

SCHOOL DISTRICT OF THE CHATHAMS

Board of Education
Chatham Township
County of Morris, New Jersey



“The essential intent of the School District of the Chathams is to discover and grow the gifts within each child.”

School District of the Chathams

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June 30, 2024

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School District of the Chathams

Chatham, New Jersey

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

Prepared by

Business Office

INTRODUCTORY SECTION



School District of the Chathams

259 Lafayette Avenue
Chatham, NJ 07928
973-457-2526
973-457-2481 FAX

Peter Daquila
Business Administrator/
Board Secretary

January 8, 2025

The Honorable President and
Members of the Board of Education
The School District of the Chathams
County of Morris, New Jersey

Dear Board Members:

The Annual Comprehensive Financial Report ("ACFR") of the School District of the Chathams (the "District") as of and for the year ended June 30, 2024, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and the fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the "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 basic financial statements (as noted in the Table of Contents) and the results of operations and cash flows, where applicable, of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The ACFR is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter (designed to complement Management's Discussion and Analysis and should be read in conjunction with it), the District's organizational chart, consultants, independent auditor and advisors and a roster of officials. The financial section includes the Independent Auditors' Report, Management's Discussion and Analysis (immediately following the Independent Auditors' Report), the basic financial statements and notes providing an overview of the District's financial position and operating results and supplementary schedules providing detailed budgetary information. The statistical section includes selected economic and demographic information, financial trends and the fiscal capacity of the District, generally presented on a multi-year basis and is unaudited. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Treasury Circular Letter NJ OMB 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports on internal control and compliance with applicable laws, regulations, contracts and grants along with any findings and questioned costs, is included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

The School District of the Chathams is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (“GASB”). All funds and the Government-wide financial statements of the District are included in this report. The School District of the Chathams and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate for grade levels pre-K through 12. These services include general and vocational as well as special education for students with disabilities. The District completed the 2023/2024 fiscal year with an average daily enrollment of 3,456 students, which is a decrease of 93 students from the previous year's average daily enrollment. The changes in average daily enrollment over the past five years are as follows:

Average Daily Enrollment

| <u>Year</u> | <u>Student Enrollment</u> | <u>Percent Change</u> |
|-------------|---------------------------|-----------------------|
| 2023/2024 | 3,456 | (2.6)% |
| 2022/2023 | 3,549 | (5.7)% |
| 2021/2022 | 3,764 | (3.2)% |
| 2020/2021 | 3,891 | (3.7)% |
| 2019/2020 | 4,041 | (1.7)% |

2. ECONOMIC CONDITION AND OUTLOOK:

Both Chatham Borough and Chatham Township are situated approximately 35 minutes west of New York City by train, bus or car and are close to major airports and highways. Both communities are characterized by well-educated, well-resourced and highly supportive residents. The two communities reflect a blend of metropolitan, historic and bucolic elements that make the area highly attractive from a quality of life perspective.

Chatham Borough is primarily a residential community with a small retail center and limited commercial activities. This trend is not expected to change at any time in the near future. Chatham Borough continues to maintain its high property values and at the same time, the commercial property values have remained relatively constant.

Chatham Township is a stable, affluent, suburban municipality. Its predominately residential property tax base (90%) makes it virtually immune to individual corporate activities. A large percentage of the community's land area is wooded county park land and federal wildlife refuge. These undeveloped tracts give the community a distinctively natural, rural character, which both protect it from the higher density development more characteristic of surrounding communities and help maintain its residential property values.

The District has an approximate \$5,453,541,200 tax base, which has grown over 100% since 2000; however, both municipalities conducted a revaluation program in 2004 which affected this comparison. The tax rate is expected to continue to grow at a modest rate as a result of market appreciation. The District exhibits wealth and income levels that are well above state medians. The District has a low debt burden as a percentage of equalized valuation.

3. MAJOR INITIATIVES AND INSTRUCTIONAL PROGRAMS: CURRICULUM

The School District of the Chathams offers a diverse and challenging curriculum that extends beyond the New Jersey Student Learning Standards. Students perform at a superior level on statewide standardized tests. For each of the past three years, over 97% of Chatham High School graduates have gone on to further their education, with over 90% of these graduates attending four-year colleges or universities. *U.S. News and World Report* has placed Chatham High School among the top 1% of public high schools in the United States for student achievement and for learning in Science, Technology, Engineering, and Mathematics (S.T.E.M.) education. *New Jersey Monthly* has twice ranked Chatham High School as the # 1 school in the state.

Enhancing the educational experience of students is a broad set of extracurricular offerings in the arts, athletics, service organizations, and special-interest activities. Our choral and music groups have performed in venues including Carnegie Hall and Lincoln Center, multiple athletic teams have won New Jersey state championships in recent years, and other extracurricular groups—such as the Applied Physics and Engineering Club, the Academic Team, and the Model Congress/United Nations Club—have garnered recognitions and awards.

Members of this school community recognize that academic achievement is important, but not supreme. The school district is committed to developing learners in a manner that emphasizes socio-emotional needs, character, and respectfulness. Each of the district's six schools seeks to foster school environments free from bullying and rich with experiences that nurture the whole child. Similarly, the district is committed to offering programming that is based on the individual needs of students, be they academic, behavioral, or developmental in nature.

4. INTERNAL CONTROL:

Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The internal control system 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 awards and state financial assistance, the District also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system is also subject to periodic evaluation by the District's management.

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

5. BUDGETARY CONTROLS:

In addition to internal 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 Board and New Jersey Department of Education. Annual appropriated budgets are adopted for the general, special revenue and debt service funds. The legal level of budgetary control is at the line-item level in each fund. Project length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as assigned fund balance at June 30, 2024.

6. ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted accounting principles, as promulgated by the GASB. The accounting system of the District is organized on the basis of funds. These funds and the government-wide financial statements are explained in "Notes to the Basic Financial Statements," Note 1.

7. DEBT ADMINISTRATION:

Under provisions of New Jersey statutes, school districts may not incur indebtedness greater than 4% of the average equalized valuation of taxable property. At June 30, 2024, the District's outstanding debt issues are well below the legal debt margin. The District continues to be committed to providing the debt rating agencies and all other interested parties with annual audited financial statements and other pertinent credit information relevant to our outstanding securities.

8. FINANCIAL STATUS:

The business administrator and the finance committee continue to guide the district with fiscal prudence while working within the limitations imposed by the state's 2% cap on the annual increase of the tax revenue collected from Chatham Borough and Chatham Township. The business office utilizes purchasing co-operatives, state contracts and bids to purchase the materials needed to operate the District at the lowest possible price. The District has utilized the capital reserve balance to fund capital improvements at all of the schools instead of incurring additional debt. The taxpayers approved a \$15,864,300 referendum in September 2016. The referendum was for six (6) projects which include renovating the Chatham High School auditorium, renovating the Chatham Middle School auditorium, a STEM classroom addition at the Chatham Middle School, a four (4) classroom addition at the Milton Avenue School, various improvements at the Cougar Field complex and partial roof replacements at three (3) schools.

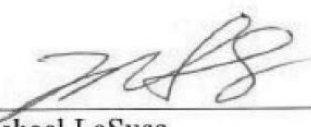
9. OTHER INFORMATION:

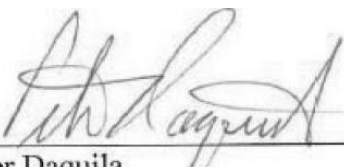
Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of PKF O'Connor Davies, LLP has been selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Federal Uniform Guidance and State Treasury Circular Letter NJ OMB 15-08. The auditors' report on the basic financial statements, required supplementary information and other supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

10. ACKNOWLEDGMENTS:

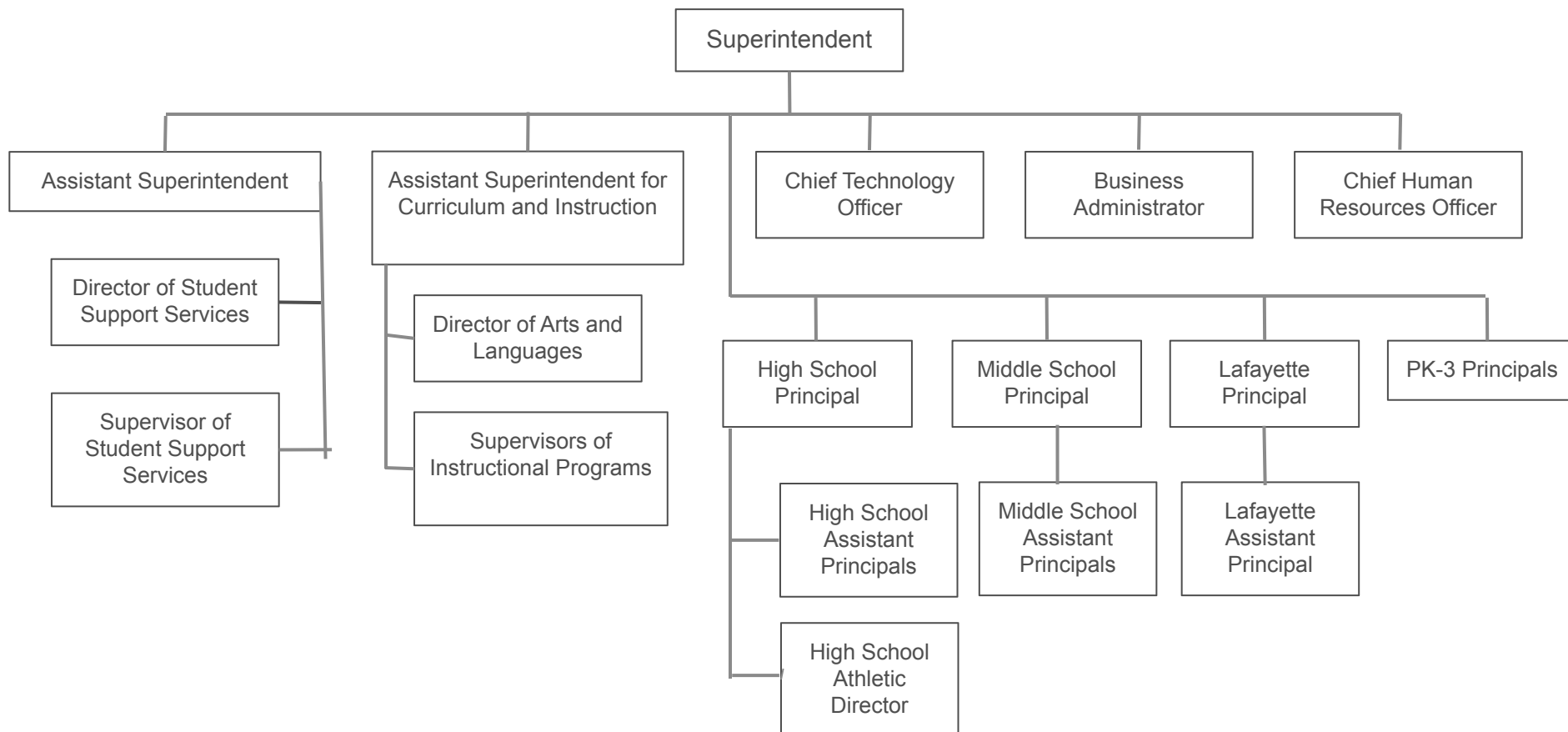
We would like to express our appreciation to the staff members of the School District of the Chathams for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of the financial and accounting staff. We also would like to thank the members of the Board of Education for their support of the school system, the countless hours they spend working to guide the district and their efforts to ensure that the district continues to improve and that it remains as one of the top school districts in the state.

Respectfully submitted,



Dr. Michael LaSusa
Superintendent

Peter Daquila
Business Administrator/Board Secretary



*Administrative Organizational Chart,
Updated August 2024*

**School District of the Chathams
Chatham, New Jersey**

Roster of Officials

June 30, 2024

Members of the Board of Education

Expires

| | |
|----------------------------|------|
| Ann Ciccarelli, President | 2024 |
| Susan Ross, Vice President | 2025 |
| Sally Allen | 2024 |
| Christopher Delsandro | 2025 |
| Lata Kenney | 2024 |
| Michael Ryan | 2026 |
| Bradley Smith | 2026 |
| Jill Weber | 2026 |
| Yinglu Zhang | 2025 |

Other Officers

Dr. Michael LaSusa, Superintendent of Schools

Peter Daquila, RSBA, Business Administrator/Board Secretary

Patricia Sewak, Assistant Business Administrator/Assistant Board Secretary

John Csatlos, Treasurer of School Monies

**School District of the Chathams
Chatham, New Jersey**

Consultants, Independent Auditors and Advisors

June 30, 2024

Architects

Parette Somjen Architects
439 Route 46 East
Rockaway, NJ 07866

Independent Auditors

PKF O'Connor Davies, LLP
20 Commerce Drive
Cranford, NJ 07016

Attorney

Cleary, Gaicobbe, Alfieri & Jacobs, LLC
169 Ramapo Valley Road
Upper Level – Suite 105
Oakland, NJ 07436

Legal Services – Bond Counsel

McManimon, Scotland and Baumann, LLC
75 Livingston Avenue
Roseland, NJ 07068

Financial Advisor

Phoenix Advisors, LLC
625 Farnsworth Avenue
Bordentown, New Jersey 08620

Official Depository

Citizens Bank
101 JFK Parkway
Short Hills, NJ 07078

FINANCIAL SECTION

Independent Auditors' Report

**Honorable President and Members
of the Board of Education
School District of the Chathams
Chatham, New Jersey**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the School District of the Chathams (the "District"), as of and for the 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 our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the 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

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

Responsibilities of Management for the Financial Statements

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

**Honorable President and Members
of the Board of Education
School District of the Chathams
Chatham, New Jersey**

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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.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

**Honorable President and Members
of the Board of Education
School District of the Chathams
Chatham, New Jersey**

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Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements, long-term debt schedules, and the schedules of expenditures of federal awards and state financial assistance, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, are presented for additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements, long-term debt schedules and the 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 Comprehensive Financial Report for the year ended June 30, 2024. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

**Honorable President and Members
of the Board of Education
School District of the Chathams
Chatham, New Jersey**

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Cranford, New Jersey
January 8, 2025

Scott A. Clelland

Scott A. Clelland, CPA
Licensed Public School Accountant, No. 1049

Required Supplementary Information - Part I

Management's Discussion and Analysis

Board of Education
School District of the Chathams
Management's Discussion and Analysis

Year Ended June 30, 2024

This section of the School District of the Chatham's (the "District") annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2024. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Management's Discussion and Analysis ("MD&A") is Required Supplementary Information specified in the Governmental Accounting Standard Board's ("GASB") Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Certain comparative information between the current fiscal year and the prior fiscal year is presented in the MD&A.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This document also contains required and supplementary information and other information in addition to the basic financial statements themselves.

Government-wide financial statements The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on the assets, deferred outflows and inflows of resources and liabilities of the District, with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

The Government-wide financial statements can be found on Schedules A-1 and A-2 of this report.

Fund financial statements A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the District can be divided into two categories: governmental funds and proprietary funds.

Governmental funds Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements.

However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the general fund, special revenue fund, capital projects fund and debt service fund, all of which are considered major funds.

The District adopts an annual appropriated budget for its general fund, special revenue fund and debt service fund. Budgetary comparison statements have been provided as required supplementary information for the general fund, special revenue fund and debt service fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on Schedules B-1, B-2 and B-3 of this report.

Proprietary funds - The District maintains one proprietary fund type. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses an enterprise fund to account for the operations of its food service program.

The basic proprietary fund financial statements can be found on Schedules B-4, B-5, and B-6 of this report.

Notes to the basic financial statements - The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found immediately following the basic financial statements of this report.

Other information - The combining statements referred to earlier in connection with governmental funds and enterprise funds are presented immediately following the notes to the basic financial statements. Combining and individual fund statements and schedules can be found immediately following the notes to the basic financial statements of this report.

Financial Highlights

Key financial highlights for the 2023-2024 fiscal year include the following:

- Overall net position increased by \$5,135,115 in the 2024 fiscal year.
- The District made a deposit to its capital reserve in the amount of \$4,000,000.
- The final approved extraordinary aid awarded to the District for 2023-2024 exceeded the amount budgeted by the District by \$1,091,228.
- The District recorded the net pension liability as required by GASB Nos. 68 and 71. The liability recorded at June 30, 2024 and 2023 was \$10,868,694 and \$10,824,772, respectively. This resulted in the unrestricted net position being increased during the year resulting in an unrestricted deficit in the government-wide financial statements of \$7,643,231 and \$9,355,209 as of June 30, 2024 and 2023, respectively.
- The District followed the requirements of GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. In the current year, this resulted in the District recording of revenue and expense in the amount of \$4,198,508 relating to post-employment health benefits paid for by the State on behalf of the District.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$53,144,092 as of June 30, 2024. The following table provides a summary of net position as of June 30, 2024 and 2023 relating to the District's governmental and business-type activities:

| | Governmental Activities | | Business-Type Activities | | Total School District | |
|----------------------------------|-------------------------|---------------|--------------------------|------------|-----------------------|---------------|
| | June 30, | | June 30, | | June 30, | |
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Current and other assets | \$ 18,380,338 | \$ 14,157,095 | \$ 77,155 | \$ 251,953 | \$ 18,457,493 | \$ 14,409,048 |
| Capital Assets, net | 80,599,813 | 83,266,124 | 531,266 | 555,596 | 81,131,079 | 83,821,720 |
| Total Assets | 98,980,151 | 97,423,219 | 608,421 | 807,549 | 99,588,572 | 98,230,768 |
| Deferred outflows of resources | 2,355,453 | 2,549,494 | | | 2,355,453 | 2,549,494 |
| Current and other liabilities | 6,712,299 | 6,338,884 | 529,574 | 591,914 | 7,241,873 | 6,930,798 |
| Net pension liability | 10,868,694 | 10,824,772 | | | 10,868,694 | 10,824,772 |
| Long-term liabilities | 29,798,241 | 33,000,515 | | | 29,798,241 | 33,000,515 |
| Total Liabilities | 47,379,234 | 50,164,171 | 529,574 | 591,914 | 47,908,808 | 50,756,085 |
| Deferred inflow of resources | 891,125 | 2,015,200 | | | 891,125 | 2,015,200 |
| Net Position: | | | | | | |
| Net investment in capital assets | 48,963,897 | 48,666,434 | 531,266 | 555,596 | 49,495,163 | 49,222,030 |
| Restricted | 11,292,160 | 8,142,156 | | | 11,292,160 | 8,142,156 |
| Unrestricted (deficit) | (7,190,812) | (9,015,248) | (452,419) | (339,961) | (7,643,231) | (9,355,209) |
| Total Net Position | \$ 53,065,245 | \$ 47,793,342 | \$ 78,847 | \$ 215,635 | \$ 53,144,092 | \$ 48,008,977 |

The largest portion of the District's net position is its net investment in capital assets (e.g., land, construction-in progress, buildings and improvements, and machinery, equipment, and vehicles), less any related debt (bonds payable and leases) used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently,

these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources (namely, property taxes), since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position represents resources that are subject to restrictions on how they may be used. The remaining balance represents unrestricted net position.

The total net position of the District increased \$5,135,115 during the current fiscal year, due to a decrease in deferred inflows of resources which are allocated to the District by the State, and by current year operational performance.

Current and other assets increased mainly due to the results of current year operations.

Capital assets, net, decreased due to depreciation expense exceeding capital asset additions during the current year.

Long-term liabilities decreased mainly due to the scheduled payment of principal on debt.

The change in the net pension liability and related deferred inflows and outflows is the result of performance of the Public Employee's Retirement System pension plan as well as changes in allocations as measured by the State of New Jersey, Division of Pension and Benefits.

District Activities The key elements of the District's changes in net position for the years ended June 30, 2024 and 2023, are as follows:

| | Governmental Activities | | Business-Type Activities | | Total School District | |
|------------------------------------|-------------------------|---------------|--------------------------|--------------|-----------------------|---------------|
| | June 30, | | June 30, | | June 30, | |
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Revenues: | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services | \$ 1,755,486 | \$ 1,499,591 | \$ 1,753,288 | \$ 1,301,052 | \$ 3,508,774 | \$ 2,800,643 |
| Operating Grants and Contributions | 2,035,483 | 1,766,318 | 653 | 211,336 | 2,036,136 | 1,977,654 |
| Capital Grants and Contributions | 297,102 | 416,569 | | 100,193 | 297,102 | 516,762 |
| General Revenue: | | | | | | |
| Property Taxes | 75,752,614 | 72,619,108 | | | 75,752,614 | 72,619,108 |
| Federal and State Aid | 17,285,837 | 17,580,541 | | | 17,285,837 | 17,580,541 |
| Earnings on Investments | 302,779 | 163,292 | | | 302,779 | 163,292 |
| Miscellaneous | 885,539 | 586,424 | | | 885,539 | 586,424 |
| Total Revenue | 98,314,840 | 94,631,843 | 1,753,941 | 1,612,581 | 100,068,781 | 96,244,424 |
| Expenses: | | | | | | |
| Instruction | 56,197,063 | 54,089,978 | | | 56,197,063 | 54,089,978 |
| Support Services | 13,969,399 | 13,543,916 | | | 13,969,399 | 13,543,916 |
| Administration and Business | 8,063,070 | 8,407,716 | | | 8,063,070 | 8,407,716 |
| Maintenance and Operations | 8,780,085 | 8,105,642 | | | 8,780,085 | 8,105,642 |
| Transportation | 4,677,884 | 4,086,402 | | | 4,677,884 | 4,086,402 |
| Special Schools | 274,411 | 266,218 | | | 274,411 | 266,218 |
| Charter Schools | 63,139 | 78,168 | | | 63,139 | 78,168 |
| Interest on long-term liabilities | 1,017,886 | 1,123,106 | | | 1,017,886 | 1,123,106 |
| Business Type Activities | | | 1,890,729 | 1,730,748 | 1,890,729 | 1,730,748 |
| Total Expenses | 93,042,937 | 89,701,146 | 1,890,729 | 1,730,748 | 94,933,666 | 91,431,894 |
| Change in Net Position | 5,271,903 | 4,930,697 | (136,788) | (118,167) | 5,135,115 | 4,812,530 |
| Net position - beginning | 47,793,342 | 42,862,645 | 215,635 | 333,802 | 48,008,977 | 43,196,447 |
| Net position - ending | \$ 53,065,245 | \$ 47,793,342 | \$ 78,847 | \$ 215,635 | \$ 53,144,092 | \$ 48,008,977 |

Revenue Sources. The District's total revenue for the 2023-2024 school year was \$100,068,781. Property taxes and state formula aid accounted for most of the District's revenue, with local taxes accounting for \$75,752,614 of the total, or 75.70 percent. Another 17.27 percent came from federal and state aid not restricted for specific programs, 2.33 percent from operating and capital grants and contributions, 4.70 percent came from charges for services and the remainder from other miscellaneous sources.

Included in the State Aid revenue is the TPAF, Pension and Social Security Employer Share, and retirees' post-employment benefits paid by the State. The change from 2022-2023 to 2023-2024 can be attributed to a small increase in actuarial determined pension liability offset by a decrease in the post-retirement benefits liability.

The District primarily conducts its operations from the revenue it receives from its local taxpayers.

Under the New Jersey reporting guidelines, many programs that could be considered instructional programs are categorized under support services such as tuition paid for special education students placed in private or regional day schools and library/media services. Health benefits, at the option of the District, paid on behalf of employees, including instructional, may be charged under the support services category and not by program and function code.

Financial Analysis of the District's Funds

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

Governmental Funds

The focus of the 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 District's financing requirements. The unrestricted fund balance is divided between assigned to and unassigned balances. The District has assigned portions of the unrestricted fund balance to earmark resources for the payment of certain government-wide liabilities that are not recognized in the governmental funds.

General Fund - The general fund is the main operating fund of the District. At the end of the current fiscal year, unassigned fund balance was \$2,318,597, while the total fund balance was \$15,708,708. The net change in total fund balance for the General Fund was an increase of \$3,799,230, which can be attributed to continued fiscally conservative operations.

Special Revenue Fund - The special revenue fund is used to track the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes, other than debt service or capital projects. Revenues and expenditures for the current fiscal year increased from the prior fiscal year.

Capital Projects Fund - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to an expenditure for capital outlays, including the acquisition or construction of major capital facilities and other assets (other than those financed by proprietary funds). The District's capital projects fund was inactive in the current year.

Debt Service Fund - The debt service fund accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

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

presents a summary of the General Fund, Special Revenue Fund and Debt Service Fund revenues for the fiscal year ended June 30, 2024, and the variances in relation to the prior year.

| <u>Revenue</u> | <u>Amount</u> | <u>Percent of Total</u> | <u>Increase from 2023</u> | <u>Percent of Increase</u> |
|-----------------|-----------------------|-----------------------------|-------------------------------|--------------------------------|
| Local Sources | \$ 78,961,084 | 74.17% | \$ 3,860,651 | 5.14% |
| State Sources | 25,627,900 | 24.07% | 1,478,180 | 6.12% |
| Federal Sources | 1,871,463 | 1.76% | 233,148 | 14.23% |
| | <u>\$ 106,460,447</u> | <u>100.00%</u> | <u>\$ 5,571,979</u> | <u>5.52%</u> |

The increase in local sources is mainly attributable to increases in the tax levy of \$3,133,506, an increase of \$231,348 in tuition charges, an increase in Interest earned on investment of \$139,487, and increased miscellaneous revenue of \$326,125.

The increase of \$1,478,180 or 6.12% of State sources in 2023-2024 is mainly the result of a \$643,189 increase in the TPAF benefits paid for by the State of New Jersey on behalf of the District, an \$363,079 increase in categorical special education aid, a \$416,550 increase in extraordinary aid, and an increase of \$32,273 to the additional Non-Public Transportation Aid grant received in the prior year, and an increase of \$124,078 in Security aid.

The increase of \$233,148 or 14.23% of Federal sources in 2023-2024 can be primarily attributed to the increase in revenues related to IDEA Basic, Additional Compensatory Related Services (ASCERS), and ESSER III Non-Title I.

The following schedule presents a summary of Governmental Fund expenditures for the fiscal year ended June 30, 2024 and the increases and decreases in relation to the prior year.

| | <u>Amount</u> | <u>Percent of Total</u> | <u>Increase (Decrease) from 2023</u> | <u>Percent of Increase (Decrease)</u> |
|---------------------------------|-----------------------|---------------------------------|--|---|
| Current Expenditures | | | | |
| Instruction | \$ 36,192,313 | 35.26% | \$ 1,587,441 | 4.59% |
| Undistributed | 60,909,071 | 59.35% | 2,795,380 | 4.81% |
| Special Schools | 190,613 | 0.19% | 7,909 | 4.33% |
| Capital Outlay | 1,352,930 | 1.32% | (1,536,278) | -53.17% |
| Contribution to Charter Schools | 63,139 | 0.06% | (15,029) | -19.23% |
| Debt Service | | | | |
| Principal | 2,737,014 | 2.67% | 104,363 | 3.96% |
| Interest | <u>1,180,040</u> | <u>1.15%</u> | <u>(103,014)</u> | <u>-8.03%</u> |
| | <u>\$ 102,625,120</u> | <u>100.00%</u> | <u>\$ 2,840,772</u> | <u>2.85%</u> |

The increase in instruction expenditures is attributable mostly to an increase in the regular and other instruction related expenditures of \$966,014 and \$562,376, respectively.

The increase in undistributed expenditures is attributable mostly to an increase in operation and maintenance of plant services, pupil transportation services, unallocated benefits and expenditures paid for by the State of New Jersey on-behalf of the District in the amounts of \$530,326, \$584,156, \$853,472, and \$665,181.

The decrease in capital outlay of \$1,536,278 is attributable mostly to the fact that in fiscal year 2023-24, several projects were approved late in the year and work had not yet commenced as of June 30, 2024.

All other fluctuations are deemed immaterial and no further explanations are deemed necessary.

Business-Type Activities

The net position from the District's business-type activity decreased in the 2023-2024 year by \$136,788 due to operating expenses exceeding operating revenues in the current year.

General Fund Budgetary Highlights

The District budget is prepared according to New Jersey statutes. The most significant budgeted fund is the general fund. During the fiscal year, there were several differences between the original budget and the final amended budget due to transfers being applied to certain line items. These transfers were made between line items as part of the normal process as permitted by State guidelines. Readers should refer to Section C of the financial report for comparisons between actual and budgeted amounts.

Described below are explanations for variations in revenues and expenditures for certain lines where the modified budgeted amounts differ from the original budget by significant amounts. All other fluctuations were considered immaterial and no explanations were deemed required.

Original Budget vs. Modified Budget - Revenues

- The modified budget for local tax levy increased by \$1,750,000 due to the voters of the District approving an increase during the November 2023 election to pay for security improvements and special education services.

Original Budget vs. Modified Budget - Expenditures

- The modified budget for regular programs- instruction increased by \$930,244 or 4% due to the increase in student needs in the related categories budgeting conservatively. Actual expenses were more than amounts originally budgeted.
- The modified budget for special education- instruction decreased by \$278,971 or 4% due to the decrease in student needs in the related categories.
- The modified budget for pupil transportation increased by \$632,167 or 15% due to a increased special education enrollment and rising transportation costs.
- The modified budget for Undistributed expenditures related to instruction decreased by \$1,690,280 or 33% due to District originally budgeting conservatively. Actual expenses were lower than projected amounts, so the district reallocated these funds.
- The modified budget for required maintenance for school facilities increased by \$301,290 or 18% due to a increased needs for cleaning, repairs, maintenance service and general supplies.
- The modified budget increased \$860,950 or 34% due to the District's voters approving an increase during November 2023 election for security improvements.

Described below are explanations for variations in revenues and expenditures for certain lines where the modified budgeted amounts differ from the actual by significant amounts. All other fluctuations were considered immaterial and no explanations were deemed required.

Budget vs. Actual Revenues

- The actual amounts for Tuition was \$337,440 higher than budget due to the District budgeting conservatively for the tuition based kindergarten program.
- The actual amounts for interest earned on investments was \$257,779 higher than budgeted due to interest rates increasing during the year, leading to greater interest income. Also, the District budgets conservatively for interest income.
- The actual amounts for miscellaneous revenues were \$605,539 higher than budgeted due to conservative budgeting.
- The actual amounts for Extraordinary Aid was \$1,091,228 higher than budgeted due to a combination of conservative budgeting and a concentration focus by the district on obtaining all potential revenues.
- The actual amounts for Additional Non-Public Transportation Aid was \$137,595. The District does not budget for this revenue.

