628)	
Fixed assets additions	<u>15,783,396</u>	15,153,768

Capital outlays related to leases are reported in the governmental funds as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as amortization expense. This is the amount by which capital outlays exceeded amortization in the current fiscal year.

Amortization expense	(76,222)	
Fixed Asset Additions	<u>-</u>	(76,222)

Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

1,600,000

The proceeds of a lease is an other financing source of revenue in the governmental funds but is not reported in the statement of activities.

-

Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. This amount is the net effect of the difference in the treatment of interest on long-term debt.

22,883

Repayment of financed purchases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is reported in the statement of activities.

-

Repayment of leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

74,875

Net differences between pension system contributions recognized in the fund statement of revenues, expenditures and changes in fund balances and the statement of activities.

561,650

In the statement of activities, certain operating expenses, (e.g. compensated absences) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+)

76,978

Change in net position of governmental activities \$ 1,063,555

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

AUDUBON SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2024

	Business-Type Activities Enterprise Funds			
	Food Service Fund	Community Education Program	After School Program	Total
ASSETS:				
Current Assets:				
Cash and cash equivalents	\$ 4,797	\$ 96,327	\$ 273,635	\$ 374,759
Intergovernmental receivables				
State	1,530	-	-	1,530
Federal	29,840	-	-	29,840
Other	12,035	-	-	12,035
Inventories	23,150	-	-	23,150
Total current assets	71,352	96,327	273,635	441,314
Noncurrent assets:				
Machinery and equipment (net of accumulated depreciation)	33,222	-	-	33,222
Total noncurrent assets	33,222	-	-	33,222
Total Assets	104,574	96,327	273,635	474,536
LIABILITIES:				
Current liabilities:				
Interfund payable	43,320	-	-	43,320
Accounts payable	226	-	-	226
Unearned revenue	14,141	-	-	14,141
Total Current Liabilities	57,687			57,687
NET POSITION:				
Net Investment in capital assets	33,222	-	-	33,222
Unrestricted	13,665	96,327	273,635	383,627
Total Net Position	\$ 46,887	\$ 96,327	\$ 273,635	\$ 416,849

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

AUDUBON SCHOOL DISTRICT
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2024

	Business-Type Activities			
	Enterprise Funds			
	Food Service Fund	Community Education Program	After School Program	Totals
Operating Revenues:				
Charges for services:				
Daily sales:				
Reimbursable programs	\$ 164,984	\$ -	\$ -	\$ 164,984
Non-reimbursable programs	162,393	-	-	162,393
Program fees	-	31,061	151,405	182,466
Total Operating Revenue	327,377	31,061	151,405	509,843
Operating Expenses:				
Salaries	288,715	-	107,024	395,739
Employee benefits	40,041	-	8,271	48,312
Management fee	36,500	-	-	36,500
Supplies and materials	31,568	-	2,337	33,905
Other costs	26,098	39,393	15,724	81,215
Depreciation	3,550	-	-	3,550
Cost of sales - reimbursable programs	195,996	-	-	195,996
Cost of sales - nonreimbursable programs	83,075	-	-	83,075
Total Operating Expenses	705,543	39,393	133,356	878,292
Operating Income (Loss)	(378,166)	(8,332)	18,049	(368,449)
Non-Operating Revenues:				
State sources:				
State school lunch program	8,571	-	-	8,571
State school breakfast program	276	-	-	276
State after bell	164	-	-	164
NJEIE lunch	227	-	-	227
NJEIE breakfast	2	-	-	2
Federal sources:				
National school lunch program	160,386	-	-	160,386
School breakfast program	10,693	-	-	10,693
Supply chain assistance	37,170	-	-	37,170
Summer P-EBT	653	-	-	653
Food distribution program	51,800	-	-	51,800
Local sources:				
Miscellaneous	8,468	-	-	8,468
Interest earned	-	1,074	-	1,074
Total Non-Operating Revenues	278,410	1,074	-	279,484
Income (Loss) before Contributions and Transfers	(99,756)	(7,258)	18,049	(88,965)
Operating Transfers In	-	-	-	-
Change in Net Position	(99,756)	(7,258)	18,049	(88,965)
Net Position - July 1	146,643	103,585	255,586	505,814
Net Position - June 30	\$ 46,887	\$ 96,327	\$ 273,635	\$ 416,849

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

AUDUBON SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2024

	Business-Type Activities Enterprise Funds			
	Food Service Fund	Community Education Program	After School Program	Total
Cash Flows from Operating Activities:				
Cash receipts from customers	\$ 321,836	\$ 31,061	\$ 151,405	\$ 504,302
Cash payments to employees for services	(328,756)	-	(115,295)	(444,051)
Cash payments to suppliers for goods and services	(319,974)	(39,393)	(18,061)	(377,428)
Net cash used by operating activities	(326,894)	(8,332)	18,049	(317,177)
Cash Flows from Noncapital Financing Activities:				
Cash received from state sources	9,134	-	-	9,134
Cash received from federal sources	210,175	-	-	210,175
Net cash provided by noncapital financing activities	219,309	-	-	219,309
Cash Flow Provided by Investing Activities:				
Interest on cash equivalents	-	1,074	-	1,074
Net increase (decrease) in cash and cash equivalents	(107,585)	(7,258)	18,049	(96,794)
Cash and cash equivalents - July 1	112,382	103,585	255,586	471,553
Cash and cash equivalents - June 30	<u>\$ 4,797</u>	<u>\$ 96,327</u>	<u>\$ 273,635</u>	<u>\$ 374,759</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ (378,166)	\$ (8,332)	\$ 18,049	\$ (368,449)
Adjustments to reconcile operating income (loss) to cash provided by (used for) operating activities:				
Depreciation	3,550	-	-	3,550
Commodities	51,800	-	-	51,800
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	(5,510)	-	-	(5,510)
(Increase) decrease in inventory	1,237	-	-	1,237
Increase (decrease) in unearned revenue	(31)	-	-	(31)
Increase (decrease) in accounts payable	226	-	-	226
Net cash provided by (used for) operating activities	<u>\$ (326,894)</u>	<u>\$ (8,332)</u>	<u>\$ 18,049</u>	<u>\$ (317,177)</u>

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

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The Borough of Audubon School District ("School District") is a Type II district located in the County of Camden, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board of Education is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The purpose of the School District is to provide educational services for resident students in grades K through 12. In addition, the School District provides educational services for students in grades 9 through 12 received from the Mount Ephraim School District, on a tuition basis. The Audubon School District has an approximate enrollment at June 30, 2024 of 1,398 students.

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

Component Units – GASB Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Unit*, provide guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statements No. 14 and No. 39. In addition, GASB Statement No. 61, provides additional guidance for organizations that do not meet the financial accountability criteria for inclusion as component units but that nevertheless should be included because the primary government's management determines that it would be misleading to exclude them. GASB Statement No. 80, *Blending Requirements for Certain Component Units* - an Amendment of GASB Statement No. 14 amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criteria requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Basis of Presentation

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

The School District's basic financial statements consists of government-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.

Government-wide Statements - The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. The statement of net position presents the financial condition of the governmental and business-type activities of the School District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities and for the business-type activities of the School District. Direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. The policy of the School District is to not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program.

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide Statements (Continued) - Revenues, which are not classified as program revenues, are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function 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. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a single column. The fiduciary fund is reported by type. The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

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

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, district taxes and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

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

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

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

Proprietary Funds - Proprietary funds are used to account for the School District's ongoing activities, which are similar to those in the private sector.

Enterprise Funds - The enterprise 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 School District is that all costs (expenses, including depreciation) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the School District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The School District's enterprise funds are:

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

After School Program Fund - This fund accounts for the financial resources of the School District's extended day program. This program provides before and after school care to students.

Community Education Fund - This fund accounts for the financial activity related to providing adult school activities within the School District.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net position) is segregated into net investment in capital assets, and unrestricted net, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total position.

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

Equipment	12 Years
Light Trucks and Vehicles	4 Years
Heavy Trucks and Vehicles	6 Years

Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net position.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e. revenues and other financing sources) and uses (i.e. expenditures and other financing uses) of current financial resources.

This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e. revenues) and decreases (i.e. expenses) in net total position. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities. Fiduciary funds are reported using the economic resources measurement focus.

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined and "available" means that 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 School District, available means expected to be received within sixty days after fiscal year end.

Revenues - Exchange and Non-exchange Transactions - Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (Property) Taxes are susceptible to accrual, as under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The School 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 School District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable." With the exception of restricted formula aids recorded in the special revenue fund, 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 fiscal 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.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: tuition, grants, fees, and rentals.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the fiscal year is reported in the operating statement as an expense. Unused donated commodities are reported as unearned revenue. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Budgets/Budgetary Control - Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds. The budgets are submitted to the county office 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. 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. 6:23A-16.2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

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

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The budget, as detailed on Exhibit C-1, Exhibit C-2 and Exhibit I-3, includes all amendments to the adopted budget, if any.

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

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

Encumbrances – Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, and all eligibility and time requirements satisfied are reflected on the balance sheet as unearned grant revenue 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.

Cash, Cash Equivalents and Investments - Cash and cash equivalents, for all funds, include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

N.J.S.A. 17:9-41et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act (GUDPA), a multiple financial institution collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

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

Tuition Payable - Tuition charges for the fiscal years ended June 30, 2024 and 2023 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The cost of inventories in governmental fund types is recorded as expenditures when purchased rather than when consumed and is not recorded since any amounts are considered immaterial to the basic financial statements.

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

Prepaid Expenses - Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2024.

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

Deferred Outflows/Inflows of Resources – In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Short-Term Interfund Receivables / Payables - Short-term interfund receivables / payables represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund in the School District and that are due within one year. These amounts are eliminated in the governmental and business-type columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Capital Assets - General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and the proprietary fund statement of net position. All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are recorded at their fair market value as of the date received. The School District maintains a capitalization threshold of \$2,000. The School District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land and Improvements	10-20 years	N/A
Buildings and Improvements	10-50 years	N/A
Furniture and Equipment	5-20 years	12 years
Vehicles	5-10 years	4-6 years

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Lease Assets - Intangible right-to-use lease assets are assets which the District leases for a term of more than one year. The value of leases are determined by the net present value of the leases at the District's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

Accrued Salaries and Wages - Certain School District employees, who provide services to the School District over the ten-month academic year, have the option to have their salaries evenly disbursed during the twelve-month year. New Jersey statutes require that these earned, but undisbursed amounts be retained in a separate bank account.

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

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid with expendable available financial resources. In proprietary funds, the entire amount of compensated absences is recorded as a fund liability.

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

Accrued Liabilities and Long-Term Obligations - All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full, from current financial resources are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the fund financial statements when due.

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

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

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

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

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The “not in spendable form” criteria includes items that are not expected to be converted to cash, such as inventories and prepaid amounts. The School District had no nonspendable fund balance at June 30, 2024.

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

Committed – This fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District’s highest level of decision-making authority, which for the School District is the Board of Education. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action imposing the commitment.

Assigned – This fund balance classification includes amounts that are constrained by the School District’s *intent* to be used for specific purposes but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the Business Administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes.

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

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

Operating and Non-Operating Revenues and Expenses - Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for the food service program and maintenance service fees for the internal service fund. Non-operating revenues principally consist of interest income earned on various interest-bearing accounts and federal and state subsidy reimbursements for the food service program.

Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. There are no non-operating expenses.

Interfunds – Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed.

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

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements – In June 2022, the GASB issued Statement 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

In December 2023, the GASB issued Statement 102, *Certain Risk Disclosures*. This statement requires government financial statements to disclose risks related to concentrations or constraints that could make a government vulnerable. The requirements of this statement are effective for fiscal years beginning after June 15, 2025.

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This statement aims to improve the financial reporting model to provide more effective information for decision making and assessing a government's accountability. The requirements of this statement are effective for fiscal years beginning after June 15, 2025.

2. CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits – Custodial credit risk refers to the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Unit (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings of funds that pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized. Of the School District's amount on deposit of \$4,954,557 as of June 30, 2024, \$500,000 was insured under FDIC and the remaining balance of \$4,454,557 was collateralized under GUDPA.

3. CAPITAL RESERVE ACCOUNT

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

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

A school district may also appropriate additional amounts when the express approval of the voters has been obtained 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. 6:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

3. CAPITAL RESERVE ACCOUNT (Continued)

The activity of the capital reserve for the July 1, 2023 to June 30, 2024 fiscal year is as follow:

Balance - June 30, 2023		\$ 994,401
Increased by:		
Interest Earned	\$ 4,304	
Unspent Appropriation	-	
Board Resolution	-	4,304
		<u>998,705</u>
Decreased by:		
Budget Withdrawal		<u>650,000</u>
Balance - June 30, 2024		<u><u>\$ 348,705</u></u>

The June 30, 2024 capital reserve balance does not exceed the LRFP balance of local support costs of uncompleted projects.

4. ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2024 consisted of accounts (fees) and intergovernmental grants. All intergovernmental receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds. Accounts receivable at June 30, 2024 for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Proprietary Fund	Total
Intergovernmental						
State	\$ 348,753	\$1,500,000	\$ 520	\$ -	\$ 1,530	\$ 1,850,803
Federal	-	235,065	-	-	29,840	264,905
Other	48,403	-	-	-	12,035	60,438
Total	<u><u>\$ 397,156</u></u>	<u><u>\$1,735,065</u></u>	<u><u>\$ 520</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 43,405</u></u>	<u><u>\$ 2,176,146</u></u>

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2024, was as follows:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
Governmental Activities:				
Land	\$ 764,000	\$ -	\$ -	\$ 764,000
Construction in Progress	7,824,972	15,770,938	-	23,595,910
Total Capital Assets not being Depreciated	8,588,972	15,770,938	-	24,359,910
Capital Assets, being Depreciated:				
Land Improvements	1,554,117	-	-	1,554,117
Building and Improvements	27,795,065	-	-	27,795,065
Equipment	1,838,108	12,458	-	1,850,566
Total Historical Cost	31,187,290	15,783,396	-	31,199,748
Less Accumulated Depreciation:				
Land Improvements	(1,331,825)	(45,629)	-	(1,377,454)
Building and Improvements	(13,382,567)	(548,984)	-	(13,931,551)
Equipment	(1,696,327)	(35,015)	-	(1,731,342)
Total Accumulated Depreciation	(16,410,719)	(629,628)	-	(17,040,347)
Total Capital Assets, being depreciated, net	14,776,571	15,153,768	-	14,159,401
Governmental Activities Capital Assets, Net	\$ 23,365,543	\$ 15,153,768	\$ -	\$ 38,519,311
Business-Type Activities:				
Equipment	\$ 233,510	\$ -	\$ -	\$ 233,510
Less - Accumulated Depreciation	(196,738)	(3,550)	-	(200,288)
Business-Type Activities Capital Assets, Net	\$ 36,772	\$ (3,550)	\$ -	\$ 33,222

Depreciation expense in the amount of \$629,628 was charged to governmental functions as follows:

Function	Amount
Regular Instruction	\$ 2,471
General Administration	719
Plant Operations and Maintenance	24,600
Transportation	-
Unallocated	601,838
Total depreciation expense	\$ 629,628

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

6. LEASE ASSETS

Capital asset activity for the fiscal year ended June 30, 2024, was as follows:

	<u>Balance</u> <u>June 30, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2024</u>
Governmental Activities:				
Lease Assets, being Amortized:				
Building and Improvements	\$ 142,037	\$ -	\$ -	\$ 142,037
Machinery and Equipment	252,874	-	(5,220)	247,654
Total Lease Assets Being Amortized	394,911	-	(5,220)	389,691
 Governmental Activities Lease Assets	 394,911	 -	 (5,220)	 389,691
 Less Accumulated Amortization for:				
Building and Improvements	(47,346)	(23,673)		(71,019)
Machinery and Equipment	(74,289)	(52,549)	5,220	(121,618)
Total Accumulated Amortization	(121,635)	(76,222)	5,220	(192,637)
 Governmental Activities Lease Assets, Net	 \$ 273,276	 \$ (76,222)	 \$ -	 \$ 197,054

Amortization expense in the amount of \$76,222 was charged to governmental functions as follows:

<u>Function</u>	<u>Amount</u>
Regular Instruction	\$ 68,600
Administration	5,336
Central Services	2,286
	<u>\$ 76,222</u>

7. INVENTORY

Inventory in the food service fund at June 30, 2024 consisted of the following:

Food	\$ 19,588
Supplies	3,562
	<u>\$ 23,150</u>

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

8. LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2024, the following changes occurred in long-term obligations:

	<u>Balance</u> <u>June 30, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2024</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities:					
Compensated Absences	\$ 774,343	\$ 44,666	\$ 121,644	\$ 697,365	\$ 13,002
Leases Payable	280,989	-	74,875	206,114	74,818
General Obligation Bonds	28,590,000	-	1,600,000	26,990,000	1,480,000
Net Pension Liability	4,227,244	-	273,768	3,953,476	-
	<u>\$ 33,872,576</u>	<u>\$ 44,666</u>	<u>\$ 2,070,287</u>	<u>\$ 31,846,955</u>	<u>\$ 1,567,820</u>

Bonds Payable - Bonds and loans are authorized in accordance with State law by the voters of the School District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Outstanding bonds issued by the School District are as follows:

2012 Refunding dated January 15, 2012, in the amount of \$8,870,000, with \$900,000 outstanding, due in annual installments through January 15, 2025, bearing interest rates of 3.00% to 4.00%.

2022 School Bonds dated February 24, 2022, in the amount of \$26,810,000, with \$26,090,000 outstanding, due in annual installments through August 15, 2046, bearing interest rates of 2.50% to 3.00%.

As of June 30, 2024, principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,480,000	\$ 765,437	\$ 2,245,437
2026	1,150,000	706,013	1,856,013
2027	1,160,000	674,250	1,834,250
2028	1,160,000	642,350	1,802,350
2029	1,160,000	610,450	1,770,450
2030-2034	5,800,000	2,573,750	8,373,750
2035-2039	5,800,000	1,776,250	7,576,250
2040-2044	5,800,000	955,550	6,755,550
2045-2047	3,480,000	156,600	3,636,600
	<u>\$ 26,990,000</u>	<u>\$ 8,860,650</u>	<u>\$ 35,850,650</u>

As of June 30, 2024, the School District had no authorizations to issue additional bonded debt.

Compensated Absences - Compensated absences will be paid from the fund from which the employees' salaries are paid.

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

8. LONG-TERM OBLIGATIONS (Continued)

Leases Payable - The School District has entered into agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

On July 1, 2017, the School District entered a 120-month lease as lessee for the use of a building. As of July 1, 2021, an initial lease liability was recorded in the amount of \$142,037. The lease liability was \$73,935 as of June 30, 2024. The School District is required to make quarterly payments of \$6,375. The lease has an interest rate of 2.50%. The value of the right to use asset as of June 30, 2024, was \$71,019 with accumulated amortization of \$71,019.

On January 1, 2022, the School District entered a 60-month lease as lessee for the use of copiers. An initial lease liability was recorded in the amount of \$225,396. The lease liability was \$118,305 as of June 30, 2024. The School District is required to make monthly payments of \$4,150. The lease has an interest rate of 3.99%. The value of the right to use asset as of June 30, 2024, was \$112,698 with accumulated amortization of \$112,698.

On July 1, 2022, the School District entered a 60-month lease as lessee for the use of a postage meter. An initial lease liability was recorded in the amount of \$14,093. The lease liability was \$8,707 as of June 30, 2024. The School District is required to make quarterly payments of \$762. The lease has an interest rate of 3.00%. The value of the right to use asset as of June 30, 2024, was \$8,456 with accumulated amortization of \$5,637.

On November 1, 2022, the School District entered a 48-month lease as lessee for the use of a copier. An initial lease liability was recorded in the amount of \$7,020. The lease liability was \$4,324 as of June 30, 2024. The School District is required to make monthly payments of \$166. The lease has an interest rate of 6.78%. The value of the right to use asset as of June 30, 2024, was \$4,095 with accumulated amortization of \$2,925.

On April 1, 2023, the School District entered a 48-month lease as lessee for the use of a copier. An initial lease liability was recorded in the amount of \$1,144. The lease liability was \$843 as of June 30, 2024. The School District is required to make monthly payments of \$28. The lease has an interest rate of 7.50%. The value of the right to use asset as of June 30, 2024, was \$786 with accumulated amortization of \$358.

As of June 30, 2024, the District had leases outstanding as follows:

<u>Purpose</u>	<u>Commencement Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Total Value</u>
Building	July 1, 2017	June 30, 2027	2.50%	\$ 73,935
Copiers	January 1, 2022	December 1, 2026	3.99%	118,305
Postage Meter	July 1, 2022	June 30, 2027	3.00%	8,707
Copier	November 1, 2022	October 31, 2026	6.78%	4,324
Copier	April 1, 2023	March 31, 2027	7.50%	843
Total				<u>\$ 206,114</u>

The future annual lease obligations as of June 30, 2024, are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 74,818	\$ 5,864	\$ 80,682
2026	77,523	3,159	80,682
2027	<u>53,773</u>	<u>593</u>	<u>54,366</u>
Total	<u>\$ 206,114</u>	<u>\$ 9,616</u>	<u>\$ 215,730</u>

**Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

9. PENSION PLANS

Description of Plans – Substantially all of the School District's employees participate in one of the following pension plans which have been established by State statute and are administered by the New Jersey Division of Pensions and Benefits (Division): the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS). In addition, several School District employees participate in the Defined Contribution Retirement Program (DCRP), which is a defined contribution pension plan. This plan is administered by Empower (formerly Prudential Financial) for the Division. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. For additional information about TPAF, please refer to the Division's annual financial statements which can be found at the following website: <https://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

Teachers' Pension and Annuity Fund (TPAF)

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

Vesting and Benefit Provisions - 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 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.

The following represents the membership tiers for TPAF:

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

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

Contributions - The contribution requirements of plan members are determined by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the member contribution rate was 7.50% in State fiscal year 2023. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid.

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

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

9. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF) (Continued)

The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2024 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2023, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2024 was \$4,220,069 and was paid by April 1, 2024. School District employee contributions to the pension plan during the fiscal year ended June 30, 2024 were \$995,595.

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' Pension and Annuity Fund (TPAF) and 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.

At June 30, 2024, the School District was not required to report a liability for its proportionate share of the net pension liability because of a 100% special funding situation by the State of New Jersey.

For the year ended June 30, 2024, the School District recognized pension expense of \$1,269,804 and revenue of \$1,269,804 for support provided by the State. Although the School 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 School District.

The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

	<u>06/30/23</u>	<u>06/30/22</u>
Collective deferred outflows of resources	\$ 2,413,548,676	\$ 4,885,289,911
Collective deferred inflows of resources	14,741,373,312	19,563,805,393
Collective net pension liability (Non-Employer – State of New Jersey)	51,109,961,824	51,676,587,303
State's portion of the net pension liability that was associated with the School District	51,687,200	53,686,078
State's portion of the net pension liability that was associated with the School District as a percentage of the collective net pension liability	.1012825720%	.1040540474%

Actuarial assumptions – The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023.

This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
	2.75 – 5.65%
	based on years of service
Investment Rate of Return:	7.00%

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

9. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF) (Continued)

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

The actuarial assumptions used in the July 1, 2022 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, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	28.00%	8.98%
Non-U.S. Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%
	100.00%	

Discount rate. The discount rate used to measure the State's total pension liability was 7.00% as of June 30, 2023. 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 (State of New Jersey) 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 projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied rate was applied to projected benefit payments after that date in determining the total pension liability.

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

9. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF) (Continued)

Sensitivity of the School District's proportionate share of the net pension liability to changes in the discount rate. As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2023, the pension plan's measurement date, attributable to the School District is \$0.00, and the State of New Jersey's proportionate share of the net pension liability, attributable to the School District, using a discount rate of 7.00%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) that the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	60,948,588	51,687,200	43,886,910
	<u>\$ 60,948,588</u>	<u>\$ 51,687,200</u>	<u>\$ 43,886,910</u>

Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report.

Public Employees' Retirement System (PERS)

Plan Description - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established on January 1, 1955. The PERS provides retirement, death and disability, and medical benefits to certain qualified members. Vesting Membership in the PERS is mandatory for substantially all full-time employees of the Authority, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS. For additional information about PERS, please refer to Division's annual financial statements, which can be found at <http://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

Vesting and Benefit Provisions – 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 medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

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

**Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

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

Contributions - The contribution requirements of plan members are determined by N.J.S.A 43:15A and requires contributions by active members and contributing employers. The School District's contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Based on the most recent PERS measurement date of June 30, 2023, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2024 was \$364,802 and was paid by April 1, 2024. School District employee contributions to the pension plan during the fiscal year ended June 30, 2024 were \$168,669.

The School District is billed annually for its normal contribution plus any accrued liability. The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

Fiscal Year	Normal Contributions	Adjustment	Accrued Liability	Non Contributory Life	Longterm Disability	Total Liability Paid by District
2024	\$ 64,745	\$ -	\$ 284,656	\$ 15,401	\$ -	\$ 364,802
2023	53,801	-	284,136	15,295	-	353,232
2022	37,289	-	256,471	14,195	-	307,955

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the 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.

At June 30, 2024, the School District reported a liability of \$3,953,476 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The School District's proportion of the of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

For the year ended June 30, 2024, the School District recognized pension expense of (\$196,848). At June 30, 2024, the School District reported a liability of \$3,953,476 for its proportionate share of the PERS net pension liability and deferred outflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 37,800	\$ 16,161
Changes of assumptions	8,685	239,598
Net Difference between projected and actual earnings on pension plan investments	18,206	-
Changes in proportion	205,762	332,203
District contributions subsequent to the measurement date	336,955	
Total	\$ 607,408	\$ 587,962

\$336,955 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date will be recognized as a reduction of the net liability in the year ended June 30, 2025.

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

For the year ended:	Net Deferred Outflows (Inflows) of Resources
2025	\$ (288,141)
2026	(170,462)
2027	195,609
2028	(53,208)
2029	(1,307)
Total	\$ (317,509)

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience		
Year of Pension Plan Deferral:		
June 30, 2018	-	5.63
June 30, 2019	5.21	-
June 30, 2020	5.16	-
June 30, 2021	-	5.13
June 30, 2022	-	5.04
June 30, 2023	5.08	-
Changes of assumptions		
Year of Pension Plan Deferral:		
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	5.13	-
June 30, 2022	-	5.04
June 30, 2023	-	5.08
Net Difference between projected and actual earnings on pension plan investments		
Year of Pension Plan Deferral:		
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
June 30, 2021	5.00	-
June 30, 2022	5.00	-
June 30, 2023	5.00	-

Additional Information

Collective balances at June 30, 2023 and 2022 are as follows:

	<u>6/30/2023</u>	<u>6/30/2022</u>
Collective deferred outflows of resources	\$ 1,080,204,730	\$ 1,660,772,008
Collective deferred inflows of resources	\$ 1,780,216,457	\$ 3,236,303,935
Collective net pension liability	\$ 14,484,374,047	\$ 15,091,376,611
School District's Proportion	.0272947669%	.0280109872%

Actuarial assumptions - The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023.

**Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value 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, 2022 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, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2023 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	28.00%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%
Total	100.00%	

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Discount rate. The discount rate used to measure the State's total pension liability was 7.00% as of June 30, 2023. 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 nonemployer contributing entity will be made 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 all projected benefit payments to determining the total pension liability.

Sensitivity of the School District's proportionate share of the net pension liability to changes in the discount rate. The following presents the School District's proportionate share of the net pension liability measured as of June 30, 2023, calculated using the discount rate of 7.00%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$ 5,146,585	\$ 3,953,476	\$ 2,937,983

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 Division of Pensions and Benefits financial report.

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program is a cost-sharing multiple-employer defined contribution pension plan which was established on 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), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Divisions of Pensions and Benefits by Empower (formerly Prudential Financial). 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. In addition to the employee contributions, the School District's contribution amounts for each pay period are transmitted to Empower not later than the fifth business day after the date on which the employee is paid for that pay period.

The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

Fiscal Year	Total Liability	Paid by School District
2024	\$ 36,352	\$ 36,352
2023	32,654	32,654
2022	25,585	25,585

**Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description and Benefits Provided

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

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

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

Contributions

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

Plan Membership

As of June 30, 2023, the program membership consisted of the following:

Active Plan Members	217,212
Retirees	<u>152,383</u>
	<u><u>369,595</u></u>

Total Non-Employer OPEB Liability

Actuarial assumptions and other imputes - The total OPEB liability in the June 30, 2023 actuarial valuation reported by the State in the State’s most recently issued ACFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Total Non-Employer OPEB Liability (Continued)

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 the Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational improvement projections from the central year using the Scale MP-2021. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational 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.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of the TPAF, PERS, and PFRS actuarial experience studies prepared for July 1, 2018 to June 30, 2021.

Health Care Trend Assumptions - For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO, the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.5% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate - The discount rate used to measure the total OPEB liability was 3.65%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the Total Nonemployer OPEB Liability

The table below summarizes the State’s proportionate share of the change in the total nonemployer OPEB liability associated with the School District:

	Total OPEB Liability
Balance as of June 30, 2022	\$ 56,982,638
Changes for the Year	
Service Cost	2,061,813
Interest	2,084,830
Changes of benefit terms	-
Differences between expected and actual experience	(480,331)
Changes in assumptions	119,316
Gross Benefit Payments	(1,625,159)
Contributions from the Non-employer	N/A
Contributions from the Member	53,427
Net Investment Income	N/A
Administrative Expense	N/A
Net Changes	\$ 2,213,896
Balance at 06/30/2023	<u>\$ 59,196,534</u>

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Total Non-Employer OPEB Liability (Continued)

Sensitivity of the total nonemployer OPEB liability to changes in the discount rate - The following presents the total nonemployer OPEB liability as of June 30, 2023, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>1% Decrease (2.65%)</u>	<u>Current Discount Rate (3.65%)</u>	<u>1% Increase (4.65%)</u>
State of New Jersey's Proportionate Share of the Total Nonemployer OPEB Liability Associated with the School District	\$ 69,397,773	\$ 59,196,534	\$ 51,006,123

Sensitivity of the total nonemployer OPEB liability to changes in the healthcare cost trend rate - The following presents the total nonemployer OPEB liability as of June 30, 2023 calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
State of New Jersey's Proportionate Share of the Total Nonemployer OPEB Liability Associated with the School District	\$ 49,142,250	\$ 59,196,534	\$ 72,352,591

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

For the year ended June 30, 2024, the School District recognized \$871,268 in OPEB expense and revenue, in the government-wide financial statements, for the State's proportionate share of the OPEB Plan's OPEB Expense, associated with the School District. This expense and revenue were based on the OPEB Plan's June 30, 2023 measurement date.

In accordance with GASBS No. 75, the School District's proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources by the School District.

At June 30, 2023, the State's proportionate share of the total nonemployer OPEB liability's deferred outflows of resources and deferred inflows of resources, associated with the School District, from the following sources are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion	\$ 1,122,774	\$ (2,491,760)
Differences between expected and actual experience	8,636,944	(15,591,777)
Changes of assumptions	8,417,822	(16,336,127)
Total	\$ 18,177,540	\$ (34,419,664)

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

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

For the year ended:		
2025	\$	(3,223,795)
2026		(3,223,795)
2027		(2,801,933)
2028		(1,651,913)
2029		(338,127)
Thereafter		(5,002,561)
Total	\$	(16,242,124)

Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report.

11. ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2024, the School District has recognized as revenues and expenditures on-behalf payments made by the state for normal retirement costs, post-retirement medical costs and long-term disability insurance related to TPAF, in the fund statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, post-retirement medical costs and long-term disability insurance were \$4,498,659, \$1,224,370, and \$1,673, respectively. In addition, \$958,136 on-behalf payments were made by the state for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

12. RISK MANAGEMENT

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

Property and Liability Insurance - The School 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.

Joint Insurance Pool - The School District is a member of the School Alliance Insurance Fund. Insurance coverage as provided by the Fund can be found in the Statistical Section of this Annual Comprehensive Financial Report.

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

The Fund publishes its own financial report which can be obtained at: School Alliance Insurance Fund, c/o PEGAS, 51 Everett Drive, Suite B-40 West Windsor, New Jersey, 08550.

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

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

12. RISK MANAGEMENT

The following is a summary of the School District's unemployment compensation contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the current and previous two fiscal years:

<u>Fiscal Year</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2024	\$ 2,162	\$ 22,309	\$ 9,256	\$ 405,278
2023	1,668	21,971	55,225	390,063
2022	859	28,449	-	421,649

13. DEFERRED COMPENSATION

The School District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, available to all permanent School District employees, permit participants to defer a portion of their current salary to future years. Participation in the plans is optional. The deferred compensation is not available to the participants until termination, retirement, death, or an unforeseeable emergency occurs. The plan assets are held in trust for the benefit of the employee and are administered by a third party therefore they are not reflected on the financial statements of the School District.

14. COMPENSATED ABSENCES

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

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

The liability for vested compensated absences is recorded within those funds as the benefits accrued to the employees. As of June 30, 2024, the liability for compensated absences in the governmental activities was \$697,365.

15. INTERFUND BALANCES AND TRANSFERS

Interfund receivables/payables are recorded to cover temporary cash shortages and/or timing differences in the respective funds. There are no interfund balances that are not expected to be repaid by June 30, 2025. The following interfund balances were recorded on the various balance sheets as of June 30, 2024:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General Fund	\$ 163,159	\$ 9,109
Special Revenue	-	1,610,004
Capital Projects	1,509,109	171,831
Debt Service	171,831	9,835
Enterprise Fund	-	43,320
	<u>\$ 1,844,099</u>	<u>\$ 1,844,099</u>

**Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

16. CONTINGENCIES

The School District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the School District may be required to reimburse the grantor government.

At June 30, 2024, significant amounts of grant expenditures have not been audited by the granting agency, but the School District believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the School District. Additionally, unearned revenues are recognized in those funds that have received grant monies in advance of future, reimbursable expenditures.

17. FLEXIBLE BENEFITS PROGRAM

The School District offers its employees a Flexible Benefits Program. The purpose of the program is to provide a tax incentive for plan participants incurring health premium expenses, dependent care expenses and other medical expenses not covered by other insurance. The School District, who is the plan administrator, has contracted with a third party to act as its agent to furnish reimbursement services. The plan participants redirect a prescribed amount of their gross pay (tax-free) into a reimbursement account and then in-turn submit claims to the third party for repayment.