Budget vs. Actual - Expenditures

- The actual amounts expended for Regular Programs Other salaries for Instruction were \$399,949 lower than budgeted was mainly attributable to the District budgeting due to an increase in demand for aides for their regular instructional staff. Actual expenses were more than amounts expended in the prior year.
- The actual amounts expended for Undistributed expenditures Legal Services were \$288,545 lower than budgeted due to the District conservatively budgeting for Legal Fees.
- The actual amounts expended for Facilities Acquisition and Construction Services expenditures were \$2,623,364 lower than budgeted due to the District commencing projects later in the school year. The majority of the unspent funds were encumbered as of June 30, 2024.

Capital Assets

As of June 30, 2024 and 2023, the District had capital assets, net of accumulated depreciation, of \$81,131,079 and \$83,821,720, respectively, including land, construction in progress, building and building improvements, land improvements and machinery and equipment noted as follows:

| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total School District</u> | |
|-------------------------------------|--------------------------------|----------------------|---------------------------------|-------------------|------------------------------|----------------------|
| | <u>2023-24</u> | <u>2022-23</u> | <u>2023-24</u> | <u>2022-23</u> | <u>2023-24</u> | <u>2022-23</u> |
| Land | \$11,616,511 | \$ 11,616,511 | | | \$11,616,511 | \$ 11,616,511 |
| Construction in Progress | 453,242 | 8,556 | | | 453,242 | 8,556 |
| Buildings and Building Improvements | 63,913,803 | 66,581,480 | \$ 307,003 | \$ 331,352 | 64,220,806 | 66,912,832 |
| Land Improvements | 2,982,301 | 3,219,833 | | | 2,982,301 | 3,219,833 |
| Right to Use - Equipment | 101,868 | 217,804 | | | 101,868 | 217,804 |
| Machinery and Equipment | 1,532,088 | 1,621,940 | 224,263 | 224,244 | 1,756,351 | 1,846,184 |
| Total Capital Assets | | | | | | |
| Net of Depreciation | <u>\$80,599,813</u> | <u>\$ 83,266,124</u> | <u>\$ 531,266</u> | <u>\$ 555,596</u> | <u>\$81,131,079</u> | <u>\$ 83,821,720</u> |

More detailed information about the District's capital assets is presented in Note 6 to the District's basic financial statements.

Debt Administration and Long-Term Liabilities

The District's long-term liabilities at June 30, 2024 and 2023 are as follows for the governmental activities:

| | June 30, | |
|----------------------------|----------------------|----------------------|
| | 2024 | 2023 |
| General Obligation Bonds | \$ 27,795,000 | \$ 30,260,000 |
| Premium on Bonds | 1,628,854 | 1,896,653 |
| Financed Purchases Payable | 2,763,250 | 3,035,264 |
| Leases Payable | 142,080 | 255,581 |
| Compensated Absences | 705,331 | 718,672 |
| Sub-total | 33,034,515 | 36,166,170 |
| Net Pension Liability | 10,868,694 | 10,824,772 |
| | <u>\$ 43,903,209</u> | <u>\$ 46,990,942</u> |

More detailed information about the District's long-term liabilities is presented in Note 7 to the District's basic financial statements.

Factors Bearing on the District's Future

In preparing the 2024-2025 budget, the primary goal of the Board was to develop a budget that would meet the needs of the school district and comply with the stringent restrictions placed on school district budgets by legislation. This legislation put a "2% cap" on the local tax levy; therefore, limiting the amount of funds a district can raise to support its budget.

The Board has opted to continue zero based budgeting to ensure only effective programs/services are funded in the future. The 2024-2025 unrestricted fund balance will be limited to 2% of our budget as per the New Jersey Department of Education regulations. Thus, it will be more important than ever to develop a budget that will closely reflect actual expenditures since the small unrestricted fund balance will not permit much flexibility.

Looking ahead to the development of the 2025-2026 budget, there will be increased demands for more teaching staff, supplies and equipment due to changing needs of the District.

This will be made more difficult because of the New Jersey Department of Education's new funding law. This law goes beyond the capping of revenues for the budget but it also authorizes the Executive County Superintendent to review the budget and challenge the District in their expenditure decisions. Further the State has made it clear that they are moving to reduce the number of school districts in the state by consolidating neighboring districts or at a minimum to see an expansion of shared services.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the School Business Administrator, 259 Lafayette Avenue, Chatham, New Jersey 07928.

Basic Financial Statements

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**BOARD OF EDUCATION
SCHOOL DISTRICT OF THE CHATHAMS
Statement of Net Position
June 30, 2024**

| | Governmental Activities | Business-type Activities | Total |
|---------------------------------------|------------------------------------|-------------------------------------|----------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 11,937,399 | \$ 48,210 | \$ 11,985,609 |
| Accounts receivable | 6,004,936 | 18,885 | 6,023,821 |
| Internal balances | 438,003 | (438,003) | - |
| Inventories | | 10,060 | 10,060 |
| Capital assets, non-depreciable | 12,069,753 | | 12,069,753 |
| Capital assets, depreciable, net | 68,530,060 | 531,266 | 69,061,326 |
| Total Assets | <u>98,980,151</u> | <u>170,418</u> | <u>99,150,569</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred loss on refunding of debt | 693,268 | | 693,268 |
| Pension deferrals | 1,662,185 | | 1,662,185 |
| Total Deferred Outflows of Resources | <u>2,355,453</u> | | <u>2,355,453</u> |
| LIABILITIES | | | |
| Accounts payable | 1,551,707 | 31,556 | 1,583,263 |
| Unemployment claims payable | 201,168 | | 201,168 |
| Payroll withholding payable | 308,964 | | 308,964 |
| Accrued interest payable | 494,938 | | 494,938 |
| Payable to state government | 21,491 | | 21,491 |
| Unearned revenue | 897,757 | 60,015 | 957,772 |
| Noncurrent liabilities: | | | |
| Net pension liability | 10,868,694 | | 10,868,694 |
| Due within one year | 3,236,274 | | 3,236,274 |
| Due beyond one year | 29,798,241 | | 29,798,241 |
| Total Liabilities | <u>47,379,234</u> | <u>91,571</u> | <u>47,470,805</u> |
| DEFERRED INFLOW OF RESOURCES | | | |
| Pension deferrals | 891,125 | | 891,125 |
| NET POSITION | | | |
| Net investment in capital assets | 48,963,897 | 531,266 | 49,495,163 |
| Restricted for: | | | |
| Excess surplus | 1,627,267 | | 1,627,267 |
| Capital reserve | 8,506,466 | | 8,506,466 |
| Emergency reserve | 165,010 | | 165,010 |
| Unemployment compensation | 336,203 | | 336,203 |
| Student Activities | 609,247 | | 609,247 |
| Scholarships | 47,967 | | 47,967 |
| Unrestricted (deficit) | (7,190,812) | (452,419) | (7,643,231) |
| Total Net Position | <u>\$ 53,065,245</u> | <u>\$ 78,847</u> | <u>\$ 53,144,092</u> |

See accompanying notes to the basic financial statements.

**BOARD OF EDUCATION
SCHOOL DISTRICT OF THE CHATHAMS
Statement of Activities
Year Ended June 30, 2024**

| <u>Functions/Programs</u> | <u>Expenses</u> | <u>Program Revenues</u> | | | <u>Net (Expense) Revenue and Changes in Net Position</u> | | |
|--|----------------------|---------------------------------|---|---|--|-------------------------------------|----------------------|
| | | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Capital Grants and Contributions</u> | <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> |
| Governmental activities: | | | | | | | |
| Instruction: | | | | | | | |
| Regular | \$ 37,428,672 | \$ 1,008,540 | \$ 921,028 | \$ 297,102 | \$ (35,202,002) | | \$ (35,202,002) |
| Special education | 14,686,781 | | 859,321 | | (13,827,460) | | (13,827,460) |
| Other instruction | 4,081,610 | | | | (4,081,610) | | (4,081,610) |
| Support services: | | | | | | | |
| Student and instruction related services | 13,969,399 | 547,615 | 255,134 | | (13,166,650) | | (13,166,650) |
| School administration services | 4,206,013 | | | | (4,206,013) | | (4,206,013) |
| General and business administration services | 3,857,057 | | | | (3,857,057) | | (3,857,057) |
| Operation and maintenance of plant services | 8,780,085 | | | | (8,780,085) | | (8,780,085) |
| Pupil transportation | 4,677,884 | 199,331 | | | (4,478,553) | | (4,478,553) |
| Special schools | 274,411 | | | | (274,411) | | (274,411) |
| Charter Schools | 63,139 | | | | (63,139) | | (63,139) |
| Interest and other costs on long-term debt | 1,017,886 | | | | (1,017,886) | | (1,017,886) |
| Total governmental activities | <u>93,042,937</u> | <u>1,755,486</u> | <u>2,035,483</u> | <u>297,102</u> | <u>(88,954,866)</u> | | <u>(88,954,866)</u> |
| Business-type activities: | | | | | | | |
| Food Service | 1,890,729 | 1,753,288 | 653 | | | \$ (136,788) | (136,788) |
| Total business-type activities | <u>1,890,729</u> | <u>1,753,288</u> | <u>653</u> | <u>-</u> | <u>-</u> | <u>(136,788)</u> | <u>(136,788)</u> |
| Total primary government | <u>\$ 94,933,666</u> | <u>\$ 3,508,774</u> | <u>\$ 2,036,136</u> | <u>\$ 297,102</u> | <u>(88,954,866)</u> | <u>(136,788)</u> | <u>(89,091,654)</u> |
| General revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Property taxes, levied for general purposes | | | | | 72,407,436 | | 72,407,436 |
| Property taxes, levied for debt service | | | | | 3,345,178 | | 3,345,178 |
| State aid not restricted | | | | | 17,285,837 | | 17,285,837 |
| Investment Earnings | | | | | 302,779 | | 302,779 |
| Miscellaneous Income | | | | | 885,539 | | 885,539 |
| Total general revenues | | | | | <u>94,226,769</u> | <u>-</u> | <u>94,226,769</u> |
| Change in Net Position | | | | | 5,271,903 | (136,788) | 5,135,115 |
| Net Position—beginning | | | | | <u>47,793,342</u> | <u>215,635</u> | <u>48,008,977</u> |
| Net Position—ending | | | | | <u>\$ 53,065,245</u> | <u>\$ 78,847</u> | <u>\$ 53,144,092</u> |

See accompanying notes to the basic financial statements.

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

**BOARD OF EDUCATION
SCHOOL DISTRICT OF THE CHATHAMS**

Balance Sheet
Governmental Funds
June 30, 2024

| | Major Funds | | |
|---------------------------------------|-------------------------|-------------------------------------|---|
| | General Fund | Special Revenue Fund | Total Governmental Funds |
| ASSETS | | | |
| Cash and cash equivalents | \$ 11,178,208 | \$ 759,191 | \$ 11,937,399 |
| Intergovernmental Accounts Receivable | | | |
| State | 2,053,312 | 1,635 | 2,054,947 |
| Federal | | 292,196 | 292,196 |
| Local | 3,588,480 | | 3,588,480 |
| Interfund | 542,196 | | 542,196 |
| Other accounts receivable | 45,552 | 23,761 | 69,313 |
| Total Assets | <u>\$ 17,407,748</u> | <u>\$ 1,076,783</u> | <u>\$ 18,484,531</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts payable | \$ 519,048 | \$ 65,988 | \$ 585,036 |
| Unemployment claims payable | 201,168 | | 201,168 |
| Interfunds payable | | 104,193 | 104,193 |
| Payable to state government | | 21,491 | 21,491 |
| Payroll withholding payable | 308,964 | | 308,964 |
| Unearned revenue | 669,860 | 227,897 | 897,757 |
| Total Liabilities | <u>1,699,040</u> | <u>419,569</u> | <u>2,118,609</u> |
| Fund Balances: | | | |
| Restricted for: | | | |
| Excess surplus - current year | 1,362,436 | | 1,362,436 |
| Excess surplus - prior year | 264,831 | | 264,831 |
| Capital reserve | 8,506,466 | | 8,506,466 |
| Emergency reserve | 165,010 | | 165,010 |
| Unemployment compensation reserve | 336,203 | | 336,203 |
| Student Activities | | 609,247 | 609,247 |
| Scholarships | | 47,967 | 47,967 |
| Assigned to: | | | |
| Other Purposes | 2,755,165 | | 2,755,165 |
| Unassigned | 2,318,597 | | 2,318,597 |
| Total Fund Balances | <u>15,708,708</u> | <u>657,214</u> | <u>16,365,922</u> |
| Total Liabilities and Fund Balances | <u>\$ 17,407,748</u> | <u>\$ 1,076,783</u> | <u>18,484,531</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 \$138,266,884 and the accumulated depreciation is \$57,667,071. See Note 6.

80,599,813

Long-term liabilities, including bonds payable, financed purchases, leases payable and compensated absences, are not due and payable in the current period and therefore are not reported as liabilities in the funds. See Note 7.

(33,034,515)

Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.

(494,938)

Losses arising from the issuance of refunding bonds that are a result of the difference in the carrying value of the refunded bonds and the bonds are deferred and amortized over the life of the bonds.

693,268

Deferred pension costs in governmental activities are not financial resources and are therefore not reported in the funds.

771,060

Accrued pension contributions for the June 30, 2024 plan year end are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.

(966,671)

Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds.

(10,868,694)

Net position of governmental activities

\$ 53,065,245

See accompanying notes to the basic financial statements.

BOARD OF EDUCATION
SCHOOL DISTRICT OF THE CHATHAMS
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2024

| | Major Funds | | | Total |
|---|--------------------|----------------|----------------|---------------------|
| | General | Special | Debt | Governmental |
| | Fund | Revenue | Service | Funds |
| | | Fund | Fund | |
| REVENUES | | | | |
| Local sources: | | | | |
| Local tax levy | \$ 72,407,436 | | \$ 3,345,178 | \$ 75,752,614 |
| Tuition charges | 1,008,540 | | | 1,008,540 |
| Transportation fees | 199,331 | | | 199,331 |
| Interest earned on investments | 302,779 | | | 302,779 |
| Miscellaneous | 885,539 | \$ 812,281 | | 1,697,820 |
| Total - Local Sources | 74,803,625 | 812,281 | 3,345,178 | 78,961,084 |
| State sources | 25,202,747 | 196,456 | 228,697 | 25,627,900 |
| Federal sources | | 1,871,463 | | 1,871,463 |
| Total Revenues | 100,006,372 | 2,880,200 | 3,573,875 | 106,460,447 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Regular instruction | 24,497,801 | 921,028 | | 25,418,829 |
| Special education instruction | 7,028,087 | 859,321 | | 7,887,408 |
| Other instruction | 2,886,076 | | | 2,886,076 |
| Support services and undistributed costs: | | | | |
| Tuition | 3,259,428 | | | 3,259,428 |
| Attendance/social work | 141,216 | | | 141,216 |
| Health services | 678,949 | | | 678,949 |
| Other support services | 6,225,702 | 766,652 | | 6,992,354 |
| Improvement of instruction | 672,419 | | | 672,419 |
| School library | 806,267 | | | 806,267 |
| Instructional staff training | 520,952 | | | 520,952 |
| General administration services | 840,278 | | | 840,278 |
| School administration services | 2,788,518 | | | 2,788,518 |
| Central services | 945,613 | | | 945,613 |
| Administrative information technology | 938,740 | | | 938,740 |
| Required maintenance of school facilities | 1,934,231 | | | 1,934,231 |
| Custodial services | 4,130,678 | | | 4,130,678 |
| Care and upkeep of grounds | 271,580 | | | 271,580 |
| Security | 619,939 | | | 619,939 |
| Pupil transportation services | 4,656,675 | | | 4,656,675 |
| Unallocated benefits | 12,169,356 | | | 12,169,356 |
| On-behalf TPAF social security, medical, disability and pension contributions | 18,541,878 | | | 18,541,878 |
| Debt service: | | | | |
| Principal | 272,014 | | 2,465,000 | 2,737,014 |
| Interest | 71,165 | | 1,108,875 | 1,180,040 |
| Special schools | 190,613 | | | 190,613 |
| Contribution to charter school | 63,139 | | | 63,139 |
| Capital outlay | 1,055,828 | 297,102 | | 1,352,930 |
| Total Expenditures | 96,207,142 | 2,844,103 | 3,573,875 | 102,625,120 |
| Net change in fund balances | 3,799,230 | 36,097 | - | 3,835,327 |
| Fund Balance—July 1 | 11,909,478 | 621,117 | - | 12,530,595 |
| Fund Balance—June 30 | \$ 15,708,708 | \$ 657,214 | \$ - | \$ 16,365,922 |

The reconciliation of the fund balances of governmental funds to the net position of governmental activities in the statement of activities is presented in an accompanying schedule (B-3).

See accompanying notes to the basic financial statements.

**BOARD OF EDUCATION
SCHOOL DISTRICT OF THE CHATHAMS**
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended June 30, 2024

Total net change in fund balances - governmental funds (from B-2) **\$ 3,835,327**

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

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

| | | | |
|-----------------------------------|----|------------------|-------------|
| Depreciation/amortization expense | \$ | (3,961,648) | |
| Capital additions | | <u>1,295,337</u> | |
| | | | (2,666,311) |

| | |
|---|-----------|
| Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. | 2,465,000 |
|---|-----------|

| | |
|---|---------|
| Repayment of financed purchases and leases are 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. | 385,515 |
|---|---------|

| | |
|--|---------|
| Governmental funds report the effect of premiums and similar items when the debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This represents the following related to the premiums on bonds. | |
| Amortization of premium | 267,799 |

| | |
|---|--------|
| In the statement of activities, certain operating expenses, e.g., compensated absences (vacations and unused sick pay) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation; when the paid amount exceeds the earned amount the difference is an addition in the reconciliation. | 13,341 |
|---|--------|

| | |
|--|--------|
| 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. The difference in accrued interest is an increase in the reconciliation. | 48,895 |
|--|--------|

| | |
|--|-----------|
| Governmental funds report the effect of defeasances and similar items when the debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This represents the following related to the deferred loss of refunding. | |
| Amortization of deferred loss | (154,540) |

| | |
|--|------------------|
| Certain expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. | |
| Pension expense | <u>1,076,877</u> |

| | |
|--|----------------------------|
| Change in net position of governmental activities (A-2) | <u>\$ 5,271,903</u> |
|--|----------------------------|

See accompanying notes to the basic financial statements.

PROPRIETARY FUND

**BOARD OF EDUCATION
SCHOOL DISTRICT OF THE CHATHAMS**

Proprietary Fund
Statement of Net Position
June 30, 2024

| | Major Enterprise Fund Food Service |
|------------------------------------|---|
| ASSETS | |
| Current Assets: | |
| Cash and cash equivalents | \$ 48,210 |
| Accounts receivable: | |
| Other- Students | 18,885 |
| Inventories | 10,060 |
| Total Current Assets | <u>77,155</u> |
| Noncurrent Assets: | |
| Capital assets: | |
| Depreciable: | |
| Furniture, machinery and equipment | 1,089,430 |
| Less accumulated depreciation | <u>(558,164)</u> |
| Total Capital Assets, net | <u>531,266</u> |
| Total Assets | <u>608,421</u> |
| LIABILITIES | |
| Current Liabilities: | |
| Accounts payable | 31,556 |
| Interfund payable | 438,003 |
| Unearned revenue | 60,015 |
| Total Current Liabilities | <u>529,574</u> |
| NET POSITION | |
| Investment in capital assets | 531,266 |
| Unrestricted (deficit) | <u>(452,419)</u> |
| Total Net Position | <u>\$ 78,847</u> |

See accompanying notes to the basic financial statements.

**BOARD OF EDUCATION
SCHOOL DISTRICT OF THE CHATHAMS**

Proprietary Fund

Statement of Revenues, Expenses, and Changes in Fund Net Position
Year Ended June 30, 2024

| | Major Enterprise Fund Food Service |
|--|---|
| Operating Revenues: | |
| Charges for services: | |
| Daily sales - nonreimbursable programs | \$ 1,753,288 |
| Total Operating Revenues | <u>1,753,288</u> |
| Operating Expenses: | |
| Cost of sales - nonreimbursable programs | 896,751 |
| Salaries | 579,809 |
| Employee benefits | 100,214 |
| Other purchased services | 86,723 |
| Management fee | 79,000 |
| Supplies and materials | 87,861 |
| Depreciation | <u>60,371</u> |
| Total Operating Expenses | <u>1,890,729</u> |
| Operating (loss) | <u>(137,441)</u> |
| Nonoperating Revenues: | |
| Federal sources: | |
| Pandemic EBT Admin | <u>653</u> |
| Total Nonoperating Revenues | <u>653</u> |
| Change in Net Position | (136,788) |
| Total Net Position—Beginning | <u>215,635</u> |
| Total Net Position—Ending | <u><u>\$ 78,847</u></u> |

See accompanying notes to the basic financial statements.

**BOARD OF EDUCATION
SCHOOL DISTRICT OF THE CHATHAMS**
Proprietary Fund
Statement of Cash Flows
Year Ended June 30, 2024

**Major Enterprise Fund
Food Service**

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|--|------------------|
| Receipts from customers | \$ 1,766,240 |
| Payments to employees | (579,809) |
| Payments for employee benefits | (100,214) |
| Payments to suppliers | (1,204,114) |
| Net cash (used for) operating activities | <u>(117,897)</u> |

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

| | |
|--|--------------|
| State sources | 234 |
| Federal sources | 4,218 |
| Net cash provided by noncapital financing activities | <u>4,452</u> |

**CASH FLOWS FROM CAPITAL AND RELATED
FINANCING ACTIVITY**

| | |
|--|-----------------|
| Purchase of capital assets | (36,041) |
| Net cash (used for) capital and related financing activity | <u>(36,041)</u> |

| | |
|--|------------------|
| Net (decrease) in cash and cash equivalents | (149,486) |
| Cash and cash equivalents, beginning of year | 197,696 |
| Cash and cash equivalents, end of year | <u>\$ 48,210</u> |

**Reconciliation of operating (loss) to net cash
(used for) operating activities:**

| | |
|---|---------------------|
| Operating (loss) | \$ (137,441) |
| Adjustments to reconcile operating (loss) to net cash (used for) operating activities: | |
| Depreciation | 60,371 |
| Changes in assets and liabilities: | |
| Decrease in inventories | 714 |
| Decrease in other accounts receivable- students | 3,688 |
| Decrease in other accounts receivable- other | 17,111 |
| Decrease in unearned revenue | (7,847) |
| Increase in interfund payable | 58,000 |
| Decrease in accounts payable | (112,493) |
| Total adjustments | <u>19,544</u> |
| Net cash (used for) operating activities | <u>\$ (117,897)</u> |

See accompanying notes to the basic financial statements.

School District of the Chathams

Notes to the Basic Financial Statements

Year ended June 30, 2024

1. Summary of Significant Accounting Policies

The financial statements of the Board of Education ("Board") of the School District of the Chathams ("District") have been prepared in conformity with accounting principles generally accepted in the United States ("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 District's accounting policies are described below.

A. Reporting Entity

The financial reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable, and c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

The District, as the primary government for financial reporting entity purposes, has oversight responsibility and control over all activities related to the School District of the Chathams in Chatham, New Jersey. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

The District has no component units that are required to be included within the reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

B. Government-Wide and Fund Financial Statements

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

School District of the Chathams

Notes to the Basic Financial Statements

Year ended June 30, 2024

1. Summary of Significant Accounting Policies (continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and the major individual proprietary fund are reported as separate columns in the fund financial statements. Except for the interfund service funds, the New Jersey Department of Education requires all funds to be reported as major to promote consistency among the school districts in the State of New Jersey.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pension, financed purchases and leases are recorded only when payment is due.

Property taxes, interest, and state aid associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when the District receives cash.

School District of the Chathams

Notes to the Basic Financial Statements

Year ended June 30, 2024

1. Summary of Significant Accounting Policies (continued)

The District has reported the following major governmental funds:

General Fund: The general fund is the general operating fund of the 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 moveable instructional or non-instructional equipment, which are classified in the capital outlay subfund.

Special Revenue Fund: The District maintains one combined special revenue fund which includes the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes, other than debt service or capital projects.

Debt Service Fund: The debt service fund accounts for and reports the financial resources that are restricted, committed or assigned for the payment of principal and interest on long-term general obligation debt of governmental funds.

The District reports the following major proprietary fund:

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

School District of the Chathams

Notes to the Basic Financial Statements

Year ended June 30, 2024

1. Summary of Significant Accounting Policies (continued)

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

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

The enterprise fund distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise fund are charges for sales of food. Operating expenses for the enterprise fund include the cost of sales, salary expenses, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The District reports unearned revenue on its balance sheets and statements of net position. Unearned revenue arises when resources are received by the District before it has legal claim to them, as when federal assistance is received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheets and statements of net position and revenue is recognized.

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 District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable."

School District of the Chathams

Notes to the Basic Financial Statements

Year ended June 30, 2024

1. Summary of Significant Accounting Policies (continued)

The County Board of Taxation is responsible for the assessment of properties and the Borough and Township Tax Collectors are responsible for collection of taxes. Assessments are certified and taxes are levied on January 1; taxes are due February 1, May 1, August 1 and November 1. Unpaid taxes are considered delinquent the following January 1 and are then subject to lien.

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. Budgets are prepared using the modified accrual basis of accounting and the special revenue fund uses a non-GAAP budget (budgetary basis). 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 referred in N.J.A.C. 6A:23. The District must approve all budget amendments and certain transfers must be approved by the County Superintendent of Schools. The District did make transfers during the year, which are identified on schedules C-1 and C-2. Some of the transfers made were in significant amounts, but all were in the normal course of operations, properly approved and in compliance with State requirements.

The overexpenditures in the general fund is due to the inclusion of the non-budgeted on behalf payments made by the State of New Jersey as District expenditures. These amounts are offset by related revenues and as such do not represent budgetary overexpenditures.

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

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

School District of the Chathams

Notes to the Basic Financial Statements

Year ended June 30, 2024

1. Summary of Significant Accounting Policies (continued)

E. Interfund Receivables/Payables

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

F. Inventories

Inventories, which benefit future periods, other than those recorded in the enterprise fund, are recorded as an expenditure during the year of purchase.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method and the District uses the consumption method for expensing inventory. At June 30, 2024, the District had inventories in the Food Service Enterprise Fund in the amount of \$10,060.

G. Capital Assets

Capital assets, which include land, property, plant and equipment and construction in progress, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of two years.

Such assets are recorded at historical cost or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their acquisition value on the date of acquisition. The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend the assets lives are not capitalized.

Property, plant and equipment of the District is depreciated using the straight line method. The following estimated useful lives are used to compute depreciation:

| | <u>Years</u> |
|--------------------------|--------------|
| Machinery and equipment | 2-20 |
| Right to use - equipment | 3-5 |
| Buildings | 50 |
| Building improvements | 20 |
| Vehicles | 5-10 |

School District of the Chathams
Notes to the Basic Financial Statements

Year ended June 30, 2024

1. Summary of Significant Accounting Policies (continued)

H. 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 assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category, including deferred amounts from the refunding of debt and deferred amounts related to pensions. 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 assets that applies to future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category, deferred amounts related to pensions.

I. Compensated Absences

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after one year of service.

The liability for vested compensated absences of the District is recorded in the government-wide financial statements and includes salary related payments. The liability for vested compensated absences of the proprietary fund type is recorded within that fund as the benefits accrue to employees. As of June 30, 2024, a liability existed for compensated absences in the government-wide financial statements in the amount of \$705,331 and no liability existed for compensated absences in the proprietary fund.

J. Deferred Loss on Refunding of Debt

Deferred loss on refunding arising from the issuance of refunding bonds is recorded as a deferred outflow of resources. It is amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense. The amortization expense for the year ended June 30, 2024 amounted to \$154,540. As of June 30, 2024, the District has an unamortized balance of \$693,268 recorded as a deferred outflow of resources.

School District of the Chathams

Notes to the Basic Financial Statements

Year ended June 30, 2024

1. Summary of Significant Accounting Policies (continued)

K. Unearned Revenue

Unearned revenue in the special revenue fund represents cash received from grants, which has been received but not yet earned. Unearned revenue in the general fund represents cash received for 2024-25 tuition for the District's Inclusion Preschool and full-day kindergarten. Unearned revenue in the enterprise fund consists of student deposits for future food purchases.

L. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

M. Fund Balances

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB 54") established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Under GASB 54, fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five categories, as defined below:

- 1) Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, long-term receivables, and corpus of any permanent funds.
- 2) Restricted - includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- 3) Committed - includes amounts that can be used only for the specific purposes imposed by a formal action of the government's highest level of decision-making authority. The District's highest level of decision-making authority is the Board of Education (the "Board") and formal action is taken by resolution of the Board at publicly held meetings.

School District of the Chathams

Notes to the Basic Financial Statements

Year ended June 30, 2024

1. Summary of Significant Accounting Policies (continued)

Once committed, amounts cannot be used for other purposes unless the Board revises or changes the specified use by taking the same action (resolution) taken to originally commit these funds.

- 4) Assigned – amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Intent is expressed by either the Board or Business Administrator, to whom the Board has delegated the authority to assign amounts to be used for specific purposes, including the encumbering of funds.
- 5) Unassigned - includes all spendable amounts not contained in the other classifications in the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In the 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 both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. For the unrestricted fund balance, the District first spends committed funds, then assigned funds, and finally, unassigned funds.

Of the \$15,708,708 of fund balances in the General Fund, \$1,362,436 has been restricted for current year excess surplus, \$2,755,165 of encumbrances is assigned to other purposes, \$264,831 is prior year excess surplus, \$8,506,466 has been restricted for the capital reserve, \$165,010 has been restricted for emergency reserve, \$336,203 is restricted for unemployment claims and \$2,318,597 is classified as unassigned. Of the \$657,214 fund balance in the Special Revenue Fund, \$609,247 and \$47,967 are restricted for Student Activities and Scholarships, respectively.

N. Net Position

Net position represents the difference between assets, deferred outflows of resources, deferred inflows of resources and liabilities in the Government-wide financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net positions are reported as restricted in the Government-wide and fund financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

School District of the Chathams

Notes to the Basic Financial Statements

Year ended June 30, 2024

1. Summary of Significant Accounting Policies (continued)

O. Management Estimates

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

P. On-Behalf Payments

Revenues and expenditures of the general fund include payments made or reimbursed by the State of New Jersey for social security and post-retirement pension and medical contributions for certified teachers and other members of the New Jersey Teachers Pension and Annuity Fund. Additionally, revenues and expenses related to on-behalf pension contributions in the government-wide financial statements have been decreased by \$8,914,650 to adjust for the full accrual basis expense incurred by the State of New Jersey during the most recent measurement period. The amounts are not required to be included in the District's annual budget.

Q. Calculation of Excess Surplus

The designation for restricted fund balance - excess surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve fund balance of the general fund 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 surplus at June 30, 2024 was \$1,627,267, including \$1,362,436 generated in the 2024 fiscal year.