Because of Internal Revenue Service regulations, if at the end of any plan year unexpended funds remain, these funds will be forfeited by the participants and returned to the School District.

The following is a summary of School District contributions, employee contributions, reimbursements to the plan participants for benefits paid and the ending balance for the current and prior two years.

<u>Fiscal Year</u>	<u>Interest</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2024	\$ 232	\$ 46,925	\$ 45,737	\$ 1,614
2023	51	24,300	26,977	194
2022	16	25,200	23,159	2,820

18. 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.

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

As of December 31, 2024, the Borough of Audubon had no tax abatements.

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

19. DEFICIT UNASSIGNED FUND BALANCE

The School District has a deficit unassigned fund balance of \$313,331 in the General Fund and \$69,096 in the Special Revenue Fund as of June 30, 2024, as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenues, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable.

Due to the timing difference of recording the June state aid payments, the general fund and special revenue fund balance deficits do not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2, any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of \$313,331 in the General Fund and \$69,096 in the Special Revenue Fund is equal to or less than the June state aid payments.

20. DEFICIT UNRESTRICTED NET POSITION

As of June 30, 2024, a deficit of \$5,105,786 existed in the Unrestricted Net Position of the Governmental Activities. A reconciliation of Unreserved Fund Balance reported on Exhibit B-1 to Unrestricted Net Position reported on Exhibited A-1 as follows:

Balances, June 30, 2024:	
Fund Balance (Deficit) - Unassigned	
(Exclusive of Capital Projects and Debt Service Funds)	\$ (382,427)
Assigned	537,885
Liabilities:	
Accrued Interest Payable	(292,894)
Net Pension Difference	(4,270,985)
Compensated Absences	(697,365)
Unrestricted Net Position (Deficit)	<u><u>\$ (5,105,786)</u></u>

21. FUND BALANCES

RESTRICTED

As stated in Note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Specific restrictions of the School District's fund balance are summarized as follows:

General Fund:

Capital Reserve – As of June 30, 2024, the balance in the capital reserve account is \$348,705. The entire amount is restricted for future capital outlay expenditures for capital projects in the School District's approved Long-Range Facilities Plan.

Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

21. FUND BALANCES (Continued)

RESTRICTED (Continued)

General Fund (Continued):

Maintenance Reserve Account – As of June 30, 2024, the balance in the maintenance reserve account is \$601,458. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

Excess Surplus – In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict 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, 2024 is \$25,030. Additionally, \$150,000 of excess fund balance generated during the 2022-2023 fiscal year has been restricted and designated for utilization in the 2024-2025 budget.

Unemployment Compensation Reserve – As of June 30, 2024, the balance in the unemployment compensation reserve is \$330,664. These funds are restricted for the purpose of financing unemployment claims.

Special Revenue Fund:

Student Activities – As of June 30, 2024, the balance in student activities is \$486,981.

Scholarships – As of June 30, 2024, the balance in scholarships is \$279,225.

Capital Projects Fund – As of June 30, 2024, the balance is \$1,224,261.

Debt Service Fund – As of June 30, 2024, the balance is \$73,078.

ASSIGNED

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

General Fund:

Other Purposes – As of June 30, 2024, the School District has \$12,885 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

Designated for Subsequent Year's Expenditures – The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2025, \$525,000 of general fund balance.

Capital Projects Fund:

Other Purposes – As of June 30, 2024, the School District has \$1,987,379 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

Debt Service Fund:

Designated for Subsequent Year's Expenditures – The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2025, \$88,918 of fund balance.

**Audubon School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

21. FUND BALANCES (Continued)

UNASSIGNED

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

General Fund – As of June 30, 2024, the unassigned fund balance of the general fund is a deficit of \$313,331. The deficit is a result of the delay in the recording of the payment of state aid until the following fiscal year (See Note 19).

Special Revenue Fund – As of June 30, 2024, the unassigned fund balance of the special revenue fund is a deficit of \$69,096. The deficit is a result of the delay in the recording of the payment of state aid until the following fiscal year (See Note 19).

Required Supplementary Information - Part II

Budgetary Comparison Schedules

AUDUBON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local Tax Levy	\$ 13,411,255	\$ -	\$ 13,411,255	\$ 13,411,255	\$ -
Tuition from other LEA's	2,241,810		2,241,810	2,290,213	48,403
Capital reserve interest	50		50	4,305	4,255
Maintenance reserve interest	50		50	7,425	7,375
Emergency reserve interest	50		50		(50)
Other restricted miscellaneous revenues				2,163	2,163
Unrestricted misc. revenues	230,085		230,085	145,760	(84,325)
Total local sources	15,883,300		15,883,300	15,861,121	(22,179)
State sources:					
Categorical special education aid	1,173,689		1,173,689	1,173,689	
Equalization aid	7,399,743		7,399,743	7,399,743	
Categorical security aid	200,391		200,391	200,391	
Adjustment aid	36,253		36,253	36,253	
Transportation aid	73,419		73,419	73,419	
School choice aid	1,067,929		1,067,929	1,067,929	
Extraordinary aid	200,000		200,000	300,764	100,764
On-behalf TPAF pension contrib. (non-budgeted)				4,498,659	4,498,659
On-behalf TPAF post ret.medical (non-budgeted)				1,224,370	1,224,370
On-behalf TPAF LTDI (non-budgeted)				1,673	1,673
Reimbursed TPAF social security contribution (non-budgeted)				958,136	958,136
Total state sources	10,151,424		10,151,424	16,935,026	6,783,602
Federal sources:					
Medicaid Initiative (SEMI)	37,085		37,085	32,626	(4,459)
Total federal sources	37,085		37,085	32,626	(4,459)
TOTAL REVENUES	26,071,809		26,071,809	32,828,773	6,756,964
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of teachers					
Kindergarten	369,700	8,050	377,750	377,729	21
Grades 1-5	1,983,498	(11,250)	1,972,248	1,969,806	2,442
Grades 6-8	1,728,100	(29,200)	1,698,900	1,698,240	660
Grades 9-12	3,278,450	(18,850)	3,259,600	3,257,017	2,583
Regular Programs - Home Instruction:					
Salaries of teachers	8,000	(5,250)	2,750	2,735	15
Purchased professional - educational services	15,000	(6,625)	8,375	7,448	927
Regular Programs - Undistributed Instruction:					
Other salaries for instruction	339,862	41,475	381,337	378,707	2,630
Purchased professional - educational services					
Purchased technical services	141,150		141,150	138,898	2,252
Other purchased services	112,372	(26,100)	86,272	83,700	2,572
General supplies	726,612	(204,065)	522,547	462,608	59,939
Textbooks	3,375	199	3,574	3,257	317
Total - Regular Programs - Instruction	8,706,119	(251,616)	8,454,503	8,380,145	74,358

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

(CONTINUED TO NEXT PAGE)

AUDUBON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2024

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Special Education Instruction:					
Learning and/or Language Disabilities:					
Salaries of teachers	\$ 347,400	\$ (42,725)	\$ 304,675	\$ 304,675	\$ -
Other salaries for instruction	96,757	(27,910)	68,847	68,703	144
General supplies	8,000	(990)	7,010	3,956	3,054
Total learning and/or language disab.	452,157	(71,625)	380,532	377,334	3,198
Resource room/resource center:					
Salaries of teachers	1,785,370	51,011	1,836,381	1,834,387	1,994
Other salaries for instruction	223,895	27,586	251,481	248,248	3,233
Purchased technical services	79,246	(42,700)	36,546	36,467	79
General supplies	8,850	(2,000)	6,850	5,845	1,005
Total resource room/resource center	2,097,361	33,897	2,131,258	2,124,947	6,311
Preschool Disabilities - Part-Time:					
Salaries of teachers	3,850	(3,850)			
Other salaries for instruction	1,000	(1,000)			
Total preschool disabilities - part-time	4,850	(4,850)			
Preschool Disabilities - Full-Time:					
Salaries of teachers		80,950	80,950	80,950	
Other salaries for instruction		31,625	31,625	31,437	188
Total preschool disabilities - full-time		112,575	112,575	112,387	188
Home Instruction					
Salaries of teachers	5,000	(4,350)	650		650
Purchased professional - educational services	3,000	49,503	52,503	51,358	1,145
Total home instruction	8,000	45,153	53,153	51,358	1,795
Total Special Education - Instruction	2,562,368	115,150	2,677,518	2,666,026	11,492
Basic Skills/Remedial - Instruction					
Salaries of teachers	529,006	60,850	589,856	567,315	22,541
Total basic skills/remedial - instruction	529,006	60,850	589,856	567,315	22,541
School-Sponsored Cocurricular Act - Instruction:					
Salaries of teachers	345,488	(43,750)	301,738	301,699	39
Supplies and materials	32,260		32,260	26,092	6,168
Total school-sponsored cocurr. act. - instruct.	377,748	(43,750)	333,998	327,791	6,207
School-Sponsored Athletics - Instruction:					
Salaries of teachers	442,623	(43,000)	399,623	374,390	25,233
Purchased services	51,000	13,850	64,850	64,835	15
Supplies and materials	116,267	6,150	122,417	109,630	12,787
Other objects	8,900	687	9,587	9,587	
Total school-sponsored athletics - instruct.	618,790	(22,313)	596,477	558,442	38,035
Community Services Programs/Operations					
Salaries	16,166	(685)	15,481	7	15,474
Total Community Services Programs/Operations	16,166	(685)	15,481	7	15,474
Total Instruction	12,810,197	(142,364)	12,667,833	12,499,726	168,107

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

(CONTINUED TO NEXT PAGE)

AUDUBON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2024

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Instruction					
Tuition to other LEAs within the state - regular	\$ 53,000	\$ (52,954)	\$ 46	\$ -	\$ 46
Tuition to other LEAs within the state - spec	80,500	15,921	96,421	81,168	15,253
Tuition to county vocational school - reg	46,307		46,307	46,302	5
Tuition to CSSD & regional day school	47,540	141,813	189,353	189,314	39
Tuition to priv. sch. for the disabled in state	727,706	(34,065)	693,641	670,509	23,132
Tuition to priv. sch. for the disabled out of state					
Total undistributed expenditures - instruction	955,053	70,715	1,025,768	987,293	38,475
Attendance and Social Work Services:					
Salaries	84,668	7,410	92,078	92,070	8
Total	84,668	7,410	92,078	92,070	8
Health Services:					
Salaries	224,450	17,515	241,965	241,285	680
Purchased professional and technical services	24,500	(1,950)	22,550	22,502	48
Other purchased services	300	350	650	582	68
Supplies and materials	13,100	(2,045)	11,055	8,257	2,798
Total health services	262,350	13,870	276,220	272,626	3,594
Speech, OT, PT & Related Services:					
Salaries	374,894		374,894	374,485	409
Purchased professional - educational services		4,400	4,400	4,400	
Supplies and materials	4,000		4,000	2,371	1,629
Total speech, ot, pt, & related services	378,894	4,400	383,294	381,256	2,038
Other Supp. Service STD - Extra Services					
Purchased professional - educational services	155,715	(29,450)	126,265	126,220	45
Total Supp. Service STD - Extra Services	155,715	(29,450)	126,265	126,220	45
Guidance:					
Salaries of other professional staff	696,430	(28,055)	668,375	649,485	18,890
Salaries of secretarial and clerical assistants	50,410		50,410	50,110	300
Purchased professional - educational services					
Other purchased prof. and tech services	24,500	2,950	27,450	26,724	726
Other purchased services (400-500 series)	8,400	(2,474)	5,926	1,306	4,620
Supplies and materials	8,400	1,724	10,124	8,303	1,821
Other objects	2,125		2,125	1,866	259
Total guidance	790,265	(25,855)	764,410	737,794	26,616
Child Study Teams:					
Salaries of other professional staff	663,408	10,895	674,303	674,279	24
Salaries of secretarial and clerical assistants	92,802	7,280	100,082	96,892	3,190
Purchased professional - educational services	14,500	(6,000)	8,500	6,328	2,172
Other purchased services (400-500 series)	36,500		36,500	30,823	5,677
Supplies and materials	5,000	(135)	4,865	1,794	3,071
Other Objects	1,065	135	1,200	1,200	
Total child study teams	813,275	12,175	825,450	811,316	14,134
Improvement of Instruction Services:					
Salaries of supervisors of instruction	405,626	1,850	407,476	407,454	22
Salaries of other professional staff	45,918	(16,850)	29,068	26,162	2,906
Salaries of secretarial and clerical assistants	64,015		64,015	63,815	200
Purchased professional - educational services	4,000		4,000	720	3,280
Other purchased services (400-500)	4,400		4,400	2,500	1,900
Supplies and materials	2,500		2,500	1,141	1,359
Other objects	1,300		1,300	1,060	240
Total improvement of instructional services	527,759	(15,000)	512,759	502,852	9,907

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

AUDUBON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2024

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Educational Media Services/School Library:					
Salaries	\$ 211,375	\$ (5,371)	\$ 206,004	\$ 198,645	\$ 7,359
Salaries of Technology Coordinators	110,441	321	110,762	110,762	
Purchased professional - technical services	17,490		17,490	14,016	3,474
Supplies and materials	7,500		7,500	4,692	2,808
Other objects					
Total educational media services/school library	346,806	(5,050)	341,756	328,115	13,641
Instructional Staff Training Services:					
Other salaries	3,240		3,240	780	2,460
Purchased professional - educational services	18,800	(9,000)	9,800	7,736	2,064
Other purchased services (400-500 series)	13,500	5,000	18,500	13,267	5,233
Total instructional staff training services	35,540	(4,000)	31,540	21,783	9,757
Support Services - General Administration:					
Salaries	240,263	9,600	249,863	249,780	83
Legal services	88,700	23,600	112,300	89,416	22,884
Audit Fees	25,000	700	25,700	25,700	
Other purchased professional services	33,000	4,550	37,550	23,657	13,893
Purchased technical services	9,970		9,970	7,396	2,574
Communications / telephone	58,449	3,215	61,664	53,495	8,169
Misc. purchased services	84,830	2,630	87,460	86,590	870
General supplies	12,600	(2,125)	10,475	5,700	4,775
Miscellaneous expenditures	6,000	813	6,813	6,768	45
BOE Membership dues and fees	10,587	637	11,224	11,224	
Total support services - general administration	569,399	43,620	613,019	559,726	53,293
Support Services - School Administration:					
Salaries of principals/assist. principals	540,486	4,100	544,586	544,532	54
Salaries of secretarial and clerical assistants	238,531	10,575	249,106	244,458	4,648
Other purchased services (400-500 series)	21,400	(2,619)	18,781	5,113	13,668
Supplies and materials	4,000	100	4,100	3,631	469
Other objects	7,500	394	7,894	7,351	543
Total support services - school administration	811,917	12,550	824,467	805,085	19,382
Central Services:					
Salaries	342,913	8,881	351,794	349,208	2,586
Purchased technical services	25,704	1,667	27,371	26,636	735
Misc. purchased services	3,890	(835)	3,055	3,030	25
Supplies and materials	6,000	1,500	7,500	6,739	761
Interest on lease purchase	1,460	(1,460)			
Miscellaneous expenditures		1,745	1,745	1,745	
Total central services	379,967	11,498	391,465	387,358	4,107
Admin. Informational Technology					
Salaries	63,208	6,000	69,208	63,208	6,000
Other purchased services (400-500 series)	4,500		4,500	759	3,741
Total admin. informational technology	67,708	6,000	73,708	63,967	9,741
Required Maintenance School Facilities:					
Salaries	333,024	(27,045)	305,979	305,274	705
Cleaning, Repair, and Maintenance Services		187,000	187,000	186,967	33
General supplies	10,000	(9,500)	500		500
Total required maintenance school facilities	343,024	150,455	493,479	492,241	1,238

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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AUDUBON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2024