R. Leases

The District is a lessee for noncancellable leases of equipment. The District recognizes a lease liability and an intangible right-to-use lease asset ("lease asset") in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of \$100,000 or more.

At commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease is amortized on a straight-line basis over its useful life. Key estimates and judgements related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

School District of the Chathams

Notes to the Basic Financial Statements

Year ended June 30, 2024

1. Summary of Significant Accounting Policies (continued)

The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the non-cancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and any purchase option price that the District is reasonably certain to exercise. The District monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the Statement of Net Position.

S. GASB Pronouncements

Recently Issued

The GASB issued Statement No. 101, *Compensated Absences* in June 2022. 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 periods beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. Management has not determined the impact of the Statement on the financial statements.

School District of the Chathams

Notes to the Basic Financial Statements

Year ended June 30, 2024

1. Summary of Significant Accounting Policies (continued)

S. GASB Pronouncements (continued)

The GASB issued Statement No. 102, *Certain Risk Disclosures* in January 2024. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for periods beginning after June 15, 2024, and all reporting periods thereafter. Management has not determined the impact of the Statement on the financial statements.

The GASB issued Statement No. 103, *Financial Reporting Model Improvements* in April 2024. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for periods beginning after June 15, 2025, and all reporting periods thereafter. Management has not determined the impact of the Statement on the financial statements.

The GASB issued Statement No. 104, *Disclosure of Certain Capital Assets* in September 2024. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets including lease assets, intangible right-to-use assets, subscription assets, other intangible assets and assets held for sale. The requirements of this Statement are effective for periods beginning after June 15, 2025, and all reporting periods thereafter. Management has not determined the impact of the Statement on the financial statements.

T. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2024 and January 8, 2025, the date that the financial statements were available for issuance. The effect of those events and transactions that provide additional pertinent information about conditions that existed at the balance sheet and statement of net position date, have been recognized in the accompanying financial statements. The following was identified:

On December 17, 2024, the District issued \$14,505,000 of refunding bonds, Series 2024A to refund \$14,265,000 of its outstanding 2015 series bonds and issued \$12,880,000 of refunding bonds, Series 2024B to refund its remaining outstanding 2005 Series Bonds in the amount of \$12,880,000. The refunding resulted in a gross and net present value savings of \$1,230,967 over the life of the new bonds.

School District of the Chathams

Notes to the Basic Financial Statements

Year ended June 30, 2024

2. Reconciliation of Government-Wide and Fund Financial Statements

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds payable and related unamortized premiums, obligations under financed purchases and leases payable, and compensated absences payable are not due and payable in the current period and therefore are not reported in the funds. The details of this \$33,034,515 difference are as follows:

| | |
|--|----------------------|
| Bonds payable | \$ 27,795,000 |
| Premium on bonds | 1,628,854 |
| Financed purchases payable | 2,763,250 |
| Leases payable | 142,080 |
| Compensated absences payable | <u>705,331</u> |
| Net adjustment to reduce fund balance - total | |
| governmental funds to arrive at net position - governmental activities | <u>\$ 33,034,515</u> |

3. Deposits and Investments

Cash and cash equivalents include petty cash, change funds, amounts on deposit and short-term investments with original maturities of three months or less. Investments are stated at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. The Board classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments and are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act.

School District of the Chathams

Notes to the Basic Financial Statements

Year ended June 30, 2024

3. Deposits and Investments (continued)

Public depositories include savings and loan institutions, banks (both state and national banks) and savings banks, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

Deposits

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

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

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

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

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

School District of the Chathams

Notes to the Basic Financial Statements

Year ended June 30, 2024

3. Deposits and Investments (continued)

Operating cash accounts are held in the District's name Citizens Bank. At June 30, 2024, the carrying amount of the District's deposits was \$11,985,609 and the bank balance was \$13,234,675.

Of the bank balance, \$250,000 of the District's cash deposits on June 30, 2024 was secured by federal depository insurance company. The New Jersey Governmental Unit Deposit Protection Act (GUDPA) covered the bank balance of \$12,675,178. \$309,497 held in the District agency accounts and the funds held with fiscal agents are not covered by GUDPA.

Pursuant to GASB Statement No. 40, *Deposit and Investment Risk Disclosures* ("GASB 40"), the District's operating cash accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the District would not be able to recover the value of its deposits and investments). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name.

The District does not have a policy for the management of custodial credit risk, other than depositing all of its funds in banks covered by GUDPA. At least five percent of the District's deposits were fully collateralized by funds held by the financial institution, but not in the name of the District. Due to the nature of GUDPA, further information is not available regarding the full amount that is collateralized.

Investments

New Jersey statutes permit the District to purchase the following types of securities:

- a. Bonds and other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank, which have a maturity date not greater than twelve months from the date of purchase.
- c. New Jersey Cash Management Fund and New Jersey Asset and Rebate Management Fund.

Custodial Credit Risk: Pursuant to GASB 40, the District did not have any investments that were exposed to custodial credit risk. The District does not have a policy for custodial credit risk.

Credit Risk: The District does not have an investment policy regarding the management of credit risk. GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or investments guaranteed by the U.S. government. The District did not have any investments at June 30, 2024.

School District of the Chathams

Notes to the Basic Financial Statements

Year ended June 30, 2024

3. Deposits and Investments (continued)

Interest Rate Risk: The District does not have a policy to limit interest rate risk.

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

4. Capital Reserve Account

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

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

| | |
|---|--------------------|
| Beginning balance, July 1, 2023 | \$6,755,000 |
| Deposits: | |
| Approved by Board Resolution at the June 2024 Board of Education Meeting | 4,000,000 |
| Interest earned on investments | 150,466 |
| Withdrawal: | |
| Budgeted Withdrawal | (2,400,000) |
| Ending balance, June 30, 2024 | <u>\$8,505,466</u> |

\$3,700,000 of this amount was appropriated in the 2024-25 approved budget. The balance is available for use in a DOE approved facilities project, consistent with the District's Long-Range Facilities Plan (LRFP). The June 30, 2024 balance of local support costs of uncompleted projects was in excess of the amount held in the capital reserve account.

School District of the Chathams

Notes to the Basic Financial Statements

Year ended June 30, 2024

5. Emergency Reserve Account

In the 2019-20 fiscal year, the District established a reserve to be used to accumulate funds for the current expense emergency reserve, and in accordance with N.J.S.A. 18A:7F-41 and N.J.A.C. 6A:23A-14.4(a)(1), passed a board resolution authorizing the establishment of an emergency reserve account in the District's General Fund. The emergency reserve balance is \$165,010 as of June 30, 2024.

6. Capital Assets

The following schedule is a summarization of the governmental activities changes in capital assets for the fiscal year ended June 30, 2024:

| | Beginning Balance | Increases | Reallocation/ Transfers | Ending Balance |
|---|----------------------|-----------------------|----------------------------|----------------------|
| Governmental activities: | | | | |
| Capital assets, not being depreciated/amortized: | | | | |
| Land | \$ 11,616,511 | | | \$ 11,616,511 |
| Construction in progress | 8,556 | \$ 453,242 | \$ (8,556) | 453,242 |
| Total capital assets, not being depreciated/amortized | 11,625,067 | 453,242 | (8,556) | 12,069,753 |
| Capital assets, being depreciated/amortized: | | | | |
| Buildings and building improvements | 107,997,404 | 387,081 | 8,556 | 108,393,041 |
| Land improvements | 9,724,385 | 95,519 | | 9,819,904 |
| Machinery, equipment and vehicles | 7,158,553 | 359,495 | | 7,518,048 |
| Right to use assets - equipment | 466,138 | | | 466,138 |
| Total capital assets being depreciated/amortized | 125,346,480 | 842,095 | 8,556 | 126,197,131 |
| Less accumulated depreciation/amortization for: | | | | |
| Buildings and building improvements | (41,415,924) | (3,063,314) | | (44,479,238) |
| Land improvements | (6,504,552) | (333,051) | | (6,837,603) |
| Machinery, equipment and vehicles | (5,536,613) | (449,347) | | (5,985,960) |
| Right to use assets - equipment | (248,334) | (115,936) | | (364,270) |
| Total accumulated depreciation/amortization | (53,705,423) | (3,961,648) | - | (57,667,071) |
| Total capital assets, being depreciated/amortized, net | 71,641,057 | (3,119,553) | 8,556 | 68,530,060 |
| Governmental activities capital assets, net | \$ 83,266,124 | \$ (2,666,311) | \$ - | \$ 80,599,813 |

School District of the Chathams

Notes to the Basic Financial Statements

Year ended June 30, 2024

6. Capital Assets (continued)

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

| | | |
|--|----|------------------|
| Instruction: | | |
| Regular | \$ | 1,722,139 |
| Special education | | 534,376 |
| Other | | 195,533 |
| Support services: | | |
| Student and instruction related services | | 664,779 |
| School administration services | | 188,924 |
| General and business administration services | | 184,595 |
| Operation and maintenance of plant services | | 471,302 |
| Total depreciation expense – governmental activities | \$ | <u>3,961,648</u> |

The following schedule is a summarization of business-type activity changes in capital assets for the year ended June 30, 2024:

| | Beginning Balance | Increases | Ending Balance |
|---|------------------------------|--------------------|---------------------------|
| Business-type activities: | | | |
| Capital assets, being depreciated: | | | |
| Buildings and building improvements | \$ 409,472 | | \$ 409,472 |
| Machinery, equipment and vehicles | 643,917 | \$ 36,041 | 679,958 |
| Total capital assets being depreciated | 1,053,389 | 36,041 | 1,089,430 |
| Less accumulated depreciation for: | | | |
| Buildings and building improvements | | | |
| Machinery, equipment and vehicles | (78,120) | (24,349) | (102,469) |
| | (419,673) | (36,022) | (455,695) |
| Total accumulated depreciation | (497,793) | (60,371) | (558,164) |
| Business-type activities capital assets, net | <u>\$ 555,596</u> | <u>\$ (24,330)</u> | <u>\$ 531,266</u> |

School District of the Chathams
Notes to the Basic Financial Statements

Year ended June 30, 2024

7. Long-Term Liabilities

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

| | Beginning Balance | Additions | Reductions | Ending Balance | Due within One Year |
|--|----------------------|------------------|----------------------|----------------------|------------------------|
| Governmental Activities: | | | | | |
| Bonds payable | \$ 30,260,000 | | \$(2,465,000) | \$ 27,795,000 | \$ 2,555,000 |
| Premiums on bonds | 1,896,653 | | (267,799) | 1,628,854 | 267,799 |
| Compensated absences payable | 718,672 | | (13,341) | 705,331 | 53,193 |
| Leases and financed purchases | 3,290,845 | | (385,515) | 2,905,330 | 360,282 |
| Subtotal | 36,166,170 | | (3,131,655) | 33,034,515 | 3,236,274 |
| Net pension liability | 10,824,772 | \$ 43,922 | | 10,868,694 | |
| Total governmental activities long-term liabilities | <u>\$ 46,990,942</u> | <u>\$ 43,922</u> | <u>\$(3,131,655)</u> | <u>\$ 43,903,209</u> | <u>\$ 3,236,274</u> |

The compensated absences payable, net pension liability and leases and financed purchases are expected to be paid from general fund appropriations. Bonds payable are expected to be paid from debt service fund appropriations.

Bonds Payable

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

Bonds payable at June 30, 2024 are comprised of the following issues:

\$16,275,000, Series 2014A refunding bonds, due in annual installments ranging from \$490,000 to \$2,695,000 through July 2030 at interest rates ranging from 4.00% to 5.00%. There is no defeased debt still outstanding at June 30, 2024.

\$12,270,000, Series 2014B refunding bonds, due in annual installments ranging from \$1,315,000 to \$1,385,000 through January 2026 at interest rates ranging from 4.00% to 5.00%. There is no defeased debt still outstanding at June 30, 2024.

\$15,864,000, Series 2017 school bonds, due in annual installments ranging from \$605,000 to \$1,200,000 through January 2037 at interest rates ranging from 2.25% to 3.25%.

School District of the Chathams

Notes to the Basic Financial Statements

Year ended June 30, 2024

7. Long-Term Liabilities (continued)

Principal and interest due on all bonds outstanding is as follows:

| Fiscal year ending June 30, | Principal | Interest | Total |
|------------------------------------|----------------------|---------------------|----------------------|
| 2025 | \$ 2,555,000 | \$ 1,007,375 | \$ 3,562,375 |
| 2026 | 2,650,000 | 899,625 | 3,549,625 |
| 2027 | 2,865,000 | 763,650 | 3,628,650 |
| 2028 | 2,965,000 | 653,100 | 3,618,100 |
| 2029 | 3,075,000 | 538,350 | 3,613,350 |
| 2030-2034 | 10,085,000 | 1,277,100 | 11,362,100 |
| 2035-2037 | 3,600,000 | 232,500 | 3,832,500 |
| | <u>\$ 27,795,000</u> | <u>\$ 5,371,700</u> | <u>\$ 33,166,700</u> |

The above general obligation bonds are direct borrowings of the District for which its full faith and credit are pledged and are payable from taxes levied on all taxable real property within the District.

Financed Purchases Payable

The District has financed purchases outstanding for an Energy Savings Improvement Plan lease which has an interest rate of 2.40%. The following is a schedule of the future minimum payments under the financed purchases and the present value of the net future minimum lease payments as of June 30, 2024:

| Fiscal year ending June 30, | Amount |
|--|---------------------|
| 2025 | \$ 351,462 |
| 2026 | 359,934 |
| 2027 | 368,600 |
| 2028 | 377,463 |
| 2029 | 386,528 |
| 2030-2032 | <u>1,216,066</u> |
| Total minimum payment | 3,060,053 |
| Less: amount representing interest | <u>(296,803)</u> |
| Present value of net future minimum payments | <u>\$ 2,763,250</u> |

Capital assets paid for with proceeds from the financed purchases totaled \$5,011,352, with accumulated depreciation of \$1,915,598 of June 30, 2024.

School District of the Chathams

Notes to the Basic Financial Statements

Year ended June 30, 2024

8. Leases Payable

The District has commitments to lease copiers, mail equipment and other equipment under leases which expire in the 2027 fiscal year. Principal lease payments made during the year ended June 30, 2024 were \$113,501. Future lease payments are as follows:

| | Principal | Interest | Total |
|-----------------------------|-------------------|-----------------|-------------------|
| Fiscal year ending June 30, | | | |
| 2025 | \$ 73,373 | \$ 3,778 | \$ 77,151 |
| 2026 | 55,177 | 1,623 | 56,800 |
| 2027 | 13,530 | 138 | 13,668 |
| | <u>\$ 142,080</u> | <u>\$ 5,539</u> | <u>\$ 147,619</u> |

9. Pension Plans

Plan Descriptions

Substantially all of the District's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Teachers' Pension and Annuity Fund Retirement System is considered a cost-sharing multiple-employer plan, with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. The Public Employees' Retirement System is considered a cost-sharing multiple-employer plan. District employees employed by the Enterprise Funds are not eligible for pension benefits. Employees in the Food Service Enterprise Fund are employees of the Food Service Management Company and therefore not eligible for pension benefits. Employees of the remaining Enterprise Funds are either part-time or stipend employees and are therefore not eligible for pension benefits.

Teachers' Pension and Annuity Fund

The Teachers' Pension and Annuity Fund was established in January 1955 under the provisions of N.J.S.A. 18A:66 to provide coverage, including post-retirement health care, to substantially all full-time public-school employees in the State. Members are fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on contributions. In the case of death before retirement, members beneficiaries are entitled to full interest credited to the members accounts.

School District of the Chathams

Notes to the Basic Financial Statements

Year ended June 30, 2024

9. Pension Plans (continued)

Service retirement benefits of $1/55^{\text{th}}$ of final average salary for each year of service credit is available to Tier 1 and 2 members upon reaching the age of 60 and to tier 3 members upon reaching age 62. Service retirement benefits of $1/60^{\text{th}}$ of final average salary for each year of service credit is available to Tier 4 members upon reaching the age of 62 and Tier 5 members upon reaching the age of 65. Early retirement benefits are available to Tier 1 and 2 members with 25 years or more of service credit before reaching age 60, Tier 3 and 4 members with 25 years or more of service credit before age 62 and Tier 5 with 30 years or more of service credit before age 65. Benefits are reduced by a fraction of a percent 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. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Public Employees' Retirement System

The Public Employees' Retirement System (PERS) was established in January 1955 and the contribution policy is set by the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full-time employees of the State of New Jersey or any county, municipality, school Board or public agency, provided the employee is not a member of another State-administered retirement system or other state pension fund or local jurisdiction's pension fund. Pursuant to the provisions of P.L. 2022, C.78, the member contribution rate was 7.5% in State fiscal year 2023.

Members are classified into one of five tiers dependent upon the date of their enrollment. Service retirement benefits of $1/55^{\text{th}}$ of final average salary for each year of service credit is available to Tier 1 and 2 members upon reaching the age of 60 and to tier 3 members upon reaching age 62. Service retirement benefits of $1/60^{\text{th}}$ of final average salary for each year of service credit is available to Tier 4 members upon reaching the age of 62 and Tier 5 members upon reaching the age of 65. Early retirement benefits are available to Tier 1 and 2 members with 25 years or more of service credit before reaching age 60, Tier 3 and 4 members with 25 years or more of service credit before age 62 and Tier 5 with 30 years or more of service credit before age 65. Benefits are reduced by a fraction of a percent 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. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issued publicly available financial reports that include the financial statements and required supplementary information for TPAF and PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

School District of the Chathams

Notes to the Basic Financial Statements

Year ended June 30, 2024

9. Pension Plans (continued)

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing members. Plan member and employer contributions may be amended by State of New Jersey legislation. Employee contribution rates for TPAF and PERS are 7.5% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate in both the TPAF and PERS. The actuarially determined contribution includes funding for noncontributory death benefits and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

During the year ended June 30, 2024, the State of New Jersey contributed \$16,035,746 to the TPAF for on-behalf medical, disability insurance and pension contributions on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$2,506,132 during the year ended June 30, 2024 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the government-wide and fund financial statements.

The District's actuarially determined contributions to PERS for each of the years ended June 30, 2024, 2023, and 2022 were \$1,002,896, \$904,527, and \$848,800, respectively, equal to the required contributions for each year.

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 PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For the purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

Public Employees' Retirement System (PERS)

At June 30, 2024, the District reported a liability of \$10,868,694 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 July 1, 2022, which was rolled forward to June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2023, the District's proportion was 0.0750373771 percent, which was an increase of 0.0033091809 percent from its proportion measured as of June 30, 2022.

School District of the Chathams

Notes to the Basic Financial Statements

Year ended June 30, 2024

9. Pension Plans (continued)

For the year ended June 30, 2024, the District recognized full accrual pension expense of \$1,002,896 in the government-wide financial statements. At June 30, 2024, the District reported deferred outflows of resources and a deferred inflows of resources related to PERS from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|--|
| Difference between expected and actual experience | \$ 103,919 | \$ 44,428 |
| Changes of assumptions | 23,876 | 658,689 |
| Net difference between projected and actual earnings on pension plan investments | 50,052 | |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 517,667 | 188,008 |
| District contributions subsequent to the measurement date | 966,671 | |
| | <u>\$ 1,662,185</u> | <u>\$ 891,125</u> |

\$966,671 is reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| | |
|----------------------------|---------------------|
| Year ended June 30: | |
| 2025 | \$ (455,851) |
| 2026 | (211,281) |
| 2027 | 420,146 |
| 2028 | 48,994 |
| 2029 | 2,381 |
| | <u>\$ (195,611)</u> |

School District of the Chathams

Notes to the Basic Financial Statements

Year ended June 30, 2024

9. Pension Plans (continued)

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:

| | |
|---------------------------|--------------------------------------|
| Inflation rate: | |
| Price | 2.75% |
| Wage | 3.25% |
| Salary increases: | |
| Through 2026 | 2.75-6.55% based on years of service |
| Investment rate of return | 7.00% |

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.

Mortality Rates

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.

Long-Term 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 expecting future real rates of return by the target asset allocation percentage and by adding expected inflation.

School District of the Chathams

Notes to the Basic Financial Statements

Year ended June 30, 2024

9. Pension Plans (continued)

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:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|-----------------------------------|------------------------------|---|
| U.S. 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% |
| | <u>100.00%</u> | |

Discount Rate

The discount rate used to measure the 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 the non-employer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the District's proportionate share of the net pension liability as of June 30, 2023, calculated using the discount rate as disclosed above as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate

School District of the Chathams

Notes to the Basic Financial Statements

Year ended June 30, 2024

9. Pension Plans (continued)

that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

| | At 1% Decrease (6.00%) | At Current Discount Rate (7.00%) | At 1% Increase (8.00%) |
|--|------------------------------|--|------------------------------|
| District's proportionate share of the net pension liability | \$ 14,148,727 | \$ 10,868,694 | \$ 8,076,952 |

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for the State of New Jersey Public Employees Retirement System.

Additional Information

Collective balances of the Local Group at June 30, 2023 are as follows:

| | |
|---|------------------|
| Deferred outflows of resources | \$ 1,080,204,730 |
| Deferred inflows of resources | 1,780,216,457 |
| Net pension liability | 14,606,489,066 |
| State's proportionate share associated with the District | 0.0750373771% |

Collective pension benefit for the Local Group for the measurement period ended June 30, 2023 is \$79,181,803.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2023, 2022, 2021, 2020, 2019, and 2018 is 5.08, 5.04, 5.13, 5.16, 5.21, and 5.63, respectively.

Special Funding Situation

A special funding situation exists for certain Local employers of the PERS. The State of New Jersey, a non-employer, is required to pay the additional costs incurred by local employers under Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The June 30, 2023 State special funding situation net pension liability amount of \$122.1 million is the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The special funding situation for Chapter 133, P.L.

School District of the Chathams

Notes to the Basic Financial Statements

Year ended June 30, 2024

9. Pension Plans (continued)

2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). AS of June 30, 2023, there was no net pension liability associated with this special funding situation there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation pension expense of \$55.7 million, for the fiscal year ending June 30, 2023, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2023. The pension expense is deemed to be a State administrative expense due to the special funding situation.

Teachers Pensions and Annuity Fund (TPAF) – Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

The State's proportionate share of the TPAF net pension liability associated with the District as of June 30, 2023 was \$150,042,489. The District's proportionate share was \$0.

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, which was rolled forward to June 30, 2023. The State's proportionate share of the net pension liability associated with the District was based on a projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2023, the State's proportionate share of the TPAF net pension liability associated with the District was 0.2940126203 percent, which was a decrease of 0.0025472033 percent from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the District recognized on-behalf pension expense and revenue in the government-wide financial statements of \$3,686,107 for contributions incurred by the State.

School District of the Chathams

Notes to the Basic Financial Statements

Year ended June 30, 2024

9. Pension Plans (continued)

Actuarial assumptions

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

| | |
|---------------------------|---------------------------|
| Inflation rate: | |
| Price | 2.75% |
| Wage | 3.25% |
| Salary increases: | 2.75-4.25% |
| | based on years of service |
| Investment rate of return | 7.00% |

Mortality Rates

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

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

School District of the Chathams

Notes to the Basic Financial Statements

Year ended June 30, 2024

9. Pension Plans (continued)

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 |
|-----------------------------------|--------------------------|---|
| U.S. 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% |
| | <u>100.00%</u> | |

Discount Rate

The discount rate used to measure the 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 will be made based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments determining the total pension liability.

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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2023 calculated using the discount rate as disclosed above as well as what the State's proportionate share of the net pension liability associated with the District would

School District of the Chathams

Notes to the Basic Financial Statements

Year ended June 30, 2024

9. Pension Plans (continued)

be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

| | At 1% Decrease (6.00%) | At Current Discount Rate (7.00%) | At 1% Increase (8.00%) |
|---|------------------------------|--|---------------------------|
| State's proportionate share of the net pension liability associated with the District | \$ 176,927,322 | \$ 150,042,489 | \$ 127,399,070 |

Pension plan fiduciary net position

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

Collective balances of the Local Group at June 30, 2023 are as follows:

| | |
|--|------------------|
| Deferred outflows of resources | \$ 2,498,730,891 |
| Deferred inflows of resources | 14,719,080,314 |
| Net pension liability | 51,109,961,824 |
| State's proportionate share associated with the District | 0.2940126203% |

Additional Information

Collective pension benefit-Local Group for the plan for the measurement period ended June 30, 2023 is \$1,292,291,943. The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2023, 2022, 2021, 2020, 2019, 2018, and 2017 is 5.08, 5.04, 5.13, 5.16, 5.21, 5.63, and 5.48 years, respectively.

10. Post-Retirement Benefits

General Information about the OPEB Plan

State Health Benefit State Retired Employees Plan:

For Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2023, the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial

School District of the Chathams

Notes to the Basic Financial Statements

Year ended June 30, 2024

10. Post-Retirement Benefits (continued)

funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability.

The State's share of the net pension liability, based on a measurement date of June 30, 2022 which is required to be recorded on the financial statements, is \$75.1 billion. The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contribution. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds the post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State's contribution to fund increases in prescription drugs and medical claims costs.

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

Total OPEB Liability

The Nonemployer OPEB liability from the State of New Jersey's plan is \$52,361,668,239.

School District of the Chathams

Notes to the Basic Financial Statements

Year ended June 30, 2024

10. Post-Retirement Benefits (continued)

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective OPEB liability on the Statement of Net Position. The State's proportionate share of the OPEB liability associated with the District as of June 30, 2023 was \$115,976,871. Additional information can be obtained from the State of New Jersey's annual comprehensive financial report.

Actuarial assumptions and other inputs

The total non-employer OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

| | <u>TPA/ABP</u> | <u>PERS</u> |
|-------------------|---------------------------|---------------------------|
| Inflation rate | 2.75% | 2.75% |
| Salary Increases: | | |
| | 2.75 - 4.25% | 2.75 - 6.55% |
| | based on years of service | based on years of service |

Mortality Rates

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

School District of the Chathams

Notes to the Basic Financial Statements

Year ended June 30, 2024

10. Post-Retirement Benefits (continued)

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of the actual experience studies for July 1, 2018 to June 30, 2021. 100% of active members are considered to participate in the Plan upon retirement.

Discount Rate

The discount rate for June 30, 2023 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.

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 was (1.99%) in fiscal year 2023, increasing to 13.80% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially (3.54%) in fiscal year 2023, increasing to 17.40% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

The following represents sensitivity of total non-employer OPEB liability to changes in the discount rate and health care cost rate

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2024 calculated using a discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1-percentage-point lower (2.65%) or 1-percentage-point higher (4.65%) than the current rate:

| | At 1% Decrease (2.65%) | At Current Discount Rate (3.65%) | At 1% Increase (4.65%) |
|--|------------------------------|--|------------------------------|
| Net OPEB Liability (allocable to the District and the responsibility of the State) | \$ 135,962,971 | \$ 115,976,871 | \$ 99,930,353 |

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2023 calculated using a healthcare cost trend rate as disclosed above as well as what the total

School District of the Chathams

Notes to the Basic Financial Statements

Year ended June 30, 2024

10. Post-Retirement Benefits (continued)

non-employer 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 healthcare cost trend rate:

| | At 1% Decrease | At Healthcare Cost Trend Rate | At 1% Increase |
|--|---------------------------|--|---------------------------|
| Net OPEB Liability (allocable to the District and the responsibility of the State) | \$ 96,278,683 | \$ 115,976,871 | \$ 141,752,000 |

Changes in the Total Non-employer OPEB Liability

Below represents the changes in the District's total OPEB liability for the year ended June 30, 2023:

| | Total OPEB Liability |
|---|---------------------------------|
| Beginning Total OPEB Liability, June 30, 2022 | \$ 113,198,746 |
| Changes for the year: | |
| Service cost | 5,406,514 |
| Interest | 4,084,564 |
| Differences between expected and actual experiences | (3,867,404) |
| Changes in assumptions or other inputs | 233,762 |
| Members contributions | 104,673 |
| Benefit payments | (3,183,984) |
| Net Changes | 2,778,125 |
| Ending Total OPEB Liability, June 30, 2023 | <u>\$ 115,976,871</u> |

Employees covered by benefit terms

The following employees were covered by the benefit terms:

| Local Education Group | June 30, 2023 |
|---|----------------------|
| Active plan members | 217,212 |
| Inactive plan members or beneficiaries currently receiving benefits | 152,383 |
| Inactive plan members or beneficiaries entitled to but not yet receiving benefits | - |
| Total plan members | <u>369,595</u> |

School District of the Chathams

Notes to the Basic Financial Statements

Year ended June 30, 2024

10. Post-Retirement Benefits (continued)

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

For the year ended June 30, 2024, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$4,198,508 for OPEB expenses incurred by the State. Collective balances of the Local Education Group at June 30, 2023 are as follows:

| | |
|--------------------------------|-------------------|
| Deferred outflows of resources | \$ 17,347,811,894 |
| Deferred inflows of resources | 30,503,688,706 |
| Collective OPEB expense | 1,369,124,126 |
| District's proportion | 0.2214919327% |

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State, therefore, the District records an expense and corresponding revenue for its respective share of total OPEB expense and revenue attributable to the State of New Jersey.

11. Interfund Receivables and Payables

The total interfund accounts receivable and payable for the District as of June 30, 2024 is as follows:

| Fund | Interfund Receivable | Interfund Payable |
|------------------------------|---------------------------------|------------------------------|
| General Fund | \$ 542,196 | |
| Special Revenue Fund | | \$ 104,193 |
| Food Service Enterprise Fund | | 438,003 |
| | <u>\$ 542,196</u> | <u>\$ 542,196</u> |

The interfund between the food service enterprise fund, special revenue fund, and the general fund represents funds that were loaned by the general fund and the special revenue fund to the food service enterprise fund to meet current obligations. All interfund balances are expected to be repaid within one year.

12. Economic Dependency

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

School District of the Chathams

Notes to the Basic Financial Statements

Year ended June 30, 2024

13. Contingent Liabilities

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2024 may be impaired. As a result of the impact of COVID-19, the District has received funding under the Elementary and Secondary School Emergency Relief (ESSER) Fund and American Rescue Plan Elementary and Secondary School Emergency Relief Funds (ARP ESSER). To the extent that the District has not complied with the rules and regulations governing the ESSER, money may be required to be returned. In the opinion of the District's management, there are no significant contingent liabilities relating to compliance with rules and regulations or final eligible cost requirements governing the respective grant or funding; therefore, no provisions have been recorded in the accompanying basic financial statements for such contingencies.

The District is involved in several other claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the District.

14. Risk Management

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

Property, Liability and Health Benefits

The District maintains commercial insurance coverage for property, liability, health, student accident and surety bonds and does not retain risk of loss. A complete schedule of insurance coverage can be found in the statistical section of this Annual Comprehensive Financial Report.

There have been no significant reductions in insurance coverage from the prior year and no settlements have exceeded insurance coverages over the past three years.