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Operation & Maintenance of Plant:					
Salaries	\$ 826,593	\$ 5,650	\$ 832,243	\$ 829,985	\$ 2,258
Rental of Land & Bldg. Oth. Than Lease Pur.	21,000		21,000	21,000	
Other purchased property services	58,300	11,500	69,800	69,763	37
Insurance	142,789		142,789	142,761	28
Misc. Purchased Services	53,837	16,800	70,637	59,035	11,602
General Supplies	138,973	(25,600)	113,373	94,901	18,472
Energy (Natural Gas)	66,700		66,700	52,205	14,495
Energy (Electricity)	537,805	(265,100)	272,705	260,062	12,643
Other objects	1,690		1,690	1,326	364
Total other operations & maint. of plant	1,847,687	(256,750)	1,590,937	1,531,038	59,899
Care & Upkeep of Grounds:					
Salaries	119,250		119,250	119,250	
General Supplies	34,568	(1,450)	33,118	25,848	7,270
Total care and upkeep of grounds	153,818	(1,450)	152,368	145,098	7,270
Total operation & maint. of plant services	2,344,529	(107,745)	2,236,784	2,168,377	68,407
Student Transportation Services:					
Salaries for Pupil Trans (other than between home and school)	59,360	8,000	67,360	63,640	3,720
Management fee - ESC Transp. programs	28,000	16,000	44,000	43,968	32
Cleaning, repair and maintenance services	1,000	4,852	5,852	5,810	42
Rental payments - School buses					
Lease purchase payments - School buses					
Contr. serv. (not between home & sch) - vendor	10,000	1,198	11,198	11,146	52
Contr. Serv. (Spl. Ed. Students) - ESC	476,844	337,150	813,994	813,774	220
Misc. purchased services - transportation	3,500	(350)	3,150	842	2,308
Supplies and materials	1,800	5,150	6,950	6,871	79
Total student transportation services	580,504	372,000	952,504	946,051	6,453
Unallocated Benefits - Employee Benefits:					
Social security contributions	372,825	33,100	405,925	397,584	8,341
Other retirement contributions - PERS	378,482	22,200	400,682	400,626	56
Unemployment compensation		700	700	649	51
Workmen's compensation	161,272		161,272	161,073	199
Health benefits	3,559,994	(115,367)	3,444,627	3,438,489	6,138
Tuition reimbursement	53,208	(20,700)	32,508	32,426	82
Other employee benefits	170,000		170,000	168,867	1,133
Unused Sick Payment to Terminated/Retired Staff	79,870	33,500	113,370	113,000	370
Total unallocated benefits - employee benefits	4,775,651	(46,567)	4,729,084	4,712,714	16,370
On-behalf TPAF pension contr. (non-budgeted)				4,498,659	(4,498,659)
On-behalf TPAF post ret. medical (non-budgeted)				1,224,370	(1,224,370)
On-behalf TPAF LTDI (non-budgeted)				1,673	(1,673)
Reimbursed TPAF social security contr. (non-budgeted)				958,136	(958,136)
Total Undistributed Expenditures	13,880,000	320,571	14,200,571	20,587,441	(6,386,870)
Total General Current Expense	26,690,197	178,207	26,868,404	33,087,167	(6,218,763)

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

(CONTINUED TO NEXT PAGE)

AUDUBON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2024

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY:					
Equipment:					
Grades 9-12	\$ 4,750	\$ 7,708	\$ 12,458	\$ 12,458	\$ -
Undist. expend. - care and upkeep of grounds					
Total Equipment	<u>4,750</u>	<u>7,708</u>	<u>12,458</u>	<u>12,458</u>	
Facilities Acquisition and Construction Services:					
Lease purchase agreements - principal					
Assessment on SDA Funding	101,451		101,451	101,451	
Total Facilities Acquisition and Constr. Services	<u>101,451</u>		<u>101,451</u>	<u>101,451</u>	
Assets acquired under leases (non-budgeted):					
Equipment					
Total Assets acquired under leases					
Total Capital Outlay	<u>106,201</u>	<u>7,708</u>	<u>113,909</u>	<u>113,909</u>	
Transfer of Funds to Charter Schools	<u>33,761</u>	<u>1,085</u>	<u>34,846</u>	<u>34,846</u>	
TOTAL EXPENDITURES	<u>26,830,159</u>	<u>187,000</u>	<u>27,017,159</u>	<u>33,235,922</u>	<u>(6,218,763)</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures:	<u>(758,350)</u>	<u>(187,000)</u>	<u>(945,350)</u>	<u>(407,149)</u>	<u>538,201</u>
Other Financing Sources:					
Operating transfers out - Capital Projects	(650,000)		(650,000)	(650,000)	
Operating transfers out - Special Revenue	(172,740)		(172,740)	(172,740)	
Proceeds from leases					
Total other financing sources	<u>(822,740)</u>		<u>(822,740)</u>	<u>(822,740)</u>	
Excess (Deficiency) of Revenues and Other					
Financing Sources Over (Under) Expenditures					
and Other Financing Sources (Uses):	(1,581,090)	(187,000)	(1,768,090)	(1,229,889)	538,201
Fund Balance, July 1	<u>3,871,911</u>		<u>3,871,911</u>	<u>3,871,911</u>	
Fund Balance - June 30	<u>\$ 2,290,821</u>	<u>\$ (187,000)</u>	<u>\$ 2,103,821</u>	<u>\$ 2,642,022</u>	<u>\$ 538,201</u>
Recapitulation:					
Restricted:					
Capital Reserve:				\$ 348,705	
Maintenance Reserve				601,458	
Excess Surplus:					
Designated for Subsequent Year's Expenditures				150,000	
Current Year				25,030	
Unemployment Compensation				330,664	
Assigned:					
Year-end encumbrances				12,885	
Designated for Subsequent Year's Expenditures				525,000	
Unassigned				<u>648,280</u>	
				2,642,022	
Reconciliation on Governmental Fund Statements (GAAP):					
Less: State Aid Payment not Recognized on GAAP Basis				<u>(961,611)</u>	
Fund Balance per Government Fund (GAAP)				<u>\$ 1,680,411</u>	

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

AUDUBON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal sources	\$ -	\$ 1,147,841	\$ 1,147,841	\$ 1,147,866	\$ 25
State sources	998,771	2,556,368	3,555,139	2,234,388	(1,320,751)
Local sources				552,918	552,918
Total Revenues	998,771	3,704,209	4,702,980	3,935,172	(767,808)
EXPENDITURES:					
Instruction:					
Salaries of teachers	318,900	129,630	448,530	428,266	20,264
Other salaries for instruction	96,775	193,782	290,557	290,246	311
Other purchased services	24,089	375,143	399,232	376,243	22,989
General supplies	28,800	355,017	383,817	367,422	16,395
Other objects	2,000	3,000	5,000	3,000	2,000
Total Instruction	470,564	1,056,572	1,527,136	1,465,177	61,959
Support Services:					
Salaries - supervisors of instruction	9,292		9,292	9,292	
Salaries - program directors	26,464		26,464	26,464	
Salaries - other professional staff	65,150		65,150	65,150	
Salaries - other salaries	33,792		33,792	33,792	
Salaries - master teachers	64,200		64,200	64,200	
Personal services - employee benefits	219,010	30,467	249,477	249,477	
Purchased prof. - technical services	5,000	25,046	30,046	28,169	1,877
Purchased prof. - educational services	12,000		12,000		12,000
Cleaning, repair, maintenance	10,000		10,000	10,000	
Rentals	45,500		45,500	45,500	
Other purchased services	6,460	1,000	7,460	6,098	1,362
Supplies and materials	31,339	34,756	66,095	44,925	21,170
Scholarship awards				20,900	(20,900)
Student Act/Ath				553,893	(553,893)
Total Support Services	528,207	91,269	619,476	1,157,860	(538,384)
Facilities Acquisition and Construction Services:					
Buildings		2,556,368	2,556,368	1,506,750	1,049,618
Total Facilities Acq. and Const. Services		2,556,368	2,556,368	1,506,750	1,049,618
Total Expenditures	998,771	3,704,209	4,702,980	4,129,787	573,193
Other financing sources (uses)					
Transfer from General Fund				172,740	172,740
Total other financing sources (uses)				172,740	172,740
Total Outflows	998,771	3,704,209	4,702,980	3,957,047	745,933
Excess (Deficiency) of Revenues over (under) Expenditures and other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(21,875)</u>	<u>(21,875)</u>
Fund Balance, July 1				788,081	
Fund Balance, June 30				<u>\$ 766,206</u>	
Recapitulation:					
Restricted:					
Scholarships				\$ 279,225	
Student Act/Ath				486,981	
Total Fund Balance				<u>\$ 766,206</u>	

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

AUDUBON SCHOOL DISTRICT
Notes to Required Supplementary Information
Budgetary Comparison
For the Fiscal Year Ended June 30, 2024

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	\$ 32,828,773	\$ 3,935,172
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		58,154
Current Year		(129,183)
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	924,519	65,270
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(961,611)</u>	<u>(69,096)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 32,791,681</u>	<u>\$ 3,860,317</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 33,235,922	\$ 3,957,047
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Prior Year		58,154
Current Year		(129,183)
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.		<u>172,740</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 33,235,922</u>	<u>\$ 4,058,758</u>

Required Supplementary Information - Part III

Schedules Related to Accounting and Reporting

For Pensions and

Other Post Employment Benefits

AUDUBON SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employees Retirement System
Last Ten Fiscal Years

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
District's proportion of the net pension liability (asset)	0.0272947669%	0.0280109872%	0.0262958529%	0.0289056288%	0.0287422060%	0.0286639807%	0.0325394227%	0.0319741746%	0.0324191799%	0.0304165923%
District's proportionate share of the net pension liability (asset)	\$ 3,953,476	\$ 4,227,244	\$ 3,115,138	\$ 4,713,752	\$ 5,178,909	\$ 5,643,795	\$ 7,574,657	\$ 9,469,833	\$ 7,277,456	\$ 5,694,818
District's covered-employee payroll	2,163,702	1,993,455	2,006,489	1,929,735	1,929,235	2,045,963	2,116,345	2,011,105	2,210,636	2,131,870
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	182.72%	212.06%	155.25%	244.27%	268.44%	275.85%	357.91%	470.88%	329.20%	267.13%
Plan fiduciary net position as a percentage of the total pension liability	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%

AUDUBON SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Contributions
Public Employees Retirement System
Last Ten Fiscal Years

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution	\$ 336,955	\$ 364,802	\$ 353,232	\$ 307,955	\$ 316,213	\$ 280,173	\$ 285,618	\$ 302,571	\$ 284,054	\$ 278,718
Contributions in relation to the contractually required contributions	<u>(336,955)</u>	<u>(364,802)</u>	<u>(353,232)</u>	<u>(307,955)</u>	<u>(316,213)</u>	<u>(280,173)</u>	<u>(285,618)</u>	<u>(302,571)</u>	<u>(284,054)</u>	<u>(278,718)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 2,163,702	\$ 1,993,455	\$ 2,006,489	\$ 1,929,735	\$ 1,929,235	\$ 2,045,963	\$ 2,116,345	\$ 2,011,105	\$ 2,210,636	\$ 2,131,870
Contributions as a percentage of covered-employee payroll	15.57%	18.30%	17.60%	15.96%	16.39%	13.69%	13.50%	15.05%	12.85%	13.07%

AUDUBON SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers' Pension and Annuity Fund
Last Ten Fiscal Years

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
District's proportion of the net pension liability (asset)	0.1012825720%	0.1040540474%	0.1069908660%	0.1074967342%	0.1053822239%	0.1074819793%	0.1073812693%	0.1065269046%	0.1041246558%	0.1038926042%
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	\$ 51,687,200	\$ 53,686,078	\$ 51,436,061	\$ 70,785,306	\$ 64,674,065	\$ 68,377,727	\$ 72,400,324	\$ 83,800,846	\$ 65,811,229	\$ 55,527,216
Total	<u>\$ 51,687,200</u>	<u>\$ 53,686,078</u>	<u>\$ 51,436,061</u>	<u>\$ 70,785,306</u>	<u>\$ 64,674,065</u>	<u>\$ 68,377,727</u>	<u>\$ 72,400,324</u>	<u>\$ 83,800,846</u>	<u>\$ 65,811,229</u>	<u>\$ 55,527,216</u>
District's covered-employee payroll	\$ 13,156,413	\$ 12,705,184	\$ 11,924,838	\$ 11,579,268	\$ 11,822,250	\$ 11,740,309	\$ 11,300,909	\$ 11,440,992	\$ 11,054,820	\$ 10,903,883
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	34.68%	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%

AUDUBON SCHOOL DISTRICT
Required Supplementary Information
Schedule of the State's Proportionate Share of the Net OPEB Liability Associated with the District
and Changes in the Total OPEB Liability and Related Ratios
Public Employee's Retirement System and Teachers' Pension and Annuity Fund
Last Seven Fiscal Years

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
State's proportion of the net OPEB liability (asset) associated with the District	0.11%	0.11%	0.11%	0.12%	0.11%	0.12%	0.12%
District's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the District	\$ 59,196,534	\$ 56,982,638	\$ 66,677,220	\$ 78,058,576	\$ 47,922,118	\$ 53,603,023	\$ 63,286,990
Total proportionate share of the net OPEB liability (asset) associated with the District	<u>\$ 59,196,534</u>	<u>\$ 56,982,638</u>	<u>\$ 66,677,220</u>	<u>\$ 78,058,576</u>	<u>\$ 47,922,118</u>	<u>\$ 53,603,023</u>	<u>\$ 63,286,990</u>
Plan fiduciary net position as a percentage of the total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability							
Service Cost	\$ 2,061,813	\$ 2,668,516	\$ 3,274,211	\$ 1,832,654	\$ 1,745,077	\$ 2,055,210	\$ 2,483,848
Interest	2,084,830	1,510,103	1,729,677	1,718,555	2,114,612	2,314,699	1,997,012
Changes of benefit terms			(70,970)				
Difference between expected and actual experiences	(480,331)	2,860,718	(15,061,774)	13,644,377	(8,827,657)	(6,518,873)	
Changes of assumptions and other inputs	119,316	(15,286,104)	65,782	14,258,619	714,523	(6,151,215)	(8,069,702)
Member Contributions	53,427	47,986	44,219	41,189	43,606	49,538	53,977
Benefit payments	(1,625,159)	(1,495,801)	(1,362,501)	(1,358,936)	(1,471,066)	(1,433,326)	(1,465,861)
Net Change in total OPEB Liability	\$ 2,213,896	\$ (9,694,582)	\$ (11,381,356)	\$ 30,136,458	\$ (5,680,905)	\$ (9,683,967)	\$ (5,000,726)
Total OPEB Liability - beginning	<u>\$ 56,982,638</u>	<u>\$ 66,677,220</u>	<u>\$ 78,058,576</u>	<u>\$ 47,922,118</u>	<u>\$ 53,603,023</u>	<u>\$ 63,286,990</u>	<u>\$ 68,287,716</u>
Total OPEB Liability - ending	<u>\$ 59,196,534</u>	<u>\$ 56,982,638</u>	<u>\$ 66,677,220</u>	<u>\$ 78,058,576</u>	<u>\$ 47,922,118</u>	<u>\$ 53,603,023</u>	<u>\$ 63,286,990</u>
District's covered-employee payroll	15,320,115	14,698,639	13,931,327	13,509,003	13,751,485	13,786,272	13,417,254
Total OPEB Liability as a percentage of covered-employee payroll	386.40%	387.67%	478.61%	577.83%	348.49%	388.81%	471.68%

This schedule does not contain ten years of information as GASB 75
was implemented during the fiscal year ended June 30, 2018.

Audubon School District
Notes to Required Supplementary Information – Part III
For the Fiscal Year Ended June 30, 2024

Teacher's Pension and Annuity Fund (TPAF)

Changes of benefit term: There were none.

Changes of assumptions: There were none.

Public Employees' Retirement System (PERS)

Changes of benefit term: There were none.

Changes of assumptions: There were none.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes of benefit term: There were none.

Changes of assumptions: The discount rate changed from 3.54% as of June 30, 2022 to 3.65% as of June 30, 2023.

Other Supplementary Information

Special Revenue Fund

AUDUBON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2024

	Title I	Title II - Part A	IDEA Basic	IDEA Preschool	New Jersey Clean Energy Program	Preschool Expansion	Total E1 (a)	Total
REVENUES:								
Federal sources	\$ 180,229	\$ 9,630	\$ 393,643	\$ 13,967	\$ -	\$ -	\$ 550,397	\$ 1,147,866
State sources					1,506,750	727,638		2,234,388
Local sources							552,918	552,918
Total Revenues	180,229	9,630	393,643	13,967	1,506,750	727,638	1,103,315	3,935,172
EXPENDITURES:								
Instruction:								
Salaries of teachers	120,000	9,630				298,636		428,266
Other salaries for instruction	36,501					96,463	157,282	290,246
Purchased prof tech services								
Other purchased services			361,643	13,500		1,100		376,243
General supplies	9,850		5,000	467		12,380	339,725	367,422
Other objects			3,000					3,000
Total instruction	166,351	9,630	369,643	13,967		408,579	497,007	1,465,177
Support services:								
Salaries - supervisors of instruction						9,292		9,292
Salaries - program directors						26,464		26,464
Salaries - other professional staff						65,150		65,150
Salaries - other salaries						33,792		33,792
Salaries - master teachers						64,200		64,200
Personal services-employee benefits	11,972					219,010	18,495	249,477
Purchased prof tech services			21,000			3,124	4,045	28,169
Cleaning, Repair, Maint.						10,000		10,000
Rentals						45,500		45,500
Other purchased services			1,000			5,098		6,098
Supplies and materials	1,906		2,000			10,169	30,850	44,925
Scholarship Awards							20,900	20,900
Student Activities							553,893	553,893
Total support services	13,878		24,000			491,799	628,183	1,157,860
Facilities acquisition and const. serv.: Buildings					1,506,750			1,506,750
Total facilities acq. and const. serv.					1,506,750			1,506,750
Total Expenditures	180,229	9,630	393,643	13,967	1,506,750	900,378	1,125,190	4,129,787
Other financing sources (uses) Transfer from General Fund						172,740		172,740
Total other financing sources (uses)						172,740		172,740
Total Outflows	180,229	9,630	393,643	13,967	1,506,750	727,638	1,125,190	3,957,047
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	-	-	-	-	-	-	(21,875)	(21,875)
Fund Balance, July 1	-	-	-	-	-	-	788,081	788,081
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 766,206	\$ 766,206

AUDUBON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2024

	ARP ESSER III	ARP ESSER Accelerated Learning	ARP ESSER NJTSS Mental Health	CRRSA ESSER II	Student Activities/Athletics	Scholarships	Total
REVENUES:							
Federal sources	\$ 236,094	\$ 82,213	\$ 88,501	\$ 143,589	\$ -	\$ -	\$ 550,397
Local sources					485,556	67,362	552,918
Total Revenues	236,094	82,213	88,501	143,589	485,556	67,362	1,103,315
EXPENDITURES:							
Instruction:							
Salaries of teachers							
Other salaries for instruction		68,781	88,501				157,282
Purchased prof tech services							
Other purchased services							
General supplies	226,986			112,739			339,725
Total instruction	226,986	68,781	88,501	112,739			497,007
Support services:							
Salaries - other professional staff							
Personal services-employee benefits	9,108	9,387					18,495
Purchased prof tech services		4,045					4,045
Other purchased services							
Supplies and materials				30,850			30,850
Scholarship Awards						20,900	20,900
Student Activities					553,893		553,893
Total support services	9,108	13,432		30,850	553,893	20,900	628,183
Facilities acquisition and const. serv.:							
Buildings							
Instructional equipment							
Total facilities acq. and const. serv.							
Total Expenditures	236,094	82,213	88,501	143,589	553,893	20,900	1,125,190
Other financing sources (uses)							
Transfer from General Fund							
Total other financing sources (uses)							
Total Outflows							
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	-	-	-	-	(68,337)	46,462	(21,875)
Fund Balance, July 1	-	-	-	-	555,318	232,763	788,081
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ 486,981	\$ 279,225	\$ 766,206

Audubon School District
Special Revenue Fund
Schedule of Preschool Education Aid Expenditures
Preschool - All Programs
Budgetary Basis
For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 318,900	\$ -	\$ 318,900	\$ 298,636	\$ 20,264
Other Salaries for Instruction	96,775	-	96,775	96,463	312
Other Purchased Services	24,089	-	24,089	1,100	22,989
General Supplies	28,800	-	28,800	12,380	16,420
Miscellaneous	2,000	-	2,000		2,000
Total instruction	470,564	-	470,564	408,579	61,985
Support services:					
Supervisor of Instructions	9,292	-	9,292	9,292	-
Salaries of Principals	26,464	-	26,464	26,464	-
Salaries of Other Professional Staff	65,150	-	65,150	65,150	-
Other Salaries	33,792	-	33,792	33,792	-
Salaries of Facilitator/Coach	64,200	-	64,200	64,200	-
Personal Services - Employee Benefits	219,010	-	219,010	219,010	-
Purchased Professional Education Services	12,000	-	12,000		12,000
Other Purchased Professional Services	5,000	-	5,000	3,124	1,876
Cleaning/Repair/Maintenance	10,000	-	10,000	10,000	-
Rentals	45,500	-	45,500	45,500	-
Contracted Services Field Trips	6,460	-	6,460	5,098	1,362
General Supplies	31,339	-	31,339	10,169	21,170
Total support services	528,207	-	528,207	491,799	36,408
Facilities acquisition and cont. serv:					
Instructional equipment	-	-	-	-	-
Total Facilities acquisition and cont. serv.	-	-	-	-	-
Total Expenditures	\$ 998,771	\$ -	\$ 998,771	\$ 900,378	\$ 98,393

CALCULATION OF BUDGET & CARRYOVER

Total 2023-24 PreK Aid Allocation	\$ 690,960
Add: Actual PreK/ECPA Aid Carryover June 30, 2023	264,527
Add: Budgeted Transfer From General Fund	172,740
Total Funds Available for 2023-24 Budget	1,128,227
Less: 2022-23 Budgeted PreK/ECPA (Including prior year budgeted carryover)	(998,771)
Available & Unbudgeted Funds as of June 30, 2024	129,456
Add: June 30, 2024 Unexpended PreK Aid	98,393
2024 - Actual Carryover - PreK Aid	<u>\$ 227,849</u>
2023-24 PreK Aid Carryover Budgeted in 2024-25	<u>\$ 129,456</u>

Audubon School District
Special Revenue Fund
Schedule of Preschool Education Aid Expenditures
Preschool - Full Day 3yr & 4 yr - Regular
Budgetary Basis
For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 318,900	\$ -	\$ 318,900	\$ 298,636	\$ 20,264
Other Salaries for Instruction	96,775	-	96,775	96,463	312
Other Purchased Services	24,089	-	24,089	1,100	22,989
General Supplies	28,800	-	28,800	12,380	16,420
Miscellaneous Expenditures	2,000	-	2,000		2,000
Total instruction	470,564	-	470,564	408,579	61,985
Support services:					
Supervisor of Instruction	9,292	-	9,292	9,292	-
Salaries of Principals	26,464	-	26,464	26,464	-
Salaries of Other Professional Staff	65,150	-	65,150	65,150	-
Other Salaries	33,792	-	33,792	33,792	-
Salaries of Facilitator/Coach	64,200	-	64,200	64,200	-
Personel Benefits	219,010	-	219,010	219,010	-
Purchased Professional Educaion Services	12,000	-	12,000		12,000
Other Purchased Professional Services	5,000	-	5,000	3,124	1,876
Cleaning Repair/Maintenance	10,000	-	10,000	10,000	-
Rentals	45,500	-	45,500	45,500	-
Contracted Services Field Trips	6,460	-	6,460	5,098	1,362
General Supplies	31,339	-	31,339	10,169	21,170
Total support services	528,207	-	528,207	491,799	36,408
Facilities acquisition and cont. serv:					
Instructional equipment	-	-	-	-	-
Total Facilities acquisition and cont. serv.	-	-	-	-	-
Total Program Expenditures	\$ 998,771	\$ -	\$ 998,771	\$ 900,378	\$ 98,393

Capital Projects Fund
Detail Statements

AUDUBON SCHOOL DISTRICT
Capital Projects Fund
Summary Statement of Revenues, Expenditures,
and Changes in Fund Balance - Budgetary Basis
For the Fiscal Year ended June 30, 2024

Revenues and Other Financing Sources:

Bond proceeds	\$ -
Transfer from Capital Reserve	650,000
Earnings on investments	<u>73,078</u>
Total revenues and other financing sources	<u>723,078</u>

Expenditures and Other Financing (Uses):

Purchased professional services	451,588
Construction services	15,319,350
Transfer to Debt Service Fund	<u>73,078</u>
Total expenditures and other financing (uses)	<u>15,844,016</u>

Excess (deficiency) or revenues over (under) expenditures	(15,120,938)
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Fund Balance - July 1	<u>18,332,578</u>
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Fund Balance - June 30	<u><u>\$ 3,211,640</u></u>
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AUDUBON SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Roof and Roof-Top HVAC Haviland Elementary School
From Inception and for the Fiscal Year ended June 30, 2024

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources:				
State sources - SCC Grant	\$ 312,000	\$ -	\$ 312,000	\$ 312,000
Capital lease proceeds	500,000		500,000	500,000
Total revenues	<u>812,000</u>	<u></u>	<u>812,000</u>	<u>812,000</u>
Expenditures and Other Financing Uses:				
Purchased professional services	89,610		89,610	89,610
Construction services	722,390		722,390	722,390
	<u>812,000</u>	<u>-</u>	<u>812,000</u>	<u>812,000</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Additional project information:				
Project Number	0150-040-13-1002-GO4			
Grant Date	01/06/14			
Lease Authorization Date	07/01/14			
Capital Lease Authorized	\$ 500,000			
Capital Lease Issued	\$ 500,000			
Original Authorized Cost	\$ 780,000			
Additional Authorized Cost	\$ 32,000			
Revised Authorized Cost	\$ 812,000			
Percentage Increase over Original Authorized Cost	4.10%			
Percentage Completion	100.00%			
Original target completion date	09/30/15			
Revised target completion date	09/30/15			

AUDUBON SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Various Capital improvements
From Inception and for the Fiscal Year ended June 30, 2024

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources:				
Bond proceeds	\$ 26,810,000	\$ - 650,000	\$ 26,810,000 650,000	\$ 26,810,000 650,000
Total revenues	<u>26,810,000</u>	<u>650,000</u>	<u>27,460,000</u>	<u>27,460,000</u>
Expenditures and Other Financing Uses:				
Purchased professional services	1,994,729	451,588	2,446,317	2,446,317
Construction services	6,482,693	15,319,350	21,802,043	21,802,043
	<u>8,477,422</u>	<u>15,770,938</u>	<u>24,248,360</u>	<u>24,248,360</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 18,332,578</u>	<u>\$ (15,120,938)</u>	<u>\$ 3,211,640</u>	<u>\$ 3,211,640</u>
Additional project information:				
Bond Authorization Date	12/14/21			
Bonds Authorized	\$ 26,810,000			
Bonds Issued	\$ 26,810,000			
Original Authorized Cost	\$ 26,810,000			
Additional Authorized Cost	\$ 650,000			
Revised Authorized Cost	\$ 27,460,000			
Percentage Increase over Original Authorized Cost	2.42%			
Percentage Completion	88.30%			
Original target completion date	08/30/24			
Revised target completion date	N/A			

Proprietary Funds

AUDUBON SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Net Position
June 30, 2024

	<u>Food Service Fund</u>	<u>Community Education Program</u>	<u>After School Program</u>	<u>Total</u>
ASSETS:				
Current Assets:				
Cash and cash equivalents	\$ 4,797	\$ 96,327	\$ 273,635	\$ 374,759
Accounts receivable:				
State	1,530	-	-	1,530
Federal	29,840	-	-	29,840
Other	12,035	-	-	12,035
Inventories	23,150	-	-	23,150
Total Current Assets	<u>71,352</u>	<u>96,327</u>	<u>273,635</u>	<u>441,314</u>
Noncurrent Assets:				
Equipment	233,510	-	-	233,510
Less - accumulated depreciation	<u>(200,288)</u>	<u>-</u>	<u>-</u>	<u>(200,288)</u>
Total Noncurrent Assets	<u>33,222</u>	<u>-</u>	<u>-</u>	<u>33,222</u>
Total Assets	<u>104,574</u>	<u>96,327</u>	<u>273,635</u>	<u>474,536</u>
LIABILITIES:				
Current Liabilities:				
Interfund payable	43,320	-	-	43,320
Accounts payable	226	-	-	226
Unearned revenue	<u>14,141</u>	<u>-</u>	<u>-</u>	<u>14,141</u>
Total Current Liabilities	<u>57,687</u>	<u>-</u>	<u>-</u>	<u>57,687</u>
NET POSITION:				
Net investment in capital assets	33,222	-	-	33,222
Unrestricted	<u>13,665</u>	<u>96,327</u>	<u>273,635</u>	<u>383,627</u>
Total Net Position	<u>\$ 46,887</u>	<u>\$ 96,327</u>	<u>\$ 273,635</u>	<u>\$ 416,849</u>

AUDUBON SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Revenues, Expenses
and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2024

	Food Service Fund	Community Education Program	After School Program	Totals
OPERATING REVENUES:				
Charges for Services:				
Daily sales reimbursable programs:				
School lunch	\$ 161,780	\$ -	\$ -	\$ 161,780
School breakfast	3,204	-	-	3,204
Daily sales non-reimbursable programs:				
Adult and ala carte sales	162,393	-	-	162,393
Program fees	-	31,061	151,405	182,466
	<u>327,377</u>	<u>31,061</u>	<u>151,405</u>	<u>509,843</u>
Total Operating Revenues				
OPERATING EXPENSES:				
Salaries	288,715	-	107,024	395,739
Employee benefits	40,041	-	8,271	48,312
Management fee	36,500	-	-	36,500
Supplies and materials	31,568	-	2,337	33,905
Other costs	26,098	39,393	15,724	81,215
Depreciation	3,550	-	-	3,550
Cost of sales - reimbursable programs	195,996	-	-	195,996
Cost of sales - nonreimbursable programs	83,075	-	-	83,075
	<u>705,543</u>	<u>39,393</u>	<u>133,356</u>	<u>878,292</u>
Total Operating Expenses				
Operating Income (Loss)	<u>(378,166)</u>	<u>(8,332)</u>	<u>18,049</u>	<u>(368,449)</u>
Non-Operating Revenues:				
State sources:				
State school lunch program	8,571	-	-	8,571
State school breakfast program	276	-	-	276
State after bell	164	-	-	164
NJEIE lunch	227	-	-	227
NJEIE breakfast	2	-	-	2
Federal sources:				
National school lunch program	160,386	-	-	160,386
National school breakfast program	10,693	-	-	10,693
Supply Chain Assistance	37,170	-	-	37,170
Summer P-EBT	653	-	-	653
Food distribution program	51,800	-	-	51,800
Local sources:				
Miscellaneous	8,468	-	-	8,468
Interest earned	-	1,074	-	1,074
	<u>278,410</u>	<u>1,074</u>	<u>-</u>	<u>279,484</u>
Total Non-Operating Revenues				
Income (Loss) before Contributions and Transfers	(99,756)	(7,258)	18,049	(88,965)
Operating Transfers In	-	-	-	-
Changes in Net Position	(99,756)	(7,258)	18,049	(88,965)
Net Position - July 1	146,643	103,585	255,586	505,814
Net Position - June 30	<u>\$ 46,887</u>	<u>\$ 96,327</u>	<u>\$ 273,635</u>	<u>\$ 416,849</u>

AUDUBON SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2024

	Food Service Fund	Community Education Program	After School Program	Total
Cash Flows from Operating Activities:				
Cash receipts from customers	\$ 321,836	\$ 31,061	\$ 151,405	\$ 504,302
Cash payments to employees for services	(328,756)	-	(115,295)	(444,051)
Cash payments to suppliers for goods and services	(319,974)	(39,393)	(18,061)	(377,428)
Net cash provided by (used for) operating activities	(326,894)	(8,332)	18,049	(317,177)
Cash Flows from Noncapital Financing Activities:				
Cash received from state sources	9,134	-	-	9,134
Cash received from federal sources	210,175	-	-	210,175
Operating transfer in	-	-	-	-
Net cash provided by noncapital financing activities	219,309	-	-	219,309
Cash Flow Provided by Investing Activities:				
Interest on cash equivalents	-	1,074	-	1,074
Net increase (decrease) in cash and cash equivalents	(107,585)	(7,258)	18,049	(96,794)
Cash and cash equivalents - July 1	112,382	103,585	255,586	471,553
Cash and cash equivalents - June 30	<u>\$ 4,797</u>	<u>\$ 96,327</u>	<u>\$ 273,635</u>	<u>\$ 374,759</u>
Reconciliation of Operating Income (Loss) to Net Cash provided by (used for) Operating Activities:				
Operating income (loss)	\$ (378,166)	\$ (8,332)	\$ 18,049	\$ (368,449)
Adjustments to reconcile operating income (loss) to cash provided by (used for) operating activities:				
Depreciation	3,550	-	-	3,550
Commodities	51,800	-	-	51,800
Change in assets and liabilities:				
(Increase) decrease in accounts receivables	(5,510)	-	-	(5,510)
(Increase) decrease in inventories	1,237	-	-	1,237
Increase (decrease) in unearned revenue	(31)	-	-	(31)
Increase (decrease) in accounts payable	226	-	-	226
Increase (decrease) in interfund payable	-	-	-	-
Net cash provided by (used for) operating activities	<u>\$ (326,894)</u>	<u>\$ (8,332)</u>	<u>\$ 18,049</u>	<u>\$ (317,177)</u>

Long-Term Debt Schedules

AUDUBON SCHOOL DISTRICT
Schedule of Serial Bonds
For the Fiscal Year Ended June 30, 2024

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Amount	Interest Rate	Balance July 1, 2023	Issued	Retired	Balance June 30, 2024
Refunding Bonds of 2012 Issue	1/15/2012	\$ 8,870,000	1/15/2025	<u>\$ 900,000</u>	4.000%	\$ 1,780,000	\$ -	\$ 880,000	\$ 900,000
School Bonds, Series 2022	2/24/2022	26,810,000	8/15/2024	\$ 580,000	2.625%	26,810,000		720,000	26,090,000
			8/15/2025	1,150,000	2.750%				
			8/15/2026	1,160,000	2.750%				
			8/15/2027	1,160,000	2.750%				
			8/15/2028	1,160,000	2.750%				
			8/15/2029	1,160,000	2.750%				
			8/15/2030	1,160,000	2.750%				
			8/15/2031	1,160,000	2.750%				
			8/15/2032	1,160,000	2.750%				
			8/15/2033	1,160,000	2.750%				
			8/15/2034	1,160,000	2.750%				
			8/15/2035	1,160,000	2.750%				
			8/15/2036	1,160,000	2.750%				
			8/15/2037	1,160,000	2.750%				
			8/15/2038	1,160,000	2.750%				
			8/15/2039	1,160,000	2.750%				
			8/15/2040	1,160,000	3.000%				
			8/15/2041	1,160,000	3.000%				
			8/15/2042	1,160,000	3.000%				
			8/15/2043	1,160,000	3.000%				
			8/15/2044	1,160,000	3.000%				
			8/15/2045	1,160,000	3.000%				
			8/15/2046	1,160,000	3.000%				
				<u>\$ 26,090,000</u>					
						<u>\$ 28,590,000</u>	<u>\$ -</u>	<u>\$ 1,600,000</u>	<u>\$ 26,990,000</u>