New Jersey Unemployment Compensation Insurance

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

School District of the Chathams

Notes to the Basic Financial Statements

Year ended June 30, 2024

15. Deferred Compensation Plans

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

The plan administrators are as follows:

AIG Valic
AXA Equitable
Citistreet Metro TSA
FRJ Fund Choice

The Vanguard Group
Matrix Financial Group, Inc.
Metropolitan Life Insurance Co.
Prudential Annuities

16. Commitments

The District had contractual commitments on June 30, 2024 to various vendors, which are recorded in the general fund as fund balance assigned to other purposes in the amount of \$2,755,165.

17. Tax Abatements

As defined by the 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. 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 provision 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.

Neither the Chatham Township nor the Borough of Chatham have entered into any long-term tax exemptions as of June 30, 2024, therefore there are no tax abatements that effect the District as of June 30, 2024.

School District of the Chathams

Notes to the Basic Financial Statements

Year ended June 30, 2024

18. Net Position – Net Investment in Capital Assets

Net investment in capital assets, Governmental Activities, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. The net investment in capital assets of \$48,963,897 indicated as part of the Governmental Activities net position is calculated as follows:

| | |
|---|----------------------|
| Capital assets, net of depreciation | \$ 80,599,813 |
| Bonds payable (used to build or acquire capital assets) | (27,795,000) |
| Premium on bonds | (1,628,854) |
| Financed purchases and leases payable | (2,905,330) |
| Deferred loss on refunding of debt | 693,268 |
| Total net investment in capital assets | <u>\$ 48,963,897</u> |

19. Deficit Net Position

The District has an unrestricted deficit net position of \$452,419 in the Food Service Enterprise fund at June 30, 2024 as reported in the fund financial statements (modified accrual basis). The deficit amount listed above represents a deficit that were incurred as a direct result of the operations.

Required Supplementary Information - Part II

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

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| District's proportion of the net pension liability (asset) - Local Group | 0.0702593563% | 0.0698980772% | 0.0731285958% | 0.0738272905% | 0.0731279700% | 0.0720162522% | 0.0734921451% | 0.0724778619% | 0.0717281962% | 0.0750373771% |
| District's proportionate share of the net pension liability (asset) | \$ 13,154,473 | \$ 15,690,718 | \$ 21,658,593 | \$ 17,185,813 | \$ 14,398,532 | \$ 12,976,236 | \$ 11,984,647 | \$ 8,586,089 | \$ 10,824,772 | \$ 10,868,694 |
| District's covered payroll | \$ 4,802,530 | \$ 4,858,775 | \$ 4,938,645 | \$ 5,019,368 | \$ 5,096,528 | \$ 5,051,812 | \$ 5,143,545 | \$ 5,235,438 | \$ 5,292,806 | \$ 5,535,129 |
| District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 273.91% | 322.94% | 438.55% | 342.39% | 282.52% | 256.86% | 233.00% | 164.00% | 204.52% | 196.36% |
| Plan fiduciary net position as a percentage of the total pension liability - Local Group | 52.08% | 47.93% | 40.14% | 48.10% | 53.60% | 56.27% | 58.32% | 70.33% | 62.91% | 65.23% |

N/A - Information not available

Note to Required Supplementary Information:

Benefit Changes

There were none.

Changes of Assumptions

There were none.

School District of the Chathams
Schedule of District Pension Contributions
Public Employees' Retirement System
Required Supplementary Information
Last Ten Fiscal Years

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Contractually required contribution | \$ 600,936 | \$ 622,819 | \$ 649,664 | \$ 683,931 | \$ 727,387 | \$ 700,510 | \$ 803,968 | \$ 848,800 | \$ 904,527 | \$ 1,002,896 |
| Contributions in relation to the contractually required contribution | (600,936) | (622,819) | (649,664) | (683,931) | (727,387) | (700,510) | (803,968) | (848,800) | (904,527) | (1,002,896) |
| 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 payroll | \$ 4,858,775 | \$ 4,938,645 | \$ 5,019,368 | \$ 5,096,528 | \$ 5,051,812 | \$ 5,143,545 | \$ 5,235,438 | \$ 5,292,806 | \$ 5,535,129 | \$ 5,610,466 |
| Contributions as a percentage of covered payroll | 12.37% | 12.61% | 12.94% | 13.42% | 14.40% | 13.62% | 15.36% | 16.04% | 16.34% | 17.88% |

* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

School District of the Chathams
Schedule of the State's Proportionate Share of the Net Pension Liability Associated With the District
Teachers' Pension and Annuity Fund
Required Supplementary Information
Last Ten Fiscal Years*

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| State's proportion of the net pension liability (asset) associated with the District - Local Group | 0.2660515944% | 0.2698905323% | 0.2799799553% | 0.2800400222% | 0.2801849358% | 0.2870124666% | 0.2871559156% | 0.2923866975% | 0.2965598236% | 0.2940126203% |
| District's proportionate share of the net pension liability (asset) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| State's proportionate share of the net pension liability (asset) associated with the District | \$ 142,195,918 | \$ 170,582,342 | \$ 220,250,059 | \$ 188,813,081 | \$ 178,254,000 | \$ 176,142,260 | \$ 189,088,715 | \$ 140,565,456 | \$ 153,008,308 | \$ 150,042,489 |
| Total proportionate share of the net pension liability (asset) associated with the District | <u>\$ 142,195,918</u> | <u>\$ 170,582,342</u> | <u>\$ 220,250,059</u> | <u>\$ 188,813,081</u> | <u>\$ 178,254,000</u> | <u>\$ 176,142,260</u> | <u>\$ 189,088,715</u> | <u>\$ 140,565,456</u> | <u>\$ 153,008,308</u> | <u>\$ 150,042,489</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 33.64% | 28.71% | 22.33% | 25.41% | 26.49% | 26.95% | 24.60% | 35.52% | 47.68% | 53.08% |

* This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, governments should present information for those years for which information is available.

Covered payroll information is not presented since the Teachers' Pension and Annuity Fund is a special funding situation in which the District does not make contributions to this plan.

Note to Required Supplementary Information:

Benefit Changes

There were none.

Changes of Assumptions

There were none.

School District of the Chathams
Schedule of the State's Proportionate Share of the Net OPEB Liability
and Changes in the Total OPEB Liability and Related Ratios
Public Employees' Retirement System and Teachers' Pension and Annuity Fund
Required Supplementary Information
Last Ten Fiscal Years*

| | 2024 | 2023 | 2022 | 2021 | Year Ended June 30, 2020 | 2019 | 2018 | 2017 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------------|----------------------|-----------------------|-----------------------|
| State's proportion of the net OPEB liability (asset) associated with the District - Local Group | 0.22% | 0.22% | 0.22% | 0.22% | 0.22% | 0.22% | 0.21% | 0.21% |
| District's proportionate share of the net OPEB liability (asset) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| State's proportionate share of the net OPEB liability (asset) associated with the District | \$ 115,976,871 | \$ 113,198,746 | \$ 136,179,824 | \$ 152,962,549 | \$ 93,051,128 | \$ 99,785,017 | \$ 114,424,478 | \$ 123,473,414 |
| Total proportionate share of the net OPEB liability (asset) associated with the District | <u>\$ 115,976,871</u> | <u>\$ 113,198,746</u> | <u>\$ 136,179,824</u> | <u>\$ 152,962,549</u> | <u>\$ 93,051,128</u> | <u>\$ 99,785,017</u> | <u>\$ 114,424,478</u> | <u>\$ 123,473,414</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% | 0.00% |
| Total OPEB Liability | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017** |
| Service cost | \$ 5,406,514 | \$ 7,005,937 | \$ 8,091,340 | \$ 4,462,316 | \$ 4,116,979 | \$ 4,638,708 | \$ 5,603,912 | |
| Interest cost | 4,084,564 | 2,999,892 | 3,532,648 | 3,368,170 | 3,967,884 | 4,216,757 | 3,642,583 | |
| Change in Benefit Terms | - | - | (144,947) | | | | | |
| Differences between expected and actual experience | (3,867,404) | 255,828 | (25,703,694) | 26,722,171 | (13,434,430) | (9,468,097) | | |
| Changes of assumptions | 233,762 | (30,366,580) | 134,352 | 27,941,002 | 1,387,399 | (11,450,831) | (15,742,708) | |
| Member contributions | 104,673 | 95,327 | 90,313 | 80,714 | 84,671 | 92,218 | 97,591 | |
| Gross benefits payments | (3,183,984) | (2,971,482) | (2,782,737) | (2,662,952) | (2,856,392) | (2,668,216) | (2,650,315) | |
| Net change in OPEB liability | 2,778,125 | (22,981,078) | (16,782,725) | 59,911,421 | (6,733,889) | (14,639,461) | (9,048,937) | |
| Total OPEB liability - beginning | 113,198,746 | 136,179,824 | 152,962,549 | 93,051,128 | 99,785,017 | 114,424,476 | 123,473,414 | |
| Total OPEB liability - ending | <u>\$ 115,976,871</u> | <u>\$ 113,198,746</u> | <u>\$ 136,179,824</u> | <u>\$ 152,962,549</u> | <u>\$ 93,051,128</u> | <u>\$ 99,785,017</u> | <u>\$ 114,424,477</u> | |
| Covered-employee payroll | <u>\$ 41,568,079</u> | <u>\$ 40,772,743</u> | <u>\$ 38,325,263</u> | <u>\$ 38,325,263</u> | <u>\$ 37,027,432</u> | <u>\$ 35,749,432</u> | <u>\$ 35,065,841</u> | |
| Total OPEB liability as a percentage of covered-employee payroll | <u>279.00%</u> | <u>277.63%</u> | <u>355.33%</u> | <u>399.12%</u> | <u>251.30%</u> | <u>279.12%</u> | <u>326.31%</u> | |

* This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, governments should present information for those years for which information is available.

** information not available

Note to Required Supplementary Information:

Benefit Changes

There were none.

Changes of Assumptions

There were none.

Required Supplementary Information - Part III
Budgetary Comparison

**BOARD OF EDUCATION
SCHOOL DISTRICT OF THE CHATHAMS
Budgetary Comparison Schedule
(Budgetary Basis)
General Fund
Year Ended June 30, 2024**

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|---|----------------------------|-----------------------------|-------------------------|--------------------|---|
| REVENUES: | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | \$ 70,657,436 | \$ 1,750,000 | \$ 72,407,436 | \$ 72,407,436 | |
| Tuition | 671,100 | | 671,100 | 1,008,540 | \$ 337,440 |
| Transportation Fees | 130,000 | | 130,000 | 199,331 | 69,331 |
| Interest Earned on Investments | 45,000 | | 45,000 | 152,313 | 107,313 |
| Interest Earned on Capital Reserve Account | | | | 150,466 | 150,466 |
| Miscellaneous | 280,000 | | 280,000 | 885,539 | 605,539 |
| Total - Local Sources | <u>71,783,536</u> | <u>1,750,000</u> | <u>73,533,536</u> | <u>74,803,625</u> | <u>1,270,089</u> |
| State Sources: | | | | | |
| Categorical Special Education Aid | 3,772,807 | | 3,772,807 | 3,772,807 | |
| Transportation Aid | 723,961 | | 723,961 | 723,961 | |
| Security Aid | 283,994 | | 283,994 | 283,994 | |
| Extraordinary Aid | 700,000 | | 700,000 | 1,791,228 | 1,091,228 |
| On-behalf Teachers' Pension and Annuity Fund | | | | 12,600,757 | 12,600,757 |
| On-Behalf Teachers' Pension and Annuity Fund - Post Retirement Medical | | | | 3,429,465 | 3,429,465 |
| On-Behalf Teachers' Pension and Annuity Fund - Non-contributory Insurance | | | | 5,524 | 5,524 |
| Reimbursed TPAF Social Security Contribution | | | | 2,506,132 | 2,506,132 |
| Additional Non-Public Transportation Aid | | | | 137,595 | 137,595 |
| Total State Sources | <u>5,480,762</u> | | <u>5,480,762</u> | <u>25,251,463</u> | <u>19,770,701</u> |
| Total Revenues | <u>77,264,298</u> | <u>1,750,000</u> | <u>79,014,298</u> | <u>100,055,088</u> | <u>21,040,790</u> |
| EXPENDITURES: | | | | | |
| Current Expense: | | | | | |
| Regular Programs - Instruction | | | | | |
| Kindergarten - Salaries of Teachers | 614,095 | 20,303 | 634,398 | 634,398 | |
| Grades 1-5 - Salaries of Teachers | 7,085,724 | 263,688 | 7,349,412 | 7,333,921 | 15,491 |
| Grades 6-8 - Salaries of Teachers | 5,873,929 | (218,592) | 5,655,337 | 5,647,953 | 7,384 |
| Grades 9-12 - Salaries of Teachers | 8,359,284 | 198,687 | 8,557,971 | 8,557,154 | 817 |
| Regular Programs - Home Instruction | | | | | |
| Salaries of Teachers | 40,000 | 14,948 | 54,948 | 54,948 | |
| Purchased Professional-Educational Services | 30,000 | 60,470 | 90,470 | 82,601 | 7,869 |
| Other Purchased Services | 500 | | 500 | | 500 |
| General Supplies | 500 | | 500 | | 500 |
| Regular Programs - Undistributed Instruction | | | | | |
| Other Salaries for Instruction | 178,330 | 643,270 | 821,600 | 421,651 | 399,949 |
| Purchased Professional-Educational Services | 10,750 | | 10,750 | 116 | 10,634 |
| Cleaning, Repair and Maintenance Services | 8,325 | 31,195 | 39,520 | 25,147 | 14,373 |
| Rentals | 7,400 | 246,270 | 253,670 | 250,149 | 3,521 |
| Other Purchased Services | 9,250 | 192,649 | 201,899 | 157,525 | 44,374 |
| Travel | 925 | | 925 | 855 | 70 |
| General Supplies | 1,903,505 | (532,085) | 1,371,420 | 1,247,796 | 123,624 |
| Textbooks | 82,014 | (6,590) | 75,424 | 63,119 | 12,305 |
| Other Objects | 36,795 | 16,031 | 52,826 | 20,468 | 32,358 |
| TOTAL REGULAR PROGRAMS - INSTRUCTION | <u>24,241,326</u> | <u>930,244</u> | <u>25,171,570</u> | <u>24,497,801</u> | <u>673,769</u> |
| Learning and/or Language Disabilities | | | | | |
| Other Salaries for Instruction | 38,174 | 112 | 38,286 | 37,997 | 289 |
| General Supplies | 2,000 | (235) | 1,765 | 1,532 | 233 |
| Total Learning and/or Language Disabilities | <u>40,174</u> | <u>(123)</u> | <u>40,051</u> | <u>39,529</u> | <u>522</u> |
| Visual Impairments | | | | | |
| Purchased Professional-Educational Services | 6,900 | | 6,900 | 6,600 | 300 |
| Total Visual Impairments | <u>6,900</u> | | <u>6,900</u> | <u>6,600</u> | <u>300</u> |

**BOARD OF EDUCATION
SCHOOL DISTRICT OF THE CHATHAMS
Budgetary Comparison Schedule
(Budgetary Basis)
General Fund
Year Ended June 30, 2024**

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|--|----------------------------|-----------------------------|-------------------------|-------------------|---|
| Emotional Regulation Impairment | | | | | |
| Salaries of Teachers | \$ 82,755 | \$ 1,810 | \$ 84,565 | \$ 84,565 | |
| Other Salaries for Instruction | 16,398 | (16,186) | 212 | | \$ 212 |
| Total Emotional Regulation Impairment | <u>99,153</u> | <u>(14,376)</u> | <u>84,777</u> | <u>84,565</u> | <u>212</u> |
| Multiple Disabilities | | | | | |
| Salaries of Teachers | 366,264 | (105,914) | 260,350 | 260,350 | |
| Other Salaries for Instruction | 209,475 | 33,731 | 243,206 | 241,503 | 1,703 |
| General Supplies | 6,743 | (2,700) | 4,043 | 3,207 | 836 |
| Total Multiple Disabilities | <u>582,482</u> | <u>(74,883)</u> | <u>507,599</u> | <u>505,060</u> | <u>2,539</u> |
| Resource Room/Resource Center | | | | | |
| Salaries of Teachers | 4,451,243 | (81,507) | 4,369,736 | 4,368,161 | 1,575 |
| Other Salaries for Instruction | 1,326,128 | (124,779) | 1,201,349 | 1,198,725 | 2,624 |
| General Supplies | 9,569 | (2,657) | 6,912 | 6,042 | 870 |
| Textbooks | 1,500 | | 1,500 | 1,500 | |
| Total Resource Room/Resource Center | <u>5,788,440</u> | <u>(208,943)</u> | <u>5,579,497</u> | <u>5,574,428</u> | <u>5,069</u> |
| Preschool Disabilities - Part-Time | | | | | |
| Other Salaries for Instruction | 150,680 | (15,759) | 134,921 | 134,365 | 556 |
| General Supplies | 3,000 | | 3,000 | 2,973 | 27 |
| Total Preschool Disabilities - Part-Time | <u>153,680</u> | <u>(15,759)</u> | <u>137,921</u> | <u>137,338</u> | <u>583</u> |
| Preschool Disabilities - Full-Time | | | | | |
| Salaries of Teachers | 623,295 | 6,595 | 629,890 | 629,890 | |
| Other Salaries for Instruction | 14,953 | 29,116 | 44,069 | 43,582 | 487 |
| Supplies and Materials | 6,750 | (598) | 6,152 | 5,922 | 230 |
| General Supplies | 1,200 | | 1,200 | 1,173 | 27 |
| Total Preschool Disabilities - Full-Time | <u>646,198</u> | <u>35,113</u> | <u>681,311</u> | <u>680,567</u> | <u>744</u> |
| TOTAL SPECIAL EDUCATION - INSTRUCTION | <u>7,317,027</u> | <u>(278,971)</u> | <u>7,038,056</u> | <u>7,028,087</u> | <u>9,969</u> |
| Basic Skills/Remedial - Instruction | | | | | |
| Salaries of Teachers | 674,429 | 34,122 | 708,551 | 708,551 | |
| General Supplies | 5,300 | (110) | 5,190 | 4,626 | 564 |
| Total Basic Skills/Remedial - Instruction | <u>679,729</u> | <u>34,012</u> | <u>713,741</u> | <u>713,177</u> | <u>564</u> |
| Bilingual Education - Instruction | | | | | |
| Salaries of Teachers | 169,188 | 1,863 | 171,051 | 171,051 | |
| Total Bilingual Education - Instruction | <u>169,188</u> | <u>1,863</u> | <u>171,051</u> | <u>171,051</u> | |
| School-Spon. Cocurricular Actvts. - Inst. | | | | | |
| Salaries | 400,000 | 184,873 | 584,873 | 584,873 | |
| Purchased Services- Performing Arts | 900 | | 900 | 750 | 150 |
| Purchased Services | 1,000 | | 1,000 | 1,000 | |
| Supplies and Materials | 89,080 | (3,112) | 85,968 | 84,526 | 1,442 |
| Other Objects | 30,250 | (2,286) | 27,964 | 19,455 | 8,509 |
| Total School-Spon. Cocurricular Actvts. - Inst. | <u>521,230</u> | <u>179,475</u> | <u>700,705</u> | <u>690,604</u> | <u>10,101</u> |
| School-Spon. Athletics | | | | | |
| Salaries | 687,067 | 95,234 | 782,301 | 775,621 | 6,680 |
| Purchased Services | 172,945 | (20,788) | 152,157 | 134,510 | 17,647 |
| Cleaning, Repair and Maintenance Services | 15,818 | 10,981 | 26,799 | 26,355 | 444 |
| Rentals | 15,000 | | 15,000 | 14,649 | 351 |
| Insurance | 70,735 | | 70,735 | 63,307 | 7,428 |
| Supplies and Materials | 164,669 | 71,908 | 236,577 | 192,700 | 43,877 |
| Other Objects | 114,111 | 7,981 | 122,092 | 104,102 | 17,990 |
| Total School-Spon. Athletics | <u>1,240,345</u> | <u>165,316</u> | <u>1,405,661</u> | <u>1,311,244</u> | <u>94,417</u> |
| Total Instruction | <u>34,168,845</u> | <u>1,031,939</u> | <u>35,200,784</u> | <u>34,411,964</u> | <u>788,820</u> |

**BOARD OF EDUCATION
SCHOOL DISTRICT OF THE CHATHAMS
Budgetary Comparison Schedule
(Budgetary Basis)
General Fund
Year Ended June 30, 2024**

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|--|----------------------------|-----------------------------|-------------------------|------------------|---|
| Undistributed Expenditures - Instruction | | | | | |
| Tuition to Other LEAs Within the State - Special | \$ 152,122 | \$ (119,235) | \$ 32,887 | | \$ 32,887 |
| Tuition to County Voc. School Dist. - Regular | 100,919 | 21,910 | 122,829 | \$ 118,916 | 3,913 |
| Tuition to Private Schools for the Disabled - Within State | 4,611,486 | (1,552,955) | 3,058,531 | 2,893,250 | 165,281 |
| Tuition to Priv. Sch. Disabled & Other LEAs-Spl, O/S | 295,128 | (40,000) | 255,128 | 247,262 | |
| Total Undistributed Expenditures - Instruction | <u>5,159,655</u> | <u>(1,690,280)</u> | <u>3,469,375</u> | <u>3,259,428</u> | <u>202,081</u> |
| Undistributed Expenditures - Attend. and Social Work | | | | | |
| Salaries | 140,122 | 1,094 | 141,216 | 141,216 | |
| Total Undistributed Expenditures - Attend. and Social Work | <u>140,122</u> | <u>1,094</u> | <u>141,216</u> | <u>141,216</u> | |
| Undistributed Expenditures- Health Services | | | | | |
| Salaries | 537,042 | 95,798 | 632,840 | 632,840 | |
| Purchased Professional and Technical Services | 26,180 | 6,985 | 33,165 | 32,484 | 681 |
| Other Purchased Services | 1,020 | (105) | 915 | 437 | 478 |
| Supplies and Materials | 20,438 | (4,678) | 15,760 | 13,188 | 2,572 |
| Total Undistributed Expenditures - Health Services | <u>584,680</u> | <u>98,000</u> | <u>682,680</u> | <u>678,949</u> | <u>3,731</u> |
| Undistributed Expenditures - Other Supp. Serv. Students - Speech, OT, PT and Related Services | | | | | |
| Salaries | 917,812 | (3,827) | 913,985 | 905,220 | 8,765 |
| Purchased Professional - Educational Services | 125,300 | 65,000 | 190,300 | 169,010 | 21,290 |
| Supplies and Materials | 8,696 | | 8,696 | 8,696 | |
| Total Undist. Expend. - Other Supp. Serv. Students - Speech, OT, PT and Related Services | <u>1,051,808</u> | <u>61,173</u> | <u>1,112,981</u> | <u>1,082,926</u> | <u>30,055</u> |
| Undistributed Expenditures - Other Supp. Serv. Students - Extra Serv. | | | | | |
| Salaries | 51,119 | (10,412) | 40,707 | 40,435 | 272 |
| Other Salaries for Instruction | 540,963 | (38,169) | 502,794 | 459,486 | 43,308 |
| Purchased Professional - Educational Services | 539,789 | 42,899 | 582,688 | 547,844 | 34,844 |
| Supplies and Materials | 49,224 | (4,653) | 44,571 | 35,635 | 8,936 |
| Total Undist. Expend. - Other Supp. Serv. Students - Extra Serv. | <u>1,181,095</u> | <u>(10,335)</u> | <u>1,170,760</u> | <u>1,083,400</u> | <u>87,360</u> |
| Undistributed Expenditures - Guidance | | | | | |
| Salaries of Other Professional Staff | 1,544,861 | (70,350) | 1,474,511 | 1,473,875 | 636 |
| Salaries of Secretarial and Clerical Assistants | 149,690 | (1,830) | 147,860 | 146,625 | 1,235 |
| Other Salaries | | 5,761 | 5,761 | 5,537 | 224 |
| Purchased Professional - Educational Services | 24,000 | 800 | 24,800 | 24,667 | 133 |
| Other Purchased Prof. and Tech. Services | 12,600 | (5,357) | 7,243 | 7,243 | |
| Supplies and Materials | 11,545 | (5,206) | 6,339 | 5,968 | 371 |
| Other Objects | 5,708 | | 5,708 | 5,524 | 184 |
| Total Undist. Expend. - Guidance | <u>1,748,404</u> | <u>(76,182)</u> | <u>1,672,222</u> | <u>1,669,439</u> | <u>2,783</u> |
| Undistributed Expenditures - Child Study Teams | | | | | |
| Salaries of Other Professional Staff | 1,982,890 | 76,537 | 2,059,427 | 2,057,975 | 1,452 |
| Salaries of Secretarial and Clerical Assistants | 191,757 | 2,670 | 194,427 | 193,802 | 625 |
| Other Purchased Prof. and Tech. Services | 65,960 | 31,470 | 97,430 | 97,430 | |
| Other Purchased Services | 5,000 | (5,000) | | | |
| Other Purchased Services | 4,000 | | 4,000 | | 4,000 |
| Supplies and Materials | 37,590 | | 37,590 | 37,045 | 545 |
| Other Objects | 6,375 | (2,690) | 3,685 | 3,685 | |
| Total Undistributed Expenditures - Child Study Teams | <u>2,293,572</u> | <u>102,987</u> | <u>2,396,559</u> | <u>2,389,937</u> | <u>6,622</u> |
| Undistributed Expenditures - Improvement of Inst. Serv. | | | | | |
| Salaries of Supervisors of Instruction | 818,072 | (53,321) | 764,751 | 670,194 | 94,557 |
| Other Salaries | | 1,269 | 1,269 | 1,269 | |
| Supplies and Materials | 500 | | 500 | 500 | |
| Other Objects | 500 | | 500 | 456 | 44 |
| Total Undistributed Expenditures - Improvement of Inst. Serv. | <u>819,072</u> | <u>(52,052)</u> | <u>767,020</u> | <u>672,419</u> | <u>94,601</u> |

**BOARD OF EDUCATION
SCHOOL DISTRICT OF THE CHATHAMS
Budgetary Comparison Schedule
(Budgetary Basis)
General Fund
Year Ended June 30, 2024**

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|---|----------------------------|-----------------------------|-------------------------|------------------|---|
| Undist. Expend. - Edu. Media Serv./Sch. Library | | | | | |
| Salaries | \$ 583,483 | \$ 89,201 | \$ 672,684 | \$ 669,224 | \$ 3,460 |
| Other Purchased Services | 95,325 | (11,138) | 84,187 | 83,259 | 928 |
| Supplies and Materials | 71,785 | (15,647) | 56,138 | 53,784 | 2,354 |
| Total Undist. Expend. - Edu. Media Serv./Sch. Library | <u>750,593</u> | <u>62,416</u> | <u>813,009</u> | <u>806,267</u> | <u>6,742</u> |
| Undist. Expend. - Instructional Staff Training Serv. | | | | | |
| Salaries of Supervisors of Instruction | 488,484 | (62,692) | 425,792 | 425,748 | 44 |
| Purchased Professional - Educational Services | 28,782 | 808 | 29,590 | 22,164 | 7,426 |
| Other Purchased Services | 62,675 | (11,465) | 51,210 | 48,317 | 2,893 |
| Supplies and Materials | 13,000 | (7,463) | 5,537 | 3,839 | 1,698 |
| Other Objects | 26,375 | (195) | 26,180 | 20,884 | 5,296 |
| Total Undist. Expend. - Instructional Staff Training Serv. | <u>619,316</u> | <u>(81,007)</u> | <u>538,309</u> | <u>520,952</u> | <u>17,357</u> |
| Undist. Expend. - Supp. Serv. - General Admin. | | | | | |
| Salaries | 583,444 | 11,488 | 594,932 | 594,931 | 1 |
| Legal Services | 315,000 | 55,285 | 370,285 | 81,740 | 288,545 |
| Audit Fees | 76,000 | (4,375) | 71,625 | 63,425 | 8,200 |
| Architectural/Engineering Services | 45,000 | | 45,000 | | 45,000 |
| Other Purchased Professional Services | 30,000 | (3,919) | 26,081 | 2,430 | 23,651 |
| Other Purchased Professional and Technical Services | 3,500 | | 3,500 | | 3,500 |
| Insurance | 2,400 | | 2,400 | | 2,400 |
| Communications/Telephone | 62,384 | 526 | 62,910 | 22,460 | 40,450 |
| Travel | 12,120 | (2,850) | 9,270 | 4,890 | 4,380 |
| Board of Education Other Purchased Services | 10,000 | | 10,000 | 7,048 | 2,952 |
| Miscellaneous Purchased Services | 5,000 | | 5,000 | 702 | 4,298 |
| General Supplies | 13,895 | (119) | 13,776 | 2,726 | 11,050 |
| Board of Education In-House Training/Meeting Supplies | 12,200 | (5,064) | 7,136 | 1,539 | 5,597 |
| Miscellaneous Expenditures | 32,562 | 1,465 | 34,027 | 31,192 | 2,835 |
| Board of Education Dues and Fees | 46,000 | 119 | 46,119 | 27,195 | 18,924 |
| Total Undist. Expend. - Supp. Serv. - General Admin. | <u>1,249,505</u> | <u>52,556</u> | <u>1,302,061</u> | <u>840,278</u> | <u>461,783</u> |
| Undist. Expend. - Support Serv. - School Admin. | | | | | |
| Salaries of Principals/Assistant Principals | 1,909,804 | 60,057 | 1,969,861 | 1,966,214 | 3,647 |
| Salaries of Secretarial and Clerical Assistants | 788,508 | (2,611) | 785,897 | 785,897 | |
| Other Purchased Services | 28,999 | (6,229) | 22,770 | 20,383 | 2,387 |
| Travel | 3,000 | | 3,000 | 1,353 | 1,647 |
| Supplies and Materials | 17,145 | (2,500) | 14,645 | 6,284 | 8,361 |
| Other Objects | 18,093 | (4,726) | 13,367 | 8,387 | 4,980 |
| Total Undist. Expend. - Support Serv. - School Admin. | <u>2,765,549</u> | <u>43,991</u> | <u>2,809,540</u> | <u>2,788,518</u> | <u>21,022</u> |
| Undist. Expend. - Central Services | | | | | |
| Salaries | 835,152 | 1,201 | 836,353 | 836,352 | 1 |
| Purchased Professional Services | 31,000 | (60) | 30,940 | 24,143 | 6,797 |
| Purchased Technical Services | 15,000 | (3,524) | 11,476 | 8,253 | 3,223 |
| Cleaning, Repair and Maintenance Services | 300 | | 300 | | 300 |
| Rentals | 4,000 | 3,524 | 7,524 | 7,524 | |
| Travel | 5,000 | | 5,000 | 4,383 | 617 |
| Miscellaneous Purchased Services | 40,000 | 55,064 | 95,064 | 48,148 | 46,916 |
| Supplies and Materials | 27,000 | (2,191) | 24,809 | 9,657 | 15,152 |
| Miscellaneous Expenditures | 7,060 | 121 | 7,181 | 7,153 | 28 |
| Total Undist. Expend. - Central Services | <u>964,512</u> | <u>54,135</u> | <u>1,018,647</u> | <u>945,613</u> | <u>73,034</u> |
| Undist. Expend. - Technology Admin. | | | | | |
| Salaries | 677,774 | 15,464 | 693,238 | 691,949 | 1,289 |
| Cleaning, Repair and Maintenance Services | 65,580 | | 65,580 | 65,198 | 382 |
| Rentals | 128 | | 128 | | 128 |
| Travel | 6,300 | 100 | 6,400 | 5,734 | 666 |
| Supplies and Materials | 189,485 | (4,550) | 184,935 | 175,237 | 9,698 |
| Other Objects | 650 | | 650 | 622 | 28 |
| Total Undist. Expend. - Technology Admin. | <u>939,917</u> | <u>11,014</u> | <u>950,931</u> | <u>938,740</u> | <u>12,191</u> |