AUDUBON SCHOOL DISTRICT
Schedule of Obligations Under Leases
For the Fiscal Year Ended June 30, 2024

Purpose	Interest Rate	Original Issue	Balance June 30, 2023	Issued	Retired	Balance June 30, 2024
Audubon Park Preschool Lease	2.500%	\$ 223,999	\$ 97,374	\$ -	\$ 23,439	\$ 73,935
Copiers	3.990%	225,396	162,425		44,120	118,305
Postage Meter	3.000%	14,093	11,441		2,734	8,707
Dishwasher	4.000%	5,221	2,662		2,662	-
Copier	6.780%	7,020	5,978		1,654	4,324
Copier	7.500%	1,144	1,109		266	843
			<u>\$ 280,989</u>	<u>\$ -</u>	<u>\$ 74,875</u>	<u>\$ 206,114</u>

AUDUBON SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 750,000	\$ -	\$ 750,000	\$ 750,000	\$ -
Local tax levy - Premerger	951,200		951,200	951,200	
Total Revenues - local sources	1,701,200		1,701,200	1,701,200	
State sources:					
State aid	706,215		706,215	706,215	
Total Revenues - State sources	706,215		706,215	706,215	
Total Revenues	2,407,415		2,407,415	2,407,415	
EXPENDITURES:					
Regular debt service:					
Interest	817,250		817,250	817,250	
Redemption of principal	1,600,000		1,600,000	1,600,000	
Total regular debt service	2,417,250		2,417,250	2,417,250	
Excess (Deficiency) of revenues over (under) expenditures	(9,835)		(9,835)	(9,835)	
Other Financing Sources:					
Operating transfers in				73,078	73,078
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(9,835)		(9,835)	63,243	73,078
Fund Balance - July 1	98,753		98,753	98,753	
Fund Balance - June 30	\$ 88,918	\$ -	\$ 88,918	\$ 161,996	\$ 73,078

Statistical Section

Audubon School District
Net Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

EXHIBIT J-1

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities:										
Net investment in capital assets	\$ 12,095,981	\$ 12,196,150	\$ 12,417,712	\$ 12,542,115	\$ 12,898,505	\$ 13,007,217	\$ 13,212,390	\$ (13,330,940)	\$ (5,232,170)	\$ 11,520,251
Restricted for:										
Special revenue	-	-	-	-	-	-	707,576	740,015	788,081	766,206
Capital projects	146,090	146,291	146,657	85,140	25,140	175,266	675,617	25,933,843	19,326,979	3,560,345
Debt service	-	-	-	-	-	-	-	9,835	98,753	161,996
Other purposes	481,177	331,499	145,925	132,322	182,599	929,204	1,503,128	1,352,982	1,509,533	1,107,152
Unrestricted	(7,002,443)	(7,119,250)	(8,064,793)	(8,490,128)	(8,326,353)	(8,474,289)	(6,959,912)	(5,906,715)	(5,544,567)	(5,105,786)
Total governmental activities net position	<u>\$ 5,720,805</u>	<u>\$ 5,554,690</u>	<u>\$ 4,645,501</u>	<u>\$ 4,269,449</u>	<u>\$ 4,779,891</u>	<u>\$ 5,637,398</u>	<u>\$ 9,138,799</u>	<u>\$ 8,799,020</u>	<u>\$ 10,946,609</u>	<u>\$ 12,010,164</u>
Business-type activities:										
Net investment in capital assets	\$ 14,558	\$ 11,738	\$ 9,098	\$ 6,788	\$ 12,893	\$ 11,632	\$ 10,371	\$ 9,110	\$ 36,772	\$ 33,222
Unrestricted	164,077	182,882	241,992	303,465	348,387	370,372	366,582	427,331	469,042	383,627
Total business-type activities net position	<u>\$ 178,635</u>	<u>\$ 194,620</u>	<u>\$ 251,090</u>	<u>\$ 310,253</u>	<u>\$ 361,280</u>	<u>\$ 382,004</u>	<u>\$ 376,953</u>	<u>\$ 436,441</u>	<u>\$ 505,814</u>	<u>\$ 416,849</u>
District-wide:										
Net investment in capital assets	\$ 12,110,539	\$ 12,207,888	\$ 12,426,810	\$ 12,548,903	\$ 12,911,398	\$ 13,018,849	\$ 13,222,761	\$ (13,321,830)	\$ (5,195,398)	\$ 11,553,473
Restricted:										
Special revenue	-	-	-	-	-	-	707,576	740,015	788,081	766,206
Capital projects	146,090	146,291	146,657	85,140	25,140	175,266	675,617	25,933,843	19,326,979	3,560,345
Debt service	-	-	-	-	-	-	-	9,835	98,753	161,996
Other purposes	481,177	331,499	145,925	132,322	182,599	929,204	1,503,128	1,352,982	1,509,533	1,107,152
Unrestricted	(6,838,366)	(6,936,368)	(7,822,801)	(8,186,663)	(7,977,966)	(8,103,917)	(6,593,330)	(5,479,384)	(5,075,525)	(4,722,159)
Total district net position	<u>\$ 5,899,440</u>	<u>\$ 5,749,310</u>	<u>\$ 4,896,591</u>	<u>\$ 4,579,702</u>	<u>\$ 5,141,171</u>	<u>\$ 6,019,402</u>	<u>\$ 9,515,752</u>	<u>\$ 9,235,461</u>	<u>\$ 11,452,423</u>	<u>\$ 12,427,013</u>

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

EXHIBIT J-2

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses:										
Governmental activities:										
Instruction:										
Regular	\$ 7,227,391	\$ 7,583,364	\$ 7,452,116	\$ 7,567,373	\$ 7,762,123	\$ 7,530,387	\$ 7,851,764	\$ 8,727,095	\$ 9,147,344	\$ 9,326,635
Special education	2,207,045	2,253,829	2,469,216	2,425,795	2,453,374	2,511,702	2,630,254	2,557,590	2,825,909	3,049,623
Other instruction	1,180,005	1,133,322	1,222,567	1,325,674	1,106,870	1,222,750	1,169,049	1,320,910	1,343,298	1,453,555
Support Services:										
Tuition	881,553	892,113	982,256	943,195	1,105,154	1,096,222	946,924	1,122,368	810,580	987,293
Student & instruction related services	2,590,979	2,635,317	2,758,572	2,890,303	3,017,368	3,123,343	3,145,379	3,538,341	4,093,843	4,240,569
General administrative services	440,310	402,459	472,822	437,176	458,789	479,440	502,578	613,127	555,027	565,781
School administrative services	985,567	1,020,320	881,659	833,710	928,661	857,246	867,893	814,944	816,453	805,085
Central administrative services	584,814	560,121	525,996	515,821	490,205	414,088	424,147	442,691	451,791	453,611
Plant operations and maintenance	1,861,450	2,109,641	1,972,186	2,039,379	2,025,500	1,921,134	1,939,849	4,123,178	2,062,095	3,726,303
Pupil transportation	410,566	525,864	557,287	511,212	491,847	401,254	368,279	669,618	715,719	946,051
Unallocated employee benefits	6,303,817	6,642,863	8,150,827	17,623,729	14,702,736	13,470,539	16,269,414	12,735,286	11,809,318	13,027,603
Transfer of funds to charter school	-	-	-	-	35,567	37,739	48,024	58,790	33,761	34,846
Interest on long-term debt	256,000	241,000	218,679	203,717	188,596	170,162	147,713	389,795	839,189	794,367
Unallocated depreciation	661,596	662,534	666,103	680,632	662,578	633,072	619,384	602,672	605,958	601,838
Total governmental activities expenses	25,591,093	26,662,747	28,330,286	37,997,716	35,429,368	33,869,078	36,930,651	37,716,405	36,110,285	40,013,160
Business-type activities:										
Food service	460,429	501,262	476,277	448,327	474,657	413,456	215,029	679,722	657,177	705,543
Community education	114,221	78,619	84,452	84,877	70,393	70,732	342	15,324	18,069	39,393
After school program	116,343	126,586	116,114	102,994	137,323	121,190	51,490	108,145	111,886	133,356
Total business-type activities expense	690,993	706,467	676,843	636,198	682,373	605,378	266,861	803,191	787,132	878,292
Total district expenses	\$ 26,282,086	\$ 27,369,214	\$ 29,007,129	\$ 38,633,914	\$ 36,111,741	\$ 34,474,456	\$ 37,197,512	\$ 38,519,596	\$ 36,897,417	\$ 40,891,452
Program Revenues:										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ 2,544,829	\$ 2,845,523	\$ 2,869,004	\$ 2,875,966	\$ 2,759,800	\$ 2,576,099	\$ 2,389,600	\$ 2,326,515	\$ 2,014,139	\$ 2,290,213
Operating grants and contributions	3,229,974	3,289,702	3,626,555	13,298,972	10,837,967	9,402,379	14,048,483	11,236,116	11,352,023	12,487,379
Total governmental activities program revenues	5,774,803	6,135,225	6,495,559	16,174,938	13,597,767	11,978,478	16,438,083	13,562,631	13,366,162	14,777,592

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

EXHIBIT J-2

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Business-type activities:										
Charges for services:										
Food service	\$ 243,854	\$ 252,643	\$ 272,077	\$ 246,649	\$ 293,441	\$ 231,306	\$ 1,023	\$ 48,736	\$ 336,273	\$ 327,377
Community education	99,142	78,630	70,413	70,509	66,025	60,955	-	22,403	27,677	31,061
After school program	120,490	152,488	188,817	178,220	184,519	125,340	16,267	122,168	135,429	151,405
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	180,209	185,654	179,310	174,731	163,993	183,097	244,397	669,307	325,851	269,942
Total business type activities program revenues	643,695	669,415	710,617	670,109	707,978	600,698	261,687	862,614	825,230	779,785
Total district program revenues	\$ 6,418,498	\$ 6,804,640	\$ 7,206,176	\$ 16,845,047	\$ 14,305,745	\$ 12,579,176	\$ 16,699,770	\$ 14,425,245	\$ 14,191,392	\$ 15,557,377
Net (Expense)/Revenue:										
Governmental activities	\$ (19,816,290)	\$ (20,527,522)	\$ (21,834,727)	\$ (21,822,778)	\$ (21,831,601)	\$ (21,890,600)	\$ (20,492,568)	\$ (24,153,774)	\$ (22,744,123)	\$ (25,235,568)
Business-type activities	(47,298)	(37,052)	33,774	33,911	25,605	(4,680)	(5,174)	59,423	38,098	(98,507)
Total district-wide net expense	\$ (19,863,588)	\$ (20,564,574)	\$ (21,800,953)	\$ (21,788,867)	\$ (21,805,996)	\$ (21,895,280)	\$ (20,497,742)	\$ (24,094,351)	\$ (22,706,025)	\$ (25,334,075)
General Revenues and Other Changes in Net Position:										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 10,518,831	\$ 10,729,208	\$ 11,153,792	\$ 11,599,944	\$ 12,125,034	\$ 12,367,535	\$ 12,614,886	\$ 12,867,184	\$ 13,030,449	\$ 13,411,255
Taxes levied for debt service	987,503	1,011,000	980,600	950,500	970,700	910,200	928,300	920,200	1,654,974	1,701,200
Unrestricted grants and contributions	8,302,588	8,391,845	8,502,226	8,582,551	9,009,569	9,288,897	9,307,322	9,786,855	10,019,481	10,953,937
Restricted interest earnings	-	-	-	-	-	-	1,466	2,210	100,352	86,971
Miscellaneous income	269,265	282,314	311,420	338,731	261,740	206,475	131,250	237,546	86,456	145,760
Transfers	(20,000)	(52,960)	(22,500)	(25,000)	(25,000)	(25,000)	-	-	-	-
Total governmental activities	20,058,187	20,361,407	20,925,538	21,446,726	22,342,043	22,748,107	22,983,224	23,813,995	24,891,712	26,299,123
Business-type activities:										
Investment earnings	38	77	196	252	422	404	123	65	616	1,074
Miscellaneous									30,659	8,468
Transfers	20,000	52,960	22,500	25,000	25,000	25,000	-	-	-	-
Total business-type activities	20,038	53,037	22,696	25,252	25,422	25,404	123	65	31,275	9,542
Total district-wide	\$ 20,078,225	\$ 20,414,444	\$ 20,948,234	\$ 21,471,978	\$ 22,367,465	\$ 22,773,511	\$ 22,983,347	\$ 23,814,060	\$ 24,922,987	\$ 26,308,665
Change in Net Position:										
Governmental activities	\$ 241,897	\$ (166,115)	\$ (909,189)	\$ (376,052)	\$ 510,442	\$ 857,507	\$ 2,490,656	\$ (339,779)	\$ 2,147,589	\$ 1,063,555
Business-type activities	(27,260)	15,985	56,470	59,163	51,027	20,724	(5,051)	59,488	69,373	(88,965)
Total district-wide	\$ 214,637	\$ (150,130)	\$ (852,719)	\$ (316,889)	\$ 561,469	\$ 878,231	\$ 2,485,605	\$ (280,291)	\$ 2,216,962	\$ 974,590

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

EXHIBIT J-3

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund:										
Restricted for:										
Capital reserve	\$ 115,413	\$ 115,614	\$ 115,980	\$ 85,140	\$ 25,140	\$ 175,266	\$ 675,617	\$ 776,293	\$ 994,426	\$ 348,705
Maintenance reserve	-	-	-	-	25,000	175,125	675,475	776,150	781,032	601,458
Emergency reserve	-	-	-	-	-	150,000	250,000	250,000	250,000	-
Excess surplus	85,637	45,925			7,599	251,680	251,680	-	150,000	25,030
Excess surplus - designated for subsequent year	192,856	85,637	45,925	-	-	7,599	-	-	-	150,000
Unemployment Compensation	-	-	-	-	-	-	325,973	326,832	328,501	330,664
Assigned to:										
Year-end Encumbrances	-	-	-	-	-	202,399	558,977	87,882	6,240	12,885
Designated for subsequent year's budget	202,684	199,937	100,000	132,322	150,000	142,401	23,200	600,000	675,000	525,000
Unassigned	(341,078)	(328,925)	(365,392)	(396,784)	(347,817)	(367,478)	(30,640)	259,070	(237,807)	(313,331)
Total general fund	<u>\$ 255,512</u>	<u>\$ 118,188</u>	<u>\$ (103,487)</u>	<u>\$ (179,322)</u>	<u>\$ (140,078)</u>	<u>\$ 736,992</u>	<u>\$ 2,730,282</u>	<u>\$ 3,076,227</u>	<u>\$ 2,947,392</u>	<u>\$ 1,680,411</u>
All Other Governmental Funds										
Unreserved, reported in:										
Special revenue fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 707,576	\$ 695,983	\$ 722,812	\$ 697,110
Capital projects fund	30,677	30,677	30,677	-	-	-	-	25,157,550	18,332,578	3,211,640
Debt service fund	-	-	-	-	-	-	-	9,835	98,753	161,996
Total all other governmental funds	<u>\$ 30,677</u>	<u>\$ 30,677</u>	<u>\$ 30,677</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 707,576</u>	<u>\$ 25,863,368</u>	<u>\$ 19,154,143</u>	<u>\$ 4,070,746</u>