**BOARD OF EDUCATION
SCHOOL DISTRICT OF THE CHATHAMS
Budgetary Comparison Schedule
(Budgetary Basis)
General Fund
Year Ended June 30, 2024**

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|---|----------------------------|-----------------------------|-------------------------|-------------------|---|
| Undist. Expend. - Required Maint. for Sch. Facil. | | | | | |
| Salaries | \$ 716,674 | \$ 9,228 | \$ 725,902 | \$ 720,914 | \$ 4,988 |
| Cleaning, Repair and Maintenance Services | 730,000 | 133,205 | 863,205 | 808,284 | 54,921 |
| Travel | 6,500 | | 6,500 | | 6,500 |
| General Supplies | 260,000 | 158,857 | 418,857 | 403,153 | 15,704 |
| Other Objects | 2,000 | | 2,000 | 1,880 | 120 |
| Total Undist. Expend. - Required Maint. for Sch. Facil. | 1,715,174 | 301,290 | 2,016,464 | 1,934,231 | 82,233 |
| Undist. Expend. - Custodial Services | | | | | |
| Salaries | 2,127,215 | 77,983 | 2,205,198 | 2,205,113 | 85 |
| Salaries of Non-Instructional Aides | 45,242 | (8,945) | 36,297 | 35,971 | 326 |
| Cleaning, Repair and Maintenance Services | 296,886 | (13,308) | 283,578 | 275,086 | 8,492 |
| Other Purchased Property Services | 135,800 | (35,549) | 100,251 | 94,835 | 5,416 |
| Insurance | 445,000 | 29,162 | 474,162 | 474,162 | |
| General Supplies | 184,525 | 22,628 | 207,153 | 203,151 | 4,002 |
| Gasoline | 27,000 | 102,300 | 129,300 | 123,912 | 5,388 |
| Natural Gas | 425,000 | | 425,000 | 235,114 | 189,886 |
| Electricity | 602,000 | (102,300) | 500,000 | 483,334 | 116,666 |
| Interest on Energy Savings Improvement Program Bonds | 71,165 | | 71,165 | 71,165 | |
| Principal on Energy Savings Improvement Program Bonds | 272,014 | | 272,014 | 272,014 | |
| Other Objects | 5,000 | (4,454) | 546 | | 546 |
| Total Undist. Expend. - Custodial Services | 4,636,847 | 67,517 | 4,802,404 | 4,473,857 | 328,547 |
| Undist. Expend. - Care and Upkeep of Grounds | | | | | |
| Salaries | 117,775 | 1,570 | 119,345 | 118,585 | 760 |
| Cleaning, Repair and Maintenance Services | 93,500 | 28,083 | 121,583 | 116,459 | 5,124 |
| General Supplies | 38,400 | | 38,400 | 36,536 | 1,864 |
| Total Undist. Expend. - Care and Upkeep of Grounds | 249,675 | 29,653 | 279,328 | 271,580 | 7,748 |
| Undist. Expend. - Security | | | | | |
| Salaries | 97,746 | 105,325 | 203,071 | 203,071 | |
| Purchased Professional and Technical Services | 322,000 | 14,029 | 336,029 | 335,714 | 315 |
| Cleaning, Repair and Maintenance Services | 85,200 | (19,392) | 65,808 | 39,612 | 26,196 |
| General Supplies | 97,000 | (52,391) | 44,609 | 41,542 | 3,067 |
| Total Undist. Expend. - Security | 601,946 | 47,571 | 649,517 | 619,939 | 29,578 |
| Undist. Expend. - Student Transportation Serv. | | | | | |
| Salaries for Pupil Trans. (Between Home & School) - Regular | 47,510 | | 47,510 | 47,509 | 1 |
| Management Fees - ESC & CTSA Transportation Programs | 13,000 | 2,950 | 15,950 | 15,795 | 155 |
| Other Purchased Professional and Technical Services | 5,000 | 3,145 | 8,145 | 8,145 | |
| Contracted Services Aid In Lieu of Payment for Non-public School Students | 250,000 | 3,523 | 253,523 | 253,523 | |
| Contracted Services (Between Home and School) - Vendors | 1,180,575 | (3,523) | 1,177,052 | 1,147,823 | 29,229 |
| Contracted Services (Other than Between Home and School) - Vendors | 514,040 | 8,741 | 522,781 | 454,184 | 68,597 |
| Contracted Services (Regular Students) - ESCs | 231,000 | 3,671 | 234,671 | 233,174 | 1,497 |
| Contracted Services (Special Education Students) - ESCs | 1,950,000 | 613,660 | 2,563,660 | 2,496,522 | 67,138 |
| Total Undist. Expend. - Student Transportation Serv. | 4,191,125 | 632,167 | 4,823,292 | 4,656,675 | 166,617 |
| Unallocated Benefits | | | | | |
| Social Security Contributions | 890,000 | 120,446 | 1,010,446 | 1,010,441 | 5 |
| Other Retirement Contributions - Regular | 1,092,700 | (20,480) | 1,072,220 | 1,067,858 | 4,362 |
| Workmen's Compensation | 290,000 | | 290,000 | 282,454 | 7,546 |
| Health Benefits | 10,282,790 | 44,597 | 10,327,387 | 9,644,745 | 682,642 |
| Tuition Reimbursement | 165,000 | | 165,000 | 151,862 | 13,138 |
| Other Employee Benefits | 245,000 | 758 | 245,758 | 11,996 | 233,762 |
| Total Unallocated Benefits | 12,965,490 | 145,321 | 13,110,811 | 12,169,356 | 941,455 |
| On-behalf Teachers' Pension and Annuity Fund | | | | 12,600,757 | (12,600,757) |
| On-Behalf Teachers' Pension and Annuity Fund - Post Retirement Medical | | | | 3,429,465 | (3,429,465) |
| On-Behalf Teachers' Pension and Annuity Fund - Non-contributory Insurance | | | | 5,524 | (5,524) |
| Reimbursed TPAF Social Security Contribution | | | | 2,506,132 | (2,506,132) |
| Total On-behalf Contributions | | | | 18,541,878 | (18,541,878) |
| TOTAL UNDISTRIBUTED EXPENDITURES | 44,628,057 | (100,931) | 44,527,126 | 60,485,598 | (15,966,338) |
| TOTAL GENERAL CURRENT EXPENSE | 78,796,902 | 931,008 | 79,727,910 | 94,897,562 | (15,169,652) |

**BOARD OF EDUCATION
SCHOOL DISTRICT OF THE CHATHAMS
Budgetary Comparison Schedule
(Budgetary Basis)
General Fund
Year Ended June 30, 2024**

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|---|----------------------------|-----------------------------|-------------------------|----------------------|---|
| CAPITAL OUTLAY | | | | | |
| Equipment | | | | | |
| Undistributed Expenditures: | | | | | |
| Instruction | \$ 160,000 | \$ 17,668 | \$ 177,668 | \$ 97,668 | \$ 80,000 |
| Total Undistributed Expenditures: | <u>160,000</u> | <u>17,668</u> | <u>177,668</u> | <u>97,668</u> | <u>80,000</u> |
| Required Maintenance for School Facilities | | | | | |
| Non-Instructional equipment | 60,000 | 154,787 | 214,787 | 194,782 | 20,005 |
| Total Required Maintenance for School Facilities | <u>60,000</u> | <u>154,787</u> | <u>214,787</u> | <u>194,782</u> | <u>20,005</u> |
| Custodial Services | | | | | |
| Non-Instructional equipment | | 20,997 | 20,997 | 20,658 | 339 |
| Total Custodial Services | | <u>20,997</u> | <u>20,997</u> | <u>20,658</u> | <u>339</u> |
| Facilities Acquisition and Construction Services | | | | | |
| Architectural/Engineering Services | 203,000 | 66,625 | 269,625 | 262,300 | 7,325 |
| Construction Services | 2,197,000 | 794,325 | 2,991,325 | 367,961 | 2,623,364 |
| Other Objects - Debt Service Assessment | 112,459 | | 112,459 | 112,459 | |
| Total Facilities Acquisition and Construction Services | <u>2,512,459</u> | <u>860,950</u> | <u>3,373,409</u> | <u>742,720</u> | <u>2,630,689</u> |
| TOTAL CAPITAL OUTLAY | <u>2,732,459</u> | <u>1,054,402</u> | <u>3,786,861</u> | <u>1,055,828</u> | <u>2,731,033</u> |
| SPECIAL SCHOOLS | | | | | |
| Summer School - Instruction | | | | | |
| Salaries of Teachers | 21,000 | (1,996) | 19,004 | | 19,004 |
| General Supplies | 1,200 | | 1,200 | 1,200 | |
| Total Summer School - Instruction | <u>22,200</u> | <u>(1,996)</u> | <u>20,204</u> | <u>1,200</u> | <u>19,004</u> |
| Total Summer School | <u>22,200</u> | <u>(1,996)</u> | <u>20,204</u> | <u>1,200</u> | <u>19,004</u> |
| Instructional Alternative Education Programs - Instruction | | | | | |
| Salaries of Teachers | 210,000 | 14,872 | 224,872 | 187,715 | 37,157 |
| General Supplies | 5,500 | (2,676) | 2,824 | 1,698 | 1,126 |
| Total Instructional Alternative Education Programs - Instruction | <u>215,500</u> | <u>12,196</u> | <u>227,696</u> | <u>189,413</u> | <u>38,283</u> |
| TOTAL SPECIAL SCHOOLS | <u>237,700</u> | <u>10,200</u> | <u>247,900</u> | <u>190,613</u> | <u>57,287</u> |
| Contribution to Charter Schools | <u>47,354</u> | <u>15,785</u> | <u>63,139</u> | <u>63,139</u> | |
| TOTAL EXPENDITURES | <u>81,814,415</u> | <u>2,011,395</u> | <u>83,825,810</u> | <u>96,207,142</u> | <u>(12,381,332)</u> |
| Change in fund balance | <u>(4,550,117)</u> | <u>(261,395)</u> | <u>(4,811,512)</u> | <u>3,847,946</u> | <u>8,659,458</u> |
| Fund Balance, July 1 | <u>12,324,293</u> | <u>-</u> | <u>12,324,293</u> | <u>12,324,293</u> | <u>-</u> |
| Fund Balance, June 30 | <u>\$ 7,774,176</u> | <u>\$ (261,395)</u> | <u>\$ 7,512,781</u> | <u>\$ 16,172,239</u> | <u>\$ 8,659,458</u> |

**BOARD OF EDUCATION
SCHOOL DISTRICT OF THE CHATHAMS
Budgetary Comparison Schedule
(Budgetary Basis)
General Fund
Year Ended June 30, 2024**

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|---|----------------------------|-----------------------------|-------------------------|----------------------|---|
| Recapitulation of (Deficiency) Excess of Revenues and (Under) Over Expenditures: | | | | | |
| Adjustment for Prior Year Encumbrances | | \$ (261,395) | \$ (261,395) | \$ (261,395) | |
| Budgeted Fund Balance | \$ (2,150,117) | | (2,150,117) | 2,509,341 | \$ 4,659,458 |
| Increase in Capital Reserve | | | | 4,000,000 | 4,000,000 |
| Withdrawal from Capital Reserve | (2,400,000) | | (2,400,000) | (2,400,000) | |
| Total | <u>\$ (4,550,117)</u> | <u>\$ (261,395)</u> | <u>\$ (4,811,512)</u> | <u>\$ 3,847,946</u> | <u>\$ 8,659,458</u> |
| Recapitulation of Fund Balance: | | | | | |
| Restricted Fund Balance: | | | | | |
| Excess Surplus-prior year | | | | \$ 264,831 | |
| Excess Surplus-current year | | | | 1,362,436 | |
| Capital Reserve | | | | 8,506,466 | |
| Emergency Reserve | | | | 165,010 | |
| Unemployment Compensation | | | | 336,203 | |
| Assigned to: | | | | | |
| Year End Encumbrances | | | | 2,755,165 | |
| Unassigned Fund Balance | | | | <u>2,782,128</u> | |
| Budgetary Fund Balance | | | | <u>\$ 16,172,239</u> | |
| Reconciliation of Budgetary Fund Balance to GAAP Fund Balance: | | | | | |
| Fund Balance | | | | \$ 16,172,239 | |
| Last State Aid Payments Not Recognized on GAAP Basis | | | | <u>(463,531)</u> | |
| Fund balance per Governmental Funds (GAAP) | | | | <u>\$ 15,708,708</u> | |

**BOARD OF EDUCATION
SCHOOL DISTRICT OF THE CHATHAMS
Budgetary Comparison Schedule
(Budgetary Basis)
Special Revenue Fund
Year Ended June 30, 2024**

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|---|----------------------------|-----------------------------|-------------------------|---------------------|-------------------------------------|
| REVENUES: | | | | | |
| Federal Sources | \$ 759,310 | \$ 1,190,642 | \$ 1,949,952 | \$ 1,871,463 | \$ (78,489) |
| State Sources | 171,160 | 134,316 | 305,476 | 282,770 | (22,706) |
| Local Sources | | 409,119 | 409,119 | 883,698 | 474,579 |
| Total Revenues | <u>\$ 930,470</u> | <u>\$ 1,734,077</u> | <u>\$ 2,664,547</u> | <u>\$ 3,037,931</u> | <u>\$ 373,384</u> |
| EXPENDITURES: | | | | 152,313 | |
| E Interest Earned on Capital Reserve Account | | | | 150,466 | |
| Instruction | | | | | |
| Salaries of Teachers | | \$ 248,397 | \$ 248,397 | \$ 4,224,408 | \$ (3,976,011) |
| Purchased Professional and Educational Services | \$ 94,038 | 18,578 | 112,616 | 96,255 | 16,361 |
| Rentals | | 1,297 | 1,297 | | 1,297 |
| Other Purchased Services | 728,000 | 183,032 | 911,032 | 859,321 | 51,711 |
| Tuition | | 233,571 | 233,571 | 193,980 | 39,591 |
| Travel | | 2,975 | 2,975 | | 2,975 |
| General Supplies | 62,993 | 328,532 | 391,525 | 366,087 | 25,438 |
| Textbooks | 16,709 | 2,021 | 18,730 | 18,581 | 149 |
| Other Objects | | 9,963 | 9,963 | 6,571 | 3,392 |
| Total Instruction | <u>901,740</u> | <u>1,028,366</u> | <u>1,930,106</u> | <u>1,540,795</u> | <u>(3,835,097)</u> |
| Support Services | | | | | |
| Personnel Services - Employee Benefits | | 63,964 | 63,964 | 63,964 | |
| Purchased Professional and Technical Services | 28,730 | 35,710 | 64,440 | 58,319 | 6,121 |
| Purchased Professional and Educational Services | | 45,390 | 45,390 | 26,373 | 19,017 |
| Contracted Services - Transportation | | 41,591 | 41,591 | 41,591 | |
| Cleaning Repairs and Maintenance | | 14 | 14 | | 14 |
| Supplies and Materials | | 58,272 | 58,272 | 52,212 | 6,060 |
| Student Activities | | | | 517,193 | (517,193) |
| Scholarships | | | | 7,000 | (7,000) |
| Total Support Services | <u>28,730</u> | <u>244,941</u> | <u>273,671</u> | <u>766,652</u> | <u>(492,981)</u> |
| Facilities Acquisition and Construction Services: | | | | | |
| Non-Instructional Equipment | | 302,006 | 302,006 | 297,102 | 4,904 |
| Construction Services | | 69,600 | 69,600 | 65,000 | 4,600 |
| Buildings | | 89,164 | 89,164 | 89,164 | |
| Total Facilities Acquisition and Construction Services | | <u>460,770</u> | <u>460,770</u> | <u>451,266</u> | <u>9,504</u> |
| Total Expenditures | <u>930,470</u> | <u>1,734,077</u> | <u>2,664,547</u> | <u>2,758,713</u> | <u>(4,318,574)</u> |
| Excess of Revenues Over Expenditures | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | 279,218 | <u>\$ (3,945,190)</u> |
| Fund Balance, July 1 | | | | 621,117 | |
| Fund Balance, June 30 | | | | <u>\$ 900,335</u> | |
| Recapitulation of Fund Balance: | | | | | |
| Student Activities | | | | \$ 609,247 | |
| Scholarships | | | | 47,967 | |
| | | | | <u>\$ 657,214</u> | |

**BOARD OF EDUCATION
SCHOOL DISTRICT OF THE CHATHAMS
Note to Required Supplementary Information
Budget to GAAP Reconciliation
Year Ended June 30, 2024**

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

| | <u>General Fund</u> | <u>Special Revenue Fund</u> |
|---|---------------------------|-------------------------------------|
| Sources/inflows of resources | | |
| Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-1, C-2) | \$ 100,055,088 | \$ 3,037,931 |
| Difference - budget to GAAP: | | |
| Difference: Interest Earned on Capital Reserve Account | | |
| Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized. | | |
| Current Year | | (177,364) |
| Prior Year, net | | 19,633 |
| State aid payments from prior year recognized in prior year for budgetary purposes, and recognized for GAAP statements in the current fiscal year. | 414,815 | |
| State aid payments recognized in current year for budgetary purposes, not recognized for GAAP statements. | <u>(463,531)</u> | <u>-</u> |
| Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds (B-2). | <u>\$ 100,006,372</u> | <u>\$ 2,880,200</u> |
| Uses/outflows of resources | | |
| Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (C-1, C-2) | \$ 96,207,142 | \$ 2,758,713 |
| Differences - budget to GAAP | | |
| Encumbrances (net) for supplies and services ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes. | <u>-</u> | <u>(157,731)</u> |
| Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2) | <u>\$ 96,207,142</u> | <u>\$ 2,600,982</u> |

Supplementary Information

SPECIAL REVENUE FUND

BOARD OF EDUCATION
SCHOOL DISTRICT OF THE CHATHAMS

Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Year Ended June 30, 2024

| | <u>Total</u> | <u>State Aid</u> | <u>Federal Aid</u> | <u>Local Aid</u> | <u>Student Activities</u> | <u>Scholarships</u> |
|--|---------------------|----------------------|------------------------|----------------------|-------------------------------|---------------------|
| REVENUES: | | | | | | |
| State Sources | \$ 282,770 | \$ 282,770 | | | | |
| Federal Sources | 1,871,463 | | \$ 1,871,463 | | | |
| Local Sources | 883,698 | | | \$ 323,408 | \$ 547,615 | \$ 12,675 |
| Total Revenues | <u>\$ 3,037,931</u> | <u>\$ 282,770</u> | <u>\$ 1,871,463</u> | <u>\$ 323,408</u> | <u>\$ 547,615</u> | <u>\$ 12,675</u> |
| EXPENDITURES: | | | | | | |
| Instruction: | | | | | | |
| Salaries of Teachers | \$ 243,121 | | \$ 243,121 | | | |
| Purchased Professional and Educational Services | 96,255 | \$ 96,255 | | | | |
| Other Purchased Services | 859,321 | | 859,321 | | | |
| Tuition | 193,980 | | 193,980 | | | |
| General Supplies | 366,087 | 78,770 | 64,986 | \$ 222,331 | | |
| Textbooks | 18,581 | 18,581 | | | | |
| Other Objects | 6,571 | | | 6,571 | | |
| Total Instruction | <u>1,783,916</u> | <u>193,606</u> | <u>1,361,408</u> | <u>228,902</u> | | |
| Support Services: | | | | | | |
| Personnel Services - Employee Benefits | 63,964 | | 63,964 | | | |
| Purchased Professional and Technical Services | 58,319 | | 58,319 | | | |
| Purchased Professional and Educational Services | 26,373 | | 26,373 | | | |
| Contr. Services - Transportation | 41,591 | | 39,591 | 2,000 | | |
| Supplies and Materials | 52,212 | | 24,706 | 27,506 | | |
| Other Objects | 7,000 | | | | | \$ 7,000 |
| Student Activities | 517,193 | | | | \$ 517,193 | |
| Total Support Services | <u>766,652</u> | | <u>212,953</u> | <u>29,506</u> | <u>517,193</u> | <u>7,000</u> |
| Facilities Acquisition and Const. Serv.: | | | | | | |
| Construction Services | 65,000 | | | 65,000 | | |
| Bldgs. Leases | 89,164 | 89,164 | | | | |
| Noninstructional Equipment | 297,102 | | 297,102 | | | |
| Total Facilities Acquisition and Const. Serv. | <u>451,266</u> | <u>89,164</u> | <u>297,102</u> | <u>65,000</u> | | |
| Total Expenditures | <u>3,001,834</u> | <u>282,770</u> | <u>1,871,463</u> | <u>323,408</u> | <u>517,193</u> | <u>7,000</u> |
| Change in fund balance | 36,097 | - | - | - | 30,422 | 5,675 |
| Fund Balance, July 1 | 621,117 | - | - | - | 578,825 | 42,292 |
| Fund Balance, June 30 | <u>\$ 657,214</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 609,247</u> | <u>\$ 47,967</u> |

BOARD OF EDUCATION
SCHOOL DISTRICT OF THE CHATHAMS

Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Year Ended June 30, 2024

| | | N.J. Nonpublic | N.J. Nonpublic | N.J. Nonpublic | N.J. Nonpublic | N.J. Nonpublic | N.J. Nonpublic | N.J. Nonpublic | N.J. Nonpublic | N.J. Nonpublic | N.J. Auxiliary English as a Second Language Classification |
|---|-------------------|-------------------------|-----------------------------|--------------------------------------|----------------------------------|-----------------------------|-------------------------|------------------------------|-----------------------------------|-------------------------------------|--|
| | <u>Total</u> | <u>Textbook Aid</u> | <u>Home Instruction</u> | <u>Exam & Classification</u> | <u>Technology Initiative</u> | <u>Nursing Services</u> | <u>Security Aid</u> | <u>Corrective Speech</u> | <u>Compensatory Education</u> | <u>Supplemental Instruction</u> | |
| REVENUES: | | | | | | | | | | | |
| State Sources | \$ 193,606 | \$ 18,581 | \$ 1,635 | \$ 28,059 | \$ 15,617 | \$ 36,224 | \$ 63,153 | \$ 8,835 | \$ 899 | \$ 20,237 | \$ 366 |
| Total State Revenues | <u>\$ 193,606</u> | <u>\$ 18,581</u> | <u>\$ 1,635</u> | <u>\$ 28,059</u> | <u>\$ 15,617</u> | <u>\$ 36,224</u> | <u>\$ 63,153</u> | <u>\$ 8,835</u> | <u>899</u> | <u>20,237</u> | <u>366</u> |
| EXPENDITURES: | | | | | | | | | | | |
| Instruction: | | | | | | | | | | | |
| Purchased Professional and Educational Services | \$ 96,255 | | \$ 1,635 | \$ 28,059 | \$ 36,224 | | | \$ 8,835 | \$ 899 | \$ 20,237 | \$ 366 |
| General Supplies | 78,770 | | | | \$ 15,617 | | \$ 63,153 | | | | |
| Textbooks | 18,581 | \$ 18,581 | | | | | | | | | |
| Total Instruction | <u>193,606</u> | <u>18,581</u> | <u>1,635</u> | <u>28,059</u> | <u>15,617</u> | <u>36,224</u> | <u>63,153</u> | <u>8,835</u> | <u>899</u> | <u>20,237</u> | <u>366</u> |
| Total Expenditures | <u>193,606</u> | <u>18,581</u> | <u>1,635</u> | <u>28,059</u> | <u>15,617</u> | <u>36,224</u> | <u>63,153</u> | <u>8,835</u> | <u>899</u> | <u>20,237</u> | <u>366</u> |
| Change in fund balance | - | - | - | - | - | - | - | - | - | - | - |
| Fund Balance, July 1 | - | - | - | - | - | - | - | - | - | - | - |
| Fund Balance, June 30 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

BOARD OF EDUCATION
SCHOOL DISTRICT OF THE CHATHAMS

Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Year Ended June 30, 2024

| | | | E.S.E.A. | | I.D.E.A. | |
|--|---------------------|-------------------------------|-------------------|--------------------|-------------------|------------------|
| | <u>Total</u> | <u>SDA Emergent Needs</u> | <u>Title II-A</u> | <u>Title III-A</u> | <u>Basic</u> | <u>Preschool</u> |
| REVENUES: | | | | | | |
| State Sources | \$ 89,164 | \$ 89,164 | | | | |
| Federal Sources | 968,703 | | \$ 48,805 | \$ 7,243 | \$ 884,349 | \$ 28,306 |
| Total Federal Revenues | <u>\$ 1,057,867</u> | <u>\$ 89,164</u> | <u>\$ 48,805</u> | <u>\$ 7,243</u> | <u>\$ 884,349</u> | <u>\$ 28,306</u> |
| EXPENDITURES: | | | | | | |
| Instruction: | | | | | | |
| Other Purchased Services | \$ 859,321 | | | | \$ 831,015 | \$ 28,306 |
| General Supplies | 24,690 | | \$ 17,447 | \$ 7,243 | | |
| Total Instruction | <u>884,011</u> | | <u>17,447</u> | <u>7,243</u> | <u>831,015</u> | <u>28,306</u> |
| Support Services: | | | | | | |
| Purchased Professional and Technical Services | 58,319 | | 23,184 | | 35,135 | |
| Purchased Professional and Educational Services | 26,373 | | 8,174 | | 18,199 | |
| Total Support Services | <u>84,692</u> | | <u>31,358</u> | | <u>53,334</u> | |
| Facilities Acquisition and Const. Serv.: | | | | | | |
| Instructional Equipment | | | | | | |
| Building- Lease | 89,164 | \$ 89,164 | | | | |
| Total Facilities Acquisition and Const. Serv. | <u>89,164</u> | <u>89,164</u> | | | | |
| Total Expenditures | <u>1,057,867</u> | <u>89,164</u> | <u>48,805</u> | <u>7,243</u> | <u>884,349</u> | <u>28,306</u> |
| Change in fund balance | - | - | - | - | - | - |
| Fund Balance, July 1 | - | - | - | - | - | - |
| Fund Balance, June 30 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

BOARD OF EDUCATION
SCHOOL DISTRICT OF THE CHATHAMS

Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Year Ended June 30, 2024

| | COVID-19 CRRSA Act | | COVID-19 Add'l Compensatory | | COVID-19 American Rescue Plan - ESSER III | | | |
|--|--------------------|-----------------|--------------------------------|-------------------|--|------------------|--|--|
| | | | Related Services | | Coach and Educator Support | | ESSER Evidence-Based Summer Learning And Enrichment Activities Grant | ESSER - Evidence-Based Comprehensive Beyond the School Day Activities Grant |
| | Total | Non-Title I | ESSER II | ACSERS | Non-Title I | | | |
| REVENUES: | | | | | | | | |
| Federal Sources | \$ 902,760 | \$ 5,991 | \$ 24,706 | \$ 233,571 | \$ 472,043 | \$ 92,144 | \$ 40,000 | \$ 34,305 |
| Total Federal Revenues | <u>\$ 902,760</u> | <u>\$ 5,991</u> | <u>\$ 24,706</u> | <u>\$ 233,571</u> | <u>\$ 472,043</u> | <u>\$ 92,144</u> | <u>\$ 40,000</u> | <u>\$ 34,305</u> |
| EXPENDITURES: | | | | | | | | |
| Instruction: | | | | | | | | |
| Salaries of Teachers | \$ 243,121 | | | | \$ 113,820 | \$ 92,144 | \$ 37,157 | |
| Tuition | 193,980 | | | \$ 193,980 | | | | |
| General Supplies | 40,296 | \$ 5,991 | | | | | | \$ 34,305 |
| Total Instruction | <u>477,397</u> | <u>5,991</u> | | <u>193,980</u> | <u>113,820</u> | <u>92,144</u> | <u>37,157</u> | <u>34,305</u> |
| Support Services: | | | | | | | | |
| Employee Benefits | 63,964 | | | | 61,121 | | 2,843 | |
| Contr. Services - transportation | 39,591 | | | 39,591 | | | | |
| Supplies and Materials | 24,706 | | \$ 24,706 | | | | | |
| Total Support Services | <u>128,261</u> | | <u>24,706</u> | <u>39,591</u> | <u>61,121</u> | | <u>2,843</u> | |
| Facilities Acquisition and Const. Serv.: | | | | | | | | |
| Noninstructional equipment | 297,102 | | | | 297,102 | | | |
| Total Facilities Acquisition and Const. Serv. | <u>297,102</u> | | | | <u>297,102</u> | | | |
| Total Expenditures | <u>902,760</u> | <u>5,991</u> | <u>24,706</u> | <u>233,571</u> | <u>472,043</u> | <u>92,144</u> | <u>40,000</u> | <u>34,305</u> |
| Change in fund balance | - | - | - | - | - | - | - | - |
| Fund Balance, July 1 | - | - | - | - | - | - | - | - |
| Fund Balance, June 30 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

LONG-TERM DEBT

**BOARD OF EDUCATION
SCHOOL DISTRICT OF THE CHATHAMS**

**Long-term Debt
Schedule of Serial Bonds Payable
Year Ended June 30, 2024**

| <u>Purpose</u> | <u>Date of Issue</u> | <u>Amount of Issue</u> | <u>Annual Maturities of Bonds Outstanding June 30, 2024</u> | | <u>Interest Rate</u> | <u>Balance July 1, 2023</u> | <u>Retired Current Year</u> | <u>Balance June 30, 2024</u> |
|--------------------------------|--------------------------|----------------------------|---|---------------|--------------------------|---------------------------------|-------------------------------------|----------------------------------|
| | | | <u>Date</u> | <u>Amount</u> | | | | |
| Refunding Bonds - Series 2014A | 11/7/2014 | \$ 16,275,000 | 7/15/2024 | \$ 490,000 | 5.000% | | | |
| | | | 7/15/2025 | 515,000 | 5.000% | | | |
| | | | 7/15/2026 | 2,260,000 | 4.000% | | | |
| | | | 7/15/2027 | 2,360,000 | 4.000% | | | |
| | | | 7/15/2028 | 2,470,000 | 4.000% | | | |
| | | | 7/15/2029 | 2,580,000 | 4.000% | | | |
| | | | 7/15/2030 | 2,695,000 | 4.000% | \$ 13,830,000 | \$ 460,000 | \$ 13,370,000 |
| Refunding Bonds - Series 2014B | 11/7/2014 | 12,270,000 | 1/15/2025 | 1,315,000 | 5.000% | | | |
| | | | 1/15/2026 | 1,385,000 | 4.000% | 3,955,000 | 1,255,000 | 2,700,000 |
| School Bonds - Series 2017 | 1/12/2017 | 15,864,000 | 1/15/2025 | 750,000 | 2.250% | | | |
| | | | 1/15/2026 | 750,000 | 3.000% | | | |
| | | | 1/15/2027 | 605,000 | 3.000% | | | |
| | | | 1/15/2028 | 605,000 | 3.000% | | | |
| | | | 1/15/2029 | 605,000 | 3.000% | | | |
| | | | 1/15/2030 | 605,000 | 3.000% | | | |
| | | | 1/15/2031 | 610,000 | 3.000% | | | |
| | | | 1/15/2032 | 1,195,000 | 3.000% | | | |
| | | | 1/15/2033 | 1,200,000 | 3.000% | | | |
| | | | 1/15/2034 | 1,200,000 | 3.000% | | | |
| | | | 1/15/2035 | 1,200,000 | 3.125% | | | |
| | | | 1/15/2036 | 1,200,000 | 3.250% | | | |
| | | | 1/15/2037 | 1,200,000 | 3.250% | 12,475,000 | 750,000 | 11,725,000 |
| | | | | | | <u>\$ 30,260,000</u> | <u>\$ 2,465,000</u> | <u>\$ 27,795,000</u> |

**BOARD OF EDUCATION
SCHOOL DISTRICT OF THE CHATHAMS**

**Long - Term Debt
Schedule of Financed Purchases and Leases Payable
Year Ended June 30, 2024**

| | <u>Interest Rate Payable</u> | <u>Amount of Original Issue</u> | <u>Balance June 30, 2023</u> | <u>Retired</u> | <u>Balance June 30, 2024</u> |
|--|---|--|---|--------------------------|---|
| Financed Purchases | | | | | |
| School Energy Savings (ESIP) | 2.40% | \$ 5,390,000 | <u>\$ 3,035,264</u> | <u>\$ 272,014</u> | <u>\$ 2,763,250</u> |
| Total financed purchases | | | <u>3,035,264</u> | <u>272,014</u> | <u>2,763,250</u> |
| Leases Payable | | | | | |
| Copiers | 5.00% | 27,727 | 21,430 | 5,329 | 16,101 |
| Copiers | 5.00% | 27,627 | 18,699 | 5,463 | 13,236 |
| Copiers | 4.85% | 65,805 | 23,038 | 23,038 | |
| Copiers | 3.65% | 132,880 | 59,030 | 38,994 | 20,036 |
| Copiers | 3.10% | 204,677 | <u>133,384</u> | <u>40,677</u> | <u>92,707</u> |
| Total leases payable | | | <u>255,581</u> | <u>113,501</u> | <u>142,080</u> |
| Total Financed Purchases and Leases Payable | | | <u><u>\$ 3,290,845</u></u> | <u><u>\$ 385,515</u></u> | <u><u>\$ 2,905,330</u></u> |

**BOARD OF EDUCATION
SCHOOL DISTRICT OF THE CHATHAMS**

**Budgetary Comparison Schedule
Debt Service Fund
Year Ended June 30, 2024**

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | Variance Final to <u>Actual</u> |
|----------------------------|----------------------------|-----------------------------|-------------------------|------------------|---------------------------------------|
| REVENUES: | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | \$ 3,345,178 | | \$ 3,345,178 | \$ 3,345,178 | |
| State Sources: | | | | | |
| Debt Service Aid Type II | 228,697 | | 228,697 | 228,697 | |
| Total Revenues | <u>3,573,875</u> | | <u>3,573,875</u> | <u>3,573,875</u> | |
| EXPENDITURES: | | | | | |
| Regular Debt Service: | | | | | |
| Redemption of Principal | 2,465,000 | | 2,465,000 | 2,465,000 | |
| Interest on Bonds | 1,108,875 | | 1,108,875 | 1,108,875 | |
| Total Regular Debt Service | <u>3,573,875</u> | | <u>3,573,875</u> | <u>3,573,875</u> | |
| Total Expenditures | <u>3,573,875</u> | | <u>3,573,875</u> | <u>3,573,875</u> | |
| Change in Net Position | - | | - | - | |
| Fund Balance, July 1 | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balance, June 30 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

STATISTICAL SECTION

Statistical Section
Unaudited

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.

Sources: *Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports (ACFR) for the relevant year.*

School District of the Chathams
Net Position by Component
Last Ten Fiscal Years

(accrual basis of accounting)
Unaudited

| | 2015 | 2016 | 2017 | 2018 | As of June 30, 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|----------------------|----------------------|----------------------|----------------------|------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Governmental activities | | | | | | | | | | |
| Net investment in capital assets | \$ 39,282,140 | \$ 40,173,129 | \$ 40,273,278 | \$ 41,337,096 | \$ 44,359,450 | \$ 45,077,251 | \$ 44,740,052 | \$ 46,525,707 | \$ 48,666,434 | \$ 48,963,897 |
| Restricted | 3,267,556 | 3,638,133 | 4,186,701 | 3,096,012 | 3,096,623 | 5,541,311 | 8,371,662 | 6,689,926 | 8,142,156 | 11,292,160 |
| Unrestricted (deficit) | (12,503,280) | (13,032,813) | (14,518,357) | (14,155,678) | (15,580,439) | (16,068,657) | (13,914,141) | (10,352,988) | (9,015,248) | (7,190,812) |
| Total governmental activities net position | <u>\$ 30,046,416</u> | <u>\$ 30,778,449</u> | <u>\$ 29,941,622</u> | <u>\$ 30,277,430</u> | <u>\$ 31,875,634</u> | <u>\$ 34,549,905</u> | <u>\$ 39,197,573</u> | <u>\$ 42,862,645</u> | <u>\$ 47,793,342</u> | <u>\$ 53,065,245</u> |
| Business-type activities | | | | | | | | | | |
| Investment in capital assets | \$ 206,588 | \$ 283,085 | \$ 263,901 | \$ 249,847 | \$ 481,919 | \$ 456,053 | \$ 416,155 | \$ 483,092 | \$ 555,596 | \$ 531,266 |
| Unrestricted (deficit) | 206,978 | 144,516 | 246,940 | 363,078 | 237,468 | 140,853 | (101,886) | (149,290) | (339,961) | (452,419) |
| Total business-type activities net position | <u>\$ 413,566</u> | <u>\$ 427,601</u> | <u>\$ 510,841</u> | <u>\$ 612,925</u> | <u>\$ 719,387</u> | <u>\$ 596,906</u> | <u>\$ 314,269</u> | <u>\$ 333,802</u> | <u>\$ 215,635</u> | <u>\$ 78,847</u> |
| Government-wide | | | | | | | | | | |
| Net investment in capital assets | \$ 39,488,728 | \$ 40,456,214 | \$ 40,537,179 | \$ 41,586,943 | \$ 44,841,369 | \$ 45,533,304 | \$ 45,156,207 | \$ 47,008,799 | \$ 49,222,030 | \$ 49,495,163 |
| Restricted | 3,267,556 | 3,638,133 | 4,186,701 | 3,096,012 | 3,096,623 | 5,541,311 | 8,371,662 | 6,689,926 | 8,142,156 | 11,292,160 |
| Unrestricted (deficit) | (12,296,302) | (12,888,297) | (14,271,417) | (13,792,600) | (15,342,971) | (15,927,804) | (14,016,027) | (10,502,278) | (9,355,209) | (7,643,231) |
| Total government-wide net position | <u>\$ 30,459,982</u> | <u>\$ 31,206,050</u> | <u>\$ 30,452,463</u> | <u>\$ 30,890,355</u> | <u>\$ 32,595,021</u> | <u>\$ 35,146,811</u> | <u>\$ 39,511,842</u> | <u>\$ 43,196,447</u> | <u>\$ 48,008,977</u> | <u>\$ 53,144,092</u> |

Source: ACFR Schedule A-1 and District records.

Notes:

GASB 84 was implemented in the 2021 fiscal year, which required Unemployment Compensation to be recorded in the general fund and Student Activities and Scholarship activity to be recorded in the special revenue fund.

School District of the Chathams
Changes in Net Position
Last Ten Fiscal Years

(accrual basis of accounting)
Unaudited

| | 2015 | 2016 | 2017 | 2018 | Year ended June 30, | | 2021 | 2022 | 2023 | 2024 |
|---|-----------------|-----------------|-----------------|-----------------|---------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | | | | | 2019 | 2020 | | | | |
| Expenses | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Instruction | \$ 47,199,764 | \$ 49,759,786 | \$ 54,942,382 | \$ 58,612,675 | \$ 53,879,765 | \$ 53,711,562 | \$ 54,789,380 | \$ 55,397,080 | \$ 54,089,978 | \$ 56,197,063 |
| Support services: | | | | | | | | | | |
| Student and instruction related services | 11,180,768 | 11,589,155 | 13,252,401 | 14,664,694 | 13,804,784 | 13,303,090 | 14,029,746 | 13,903,874 | 13,543,916 | 13,969,399 |
| School administration services | 4,404,002 | 4,587,008 | 5,142,705 | 5,645,887 | 4,836,348 | 4,709,445 | 4,734,263 | 2,683,200 | 2,512,696 | 4,206,013 |
| General and Business administration services | 3,476,916 | 3,586,420 | 3,985,040 | 4,294,050 | 3,823,038 | 4,016,449 | 3,990,945 | 6,102,985 | 5,895,020 | 3,857,057 |
| Operation and Maintenance of Plant Services | 6,548,910 | 6,966,367 | 7,559,671 | 7,854,496 | 7,920,949 | 7,614,503 | 7,857,743 | 8,590,334 | 8,105,642 | 8,780,085 |
| Student transportation services | 2,572,801 | 2,705,793 | 2,886,516 | 2,958,287 | 3,124,966 | 2,721,247 | 2,720,533 | 3,687,711 | 4,086,402 | 4,677,884 |
| Special Schools | 250,999 | 290,374 | 318,195 | 306,429 | 279,176 | 314,075 | 391,432 | 401,287 | 266,218 | 274,411 |
| Charter Schools | | | | | 32,757 | | | 31,574 | 78,168 | 63,139 |
| Interest and other costs on long term debt | 1,031,453 | 1,186,504 | 1,564,896 | 1,527,928 | 1,474,153 | 1,403,918 | 1,315,694 | 1,140,271 | 1,123,106 | 1,017,886 |
| Total governmental activities | 76,665,613 | 80,671,407 | 89,651,806 | 95,864,446 | 89,175,936 | 87,794,289 | 89,829,736 | 91,938,316 | 89,701,146 | 93,042,937 |
| Business-type activities: | | | | | | | | | | |
| Food service | 1,078,795 | 1,207,014 | 1,171,771 | 1,234,757 | 1,241,311 | 1,027,281 | 388,524 | 1,530,093 | 1,730,748 | 1,890,729 |
| Total business-type activities expense | 1,078,795 | 1,207,014 | 1,171,771 | 1,234,757 | 1,241,311 | 1,027,281 | 388,524 | 1,530,093 | 1,730,748 | 1,890,729 |
| Total government-wide expenses | \$ 77,744,408 | \$ 81,878,421 | \$ 90,823,577 | \$ 97,099,203 | \$ 90,417,247 | \$ 88,821,570 | \$ 90,218,260 | \$ 93,468,409 | \$ 91,431,894 | \$ 94,933,666 |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Instruction (tuition) | \$ 238,138 | \$ 251,032 | \$ 179,845 | \$ 165,429 | \$ 109,908 | \$ 112,560 | \$ 354,253 | \$ 266,954 | \$ 779,020 | \$ 1,008,540 |
| Pupil transportation | 128,015 | 134,560 | 132,526 | 157,648 | 172,298 | 171,743 | 99,496 | | 119,128 | 199,331 |
| Student and instruction related services (student activities) | | | | | | | | 245,733 | 440,651 | 547,615 |
| Operating grants and contributions | 1,230,651 | 1,412,608 | 1,368,133 | 1,260,716 | 1,444,997 | 1,246,808 | 1,101,874 | 1,518,434 | 2,042,800 | 2,035,483 |
| Capital grants and contributions | 76,981 | 68,753 | 248,586 | 265,746 | 168,898 | 119,720 | 155,339 | 101,250 | 191,351 | 297,102 |
| Total governmental activities program revenues | 1,673,785 | 1,866,953 | 1,929,090 | 1,849,539 | 1,896,101 | 1,650,831 | 1,710,962 | 2,132,371 | 3,572,950 | 4,088,071 |
| Business-type activities: | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| Food service | 1,018,241 | 1,063,569 | 1,127,623 | 1,166,780 | 1,248,527 | 1,266,481 | 852,827 | 86,047 | 761,744 | 1,753,288 |
| Operating grants and contributions | 91,459 | 83,987 | 93,426 | 88,231 | 88,314 | 81,292 | 51,973 | 19,840 | 692,338 | 653 |
| Capital grants and contributions | | | | | | | | | 95,544 | |
| Total business type activities program revenues | 1,109,700 | 1,147,556 | 1,221,049 | 1,255,011 | 1,336,841 | 1,347,773 | 904,800 | 105,887 | 1,549,626 | 1,753,941 |
| Total government-wide program revenues | \$ 2,783,485 | \$ 3,014,509 | \$ 3,150,139 | \$ 3,104,550 | \$ 3,232,942 | \$ 2,998,604 | \$ 2,615,762 | \$ 2,238,258 | \$ 5,122,576 | \$ 5,842,012 |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental activities | \$ (65,871,000) | \$ (74,798,660) | \$ (78,742,317) | \$ (87,802,267) | \$ (93,968,345) | \$ (86,143,458) | \$ (88,118,774) | \$ (89,805,945) | \$ (86,128,196) | \$ (88,954,866) |
| Business-type activities | 49,423 | 68,761 | 14,035 | 83,240 | 102,084 | 320,492 | 516,276 | (1,424,206) | (181,122) | (136,788) |
| Total government-wide net (expense)/revenue | \$ (65,821,577) | \$ (74,729,899) | \$ (78,728,282) | \$ (87,719,027) | \$ (93,866,261) | \$ (85,822,966) | \$ (87,602,498) | \$ (91,230,151) | \$ (86,309,318) | \$ (89,091,654) |

School District of the Chathams
Changes in Net Position
Last Ten Fiscal Years

(accrual basis of accounting)
Unaudited

| | Year ended June 30, | | | | | | | | | |
|---|-----------------------|-----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Property taxes levied for general purposes | \$ 57,742,606 | \$ 58,767,459 | \$ 60,147,138 | \$ 61,921,960 | \$ 64,078,788 | \$ 65,360,364 | \$ 66,657,571 | \$ 67,913,722 | \$ 69,271,996 | \$ 72,407,436 |
| Taxes levied for debt service | 2,655,242 | 2,607,363 | 2,261,810 | 2,700,999 | 3,210,325 | 3,156,995 | 3,267,966 | 3,325,299 | 3,347,112 | 3,345,178 |
| Unrestricted grants and contributions | 14,535,917 | 17,551,011 | 23,730,833 | 29,062,101 | 21,013,971 | 19,495,653 | 21,074,230 | 20,269,090 | 17,580,541 | 17,285,837 |
| Investment earnings | 4,086 | 4,689 | 44,551 | 147,304 | 170,781 | 164,893 | 61,618 | 38,796 | 163,292 | 302,779 |
| Miscellaneous income | 434,592 | 543,828 | 781,108 | 471,789 | 649,444 | 579,693 | 406,475 | 483,531 | 586,424 | 885,539 |
| Total governmental activities | <u>75,372,443</u> | <u>79,474,350</u> | <u>86,965,440</u> | <u>94,304,153</u> | <u>89,123,309</u> | <u>88,757,598</u> | <u>91,467,860</u> | <u>92,030,438</u> | <u>90,949,365</u> | <u>94,226,769</u> |
| Total district-wide | <u>\$ 75,372,443</u> | <u>\$ 79,474,350</u> | <u>\$ 86,965,440</u> | <u>\$ 94,304,153</u> | <u>\$ 89,123,309</u> | <u>\$ 88,757,598</u> | <u>\$ 91,467,860</u> | <u>\$ 92,030,438</u> | <u>\$ 90,949,365</u> | <u>\$ 94,226,769</u> |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | \$ (3,369,874) | \$ (8,327,917) | \$ (7,002,905) | \$ 335,808 | \$ 2,979,851 | \$ 638,824 | \$ 3,770,495 | \$ 2,224,493 | \$ 4,821,169 | \$ 5,271,903 |
| Business-type activities | 14,035 | 83,240 | 102,084 | 102,084 | 320,492 | 516,276 | (282,637) | 19,533 | (181,122) | (136,788) |
| Total district | <u>\$ (3,355,839)</u> | <u>\$ (8,244,677)</u> | <u>\$ (6,900,821)</u> | <u>\$ 437,892</u> | <u>\$ 3,300,343</u> | <u>\$ 1,155,100</u> | <u>\$ 3,487,858</u> | <u>\$ 2,244,026</u> | <u>\$ 4,640,047</u> | <u>\$ 5,135,115</u> |

Source: ACFR Schedule A-2 and District records.

Note:

GASB 75 was implemented in the 2018 fiscal year, which increased the unrestricted grants and contributions and various expense lines from the previous year.

GASB 84 was implemented in the 2021 fiscal year, which required Unemployment Compensation to be recorded in the general fund and Student Activities and Scholarship activity to be recorded in the special revenue fund.

School District of the Chathams
Fund Balances, Governmental Funds
Last Ten Fiscal Years

(modified accrual basis of accounting)
Unaudited

| | 2015 | 2016 | 2017 | 2018 | As of June 30, | | 2021 | 2022 | 2023 | 2024 |
|------------------------------------|---------------------|---------------------|----------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| | | | | | 2019 | 2020 | | | | |
| General Fund | | | | | | | | | | |
| Restricted | \$ 3,015,626 | \$ 3,638,133 | \$ 4,152,480 | \$ 3,096,012 | \$ 3,096,623 | \$ 5,541,311 | \$ 7,799,680 | \$ 6,065,003 | \$ 7,521,039 | \$ 10,634,946 |
| Assigned | 594,228 | 559,139 | 814,350 | 1,804,779 | 551,785 | 199,990 | 357,072 | 1,386,433 | 2,411,512 | 2,755,165 |
| Unassigned | 1,238,291 | 1,109,931 | 1,130,079 | 1,245,562 | 1,225,231 | 1,127,030 | 2,719,099 | 3,348,366 | 1,976,927 | 2,318,597 |
| Total general fund | <u>\$ 4,848,145</u> | <u>\$ 5,307,203</u> | <u>\$ 6,096,909</u> | <u>\$ 6,146,353</u> | <u>\$ 4,873,639</u> | <u>\$ 6,868,331</u> | <u>\$ 10,875,851</u> | <u>\$ 10,799,802</u> | <u>\$ 11,909,478</u> | <u>\$ 15,708,708</u> |
| Special Revenue Fund | | | | | | | | | | |
| Restricted for Student Activities | | | | | | | \$ 530,779 | \$ 579,821 | \$ 578,825 | \$ 609,247 |
| Restricted for Scholarships | | | | | | | 41,203 | 45,102 | 42,292 | 47,967 |
| Total special revenue fund | | | | | | | <u>\$ 571,982</u> | <u>\$ 624,923</u> | <u>\$ 621,117</u> | <u>\$ 657,214</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Restricted | \$ 506,327 | \$ 1,159,820 | \$ 15,713,076 | \$ 4,971,947 | \$ 2,651,569 | \$ 69,306 | \$ 22,066 | \$ 1,750 | \$ - | \$ - |
| Total all other governmental funds | <u>\$ 506,327</u> | <u>\$ 1,159,820</u> | <u>\$ 15,713,076</u> | <u>\$ 4,971,947</u> | <u>\$ 2,651,569</u> | <u>\$ 69,306</u> | <u>\$ 22,066</u> | <u>\$ 1,750</u> | <u>\$ -</u> | <u>\$ -</u> |

Source: ACFR Schedule B-1 and District records.

Note: The District implemented GASB 84 during the fiscal year ended June 30, 2021, which requires the reporting of scholarships and student activity funds in the Special Revenue Fund.

School District of the Chathams
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years

(modified accrual basis of accounting)
Unaudited

| | Year ended June 30, | | | | | | | | | |
|--|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Revenues | | | | | | | | | | |
| Local sources: | | | | | | | | | | |
| Local tax levy | \$ 60,397,848 | \$ 61,374,822 | \$ 62,408,948 | \$ 64,622,959 | \$ 67,289,113 | \$ 68,517,359 | \$ 69,925,537 | \$ 71,239,021 | \$ 72,619,108 | \$ 75,752,614 |
| Transportation fees | 134,560 | 132,526 | 157,648 | 172,298 | 171,743 | 99,496 | | 119,128 | 777,192 | 1,008,540 |
| Tuition charges | 251,032 | 179,845 | 165,429 | 109,908 | 112,560 | 354,253 | 266,954 | 779,020 | 169,146 | 199,331 |
| Interest earned | 4,086 | 4,689 | 44,551 | 147,304 | 170,781 | 164,893 | 61,618 | 38,796 | 163,292 | 302,779 |
| Miscellaneous | 759,473 | 813,561 | 1,137,416 | 1,000,368 | 949,903 | 847,393 | 885,616 | 1,185,214 | 1,371,695 | 1,697,820 |
| Total local sources | 61,546,999 | 62,505,443 | 63,913,992 | 66,052,837 | 68,694,100 | 69,983,394 | 71,139,725 | 73,361,179 | 75,100,433 | 78,961,084 |
| State sources | 8,572,918 | 9,768,918 | 10,524,009 | 12,002,024 | 14,026,995 | 14,878,443 | 18,142,527 | 22,948,013 | 24,149,720 | 25,627,900 |
| Federal sources | 927,131 | 955,119 | 978,150 | 918,151 | 901,459 | 812,547 | 1,220,675 | 1,905,869 | 1,638,315 | 1,871,463 |
| Total revenue | 71,047,048 | 73,229,480 | 75,416,151 | 78,973,012 | 83,622,554 | 85,674,384 | 90,502,927 | 98,215,061 | 100,888,468 | 106,460,447 |
| Expenditures | | | | | | | | | | |
| Current | | | | | | | | | | |
| Instruction | 29,217,240 | 29,900,500 | 29,542,038 | 30,053,391 | 31,138,093 | 31,754,014 | 32,776,888 | 34,278,428 | 34,604,872 | 36,192,313 |
| Support services | | | | | | | | | | |
| Tuition | 2,437,142 | 2,614,988 | 2,207,411 | 2,599,310 | 1,859,110 | 2,216,158 | 2,001,073 | 2,343,344 | 2,970,957 | 3,259,428 |
| Attendance/social work | 62,704 | 63,922 | 63,418 | 61,346 | 60,957 | 64,137 | 70,077 | 70,813 | 74,455 | 141,216 |
| Health services | 646,778 | 581,817 | 610,623 | 644,130 | 636,780 | 608,676 | 622,766 | 631,563 | 631,680 | 678,949 |
| Other support services | 4,391,402 | 4,430,431 | 4,586,694 | 4,922,020 | 5,094,958 | 5,190,889 | 5,729,712 | 6,240,590 | 6,726,318 | 6,992,354 |
| Improvement of instruction | 681,907 | 710,701 | 768,984 | 736,096 | 832,220 | 781,444 | 876,871 | 992,482 | 784,410 | 672,419 |
| Education media library | 870,424 | 872,894 | 887,674 | 888,716 | 895,731 | 823,061 | 798,007 | 678,030 | 760,251 | 806,267 |
| Other support: instructional staff | 590,801 | 633,067 | 620,128 | 645,905 | 734,088 | 737,407 | 747,862 | 727,440 | 540,568 | 520,952 |
| General administration services | 1,097,073 | 1,014,515 | 1,012,292 | 946,483 | 857,984 | 967,010 | 857,145 | 993,405 | 1,058,071 | 840,278 |
| School administration services | 2,768,155 | 2,796,121 | 2,808,740 | 2,908,717 | 2,791,770 | 2,819,903 | 2,854,122 | 3,077,554 | 3,027,607 | 2,788,518 |
| Central services | 765,841 | 820,190 | 858,155 | 906,739 | 919,954 | 914,781 | 978,890 | 982,648 | 997,539 | 945,613 |
| Administrative information technology services | 554,949 | 570,112 | 569,597 | 640,308 | 625,179 | 749,097 | 760,647 | 856,844 | 850,633 | 938,740 |
| Required maintenance of plant services | 1,003,783 | 1,294,195 | 468,246 | 1,035,271 | 942,738 | 894,714 | 1,139,557 | 1,568,750 | 1,455,818 | 1,934,231 |
| Operation and maintenance of plant services | 3,448,907 | 3,349,202 | 4,143,277 | 3,416,857 | 4,054,086 | 4,007,990 | 3,890,594 | 4,561,326 | 4,308,712 | 4,130,678 |
| Care and upkeep of grounds | 181,119 | 196,180 | 222,214 | 255,715 | 223,095 | 222,256 | 253,504 | 243,202 | 227,420 | 271,580 |
| Security | 260,094 | 280,096 | 319,620 | 357,376 | 409,161 | 382,106 | 426,947 | 415,323 | 434,152 | 619,939 |
| Student transportation | 2,556,692 | 2,689,656 | 2,866,750 | 2,933,629 | 3,109,660 | 2,706,324 | 2,706,065 | 3,672,273 | 4,072,519 | 4,656,675 |
| Unallocated benefits and On-behalf TPAF Contributions | 15,222,766 | 15,907,046 | 17,180,349 | 19,323,273 | 21,903,781 | 22,038,390 | 24,465,793 | 28,714,299 | 29,192,581 | 30,711,234 |
| Special schools | 157,266 | 176,007 | 173,744 | 157,722 | 161,065 | 187,967 | 217,928 | 263,033 | 182,704 | 190,613 |
| Charter Schools | | | | | 32,757 | | 28,424 | 31,574 | 78,168 | 63,139 |
| Capital outlay | 4,412,782 | 5,921,538 | 2,891,526 | 12,666,076 | 6,093,698 | 4,309,514 | 730,364 | 3,339,289 | 2,889,208 | 1,352,930 |
| Debt Service: | | | | | | | | | | |
| Principal | 1,515,000 | 1,490,000 | 1,725,391 | 1,911,463 | 2,224,490 | 2,331,449 | 2,444,490 | 2,280,000 | 2,632,651 | 2,737,014 |
| Interest | 1,039,879 | 1,193,751 | 1,346,458 | 1,654,154 | 1,614,291 | 1,554,668 | 1,470,112 | 1,296,275 | 1,283,054 | 1,180,040 |
| Cost of issuance | 202,200 | | 221,666 | | | | | | | |
| Total expenditures | 74,084,904 | 77,506,929 | 76,094,995 | 89,664,697 | 87,215,646 | 86,261,955 | 86,847,838 | 98,258,485 | 99,784,348 | 102,625,120 |
| Excess (Deficiency) of revenues over (under) expenditures | (3,037,856) | (4,277,449) | (678,844) | (10,691,685) | (3,593,092) | (587,571) | 3,655,089 | (43,424) | 1,104,120 | 3,835,327 |
| Other Financing sources (uses) | | | | | | | | | | |
| Refunding bonds issued | 28,545,000 | | | | | | | | | |
| Bonds issued | | | 15,864,000 | | | | | | | |
| Payment to bond escrow agent | (32,434,091) | | | | | | | | | |
| Financed purchase proceeds | | 5,390,000 | | | | | | | | |
| Equity contribution | 70,000 | | | | | | | | | |
| Premium on bonds issued | 4,024,722 | | 157,806 | | | | | | | |
| Additional proceeds | (3,431) | | | | | | | | | |
| Transfers in | 362,436 | 328,757 | 41,951 | 129,495 | 68,990 | 20,316 | 1,750 | | | |
| Transfers out | (362,436) | (328,757) | (41,951) | (129,495) | (68,990) | (20,316) | (1,750) | | | |
| Total other financing sources (uses) | 202,200 | 5,390,000 | 16,021,806 | - | - | - | - | - | - | - |
| Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses) | (2,835,656) | 1,112,551 | 15,342,962 | (10,691,685) | (3,593,092) | (587,571) | 3,655,089 | (43,424) | 1,104,120 | 3,835,327 |
| Fund balance July 1 | 8,190,128 | 5,354,472 | 6,467,023 | 21,809,985 | 11,118,300 | 7,525,208 | 7,814,810 | 11,469,899 | 11,426,475 | 12,530,595 |
| Fund balance June 30 | \$ 5,354,472 | \$ 6,467,023 | \$ 21,809,985 | \$ 11,118,300 | \$ 7,525,208 | \$ 6,937,637 | \$ 11,469,899 | \$ 11,426,475 | \$ 12,530,595 | \$ 16,365,922 |
| Debt service as a percentage of noncapital expenditures | 3.67% | 3.75% | 4.20% | 4.63% | 4.73% | 4.74% | 4.55% | 3.77% | 4.04% | 3.87% |

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay and debt service.

Note: The District implemented GASB 84 in FY 2021. The July 1, 2020 fund balance was retrospectively adjusted to reflect implementation.