Audubon School District
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

EXHIBIT J-4

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Tax levy	\$ 11,506,334	\$ 11,740,208	\$ 12,134,392	\$ 12,550,444	\$ 13,095,734	\$ 13,277,735	\$ 13,543,186	\$ 13,787,384	\$ 14,685,423	\$ 15,112,455
Tuition charges	2,544,829	2,845,523	2,869,004	2,875,966	2,759,800	2,576,099	2,389,600	2,326,515	2,014,139	2,290,213
Miscellaneous - Restricted							1,466	2,210	100,352	86,971
Miscellaneous	269,265	282,314	311,420	338,731	261,740	206,475	131,250	237,546	86,456	145,760
Local Sources							385,179	447,677	461,247	552,918
State sources	10,844,166	11,009,236	11,484,857	12,014,365	12,901,754	13,390,284	14,249,957	16,263,451	16,725,421	19,834,711
Federal sources	688,396	672,311	643,924	634,446	630,035	622,540	876,703	740,797	2,241,269	1,109,463
Total revenue	<u>25,852,990</u>	<u>26,549,592</u>	<u>27,443,597</u>	<u>28,413,952</u>	<u>29,649,063</u>	<u>30,073,133</u>	<u>31,577,341</u>	<u>33,805,580</u>	<u>36,314,307</u>	<u>39,132,491</u>
Expenditures										
Instruction										
Regular Instruction	7,245,205	7,651,790	7,466,250	7,461,221	7,793,194	7,578,048	7,819,079	8,704,370	9,123,333	9,332,542
Special education instruction	2,207,045	2,253,829	2,469,216	2,425,795	2,453,374	2,511,702	2,630,254	2,557,590	2,825,909	3,049,623
Other instruction	1,180,005	1,133,322	1,222,567	1,325,674	1,106,870	1,222,750	1,169,049	1,320,910	1,343,298	1,453,555
Support Services:										
Tuition	881,553	892,113	982,256	943,195	1,105,154	1,096,222	946,924	1,122,368	810,580	987,293
Student & instruction related services	2,590,979	2,635,317	2,758,572	2,890,303	3,017,368	3,123,343	3,145,379	3,538,341	4,293,842	4,240,569
General administration	440,030	402,179	451,409	415,763	458,363	450,991	472,903	582,022	549,028	559,726
School administrative services	985,567	1,020,320	881,659	833,710	928,661	857,246	867,893	814,944	816,453	805,085
Central services	584,814	560,121	525,996	515,821	490,205	414,088	424,147	441,564	449,529	451,325
Plant operations and maintenance	1,737,874	1,771,100	1,760,372	1,793,141	1,803,545	1,768,039	1,833,418	2,302,161	2,032,030	2,168,377
Pupil transportation	394,772	510,070	557,007	510,932	485,426	400,535	367,560	668,977	715,719	946,051
Employee benefits	6,291,850	6,421,304	7,206,401	8,083,320	8,451,705	8,604,412	9,039,761	10,264,322	10,705,273	11,645,029
Transfer of funds to charter school					35,567	37,739	48,024	58,790	33,761	34,846
Capital outlay	1,076,321	548,078	460,467	726,089	584,687	302,679	281,059	1,817,404	7,798,638	17,391,597
Debt service:										
Principal	750,000	770,000	755,000	740,000	775,000	730,000	770,000	785,000	815,000	1,600,000
Interest and other charges	256,000	241,000	225,600	210,500	195,700	180,200	158,300	135,200	839,974	817,250
Total expenditures	<u>26,622,015</u>	<u>26,810,543</u>	<u>27,722,772</u>	<u>28,875,464</u>	<u>29,684,819</u>	<u>29,277,994</u>	<u>29,973,750</u>	<u>35,113,963</u>	<u>43,152,367</u>	<u>55,482,868</u>
Excess (Deficiency) of revenues over (under) expenditures	(769,025)	(260,951)	(279,175)	(461,512)	(35,756)	795,139	1,603,591	(1,308,383)	(6,838,060)	(16,350,377)
Other Financing sources (uses)										
Proceeds of Bonds	-	-	-	-	-	-	-	26,810,000	-	-
Capital lease (nonbudgeted)	500,000	176,587	80,000	380,000	100,000	106,931	86,550	-	-	-
Transfers in	-	-	-	32,713	-	-	-	169,951	252,094	895,818
Transfers out	(20,000)	(52,960)	(22,500)	(57,713)	(25,000)	(25,000)	-	(169,951)	(252,094)	(895,818)
Total other financing sources (uses)	<u>480,000</u>	<u>123,627</u>	<u>57,500</u>	<u>355,000</u>	<u>75,000</u>	<u>81,931</u>	<u>86,550</u>	<u>26,810,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (289,025)</u>	<u>\$ (137,324)</u>	<u>\$ (221,675)</u>	<u>\$ (106,512)</u>	<u>\$ 39,244</u>	<u>\$ 877,070</u>	<u>\$ 1,690,141</u>	<u>\$ 25,501,617</u>	<u>\$ (6,838,060)</u>	<u>\$ (16,350,377)</u>
Debt service as a percentage of noncapital expenditures	3.94%	3.85%	3.60%	3.38%	3.34%	3.14%	3.13%	2.76%	4.68%	6.35%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

Audubon School District
General Fund - Other Local Revenue by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

EXHIBIT J-5

Fiscal Year Ending June 30,	Interest on Investments	Prior Year Refunds	Rentals	Other Refunds	Miscellaneous	Total
2015	\$ 1,034	\$ 47,522	\$ 164,096	\$ 31,000	\$ 25,613	\$ 269,265
2016	1,203	17,844	165,993	41,382	55,892	282,314
2017	2,282	9,185	170,043	30,000	99,543	311,053
2018	5,489	63,763	166,443	38,000	65,036	338,731
2019	7,015	69,474	105,591	38,000	41,660	261,740
2020	10,298	30,417	74,296	65,612	25,852	206,475
2021	4,655	18,636	29,466	68,445	9,347	130,549
2022	2,146	114,377	36,066	30,000	45,122	227,711
2023	13,824	33,825		2,768	36,039	86,456
2024	16,976	56,209		13,281	59,294	145,760
	<u>\$ 56,595</u>	<u>\$ 337,404</u>	<u>\$ 965,852</u>	<u>\$ 312,439</u>	<u>\$ 345,317</u>	<u>\$ 2,017,607</u>

Source: District records

Audubon School District
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years

EXHIBIT J-6

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities a	Net Valuation Taxable	Tax- Exempt Property	Total Direct School Tax Rate b	Estimated Actual (County Equalized) Value
2015	\$ 1,537,300	\$ 614,309,900	\$ 92,964,504	\$ 350,000	\$ 14,041,400	\$ 723,203,104	\$ 1,391,805	\$ 724,594,909	\$ 57,238,600	\$ 1.612	\$ 676,151,844
2016	1,465,800	612,163,600	92,464,704	350,000	14,041,400	720,485,504	1,394,324	721,879,828	57,541,100	1.677	706,053,569
2017	1,615,800	608,443,000	91,511,504	350,000	14,041,400	715,961,704	1,374,552	717,336,256	58,017,900	1.744	708,393,534
2018	1,598,200	607,138,900	90,833,104	350,000	13,973,400	713,893,604	1,376,377	715,269,981	57,913,100	1.781	721,987,012
2019	1,573,000	605,465,000	90,593,504	350,000	13,973,400	711,954,904	1,372,350	713,327,254	58,700,600	1.811	734,283,528
2020	1,508,400	605,623,100	90,299,504	350,000	13,973,400	711,754,404	1,375,008	713,129,412	59,027,600	1.848	737,858,627
2021	1,778,400	606,029,600	88,217,204	350,000	14,003,400	710,378,604	1,393,036	711,771,640	59,202,400	1.885	738,461,296
2022	1,778,400	606,503,500	87,848,004	350,000	14,003,400	710,483,304	1,290,847	711,774,151	58,841,700	2.012	800,696,290
2023	1,692,900	608,537,300	87,990,204	350,000	14,036,400	712,606,804	100	712,606,904	58,570,700	2.072	878,769,661
2024	1,904,500	610,126,700	87,760,204	350,000	13,703,800	713,845,204	100	713,845,304	58,774,700	2.148	984,450,226

Source:

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, Improvements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100 of assessed valuation.

c Information not available.

R Reassessment

Audubon School District
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)

EXHIBIT J-7

Fiscal Year Ended June 30,	Audubon School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	Borough of Audubon	Library	Camden County	
2015	\$ 1.435	\$ 0.177	\$ 1.612	\$ 0.825	\$ 0.031	\$ 0.755	\$ 3.223
2016	1.499	0.178	1.677	0.823	0.033	0.818	3.351
2017	1.569	0.175	1.744	0.835	0.033	0.829	3.441
2018	1.645	0.136	1.781	0.849	0.033	0.851	3.514
2019	1.683	0.128	1.811	0.873	0.034	0.840	3.558
2020	1.718	0.130	1.848	0.898	0.034	0.826	3.606
2021	1.756	0.129	1.885	0.898	0.034	0.824	3.641
2022	1.779	0.233	2.012	0.922	0.037	0.828	3.799
2022	1.779	0.233	2.012	0.922	0.037	0.828	3.799
2023	1.843	0.229	2.072	0.955	0.041	0.835	3.903
2024	1.912	0.236	2.148	0.987	0.046	0.856	4.037

Source: Municipal Tax Collector

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

EXHIBIT J-8

	2024	
	Taxable Assessed Value	% of Total District Net Assessed Value
Taxpayer		
Wolfson Group, LLC	\$ 32,634,700	4.57%
Albertsons Co	9,000,000	1.26%
Public Service Electric & Gas	3,430,000	0.48%
Imperial Reality Associates, LLC	1,900,000	0.27%
William Penn Bank	1,780,000	0.25%
Audubon Equities, LLC	1,700,000	0.24%
Oak Terrace Apartments, LLC	1,458,000	0.20%
Bromley Enterprises, LLC	1,434,600	0.20%
Bellevue Courts Apartments, LLC	1,378,200	0.19%
Spoodles, LLC	1,233,000	0.17%
Total	<u><u>\$ 55,948,500</u></u>	<u><u>7.84%</u></u>

	2015	
	Taxable Assessed Value	% of Total District Net Assessed Value
Taxpayer		
Wolfson Group, LLC	\$ 17,810,500	2.46%
Wolfson Group, LLC	14,310,600	1.97%
Supervalu	9,000,000	1.24%
PSE&G	3,500,000	0.48%
Audubon Equities, LLC	1,750,000	0.24%
Oak Terrace Apartments, LLC	1,700,000	0.23%
Lee Associates	1,378,200	0.19%
Bell Atlantic	1,361,953	0.19%
Audubon Savings Bank	1,264,100	0.17%
Castle Arms	1,200,000	0.17%
Total	<u><u>\$ 53,275,353</u></u>	<u><u>7.35%</u></u>

Source: Municipal Tax Assessor

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

EXHIBIT J-9

Fiscal Year Ended June 30,	Taxes Levied for the Calendar Year	Collected within the Fiscal Year of the Levy^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2015	\$ 11,506,334	\$ 11,506,334	100.00%	\$ -
2016	12,015,208	12,015,208	100.00%	-
2017	12,103,703	12,103,703	100.00%	-
2018	12,550,444	12,550,444	100.00%	-
2019	13,095,734	13,095,734	100.00%	-
2020	13,277,735	13,277,735	100.00%	-
2021	13,543,186	13,543,186	100.00%	-
2022	13,787,384	13,787,384	100.00%	-
2023	14,685,423	13,628,623	92.80%	1,056,800
2024	15,112,455	15,112,455	100.00%	-

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

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

Audubon School District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(dollars in thousands, except per capita)

EXHIBIT J-10

Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income ^b	Per Capita ^c
	General Obligation Bonds ^a	Financed Purchases/ Leases			
2015	\$ 7,920,000	\$ 624,373	\$ 8,544,373	2.05%	\$ 985
2016	7,150,000	572,205	7,722,205	1.80%	890
2017	6,395,000	394,902	6,789,902	1.53%	784
2018	5,655,000	551,884	6,206,884	1.35%	717
2019	4,880,000	334,250	5,214,250	1.10%	604
2020	4,150,000	287,257	4,437,257	0.88%	515
2021	3,380,000	583,536	3,963,536	0.74%	457
2022	29,405,000	416,671	29,821,671	5.67%	3,431
2023	28,590,000	280,989	28,870,989	d	3,312
2024	26,990,000	206,114	27,196,114	d	d

Sources:

- a District Records.
- b Personal Income has been estimated based upon the municipal population and per capita personal income.
- c Per Capita Personal Income Data provided by the NJ Dept. of Labor and Workforce.
- d Not available.

Audubon School District
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
(dollars in thousands, except per capita)

EXHIBIT J-11

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable ^b	Per Capita ^c
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding ^a		
2015	\$ 7,920,000	\$ -	\$ 7,920,000	1.09%	\$ 913
2016	7,150,000	-	7,150,000	0.99%	824
2017	6,395,000	-	6,395,000	0.89%	738
2018	5,655,000	-	5,655,000	0.79%	653
2019	4,880,000	-	4,880,000	0.68%	565
2020	4,150,000	-	4,150,000	0.58%	482
2021	3,380,000	-	3,380,000	0.47%	390
2022	29,405,000	-	29,405,000	4.13%	3,383
2023	28,590,000	-	28,590,000	4.01%	d
2024	26,990,000	-	26,990,000	3.79%	d

Sources:

- a District Records
- b Net Assessed Valuation provided by Abstract of Ratables, County Board of Taxation
- c Per Capita Personal Income Data provided by the NJ Dept. of Labor and Workforce.
- d Not available.

Audubon School District
Ratios of Overlapping Governmental Activities Debt
As of December 31, 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:			
Borough of Audubon	\$ 7,381,634 (1)	100.000%	\$ 7,381,634
Borough of Audubon Park	653,750 (1)	100.000%	653,750
Camden County General Obligation Debt	504,879,902 (1)	0.904% (2)	4,564,114
			<hr/>
Subtotal, overlapping debt			12,599,498
Audubon School District Direct Debt			<hr/> 29,405,000
Total direct and overlapping debt			<hr/> \$ 42,004,498 <hr/>

Sources:

- (1) Municipal Annual Debt Statement.
- (2) The County percentage is based upon a calculation reflecting the Borough's share of the 2023 Equalized Valuation. The source for this computation was the 2023 County Abstract of Ratables, provided by the County Board of Taxation.

Legal Debt Margin Calculation for Fiscal Year 2024

Equalized valuation basis (1)	
2021	\$ 815,774,394
2022	892,481,450
2023	998,772,210
	<u>\$ 2,707,028,054</u>
Average equalized valuation of taxable property	<u>\$ 902,342,685</u>
Debt limit (4% of average equalized valuation) (2)	36,093,707
Net bonded school debt (3)	28,590,000
Legal debt margin	<u>\$ 7,503,707</u>

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt limit	\$ 28,427,506	\$ 27,845,493	\$ 27,818,448	\$ 28,381,647	\$ 28,748,875	\$ 29,085,776	\$ 29,295,713	\$ 30,155,490	\$ 32,842,670	\$ 36,093,707
Total net debt applicable to limit (3)	7,920,000	7,150,000	6,395,000	5,655,000	4,880,000	4,150,000	3,380,000	29,405,000	28,590,000	26,990,000
Legal debt margin	<u>\$ 20,507,506</u>	<u>\$ 20,695,493</u>	<u>\$ 21,423,448</u>	<u>\$ 22,726,647</u>	<u>\$ 23,868,875</u>	<u>\$ 24,935,776</u>	<u>\$ 25,915,713</u>	<u>\$ 750,490</u>	<u>\$ 4,252,670</u>	<u>\$ 9,103,707</u>
Total net debt applicable to the limit as a percentage of debt limit	27.86%	25.68%	22.99%	19.92%	16.97%	14.27%	11.54%	97.51%	87.05%	74.78%

Sources:

- (1) Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.
- (2) Limit set by NJSA 18A:24-19 for a K through 12 district.
- (3) District Records

**Audubon School District
Demographic and Economic Statistics
Last Ten Fiscal Years**

EXHIBIT J-14

Year	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2015	8,677	\$ 416,513,354	\$ 48,002	6.3%
2016	8,677	428,574,384	49,392	4.2%
2017	8,661	442,542,456	51,096	3.7%
2018	8,655	458,940,030	53,026	3.1%
2019	8,638	474,727,204	54,958	2.8%
2020	8,615	506,820,450	58,830	8.1%
2021	8,674	534,682,708	61,642	4.6%
2022	8,691	525,709,899	60,489	2.9%
2023	8,716	e	e	3.4%
2024	e	e	e	e

Source:

- ^a Population information provided by the NJ Dept of Labor and Workforce Development
- ^b Personal income has been established based upon the municipal population and per capita personal income presented.
- ^c Per Capita personal income provided by the NJ Dept. of Labor and Workforce Development.
- ^d Unemployment data provided by the NJ Dept of Labor and Workforce Development
- ^e Information not available

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

EXHIBIT J-16

Function/Program	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Instruction										
Regular	124	108	108	108	100	103	104	104	105	104
Special education	19	30	30	30	30	26	28	26	28	27
Other special education	1	20	20	20	11	14	13	14	13	16
Other instruction	15	17	17	17	13	9	9	9	10	12
Support Services:										
Student & instruction related services	16	29	29	29	27	25	24	25	26	26
School administrative services	10	13	13	13	15	17	15	15	15	16
General and business administrative services	9	7	7	7	7	7	7	7	7	7
Plant operations and maintenance	25	25	25	25	26	23	22	26	25	25
Pupil transportation	3	1	1	1	1	1	1	1	1	1
Business and other support services	5	4	4	4	5	5	5	5	5	
Total	<u>227</u>	<u>254</u>	<u>254</u>	<u>254</u>	<u>235</u>	<u>230</u>	<u>228</u>	<u>232</u>	<u>235</u>	<u>234</u>

Source:
 District Personnel Records

Fiscal Year	Resident Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Masion Avenue School	Havilnd Avenue School	Senior High School				
2015	1,553	\$ 24,539,694	\$ 15,801	-0.95%	159	1:22	1:20	1:20	1,548.0	1,465.0	9.79%	94.64%
2016	1,531	25,251,465	16,493	4.38%	175	1:22	1:20	1:20	1,545.0	1,467.0	-0.19%	94.95%
2017	1,553	26,281,705	16,923	2.61%	175	1:22	1:20	1:20	1,549.0	1,476.1	0.26%	95.29%
2018	1,539	27,198,875	17,673	4.43%	175	1:22	1:20	1:20	1,528.6	1,444.4	-1.32%	94.49%
2019	1,249	28,129,432	22,522	27.43%	154	1:22	1:20	1:20	1,498.2	1,420.8	-1.99%	94.83%
2020	1,234	28,065,115	22,743	0.98%	152	1:22	1:20	1:20	1,471.2	1,419.0	-1.80%	96.45%
2021	1,227	28,764,391	23,443	3.08%	154	1:22	1:20	1:20	1,426.1	1,375.8	-3.07%	96.47%
2022	1,271	32,376,359	25,473	8.66%	153	1:22	1:20	1:20	1,404.8	1,319.4	-3.07%	93.92%
2023	1,267	33,698,755	26,597	4.41%	156	1:22	1:20	1:20	1,424.2	1,337.2	1.38%	93.89%
2024	1,290	35,674,021	27,654	3.97%	159	1:22	1:20	1:20	1,398.4	1,311.4	-1.93%	93.78%

Sources: District records

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- 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).