School District of the Chathams
General Fund - Other Local Revenue by Source
Last Ten Fiscal Years

(modified accrual basis of accounting)
Unaudited

| Year Ended June 30, | Tuition | Interest on Investments | Facility Use Fees | Prior Year Refunds | Miscellaneous | Energy Savings Rebates | Transportation Fees | Annual Totals |
|------------------------|------------|----------------------------|----------------------|-----------------------|---------------|------------------------------|------------------------|---------------|
| 2015 | \$ 251,032 | \$ 4,086 | \$ 70,583 | \$ 108,139 | \$ 255,870 | | \$ 134,560 | \$ 824,270 |
| 2016 | 179,845 | 4,689 | 10,720 | 136,983 | 396,125 | | 132,526 | 860,888 |
| 2017 | 165,429 | 5,583 | 11,000 | 162,348 | 326,526 | \$ 281,234 | 157,648 | 1,109,768 |
| 2018 | 109,908 | 17,809 | 11,360 | 58,805 | 401,624 | | 172,298 | 771,804 |
| 2019 | 112,560 | 101,791 | 69,065 | 192,000 | 388,379 | | 171,743 | 1,035,538 |
| 2020 | 354,253 | 144,577 | 54,910 | 112,264 | 412,519 | | 99,496 | 1,178,019 |
| 2021 | 266,954 | 59,868 | | 125,904 | 280,571 | | | 733,297 |
| 2022 | 779,020 | 38,796 | 54,434 | 121,691 | 307,406 | | 119,128 | 1,420,475 |
| 2023 | 777,192 | 163,292 | 96,104 | 174,075 | 316,245 | | 169,146 | 1,696,054 |
| 2024 | 1,008,540 | 302,779 | 168,169 | 358,633 | 358,737 | | 199,331 | 2,396,189 |

Source: District records

School District of the Chathams
Assessed Value and Actual Value of Taxable Property
Last Ten Years

Unaudited

| Year Ended December 31, | Vacant Land | Residential | Farm Reg. | Qfarm | Commercial | Industrial | Apartment | Public Utilities ^a | Total Assessed Value | Less : Tax Exempt Property | Net Valuation Taxable | Estimated Actual (County Equalized) Value | Total Direct School Tax Rate ^b |
|----------------------------|---------------|------------------|---------------|------------|----------------|---------------|---------------|-------------------------------|-------------------------|-------------------------------|--------------------------|---|---|
| Borough of Chatham | | | | | | | | | | | | | |
| 2015 | \$ 9,345,000 | \$ 1,786,006,100 | - | \$ 200 | \$ 204,564,400 | \$ 21,593,300 | \$ 39,173,700 | \$ 1,173,177 | \$ 2,061,855,877 | \$ 141,860,200 | \$ 1,919,995,677 | \$ 2,321,206,993 | \$ 1.210 |
| 2016 | 9,445,600 | 1,797,232,200 | - | 200 | 205,235,400 | 21,861,200 | 39,173,700 | 1,140,307 | 2,074,088,607 | 143,250,900 | 1,930,837,707 | 2,407,716,713 | 1.218 |
| 2017 | 8,929,200 | 1,806,178,600 | - | 200 | 204,706,600 | 21,583,800 | 38,946,200 | 1,115,479 | 2,081,460,079 | 143,286,300 | 1,938,173,779 | 2,465,015,414 | 1.256 |
| 2018 | 8,345,800 | 1,814,236,100 | - | 200 | 200,032,100 | 21,482,700 | 38,946,200 | 1,089,920 | 2,084,133,020 | 143,339,600 | 1,940,793,420 | 2,688,838,389 | 1.308 |
| 2019 | 8,348,000 | 1,824,612,300 | - | 1,600 | 202,634,000 | 21,482,700 | 38,946,200 | 1,023,537 | 2,097,048,337 | 142,036,400 | 1,955,011,937 | 2,518,525,343 | 1.334 |
| 2020 | 10,055,000 | 1,839,640,500 | - | 1,600 | 201,392,000 | 21,482,700 | 38,952,400 | 1,066,317 | 2,112,590,517 | 139,098,000 | 1,973,492,517 | 2,634,053,912 | 1.351 |
| 2021 | 9,359,900 | 1,855,486,000 | - | 1,600 | 199,472,100 | 21,482,700 | 38,952,400 | 1,111,976 | 2,125,865,076 | 140,274,300 | 1,985,590,776 | 2,577,388,228 | 2.137 |
| 2022 | 9,359,900 | 1,865,478,800 | - | - | 199,304,700 | 21,522,500 | 38,985,400 | 1,039,181 | 2,135,690,481 | 140,274,300 | 1,995,416,181 | 2,743,616,406 | 2.183 |
| 2023 | 9,170,300 | 2,680,666,600 | - | - | 268,594,600 | 34,552,100 | 108,185,200 | 1,041,150 | 3,102,209,950 | 231,806,300 | 2,870,403,650 | 2,897,437,325 | 1.554 |
| 2024 | 9,750,000 | 2,687,480,800 | - | - | 266,823,700 | 34,522,100 | 93,802,700 | - | 3,092,379,300 | 324,709,800 | 2,767,669,500 | 3,160,800,519 | 1.619 |
| Township of Chatham | | | | | | | | | | | | | |
| 2015 | \$ 21,646,700 | \$ 2,865,962,000 | \$ 10,070,500 | \$ 171,200 | \$ 120,375,700 | \$ 1,285,800 | \$ 51,315,000 | | \$ 3,070,826,900 | | | | |
| 2016 | 22,256,100 | 2,896,911,700 | 10,659,500 | 175,700 | 120,444,400 | 1,285,800 | 51,390,000 | \$ 1,314,985 | 3,104,438,185 | \$ 192,738,700 | \$ 2,911,699,485 | \$ 3,435,967,433 | \$ 1.174 |
| 2017 | 26,831,600 | 2,933,199,800 | 10,677,800 | 172,500 | 120,530,400 | 1,285,800 | 51,680,000 | 1,290,785 | 3,145,668,685 | 192,949,600 | 2,952,719,085 | 3,513,441,057 | 1.196 |
| 2018 | 15,087,200 | 2,991,085,700 | 10,827,000 | 175,700 | 120,530,400 | 1,285,800 | 51,695,000 | 1,512,738 | 3,192,199,538 | 192,949,600 | 2,999,249,938 | 3,614,280,471 | 1.221 |
| 2019 | 23,061,200 | 3,017,327,800 | 10,978,300 | 175,700 | 120,867,600 | 1,285,800 | 51,710,000 | 1,674,372 | 3,227,080,772 | 194,927,000 | 3,032,153,772 | 3,579,717,036 | 1.237 |
| 2020 | 14,495,300 | 3,059,006,700 | 11,040,500 | 175,700 | 122,377,100 | 1,285,800 | 51,710,000 | 1,688,531 | 3,261,779,631 | 196,002,500 | 3,065,777,131 | 3,686,534,041 | 1.250 |
| 2021 | 14,825,700 | 3,099,479,000 | 7,767,000 | 102,000 | 121,671,700 | 1,285,800 | 51,725,000 | 1,703,470 | 3,298,559,670 | 197,001,800 | 3,101,557,870 | 3,724,253,675 | 1.931 |
| 2022 | 16,994,500 | 3,127,489,200 | 7,843,000 | 103,700 | 120,466,700 | 1,285,800 | 51,740,000 | 1,699,669 | 3,327,622,569 | 198,230,300 | 3,129,392,269 | 3,792,072,166 | 1.946 |
| 2023 | 15,275,700 | 3,184,149,200 | 7,942,900 | 103,700 | 120,400,500 | 1,285,800 | 51,740,000 | 1,594,897 | 3,382,492,697 | 199,987,900 | 3,182,504,797 | 4,157,929,594 | 1.956 |
| 2024 | 10,858,500 | 3,272,120,100 | 7,942,900 | 103,700 | 117,160,500 | 1,285,800 | 51,770,000 | - | 3,461,241,500 | 199,968,800 | 3,261,272,700 | 4,551,490,534 | 1.989 |

Source: Table of Aggregates

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 the County Board of Taxation requests Treasury to order a reassessment.

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

b Tax rates are per \$100

School District of the Chathams
Property Tax Rates-Direct and Overlapping Governments
Last Ten Years
(rate per \$100 of assessed value)

Unaudited

| Year Ended December 31, | School District of the Chathams Direct Rate | | | Overlapping Rates | | Total Direct and Overlapping Tax Rate | |
|----------------------------|---|--|--|-------------------|---------------|--|--|
| | Basic Rate ^a | General Obligation Debt Service ^b | (From J-6) Total Direct School Tax Rate | Municipality | Morris County | | |
| Borough of Chatham | | | | | | | |
| 2015 | \$ 1.16 | \$ 0.05 | \$ 1.20 | \$ 0.41 | \$ 0.28 | \$ 1.90 | |
| 2016 | 1.17 | 0.04 | 1.20 | 0.42 | 0.30 | 1.93 | |
| 2017 | 1.20 | 0.05 | 1.20 | 0.42 | 0.31 | 1.99 | |
| 2018 | 1.24 | 0.06 | 1.20 | 0.42 | 0.31 | 2.04 | |
| 2019 | 1.27 | 0.06 | 1.20 | 0.43 | 0.34 | 2.10 | |
| 2020 | 1.29 | 0.06 | 1.20 | 0.44 | 0.33 | 2.12 | |
| 2021 | 1.30 | 0.06 | 1.20 | 0.46 | 0.32 | 2.14 | |
| 2022 | | | 1.20 | | | 2.18 | |
| 2023 | | | 1.20 | | | | |
| 2024 | | | | | | | |
| Township of Chatham | | | | | | | |
| 2015 | * | * | * | * | * | * | |
| 2016 | \$ 1.13 | \$ 0.04 | \$ 1.17 | \$ 0.30 | \$ 0.28 | \$ 1.76 | |
| 2017 | 1.15 | 0.05 | 1.17 | 0.30 | 0.29 | 1.79 | |
| 2018 | 1.16 | 0.06 | 1.17 | 0.32 | 0.29 | 1.83 | |
| 2019 | 1.18 | 0.06 | 1.17 | 0.43 | 0.34 | 2.01 | |
| 2020 | 1.19 | 0.06 | 1.17 | 0.35 | 0.30 | 1.89 | |
| 2021 | 1.20 | 0.06 | 1.17 | 0.37 | 0.30 | 1.93 | |
| 2022 | | | 1.17 | | | 1.95 | |
| 2023 | | | 1.17 | | | | |
| 2024 | | | | | | | |

Source:

A4F and Table of Aggregates

- a** The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.
b Rates for debt service are based on each year's requirements.

**School District of the Chathams
Principal Property Taxpayers
Current Year and Nine Years Ago**

Unaudited

| | 2024 | | | 2015 | |
|---|------------------------------|--|----------------------------|------------------------------|--|
| | Taxable Assessed Value | % of Total District Net Assessed Value | | Taxable Assessed Value | % of Total District Net Assessed Value |
| Chatham Borough | | | Chatham Borough | | |
| MHP Chatham Portfolio LLC (USPF Chatham | \$ 30,884,100 | 1.45% | S/K Chatham Associates | \$ 11,794,800 | 0.57% |
| KRE 500 Manila Associates/Seaview, LLC | 28,781,000 | 1.35% | Normandy Chatham, LLC | 11,505,800 | 0.56% |
| Chatham Project, LLC | 17,812,700 | 0.83% | One Main Street Associates | 9,000,000 | 0.44% |
| Foresome Group | 11,901,200 | 0.56% | Chatham Project, LLC | 7,310,000 | 0.35% |
| One Main Street Associates | 11,813,000 | 0.55% | Levin Properties, LP | 6,884,600 | 0.33% |
| Levin Properties, LP | 9,726,500 | 0.46% | J. Apgar | 6,880,100 | 0.33% |
| 26 Main Street Chatham LLC | 9,525,000 | 0.45% | Foresome Group | 6,613,600 | 0.32% |
| Jackson House Apartments, LLC | 8,544,200 | 0.40% | Town Square Partners | 5,742,700 | 0.28% |
| Lafayette Associates, LLC | 7,531,600 | 0.35% | Silverman Group | 4,530,500 | 0.22% |
| Town Square Partners | 7,339,800 | 0.34% | Jackson House Apartments | 3,800,000 | 0.18% |
| Total | <u>\$ 128,987,700</u> | <u>6.04%</u> | Total | <u>\$ 74,062,100</u> | <u>3.59%</u> |
| Township of Chatham | | | Township of Chatham | | |
| | 2024 | | | 2015 | |
| Chatham Holder LLC | \$ 41,770,000 | 1.21% | ** | ** | ** |
| Fairmount Country Club | 22,108,400 | 0.64% | ** | ** | ** |
| Hickory Square Associates LP | 19,020,000 | 0.55% | ** | ** | ** |
| Texas Eastern Transmission Corp. | 14,936,500 | 0.43% | ** | ** | ** |
| Transcontinental Gas Pipeline Corp. | 10,198,800 | 0.29% | ** | ** | ** |
| Chatham Hills, Inc. | 10,000,000 | 0.29% | ** | ** | ** |
| Juniper Assisted Living Residence | 9,666,000 | 0.28% | ** | ** | ** |
| Chatham Hills Realty LLC-Carerite | 7,602,000 | 0.22% | ** | ** | ** |
| Toll NJ I LLC | 6,255,400 | 0.18% | ** | ** | ** |
| Chatham Mall Assoc LLC | 6,000,000 | 0.17% | ** | ** | ** |
| Total | <u>\$ 147,557,100</u> | <u>4.26%</u> | Total | <u>\$ -</u> | <u>0.00%</u> |

Source: District ACFR & Municipal Tax Assessor.

School District of the Chathams
Property Tax Levies and Collections
Last Ten Years

Unaudited

| Year Ended June 30, | Taxes Levied for the Fiscal Year - School District of the Chathams | Collected within the Fiscal Year of the Levy ^a | | Collections in Subsequent Years |
|------------------------|---|--|-----------------------|------------------------------------|
| | | Amount | Percentage of Levy | |
| 2015 | \$ 60,397,848 | \$ 60,397,848 | 100.00% | - |
| 2016 | 61,374,822 | 61,374,822 | 100.00% | - |
| 2017 | 62,408,948 | 62,408,948 | 100.00% | - |
| 2018 | 64,622,959 | 64,622,959 | 100.00% | - |
| 2019 | 67,289,113 | 67,289,113 | 100.00% | - |
| 2020 | 68,517,359 | 68,517,359 | 100.00% | - |
| 2021 | 69,925,537 | 69,925,537 | 100.00% | - |
| 2022 | 71,239,021 | 71,239,021 | 100.00% | - |
| 2023 | 72,619,108 | 72,619,108 | 100.00% | - |
| 2024 | 75,752,614 | 75,752,614 | 100.00% | - |

| Year Ended December 31, | Taxes Levied for the Fiscal Year - Borough of Chatham | Collected within the Fiscal Year of the Levy ^a | | Collections in Subsequent Years |
|----------------------------|--|--|-----------------------|------------------------------------|
| | | Amount | Percentage of Levy | |
| 2014 | \$ 39,135,444 | \$ 38,691,949 | 98.87% | \$ 443,495 |
| 2015 | 39,628,224 | 39,285,009 | 99.13% | 343,215 |
| 2016 | 40,239,670 | 39,883,859 | 99.12% | 355,811 |
| 2017 | 41,457,796 | 41,221,730 | 99.43% | 236,066 |
| 2018 | 42,816,719 | 42,572,823 | 99.43% | 243,897 |
| 2019 | 44,298,645 | 43,952,345 | 99.22% | 346,300 |
| 2020 | 44,897,406 | 44,472,100 | 99.05% | 425,307 |
| 2021 | 45,652,453 | 45,341,619 | 99.32% | 263,470 |
| 2022 | 46,605,331 | 46,036,145 | 98.78% | 569,186 |
| 2023 | * | * | * | * |

| Year Ended December 31, | Taxes Levied for the Fiscal Year - Township of Chatham | Collected within the Fiscal Year of the Levy ^a | | Collections in Subsequent Years |
|----------------------------|---|--|-----------------------|------------------------------------|
| | | Amount | Percentage of Levy | |
| 2014 | \$ 53,408,511 | \$ 52,764,058 | 98.79% | \$ 1,221,669 |
| 2015 | 54,209,387 | 53,225,477 | 98.18% | 983,910 |
| 2016 | 53,408,511 | 52,764,058 | 98.79% | 644,453 |
| 2017 | 56,665,494 | 55,832,448 | 98.53% | 833,046 |
| 2018 | 59,025,448 | 58,565,473 | 99.22% | 459,976 |
| 2019 | 60,193,989 | 59,806,190 | 99.36% | 387,800 |
| 2020 | 62,306,296 | 62,045,156 | 99.58% | 261,141 |
| 2021 | 64,463,034 | 64,106,480 | 99.45% | 356,554 |
| 2022 | 65,337,950 | 65,013,316 | 99.50% | 324,634 |
| 2023 | 67,229,937 | 66,918,929 | 99.54% | 311,008 |

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

Note: The top chart represents the School District only, while the bottom two charts represent the total levy for each town/borough (municipality, county, school, etc).

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

* - Information not available

**School District of the Chathams
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Unaudited

| Year Ended June 30, | Governmental Activities | | Total District | Percentage of Personal Income ^a | Per Capita Income ^a |
|------------------------|-----------------------------|-------------------------------------|----------------|--|--------------------------------|
| | General Obligation Bonds | Leases and Financed Purchases | | | |
| 2015 | \$ 29,325,000 | | \$ 29,325,000 | 0.30% | \$ 88,335 |
| 2016 | 27,835,000 | \$ 5,390,000 | 33,225,000 | 0.27% | 91,148 |
| 2017 | 42,414,000 | 4,949,609 | 47,363,609 | 0.20% | 93,633 |
| 2018 | 41,089,000 | 4,363,146 | 45,452,146 | 0.22% | 97,819 |
| 2019 | 39,119,000 | 4,108,656 | 43,227,656 | 0.24% | 101,646 |
| 2020 | 37,075,000 | 3,821,208 | 40,896,208 | 0.25% | 102,227 |
| 2021 | 34,915,000 | 3,536,718 | 38,451,718 | 0.28% | 107,767 |
| 2022 | 32,635,000 | 3,657,784 | 36,292,784 | ** | ** |
| 2023 | 30,260,000 | 3,290,845 | 33,550,845 | ** | ** |
| 2024 | 27,795,000 | 2,905,330 | 30,700,330 | ** | ** |

Source: District ACFR Schedules I-1 and District records.

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

** Information not available

a See J-14 for personal income and population data. These ratios are calculated using personal income and population for the current calendar year.

School District of the Chathams
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Unaudited

| General Bonded Debt Outstanding | | | | | | |
|---------------------------------|--------------------------------|---|------------|---|--|-------------------------|
| Year Ended June 30, | General Obligation Bonds | Energy Lease and Financed Purchases | Deductions | Net General Bonded Debt Outstanding | Percentage of Actual Taxable Value ^a of Property | Per Capita ^b |
| 2015 | \$ 29,325,000 | | \$ 257,397 | \$ 29,067,603 | 1.51% | \$ 88,335 |
| 2016 | 27,835,000 | \$ 5,390,000 | 254,225 | 32,970,775 | 1.71% | 91,148 |
| 2017 | 42,414,000 | 4,949,609 | 115,184 | 47,248,425 | 2.44% | 93,633 |
| 2018 | 41,089,000 | 4,363,146 | 168,464 | 45,283,682 | 2.33% | 97,819 |
| 2019 | 39,119,000 | 4,108,656 | 178,486 | 43,049,170 | 2.20% | 101,646 |
| 2020 | 37,075,000 | 3,821,208 | 69,306 | 40,826,902 | 2.09% | 102,227 |
| 2021 | 34,915,000 | 3,536,718 | 22,066 | 38,429,652 | 1.95% | 107,767 |
| 2022 | 32,635,000 | 3,657,784 | 1,750 | 36,291,034 | 1.82% | 111,597 |
| 2023 | 30,260,000 | 3,290,845 | | 33,550,845 | 1.17% | ** |
| 2024 | 27,795,000 | 2,905,330 | | 30,700,330 | ** | ** |

Source:

a See J-6 for property tax data.

b Population data can be found in J-14.

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

** This information is not available for this District.

School District of the Chathams
Direct and Overlapping Governmental Activities Debt
As of June 30, 2024

Unaudited

| <u>Governmental Unit</u> | <u>Debt Outstanding</u> | <u>Estimated</u> | <u>Estimated</u> |
|--|-------------------------|------------------|-----------------------------|
| Debt repaid with property taxes | | | |
| Chatham Township | | Not Available | |
| Chatham Borough | | Not Available | |
| Morris County General Obligation Debt | | Not Available | |
| Subtotal, overlapping debt | | | Not Available |
| School District of the Chathams | | | <u>\$ 27,795,000</u> |
| Total direct and overlapping debt | | | <u><u>\$ 27,795,000</u></u> |

Sources: Assessed value data used to estimate applicable percentages provided by the Morris County Board of Taxation.
Debt outstanding data provided by each governmental unit.

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

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

School District of the Chathams
Legal Debt Margin Information
Last Ten Fiscal Years
Unaudited

Legal Debt Margin Calculation for Fiscal Year 2024

| | Chatham Borough | Chatham Township | Equalized Valuation Basis Total |
|---|-------------------------|-------------------------|---------------------------------------|
| 2024 | \$ 3,160,800,519 | \$ 4,551,490,534 | \$ 7,712,291,053 |
| 2023 | 2,897,437,325 | 4,157,929,594 | 7,055,366,919 |
| 2022 | 2,743,616,406 | 3,792,072,166 | 6,535,688,572 |
| | <u>\$ 2,933,951,417</u> | <u>\$ 4,167,164,098</u> | <u>\$ 21,303,346,544</u> |
| Average equalized valuation of taxable property | | | <u>\$ 7,101,115,515</u> |
| Debt limit (4% of average equalization value) | | | \$ 284,044,621 ^a |
| Total Net Debt Applicable to Limit | | | <u>27,795,000</u> |
| Legal debt margin | | | <u>\$ 256,249,621</u> |

| Year ended June 30: | | | | | | | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Debt limit | \$ 226,126,861 | \$ 228,700,926 | \$ 233,870,400 | \$ 236,442,812 | \$ 241,533,977 | \$ 249,965,920 | \$ 249,606,396 | \$ 168,296,398 | \$ 262,430,937 | \$ 284,044,621 |
| Total net debt applicable to limit | <u>29,067,603</u> | <u>32,970,775</u> | <u>47,248,425</u> | <u>45,283,682</u> | <u>37,769,000</u> | <u>40,826,902</u> | <u>38,429,652</u> | <u>32,635,000</u> | <u>30,260,000</u> | <u>27,795,000</u> |
| Legal debt margin | <u>\$ 197,059,258</u> | <u>\$ 195,730,151</u> | <u>\$ 186,621,975</u> | <u>\$ 191,159,130</u> | <u>\$ 203,764,977</u> | <u>\$ 209,139,018</u> | <u>\$ 211,176,744</u> | <u>\$ 135,661,398</u> | <u>\$ 232,170,937</u> | <u>\$ 256,249,621</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 12.85% | 14.42% | 20.20% | 19.15% | 15.64% | 16.33% | 15.40% | 19.39% | 11.53% | 9.79% |

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

^a Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

**School District of the Chathams
Demographic and Economic Statistics
Last Ten Years**

Unaudited

| <u>Year</u> | <u>Population ^a</u> | <u>Personal Income ^b</u> | <u>Per Capita</u> | <u>Unemployment ^c</u> |
|----------------------------|--------------------------------|-------------------------------------|-------------------|----------------------------------|
| Borough of Chatham | | | | |
| 2015 | 8,933 | \$ 789,096,555 | \$ 88,335 | 3.30% |
| 2016 | 8,896 | 810,852,608 | 91,148 | 3.30% |
| 2017 | 8,827 | 826,498,491 | 93,633 | 2.80% |
| 2018 | 8,746 | 855,524,974 | 97,819 | 2.50% |
| 2019 | 8,631 | 877,306,626 | 101,646 | 2.00% |
| 2020 | 8,601 | 879,254,427 | 102,227 | 5.00% |
| 2021 | 9,253 | 997,168,051 | 107,767 | 3.70% |
| 2022 | 9,226 | 1,029,593,922 | 111,597 | 2.20% |
| 2023 | 9,275 | ** | ** | 3.10% |
| 2024 | ** | ** | ** | ** |
| Township of Chatham | | | | |
| 2015 | 10,433 | \$ 921,599,055 | \$ 88,335 | 4.00% |
| 2016 | 10,363 | 944,566,724 | 91,148 | 3.40% |
| 2017 | 10,309 | 965,262,597 | 93,633 | 3.10% |
| 2018 | 10,258 | 1,003,427,302 | 97,819 | 2.80% |
| 2019 | 10,107 | 1,027,336,122 | 101,646 | 2.30% |
| 2020 | 10,107 | 1,033,208,289 | 102,227 | 5.60% |
| 2021 | 10,935 | 1,178,432,145 | 107,767 | 3.90% |
| 2022 | 10,962 | 1,223,326,314 | 111,597 | 2.40% |
| 2023 | 11,127 | ** | ** | 3.00% |
| 2024 | ** | ** | ** | ** |

Source:

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

b Personal income has been estimated based upon the municipal population and per capita personal income presented.

c Per capita personal income by County (Morris) estimated based upon the regional economic information system,

US Bureau of Economic Analysis, November 2020.

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

** This information is not available from State.

School District of the Chathams
Principal Employers
Current Year and Nine Years Ago

Unaudited

| | <u>2024</u> | | <u>2015</u> | |
|----------------------------|------------------|----------------------|------------------|----------------------|
| | <u>Employees</u> | <u>Percentage of</u> | <u>Employees</u> | <u>Percentage of</u> |
| TOWNSHIP OF CHATHAM | 60 | * | * | * |
| BOROUGH OF CHATHAM | 52 | 43.70% | 114 | * |

* This information not available for the District.
 ** Full time employees
 *** Includes 50 Full Time and 65 Part Time Employees

School District of the Chathams
Full-time Equivalent District Employees by Function/Program
Last Ten Fiscal Years

Unaudited

| <u>Function/Program</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Instruction | | | | | | | | | | |
| Regular | 292.90 | 299.90 | 302.40 | 315.50 | 322.41 | 333.00 | 330.70 | 340.70 | 335.50 | 332.50 |
| Special Education | 127.80 | 133.90 | 135.40 | 141.20 | 144.29 | 149.03 | 148.00 | 153.00 | 155.00 | 157.00 |
| Support Services | | | | | | | | | | |
| Student & instruction related services | 30.40 | 30.40 | 31.40 | 32.80 | 33.52 | 34.62 | 34.40 | 38.40 | 38.40 | 38.40 |
| General administrative services | 5.00 | 5.00 | 6.00 | 6.10 | 6.23 | 6.43 | 6.40 | 6.40 | 6.20 | 6.00 |
| School administrative services | 35.70 | 35.70 | 35.70 | 37.20 | 38.01 | 39.26 | 39.00 | 40.00 | 38.00 | 38.00 |
| Business administrative services | 8.00 | 8.00 | 8.00 | 8.40 | 8.58 | 8.86 | 8.80 | 9.00 | 9.00 | 9.00 |
| Plant operation & maintenance | 45.00 | 45.00 | 45.00 | 47.20 | 48.23 | 49.80 | 49.50 | 49.00 | 49.00 | 50.00 |
| Pupil transportation | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Total | <u>545.80</u> | <u>558.90</u> | <u>564.90</u> | <u>589.40</u> | <u>602.27</u> | <u>622.00</u> | <u>617.80</u> | <u>637.50</u> | <u>632.10</u> | <u>631.90</u> |

Source: District Personnel Records
and budget support document.

**School District of the Chathams
Operating Statistics
Last Ten Fiscal Years**

Unaudited

Pupil/Teacher Ratio

| Year Ended June 30, | Enrollment | Operating Expenditures ^a | Cost Per Pupil | Percentage Change | Teaching Staff ^b | 4 Elementary Schools | 1 Middle School | 1 High School | Average Daily Enrollment (ADE) ^c | Average Daily Attendance (ADA) ^c | % Change in Average Daily Enrollment | Student Attendance Percentage |
|------------------------------------|-------------------|--|---------------------------|------------------------------|--|---------------------------------|----------------------------|--------------------------|--|--|---|--|
| 2015 | 4,112 | \$ 66,915,043 | \$ 16,273 | 5.42% | 358.90 | 11.9:1 | 11.4:1 | 11.1:1 | 4,118 | 3,969 | -0.07% | 96.38% |
| 2016 | 4,152 | 68,901,640 | 16,595 | 1.98% | 368.89 | 11.6:1 | 10.8:1 | 11.1:1 | 4,145 | 3,999 | 0.66% | 96.47% |
| 2017 | 4,203 | 69,909,954 | 16,633 | 0.23% | 374.00 | 10.9:1 | 11.6:1 | 11.5:1 | 4,213 | 4,056 | 1.64% | 96.27% |
| 2018 | 4,172 | 73,433,004 | 17,601 | 5.82% | 360.67 | 10.3:1 | 11.7:1 | 11.7:1 | 4,164 | 3,985 | -1.15% | 95.70% |
| 2019 | 4,116 | 77,283,167 | 18,776 | 7.06% | 361.10 | 12.0:1 | 11.4:1 | 11.4:1 | 4,112 | 3,953 | -1.26% | 96.13% |
| 2020 | 4,121 | 78,066,324 | 18,944 | 1.01% | 355.00 | 12.4:1 | 11.0:1 | 10.9:1 | 4,041 | 3,936 | -1.72% | 97.40% |
| 2021 | 3,900 | 82,202,872 | 21,078 | 19.75% | 351.10 | 10.0:1 | 12.3:1 | 14.5:1 | 3,891 | 3,811 | -3.71% | 97.94% |
| 2022 | 3,730 | 89,235,114 | 23,924 | 27.41% | 368.00 | 16.8:1 | 13.5:0 | 13.1:0 | 3,764 | 3,580 | -3.27% | 95.13% |
| 2023 | 3,603 | 92,979,435 | 25,806 | 36.23% | 370.00 | 15.7:9 | 12.5:0 | 13:03:01 | 3,549 | 3,385 | -5.71% | 95.38% |
| 2024 | 3,552 | 97,355,136 | 27,409 | 30.04% | 365.00 | 17.1:2 | 12.5:2 | 13.5:2 | 3,456 | 3,305 | -2.62% | 95.63% |

Sources: District records and ASSA

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).

* Information not available

** This information is not yet available

**School District of the Chathams
School Building Information
Last Ten Fiscal Years**

Unaudited

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| <u>District Building</u> | | | | | | | | | | |
| <u>Elementary</u> | | | | | | | | | | |
| Milton Avenue School (1948) | | | | | | | | | | |
| Square Feet | 42,050 | 42,050 | 42,050 | 42,050 | 42,184 | 42,184 | 42,184 | 42,184 | 42,184 | 42,184 |
| Capacity (students) | 336 | 336 | 336 | 336 | 477 | 477 | 477 | 477 | 477 | 477 |
| Enrollment | 364 | 356 | 356 | 291 | 274 | 282 | 284 | 295 | 282 | 307 |
| Southern Boulevard School (1928) | | | | | | | | | | |
| Square Feet | 76,890 | 76,890 | 76,890 | 76,890 | 76,890 | 76,890 | 76,890 | 76,890 | 76,890 | 76,890 |
| Capacity (students) | 615 | 615 | 615 | 615 | 615 | 615 | 615 | 615 | 615 | 615 |
| Enrollment | 456 | 464 | 464 | 499 | 468 | 434 | 414 | 379 | 372 | 391 |
| Washington Avenue School (1952) | | | | | | | | | | |
| Square Feet | 62,100 | 62,100 | 62,100 | 62,100 | 62,100 | 62,100 | 62,100 | 62,100 | 62,100 | 62,100 |
| Capacity (students) | 497 | 497 | 497 | 497 | 497 | 497 | 497 | 497 | 497 | 497 |
| Enrollment | 433 | 428 | 397 | 377 | 349 | 328 | 314 | 299 | 296 | 300 |
| Lafayette Avenue School (1954) | | | | | | | | | | |
| Square Feet | 72,690 | 72,690 | 72,690 | 72,690 | 72,690 | 72,690 | 72,690 | 72,690 | 72,690 | 72,690 |
| Capacity (students) | 582 | 582 | 582 | 582 | 582 | 582 | 582 | 582 | 582 | 582 |
| Enrollment | 680 | 652 | 691 | 696 | 679 | 659 | 592 | 575 | 545 | 500 |
| <u>Middle School</u> | | | | | | | | | | |
| Chatham Middle School (1957) | | | | | | | | | | |
| Square Feet | 191,720 | 191,720 | 191,720 | 178,170 | 178,170 | 178,170 | 178,170 | 178,170 | 178,170 | 178,170 |
| Capacity (students) | 1,431 | 1,431 | 1,431 | 1,431 | 1,431 | 1,431 | 1,431 | 1,431 | 1,431 | 1,431 |
| Enrollment | 991 | 1,054 | 1,086 | 1,037 | 1,036 | 995 | 984 | 920 | 875 | 845 |
| <u>High School</u> | | | | | | | | | | |
| Chatham High School (1962) | | | | | | | | | | |
| Square Feet | 237,730 | 237,730 | 243,790 | 237,730 | 243,790 | 243,790 | 243,790 | 243,790 | 243,790 | 243,790 |
| Capacity (students) | 1,574 | 1,574 | 1,574 | 1,574 | 1,574 | 1,574 | 1,574 | 1,574 | 1,574 | 1,574 |
| Enrollment | 1,188 | 1,198 | 1,239 | 1,272 | 1,310 | 1,341 | 1,312 | 1,262 | 1,233 | 1,209 |
| | | | | | | | 3,900 | 3,730 | 3,603 | 3,552 |
| Number of Schools at June 30, 2024 | | | | | | | | | | |
| Elementary = 4 | | | | | | | | | | |
| Middle School = 1 | | | | | | | | | | |
| Senior High School = 1 | | | | | | | | | | |

Source: District Facilities Office

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

**School District of the Chathams
Schedule of Required Maintenance for School Facilities
Last Ten Fiscal Years**

Unaudited

**Undistributed Expenditures - Required Maintenance for School Facilities
Account # 11-000-261-xxx**

| Year ended June 30 | Chatham HS | Chatham MS | Lafayette Avenue School | Washington Avenue School | Southern Blvd School | Milton Avenue School | Total |
|-------------------------------|---------------------|---------------------|--------------------------------|---------------------------------|-----------------------------|-----------------------------|----------------------|
| 2015 | \$ 396,769 | \$ 312,025 | \$ 118,303 | \$ 101,068 | \$ 125,139 | \$ 68,436 | \$ 1,121,740 |
| 2016 | 457,768 | 359,995 | 136,491 | 116,606 | 144,377 | 78,958 | 1,294,195 |
| 2017 | 389,178 | 306,054 | 116,039 | 67,127 | 122,744 | 99,134 | 1,100,276 |
| 2018 | 366,184 | 287,972 | 109,184 | 93,277 | 115,492 | 63,161 | 1,035,270 |
| 2019 | 469,073 | 342,813 | 139,861 | 119,485 | 147,942 | 81,165 | 1,300,339 |
| 2020 | 461,365 | 337,181 | 137,564 | 117,522 | 145,512 | 79,832 | 1,278,976 |
| 2021 | 542,108 | 396,191 | 161,639 | 138,090 | 170,978 | 93,803 | 1,502,809 |
| 2022 | 565,895 | 413,575 | 168,731 | 144,149 | 178,480 | 97,919 | 1,568,749 |
| 2023 | 647,564 | 473,262 | 193,082 | 164,952 | 204,238 | 112,051 | 1,795,149 |
| 2024 | 697,735 | 509,929 | 208,041 | 177,732 | 220,062 | 120,732 | 1,934,231 |
| Grand Total School Facilities | <u>\$ 8,088,017</u> | <u>\$ 5,706,152</u> | <u>\$ 2,489,649</u> | <u>\$ 1,824,905</u> | <u>\$ 2,410,285</u> | <u>\$ 1,622,299</u> | <u>\$ 22,141,307</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 of required maintenance.

**School District of the Chathams
Insurance Schedule
Year ended June 30, 2024**

Unaudited

| | Coverage | Deductible |
|--|-----------------------|-------------------|
| School Commercial Package Policy - Utica | | |
| Property - Blanket, building and contents | \$233,409,546 | \$2,500 |
| Property - Equipment Breakdown | \$233,409,546 | \$2,500 |
| Business Income | Actual Loss Sustained | |
| Commercial General Liability | \$3,000,000 | (aggregate) |
| Electronic Data Processing | \$2,500,000 | \$1,000 |
| Earthquake | \$1,000,000 | \$25,000 |
| Flood | \$1,015,000 | \$25,000 |
| Employee Benefits | \$1,000,000 | \$1,000 |
| Employee Benefits | \$3,000,000 | (aggregate) |
| Abuse or Molestation | \$1,000,000 | |
| Abuse or Molestation | \$3,000,000 | (aggregate) |
| Employment Related Practices | \$1,000,000 | \$5,000 |
| Employment Related Practices | \$1,000,000 | (aggregate) |
| Cyber Liability | \$1,000,000 | (aggregate) |
| | | \$10,000 |
| Leased Property - Utica | \$100,000 | \$500 |
| Commercial Automotive Liability - Utica | \$1,000,000 | \$1,000 |
| Workers Compensation - NJSIG | \$3,000,000 | |
| Pollution - Commerce & Industry Ins. Beazley | \$1,000,000 | \$10,000 |
| Umbrella Excess Liability - Utica | \$25,000,000 | \$10,000 |
| Crime - Utica | | |
| Employee Theft | \$1,000,000 | \$500 |
| Forgery / Fraud | \$100,000 | \$500 |
| Computer Fraud | \$100,000 | \$500 |
| Inside the Premises - Theft of Money & Securities | \$25,000 | \$500 |
| Outside the Premises - Theft of Money & Securities | \$25,000 | \$500 |
| School District and Educators Legal Liability - Utica | \$1,000,000 | |
| | \$3,000,000 | (aggregate) |
| CAP | \$25,000,000 | |
| Excess Liability - Evanston | \$5,000,000 | |
| Student Accident- Bollinger & Zurich | | |
| Maximum Benefit | \$6,000,000 | per occurrence |
| | | \$500,000 |
| Public Officials Bonds | | |
| Treasurer of School Monies - Selective Insurance | \$371,000 | |
| Business Administrator - Selective Insurance | \$310,000 | |
| Assistant Business Administrator - Selective Insurance | \$160,000 | |

Source: District Records and Insurance Company.

SINGLE AUDIT SECTION

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

Independent Auditors' Report

**Honorable President and Members
of the Board of Education
School District of the Chathams
Chatham, New Jersey**

We have audited, in accordance with the auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the financial statements of the governmental activities, the business-type activities and each major fund of the School District of the Chathams in the County of Morris, New Jersey (the "District") as of and for the 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 our report thereon dated January 8, 2025.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District'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.

**Honorable President and Members
of the Board of Education
School District of the Chathams**

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

PKF O'Connor Davies, LLP

Cranford, New Jersey
January 8, 2025

Scott A. Clelland

Scott A. Clelland, CPA
Licensed Public School Accountant, No. 1049

**Report on Compliance for Each Major Federal and State
Program and Report on Internal Control Over Compliance Required
by the Uniform Guidance and NJ OMB Circular 15-08**

Independent Auditors' Report

**Honorable President and Members
of the Board of Education
School District of the Chathams
Chatham, New Jersey**

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the School District of the Chathams, in the County of Morris, New Jersey (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the 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 auditors' results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal and State Program

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

**Honorable President and Members
of the Board of Education
School District of the Chathams**

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

Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey OMB Circular 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB Circular 15-08, 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.

**Honorable President and Members
of the Board of Education
School District of the Chathams**

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal 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.

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

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

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

PKF O'Connor Davies, LLP

Cranford, New Jersey
January 8, 2025

Scott A. Clelland

Scott A. Clelland, CPA
Licensed Public School Accountant, No. 1049

**BOARD OF EDUCATION
SCHOOL DISTRICT OF THE CHATHAMS**
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

| Federal Grantor/Pass-Through Grantor/Program or Cluster Title | Federal AL Number | Federal Award Identification Number | Grant or State Project Number | Program or Award Amount | Grant Period | | Balance July 1, 2023 | Cash Received | Budgetary Expenditures | Adjustments | Balance June 30, 2024 | | Due to Grantor | Amounts Provided to Subrecipients |
|---|-------------------------|---|-------------------------------------|-------------------------------|--------------|------------|-------------------------|------------------|---------------------------|-------------|--------------------------|---------------------|-------------------|---|
| | | | | | From | To | | | | | (Accounts Receivable) | Unearned Revenue | | |
| Enterprise Fund: | | | | | | | | | | | | | | |
| U.S. Department of Agriculture Passed - Through State Department of Agriculture: Child Nutrition Program Cluster: National School Lunch Program | 10.555 | 231NJ304N1099 | N/A | \$ 103,901 | 7/1/2023 | 6/30/2024 | \$ (3,565) | \$ 3,565 | | | | | | |
| Total Child Nutrition Program Cluster | | | | | | | (3,565) | 3,565 | | | | | | |
| COVID-19 P-EBT Administrative Cost Reimbursements | 10.649 | 232121S900941 | N/A | 653 | 7/1/2023 | 6/30/2024 | | 653 | \$ 653 | | | | | |
| Total Enterprise Fund | | | | | | | (3,565) | 4,218 | 653 | | | | | |
| Special Revenue Fund: | | | | | | | | | | | | | | |
| U.S. Department of Education Passed - Through State Department of Education: E.S.E.A. Title II A | 84.367A | S367A220029 | N/A | 59,170 | 7/1/2022 | 9/30/2023 | (19,093) | 19,093 | 48,805 | | | | | |
| E.S.E.A. Title II A | 84.367A | S367A230029 | N/A | 49,721 | 7/1/2023 | 9/30/2024 | | 1,684 | 48,805 | | \$ (47,121) | | | |
| Subtotal of E.S.E.A. Title II A | | | | | | | (19,093) | 20,777 | 48,805 | | (47,121) | | | |
| E.S.E.A. Title III A | 84.365A | S365A230030 | N/A | 7,388 | 7/1/2023 | 9/30/2024 | | 7,243 | 7,243 | | | | | |
| COVID-19 Education Stabilization Fund: | | | | | | | | | | | | | | |
| COVID-19 CRRSA Act - Non-Title I | 84.425D | S425D210027 | N/A | 401,209 | 3/13/2020 | 9/30/2023 | (10,313) | 35,049 | 24,706 | | | \$ 30 | | |
| COVID-19 CRRSA Act - Learning Acceleration | 84.425D | S425D210027 | N/A | 25,000 | 3/13/2020 | 9/30/2023 | | 6,279 | 5,991 | | | 288 | | |
| COVID-19 CRRSA Act - Mental Health | 84.425D | S425D210027 | N/A | 45,000 | 3/13/2020 | 9/30/2023 | | 2,675 | | \$ (2,000) | | 675 | | |
| COVID-19 American Rescue Plan - ESSER III - Non-Title I | 84.425U | S425U210027 | N/A | 802,418 | 3/13/2020 | 9/30/2024 | (127,440) | 524,780 | 472,043 | 2,000 | (72,703) | | | |
| COVID-19 American Rescue Plan - ESSER III - Accelerated Learning Coach and Educator Support | 84.425U | S425U210027 | N/A | 301,869 | 3/13/2020 | 9/30/2024 | (58,185) | 142,059 | 92,144 | | (8,270) | | | |
| COVID-19 American Rescue Plan - ESSER III - Evidence Based Summer Learning and Enrichment | 84.425U | S425U210027 | N/A | 40,000 | 3/13/2020 | 9/30/2024 | 5,300 | 37,157 | 40,000 | (5,300) | (2,843) | | | |
| COVID-19 American Rescue Plan - ESSER III - Beyond the School Day | 84.425U | S425U210027 | N/A | 40,000 | 3/13/2020 | 9/30/2024 | 3,243 | 34,305 | 34,305 | (3,110) | | 133 | | |
| COVID-19 American Rescue Plan - ESSER III - NJTSS Mental Health Support Staffing | 84.425U | S425U210027 | N/A | 45,000 | 3/13/2020 | 9/30/2024 | (21,559) | 13,149 | | 8,410 | | | | |
| Total Education Stabilization Fund | | | | | | | (206,279) | 792,778 | 669,189 | - | (83,816) | 1,126 | | |
| Special Education Cluster: | | | | | | | | | | | | | | |
| I.D.E.A. Part B, Basic | 84.027 | H027A220100 | N/A | 845,428 | 7/1/2022 | 9/30/2023 | (83,612) | 83,612 | | | | | | |
| I.D.E.A. Part B, Basic | 84.027 | H027A230100 | N/A | 959,532 | 7/1/2023 | 9/30/2024 | | 840,713 | 884,349 | | (43,636) | | | |
| I.D.E.A. Preschool | 84.173 | H173A230114 | N/A | 28,306 | 7/1/2023 | 9/30/2024 | | 28,306 | 28,306 | | | | | |
| Subtotal of Special Education Cluster | | | | | | | (83,612) | 952,631 | 912,655 | | (43,636) | | | |
| Subtotal of US Department of Education Passed - through State Department of Education: | | | | | | | (308,984) | 1,773,429 | 1,637,892 | - | (174,573) | 1,126 | | |
| U.S. Department of the Treasury Passed - Through State Department of Treasury: | | | | | | | | | | | | | | |
| COVID-19 Coronavirus State and Local Fiscal Recovery Funds Additional or Compensatory Special Education and Related Services for Students with Disabilities | 21.027 | SLFRFDOE1SES | N/A | 168,945 | 3/1/2022 | 12/31/2025 | (168,945) | 168,945 | | | | | | |
| COVID-19 Coronavirus State and Local Fiscal Recovery Funds Additional or Compensatory Special Education and Related Services for Students with Disabilities | 21.027 | SLFRFDOE1SES | N/A | 233,571 | 3/1/2023 | 12/31/2026 | | 115,948 | 233,571 | | (117,623) | | | |
| Total U.S. Department of the Treasury Passed - Through State Department of Treasury: | | | | | | | (168,945) | 284,893 | 233,571 | | (117,623) | | | |
| Total Special Revenue Fund | | | | | | | (477,929) | 2,058,322 | 1,871,463 | - | (292,196) | 1,126 | | |
| Total expenditures of Federal Awards | | | | | | | \$ (481,494) | \$ 2,062,540 | \$ 1,872,116 | \$ - | \$ (292,196) | \$ 1,126 | \$ - | \$ - |

NC - Non-cash expenditures

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

BOARD OF EDUCATION
SCHOOL DISTRICT OF THE CHATHAMSSchedule of Expenditures of State Financial Assistance
Year Ended June 30, 2024

| State Grantor/Program Title | Grant or State Project Number | Grant Period | | Award Amount | Balance July 1, 2023 | Cash Received | Budgetary Expenditures | Repayment of Prior Years' Balances | Balance June 30, 2024 | | | MEMO | |
|---|-------------------------------|--------------|-----------|--------------|----------------------|---------------|------------------------|------------------------------------|-----------------------|------------------|----------------|----------------------|-------------------------------|
| | | From | To | | | | | | (Accounts Receivable) | Unearned Revenue | Due to Grantor | Budgetary Receivable | Cumulative Total Expenditures |
| | | | | | | | | | | | | | |
| State Department of Education: | | | | | | | | | | | | | |
| General Fund: | | | | | | | | | | | | | |
| Categorical Special Education Aid | 24-495-034-5120-089 | 7/1/2023 | 6/30/2024 | \$ 3,772,807 | | \$ 3,407,004 | \$ (3,772,807) | | | | | \$ (365,803) | \$ (3,772,807) |
| Categorical Special Education Aid | 23-495-034-5120-089 | 7/1/2022 | 6/30/2023 | 3,409,728 | \$ (329,421) | 329,421 | | | | | | | |
| Transportation Aid | 24-495-034-5120-014 | 7/1/2023 | 6/30/2024 | 723,961 | | 653,768 | (723,961) | | | | | (70,193) | (723,961) |
| Transportation Aid | 23-495-034-5120-014 | 7/1/2022 | 6/30/2023 | 723,961 | (69,944) | 69,944 | | | | | | | |
| Security Aid | 24-495-034-5120-084 | 7/1/2023 | 6/30/2024 | 283,994 | | 256,459 | (283,994) | | | | | (27,535) | (283,994) |
| Security Aid | 23-495-034-5120-084 | 7/1/2022 | 6/30/2023 | 159,916 | (15,450) | 15,450 | | | | | | | |
| Extraordinary Aid | 24-100-034-5120-473 | 7/1/2023 | 6/30/2024 | 1,791,228 | | | (1,791,228) | \$ (1,791,228) | | | | | (1,791,228) |
| Extraordinary Aid | 23-100-034-5120-473 | 7/1/2022 | 6/30/2023 | 1,374,678 | (1,374,678) | 1,374,678 | | | | | | | |
| Non-Public School Transportation Aid | 24-495-034-5120-014 | 7/1/2023 | 6/30/2024 | 137,595 | | | (137,595) | | (137,595) | | | | (137,595) |
| Non-Public School Transportation Aid | 23-495-034-5120-014 | 7/1/2022 | 6/30/2023 | 105,322 | (105,322) | 105,322 | | | | | | | |
| On-Behalf Teachers' Pension and Annuity Fund | 24-495-034-5094-002 | 7/1/2023 | 6/30/2024 | 12,600,757 | | 12,600,757 | (12,600,757) | | | | | | (12,600,757) |
| On-Behalf Teachers' Pension and Annuity Fund - Post Retirement Medical | 24-495-034-5094-001 | 7/1/2023 | 6/30/2024 | 3,429,465 | | 3,429,465 | (3,429,465) | | | | | | (3,429,465) |
| On-Behalf Teachers' Pension and Annuity Fund - Non-contributory Insurance | 24-495-034-5094-004 | 7/1/2023 | 6/30/2024 | 5,524 | | 5,524 | (5,524) | | | | | | (5,524) |
| Reimbursed TPAF Social Security Contribution | 24-495-034-5094-003 | 7/1/2023 | 6/30/2024 | 2,506,132 | | 2,381,643 | (2,506,132) | | (124,489) | | | | (2,506,132) |
| Reimbursed TPAF Social Security Contribution | 23-495-034-5094-003 | 7/1/2022 | 6/30/2023 | 2,484,140 | (123,096) | 123,096 | | | | | | | |
| Total State Department of Education | | | | | (2,017,911) | 24,752,531 | (25,251,463) | | (2,053,312) | | | (463,531) | (25,251,463) |
| State Department of Children & Families | | | | | | | | | | | | | |
| Education Services | N/A | 7/1/2021 | 6/30/2024 | 28,224 | | 28,224 | | | | | | | |
| Total State Department of Health | | | | | | | | | | | | | |
| Total General Fund | | | | | | | | | | | | | |
| | | | | | (2,017,911) | 24,780,755 | (25,251,463) | | (2,053,312) | | | (463,531) | (25,485,895) |
| Special Revenue Fund: | | | | | | | | | | | | | |
| New Jersey Nonpublic Aid: | | | | | | | | | | | | | |
| Textbook Aid | 23-100-034-5120-064 | 7/1/2022 | 6/30/2023 | 23,034 | 382 | | | \$ 382 | | | | | |
| Textbook Aid | 24-100-034-5120-064 | 7/1/2023 | 6/30/2024 | 18,730 | | 18,730 | (18,581) | | | \$ 149 | | | (18,581) |
| Auxiliary Services: | | | | | | | | | | | | | |
| Compensatory Education | 23-100-034-5120-067 | 7/1/2022 | 6/30/2023 | 10,885 | 5,732 | | | 5,732 | | | | | |
| Compensatory Education | 24-100-034-5120-067 | 7/1/2023 | 6/30/2024 | 3,596 | | 3,596 | (899) | | | 2,697 | | | (899) |
| English as a Second Language | 24-100-034-5120-067 | 7/1/2023 | 6/30/2024 | 916 | | 916 | (366) | | | 550 | | | (366) |
| Handicapped Services: | | | | | | | | | | | | | |
| Examination and Classification | 23-100-034-5120-066 | 7/1/2022 | 6/30/2023 | 35,644 | 5,877 | | | 5,877 | | | | | |
| Examination and Classification | 24-100-034-5120-066 | 7/1/2023 | 6/30/2024 | 30,719 | | 30,719 | (28,059) | | | 2,660 | | | (28,059) |
| Corrective Speech | 23-100-034-5120-066 | 7/1/2022 | 6/30/2023 | 13,020 | 3,712 | | | 3,712 | | | | | |
| Corrective Speech | 24-100-034-5120-066 | 7/1/2023 | 6/30/2024 | 11,067 | | 11,067 | (8,835) | | | 2,232 | | | (8,835) |
| Supplementary Instruction | 23-100-034-5120-066 | 7/1/2022 | 6/30/2023 | 31,388 | 4,626 | | | 4,626 | | | | | |
| Supplementary Instruction | 24-100-034-5120-066 | 7/1/2023 | 6/30/2024 | 27,258 | | 27,258 | (20,237) | | | 7,021 | | | (20,237) |
| Home Instruction | 23-100-034-5120-066 | 7/1/2022 | 6/30/2023 | 1,348 | (1,348) | 1,348 | | | | | | | |
| Home Instruction | 24-100-034-5120-066 | 7/1/2023 | 6/30/2024 | 1,635 | | | (1,635) | | (1,635) | | | | (1,635) |
| Security Aid | 23-100-034-5120-509 | 7/1/2022 | 6/30/2023 | 71,545 | 11,440 | | | 11,440 | | | | | |
| Security Aid | 24-100-034-5120-509 | 7/1/2023 | 6/30/2024 | 66,420 | | 66,420 | (63,153) | | | 3,267 | | | (63,153) |
| Technology Aid | 23-100-034-5120-373 | 7/1/2022 | 6/30/2023 | 14,658 | 304 | | | 304 | | | | | |
| Technology Aid | 24-100-034-5120-373 | 7/1/2023 | 6/30/2024 | 15,876 | | 15,876 | (15,617) | | | 259 | | | (15,617) |
| Nursing Services | 24-100-034-5120-070 | 7/1/2023 | 6/30/2024 | 38,880 | | 38,880 | (36,224) | | | 2,656 | | | (36,224) |
| Total Nonpublic Aid | | | | | 30,725 | 214,810 | (193,606) | 32,073 | (1,635) | | 21,491 | | (193,606) |
| State Department of Education: | | | | | | | | | | | | | |
| SDA Emergent Needs and Capital Maintenance in School Districts | N/A | 7/1/2023 | 6/30/2024 | 89,164 | | 89,164 | (89,164) | | | | | | (89,164) |
| Total State Department of Education: | | | | | | | | | | | | | |
| Total Special Revenue Fund | | | | | 30,725 | 303,974 | (282,770) | 32,073 | (1,635) | | 21,491 | | (282,770) |
| Debt Service Fund: | | | | | | | | | | | | | |
| Debt Service Aid | 24-495-034-5120-075 | 7/1/2023 | 6/30/2024 | 228,697 | | 228,697 | (228,697) | | | | | | (228,697) |
| Total Debt Service Fund | | | | | | 228,697 | (228,697) | | | | | | (228,697) |
| Enterprise Fund: | | | | | | | | | | | | | |
| State School Lunch Program | 23-100-010-3350-023 | 7/1/2022 | 6/30/2023 | 6,815 | (234) | 234 | | | | | | | (6,815) |
| Total Enterprise Fund | | | | | (234) | 234 | | | | | | | (6,815) |
| Total All Funds / Total Expenditures of State Financial Assistance | | | | | \$ (1,987,420) | \$ 25,313,660 | \$ (25,762,930) | \$ 32,073 | \$ (2,054,947) | \$ - | \$ 21,491 | \$ (463,531) | \$ (26,004,177) |
| State Financial Assistance Not Subject to Single Audit Determination: | | | | | | | | | | | | | |
| On-Behalf Teachers' Pension and Annuity Fund | 24-495-034-5094-002 | 7/1/2023 | 6/30/2024 | 12,600,757 | | 12,600,757 | (12,600,757) | | | | | | (12,600,757) |
| On-Behalf Teachers' Pension and Annuity Fund - Post Retirement Medical | 24-495-034-5094-001 | 7/1/2023 | 6/30/2024 | 3,429,465 | | 3,429,465 | (3,429,465) | | | | | | (3,429,465) |
| On-Behalf Teachers' Pension and Annuity Fund - Non-contributory Insurance | 24-495-034-5094-004 | 7/1/2023 | 6/30/2024 | 5,524 | | 5,524 | (5,524) | | | | | | (5,524) |
| Total State Financial Assistance Subject to Single Audit Determination | | | | | | | | | | | | | |
| | | | | | \$ (1,987,420) | \$ 9,277,914 | \$ (9,727,184) | \$ 32,073 | \$ (2,054,947) | \$ - | \$ 21,491 | \$ (463,531) | \$ (9,968,431) |

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

School District of the Chathams
Notes to Schedules of Expenditures of
Federal Awards and State Financial Assistance

Year ended June 30, 2024

1. Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance include the federal award and state financial assistance activity under programs of the federal and state government for the year ended June 30, 2024. The District is defined in Note 1 to the District's basic financial statements. All federal awards and state financial assistance 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.

The information in these schedules are 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* (Uniform Guidance) and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in these schedules may differ from amounts presented, or used in the preparation of, the basic financial statements. Because the schedules present only selected portions of the operations of the District, they are not intended to and do not present the financial position, changes in net position, or cash flows of the District.

2. Summary of Significant Accounting Policies

The expenditures reported on the accompanying schedules of expenditures of federal awards and state financial assistance (Schedules) are presented on the budgetary basis of accounting with the exception of programs recorded in the enterprise fund, which are presented using the accrual basis of accounting and those recorded in the special revenue fund, which are presented using the budgetary basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and New Jersey OMB Circular 15-08, wherein certain types of expenditures are allowable or are limited as to reimbursement. These bases of accounting is described in Note 1 to the District's basic financial statements.

3. Relationship to Basic Financial Statements

Amounts reported in the accompanying schedules agree with amounts reported in the District's basic financial statements. The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements and 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 fiscal year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

School District of the Chathams
Notes to Schedules of Expenditures of
Federal Awards and State Financial Assistance

Year ended June 30, 2024

3. Relationship to Basic Financial Statements (continued)

The general fund is presented in the accompanying schedules on the modified accrual basis of accounting except for the revenue recognition of the last state aid payments in the current year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, the payments are not recognized until the subsequent year due to the state deferral and recording of the last 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 recognizes the related revenues, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$48,716 for the general fund and \$157,731 for the special revenue fund. The net adjustment to See the Note to Required Supplementary Information (C-3) for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general fund, special revenue fund, debt service fund and enterprise fund. Financial award revenues are reported in the District's basic financial statements on a GAAP basis as follows:

| | Federal | State | Total |
|--------------------------------|---------------------|---------------------|----------------------|
| General Fund | | \$ 25,202,747 | \$ 25,202,747 |
| Special Revenue Fund | \$ 1,871,463 | 196,456 | 2,067,919 |
| Debt Service Fund | | 228,697 | 228,697 |
| Food Service Enterprise Fund | 653 | | 653 |
| Total financial award revenues | <u>\$ 1,872,116</u> | <u>\$25,627,900</u> | <u>\$ 27,500,016</u> |

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.

School District of the Chathams
Notes to Schedules of Expenditures of
Federal Awards and State Financial Assistance

Year ended June 30, 2024

5. Other

Revenues and expenditures reported under the Food Donation Program represent current year value received and current year distributions, respectively. TPAF Social Security Contributions represent the amounts reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2024. The post retirement pension, disability insurance and medical benefits received on-behalf of the District for the year ended June 30, 2024 amounted to \$16,035,746. Since on-behalf post retirement pension, disability insurance and medical benefits are paid by the State directly, these expenditures are not subject to a single audit in accordance with New Jersey OMB Circular 15-08, however, they are reported on the Schedule of Expenditures of State Financial Assistance, as directed by the funding agency.

6. Indirect Costs

The District elected not to use the 10% de minimis indirect cost rate as allowed by the Uniform Guidance.

School District of the Chathams

Schedule of Findings and Questioned Costs

Year ended June 30, 2024

Part I - Summary of Auditors' Results**Financial Statements**

Type of report the auditors issued on whether the financial statements were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Are any material weakness(es) identified?

 Yes ✓

No

Are any significant deficiency(ies) identified?

 Yes ✓

None Reported

Is any noncompliance material to financial statements noted?

 Yes ✓

No

Federal Awards

Internal control over major federal programs:

Are any material weakness(es) identified?

 Yes ✓

No

Are any significant deficiency(ies) identified?

 Yes ✓

None Reported

Type of auditors' report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

 Yes ✓

No

Identification of major federal programs:

| Federal Assistance Listing Number | FAIN Number | Name of Federal Program or Cluster |
|--|--------------------------|--|
| 84.027,84.173 | H173A230114/ H027A230100 | IDEA Part B, Basic and Preschool (Special Education Cluster) |
| 21.027 | SLFRBDOESES | COVID-19 State and Local Fiscal Recovery (ASCERS) |

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

\$750,000

Auditee qualified as low-risk auditee?

✓ Yes

No

School District of the Chathams

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2024

Part I - Summary of Auditors' Results (continued)

State Financial Assistance

Internal control over major state programs:

Are any material weakness(es) identified? _____ Yes ✓ No

Are any significant deficiency(ies) identified? _____ Yes ✓ None Reported

Type of auditors' report on compliance for major state programs:

Unmodified

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

_____ Yes ✓ No

Identification of major state programs:

| GMIS/Program Number | Name of State Program or Cluster |
|---------------------|---|
| 495-034-5094-003 | Reimbursed TPAF Social Security Contributions |

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

\$750,000

Auditee qualified as low-risk auditee?

✓ Yes _____ No

School District of the Chathams

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2024

Part II - Schedule of Financial Statement Findings

No compliance or internal control over financial reporting findings noted that are required to be reported under *Government Auditing Standards*.

School District of the Chathams

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2024

**Part III - Schedule of Federal Award and State Financial Assistance Findings and
Questioned Costs**

No federal award or state financial assistance program internal control over compliance or compliance findings or questioned costs were noted that are required to be reported in accordance with 2 CFR 200 Section .516(a) or New Jersey State OMB Circular 15-08.