**Audubon School District
School Building Information
Last Ten Fiscal Years**

EXHIBIT J-18

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<u>District Building</u>										
<u>Elementary</u>										
Haviland Avenue School										
Square Feet	41,702	41,702	41,702	41,702	41,702	41,702	41,702	41,702	41,702	41,702
Capacity (students)	400	400	400	400	400	400	400	400	400	400
Enrollment	284	305	332	330	316	275	246	246	236	241
Mansion Avenue School										
Square Feet	48,439	48,439	48,439	48,439	48,439	48,439	48,439	48,439	48,439	48,439
Capacity (students)	575	575	575	575	575	575	575	575	575	575
Enrollment	358	371	355	377	383	391	370	360	357	324
Audubon Jr/Sr High School										
Square Feet	187,024	187,024	187,024	187,024	187,024	187,024	187,024	187,024	187,024	187,024
Capacity (students)	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Enrollment	823	869	848	822	799	805	810	777	775	777
Audubon Park Preschool										
Capacity (students)	-	-	-	-	-	-	-	60	60	60
Enrollment	-	-	-	-	-	-	-	23	56	56
Number of Schools at June 30, 2024										
Preschool	1									
Elementary	2									
Jr/Sr High School	1									

Source: District Facilities Office

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

* School Facilities	Fiscal Year Ending June 30,										Total Total
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
High School	\$ 202,847	\$ 215,592	\$ 175,100	\$ 186,629	\$ 174,675	\$ 196,711	\$ 208,950	\$ 424,284	\$ 227,829	\$ 332,164	\$ 2,344,781
Haviland School	45,231	48,090	39,052	41,624	38,958	43,872	46,602	94,628	50,813	74,082	522,952
Mansion School	52,536	55,855	45,333	48,316	45,221	50,927	54,096	109,843	58,983	85,995	607,105
Total School Facilities	<u>\$ 300,614</u>	<u>\$ 319,537</u>	<u>\$ 259,485</u>	<u>\$ 276,569</u>	<u>\$ 258,854</u>	<u>\$ 291,510</u>	<u>\$ 309,648</u>	<u>\$ 628,755</u>	<u>\$ 337,625</u>	<u>\$ 492,241</u>	<u>\$ 3,474,838</u>

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

Source: District records

**Audubon School District
Insurance Schedule
June 30, 2024**

EXHIBIT J-20

	<u>Coverage</u>	<u>Self Insured Retention</u>	<u>Deductible</u>
School Package Policy (1)			
Building and Contents (All Locations)			
Limits of liability per occurrence	\$ 175,000,000	\$ 250,000	\$ 500
General and Automobile Liability	27,000,000	250,000	
Workers' Compensation	Statutory	250,000	
Crime Coverage - Blanket Surety Coverage	500,000	250,000	500
Educator's Legal Liability	27,000,000	250,000	
Pollution Legal Liability	3,000,000		25,000
Cyber Liability	2,000,000		10,000
Boiler and Machinery	125,000,000		1,000
Crisis Protection and Disaster Management Services	1,000,000		10,000
Student Accident (2)	1,000,000		
Catastrophic Student Athletic (3)	7,500,000		25,000
Surety Bonds (4)			
Board Secretary	250,000		

(1) Burlington County Joint Insurance Fund

(2) United States Fire Insurance

(3) Federal Insurance Company

(4) Western Surety

Source: District records

Single Audit Section

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

INDEPENDENT AUDITOR'S REPORT

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States, and the 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 Audubon School District (the "District"), in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued my report thereon dated November 27, 2024.

Report on Internal Control Over Financial Reporting

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

INVERSO & STEWART, LLC

Certified Public Accountants



Robert P. Inverso

Certified Public Accountant

Public School Accountant No. CS001095

Marlton, New Jersey
November 27, 2024

INVERSO & STEWART, LLC
Certified Public Accountants

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

I have audited Audubon School District's (the "District"), in the County of Camden, State of New Jersey, compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement and the New Jersey State Grant Compliance Supplement that could have a direct and material effect on the District's major federal and state programs for the year ended June 30, 2024. The District's major federal and state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned costs.

In my opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal and State Program

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. My responsibilities under those standards and the Circular 15-08-OMB are further described in the Auditor's Responsibilities for the Audit of Compliance section of my report.

I am required to be independent of the District and to meet my other ethical responsibilities, in accordance with relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on compliance for each major federal and state program. My audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

My 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 my audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance, and the N.J. Circular 15-08-OMB will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, 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 federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance, and N.J. Circular 15-08-OMB, I:

- 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 I 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 the Uniform Guidance and N.J. Circular 15-08-OMB, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

I am 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 I identified during the audit.

Report on Internal Control over Compliance

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

My 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 my audit I did not identify any deficiencies in internal control over compliance that I 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.

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

Purpose of this Report

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

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant No. CS001095

Marlton, New Jersey
November 27, 2024

AUDUBON SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/ Program Title	Assistance Listing Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance June 30, 2023			Adjustment	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2024		
						(Accounts Receivable)	Unearned Revenue	Due to Grantor					(Accounts Receivable)	Unearned Revenue	Due to Grantor
U.S. Department of Education															
Passed-through State Department of Education:															
Special Revenue Fund:															
Title I:															
Fiscal Year 2024	84.010	S010A230030	ESSA015024	\$ 134,864	7/1/23 - 9/30/24	\$ -	\$ -	\$ -	\$ -	\$ 180,229	\$ (180,229)	\$ -	\$ -	\$ -	\$ -
Title II A:															
Fiscal Year 2024	84.367A	S367A230029	ESSA015024	26,439	7/1/23 - 9/30/24					9,630	(9,630)				
I.D.E.A. Part B - Basic:															
Fiscal Year 2024	84.027A	H027A230100	IDEA015024	366,959	7/1/23 - 9/30/24					361,643	(393,643)		(32,000)		
ARP Part B - Basic	84.027X	H027X210100	IDEA015022	66,482	7/1/21 - 9/30/22	(66,482)				66,482					
I.D.E.A. Part B - Preschool:															
Fiscal Year 2024	84.173A	H173A230114	IDEA015024	13,920	7/1/23 - 9/30/24						(13,967)		(13,967)		
ARP - Preschool	84.173X	H173X210114	IDEA015022	5,663	7/1/21 - 9/30/22	(5,663)				5,663					
Coronavirus Response and Relief Supplemental Act: CRRSA - ESSER II	84.425D	S425D210027	N/A	536,687	3/13/20 - 9/30/23	(30,398)				173,987	(143,589)				
American Rescue Plan:															
ARP - ESSER III	84.425U	S425U210027	N/A	1,206,169	3/13/20 - 9/30/24	(168,061)				168,087	(236,094)		(236,068)		
ARP - Accelerated Learning	84.425U	S425U210027	N/A	114,798	3/13/20 - 9/30/24	(32,585)				32,585	(82,213)		(82,213)		
ARP - Summer Learning	84.425U	S425U210027	N/A	40,000	3/13/20 - 9/30/24	(40,000)				40,000					
ARP - Beyond the School Day	84.425U	S425U210027	N/A	40,000	3/13/20 - 9/30/24	(40,000)				40,000					
ARP - Mental Health	84.425U	S425U210027	N/A	88,501	3/13/20 - 9/30/24					88,501	(88,501)				
Total Special Revenue Fund						(383,189)				1,166,807	(1,147,866)		(364,248)		
U.S. Department of Agriculture															
Passed-through State Department of Agriculture:															
Enterprise Fund															
Food Distribution Program															
Fiscal Year 2024	10.555	241NJ304N1099	N/A	51,800	7/1/223 - 6/30/24					51,800	(51,800)				
School Breakfast Program															
Fiscal Year 2024	10.553	241NJ304N1099	N/A	10,693	10/1/23 - 9/30/24					8,533	(10,693)		(2,160)		
Fiscal Year 2023	10.553	231NJ304N1099	N/A	10,990	10/1/22 - 9/30/23	(2,208)				2,208					
National School Lunch Program															
Fiscal Year 2024	10.555	241NJ304N1099	N/A	160,386	10/1/23 - 9/30/24					132,706	(160,386)		(27,680)		
Fiscal Year 2023	10.555	231NJ304N1099	N/A	174,382	10/1/22 - 9/30/23	(28,905)				28,905			-		
P-EBT Administrative	10.649	231NJ304S9009		653	10/1/23 - 9/30/24					653	(653)				
Supply Chain Assistance - 4th Round	10.555	231NJ344N8903	N/A	37,170	10/1/22 - 9/30/24					37,170	(37,170)				
Total Enterprise Fund						(31,113)				261,975	(260,702)		(29,840)		
U.S. Department of Health and Human Services															
Passed-through State Department of Human Services:															
General Fund:															
Medicaid Assistance Program															
Fiscal Year 2024	93.778	2305NJ5MAP	N/A	32,626	7/1/23 - 6/30/24					32,626	(32,626)				
Total General Fund										32,626	(32,626)				
Total Federal Awards						\$ (414,302)	\$ -	\$ -	\$ -	\$ 1,461,408	\$ (1,441,194)	\$ -	\$ (394,088)	\$ -	\$ -

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

AUDUBON SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2024

State Grantor / Program Title	Grant or State Project Number	Program or Award Amount	Local Share	Grant Period From - To	Balance June 30, 2023				Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Canceled	Balance June 30, 2024			
					(Accounts Receivable)	Unearned Revenue	Due to Grantor	Carryover					(Accounts Receivable)	Unearned Revenue	Due to Grantor	
State Department of Education																
General Fund:																
Equalization Aid	24-495-034-5120-078	\$ 7,399,743	\$ -	7/1/23 - 6/30/24	\$ -	\$ -	\$ -	\$ -	\$ 6,684,700	\$ (7,399,743)	\$ -	\$ -	\$ (715,043)	\$ -	\$ -	
Equalization Aid	23-495-034-5120-078	7,108,841		7/1/22 - 6/30/23	(685,217)				685,217							
Special Education Categorical Aid	24-495-034-5120-089	1,173,689		7/1/23 - 6/30/24					1,060,275	(1,173,689)			(113,414)			
Special Education Categorical Aid	23-495-034-5120-089	1,046,915		7/1/22 - 6/30/23	(100,911)				100,911							
Security Aid	24-495-034-5120-084	18,102		7/1/23 - 6/30/24					181,027	(200,391)			(19,364)			
Security Aid	23-495-034-5120-084	200,391		7/1/22 - 6/30/23	(19,316)				19,316							
Transportation Aid	24-495-034-5120-014	73,419		7/1/23 - 6/30/24					66,324	(73,419)			(7,095)			
Transportation Aid	22-495-034-5120-014	73,419		7/1/21 - 6/30/22	(7,077)				7,077							
School Choice Aid	24-495-034-5120-068	1,067,929		7/1/23 - 6/30/24					964,734	(1,067,929)			(103,195)			
School Choice Aid	23-495-034-5120-068	999,630		7/1/22 - 6/30/23	(96,354)				96,354							
Adjustment Aid	24-495-034-5120-085	36,253		7/1/23 - 6/30/24					32,750	(36,253)			(3,503)			
Adjustment Aid	23-495-034-5120-085	162,302		7/1/22 - 6/30/23	(15,644)				15,644							
Extraordinary Special Education Cost Aid	24-495-034-5120-044	300,764		7/1/23 - 6/30/24						(300,764)			(300,764)			
Extraordinary Special Education Cost Aid	23-495-034-5120-044	376,877		7/1/22 - 6/30/23	(297,729)				297,729							
On behalf TPAF Pension Contribution	24-495-034-5094-002	4,498,659		7/1/23 - 6/30/24					4,498,659	(4,498,659)						
On behalf TPAF Post Retirement Medical	24-495-034-5094-001	1,224,370		7/1/23 - 6/30/24					1,224,370	(1,224,370)						
On behalf TPAF LTDI	24-495-034-5094-004	1,673		7/1/23 - 6/30/24					1,673	(1,673)						
Reimbursed TPAF Social Security Contr.	24-495-034-5094-003	958,136		7/1/23 - 6/30/24					910,147	(958,136)			(47,989)			
Reimbursed TPAF Social Security Contr.	23-495-034-5094-003	928,971		7/1/22 - 6/30/23	(92,327)				92,327							
Total General Fund					(1,314,575)				16,939,234	(16,935,026)			(1,310,367)			
Special Revenue:																
Preschool Education Aid	24-495-034-5120-086	690,960	172,740	7/1/23 - 6/30/24				135,071	794,607	(835,108)			(69,093)	163,663		
Preschool Education Aid	23-495-034-5120-086	652,704	163,176	7/1/22 - 6/30/23	(62,570)	129,456			62,570	(65,270)				64,186		
Preschool Expansion Aid	22-495-034-5120-086	440,319	160,116	7/1/21 - 6/30/22		135,071		(135,071)								
New Jersey Clean Energy Program																
Special Revenue:																
School Ventilation and Energy Efficiency Verification and Repair Program	SSB-VEEVR	2,556,367		7/1/23 - 2/27/25					6,750	(1,506,750)			(1,500,000)			
Total Special Revenue					(62,570)	264,527			863,927	(2,407,128)			(1,569,093)	227,849		
New Jersey Schools Construction Corporation:																
Capital Projects Fund:																
EDA Educational Facilities Construction and Financing Act - Section 15:																
Roof and Roof-Top HVAC - Level I	#0150-040-13-1002	312,000		8/1/14- 12/31/14	(187,200)				186,680				(520)			
Total Educational Facilities Construction					(187,200)				186,680				(520)			
Debt Service Fund																
Debt Service Aid Type II	24-495-034-5120-017	706,215		7/1/23 - 6/30/24					706,215	(706,215)						
State Department of Agriculture																
State School Breakfast Program																
Fiscal Year 2024	24-100-010-3350-023	442		7/1/23 - 6/30/24					368	(442)			(74)			
National School Lunch Program (State Share)																
Fiscal Year 2024	24-100-010-3350-023	8,798		7/1/23 - 6/30/24					7,342	(8,798)			(1,456)			
Fiscal Year 2023	23-100-010-3350-023	8,629		7/1/22 - 6/30/23	(1,424)				1,424							
Total Department of Agriculture					(1,424)	-	-	-	9,134	(9,240)	-	-	(1,530)			
Total State Financial Assistance					(1,565,769)	264,527	\$ -	\$ -	18,705,190	(20,057,609)	\$ -	\$ -	(2,881,510)	227,849	\$ -	
Less: State Financial Assistance Not Subject to New Jersey OMB Circular 15-08																
On behalf TPAF Pension Contribution	24-495-034-5094-002	4,498,659								4,498,659						
On behalf TPAF Post Retirement Medical	24-495-034-5094-001	1,224,370								1,224,370						
On behalf TPAF LTDI	24-495-034-5094-004	1,673								1,673						
Total State Financial Assistance Subject to New Jersey OMB Circular 15-08										\$ (14,332,907)						

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

Audubon School District
Notes to the Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2024

I. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Audubon School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance.

2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The school district has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$37,092) for the general fund and (\$247,595) for the special revenue fund. See Exhibit C-3, Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 32,626	\$ 16,897,934	\$ 16,930,560
Special Revenue	1,076,837	2,230,562	3,307,399
Debt Service		706,215	706,215
Food Service	260,702	9,240	269,942
	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 1,370,165</u>	<u>\$ 19,843,951</u>	<u>\$ 21,214,116</u>

**Audubon School District
Notes to the Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2024
(Continued)**

4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

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, 2024. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2024.

6. MAJOR PROGRAMS

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

**AUDUBON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Section I -- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

1) Material weaknesses identified? yes X no

2) Significant deficiencies identified? yes X none reported

Noncompliance material to basic financial statements noted? yes X no

Federal Awards

Internal Control over major programs:

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

2) Significant deficiencies identified? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516 of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)? yes X no

Identification of major programs:

<u>AL Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027A</u>	<u>H027A230100</u>	<u>I.D.E.A. Part B Basic</u>
<u>84.173A</u>	<u>H173A230114</u>	<u>I.D.E.A. Preschool</u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>

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

Auditee qualified as low-risk auditee? X yes no

**AUDUBON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Section 2 -- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

No findings and/or questioned costs identified.

**AUDUBON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Section 3 -- Schedule of Federal Awards and State Financial Assistance
Findings and Questioned Costs**

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey Circular 15-08-OMB.

FEDERAL AWARDS:

No findings and/or questioned costs identified.

STATE AWARDS:

No findings and/or questioned costs identified.

**AUDUBON SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT**

This section identifies the status of prior year findings related to the financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey Circular 15-08-OMB.

FINANCIAL STATEMENT FINDINGS

There were no prior year audit findings.

FEDERAL AWARDS

There were no prior year audit findings.

STATE AWARDS

There were no prior year audit findings.